

**CITY OF BRIGANTINE
REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2023**

CITY OF BRIGANTINE
TABLE OF CONTENTS

| <u>Exhibit</u> | | <u>Page No.</u> |
|----------------|---|-----------------|
| | <u>PART I</u> | |
| | Independent Auditor's Report | 1 - 3 |
| | <u>CURRENT FUND</u> | |
| A | Comparative Balance Sheet - Regulatory Basis | 4 - 5 |
| A - 1 | Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis | 6 - 7 |
| A - 2 | Statement of Revenues - Regulatory Basis | 8 - 11 |
| A - 3 | Statement of Expenditures - Regulatory Basis | 12 - 17 |
| | <u>TRUST FUND</u> | |
| B | Comparative Balance Sheet - Regulatory Basis | 18 - 19 |
| | <u>GENERAL CAPITAL FUND</u> | |
| C | Comparative Balance Sheet - Regulatory Basis | 20 |
| C - 1 | Statement of Fund Balance - Regulatory Basis | 21 |
| | <u>WATER AND SEWER UTILITY FUND</u> | |
| D | Comparative Balance Sheet - Regulatory Basis | 22 - 23 |
| D - 1 | Comparative Statement of Operations and Changes in Operating Fund Balance - Regulatory Basis | 24 |
| D - 2 | Statement of Capital Fund Balance - Regulatory Basis | 25 |
| D - 3 | Statement of Revenues - Regulatory Basis | 26 |
| D - 4 | Statement of Expenditures - Regulatory Basis | 27 |
| | <u>GENERAL FIXED ASSET ACCOUNT GROUP</u> | |
| F | Comparative Balance Sheet - Regulatory Basis | 28 |
| | NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS | 29 - 61 |

CITY OF BRIGANTINE
TABLE OF CONTENTS

Exhibit

Page No.

SUPPLEMENTAL SCHEDULES

| | |
|---|---------|
| Independent Auditor's Report - <i>Government Auditing Standards</i> | 62 - 63 |
| Independent Auditor's Report - Single Audit | 64 - 66 |
| Schedule of Expenditures of Federal Awards | 67 |
| Schedule of Expenditures of State Financial Assistance | N/A |
| Notes to Schedules of Federal Awards | 68 |
| Schedule of Findings and Questioned Costs | 69 - 71 |
| Schedule of Prior Year Findings | 72 |

CURRENT FUND

| | | |
|--------|--|---------|
| A - 4 | Schedule of Cash - Treasurer | 73 |
| A - 5 | Schedule of Cash - Collector | 74 |
| A - 6 | Schedule of Taxes Receivable and Analysis of Property Tax Levy | 75 |
| A - 7 | Schedule of Tax Title Liens | 76 |
| A - 8 | Schedule of Revenue Accounts Receivable | 77 |
| A - 9 | Schedule of Appropriation Reserves - Prior Year | 78 - 81 |
| A - 10 | Schedule of Local School Tax | 82 |
| A - 11 | Schedule of Federal and State Grants Receivable | 83 |
| A - 12 | Schedule of Reserves for Federal and State Grants - Unappropriated | 84 - 85 |
| A - 13 | Schedule of Appropriated Reserves for Federal and State Grants | 86 |

TRUST FUND

| | | |
|-------|--|----|
| B - 1 | Schedule of Animal Control Cash - Treasurer | 87 |
| B - 2 | Schedule of Other Trust Cash - Treasurer | 88 |
| B - 3 | Schedule of Reserve for Animal Control Expenditures | 89 |
| B - 4 | Schedule of Due to/(from) Current Fund - Animal Control Fund | 90 |
| B - 5 | Schedule of Amount Due to State of New Jersey | 90 |

GENERAL CAPITAL FUND

| | | |
|--------|--|-----|
| C - 2 | Schedule of Cash - Treasurer | 91 |
| C - 3 | Analysis of Cash | 92 |
| C - 4 | Schedule of Capital Improvement Fund | 93 |
| C - 5 | Schedule of Deferred Charges to Future Taxation - Funded | 94 |
| C - 6 | Schedule of Deferred Charges to Future Taxation - Unfunded | 95 |
| C - 7 | Schedule of Improvement Authorizations | 96 |
| C - 8 | Schedule of General Serial Bonds & Refunding Bonds | 97 |
| C - 8a | Schedule of Type I School Serial Bonds & Refunding Bonds | 98 |
| C - 8b | Schedule of Green Trust Loan Payable | 99 |
| C - 9 | Schedule of Bond Anticipation Notes | 100 |
| C - 10 | Schedule of Bonds and Notes Authorized But Not Issued | 101 |

CITY OF BRIGANTINE
TABLE OF CONTENTS

| <u>Exhibit</u> | | <u>Page No.</u> |
|-----------------------|---|------------------------|
| | <u>WATER AND SEWER UTILITY FUND</u> | |
| D - 5 | Schedule of Cash - Treasurer | 102 |
| D - 6 | Analysis of Cash | 103 |
| D - 7 | Analysis of Cash - Collector | N/A |
| D - 8 | Schedule of Consumer Accounts Receivable | 104 |
| D - 9 | Schedule of Utility Liens | 104 |
| D - 10 | Schedule of Appropriation Reserves - Prior Year | 105 |
| D - 11 | Schedule of Accrued Interest on Bonds and Notes and Analysis of Balance | 106 |
| D - 12 | Schedule of Improvement Authorizations | 107 |
| D - 13 | Schedule of Serial Bonds | 108 |
| D - 13a | Schedule of Refunding Bonds | N/A |
| D - 13b | Schedule of State Water System Rehabilitation Loan Payable | N/A |
| D - 13c | Schedule of Water and Sewer Loans | 109 - 110 |
| D - 14 | Schedule of Bond Anticipation Notes | N/A |
| D - 15 | Schedule of Bonds and Notes Authorized But Not Issued | 111 |
| | <u>PART II</u> | |
| | General Comments | 112 - 115 |
| | Findings and Recommendations | 116 |

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CITY OF BRIGANTINE
PART I
REPORT ON AUDIT OF
FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED
DECEMBER 31, 2023



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of City Council
City of Brigantine
County of Atlantic, New Jersey

Report on the Financial Statements

Opinions

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Basis for Opinions

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

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brigantine basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards and schedule of state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and NJ OMB 15-08 respectively, and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2024, on our consideration of the City of Brigantine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Brigantine's internal control over financial reporting and compliance.

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

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

August 5, 2024

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EXHIBIT - A
CURRENT FUND

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

| <u>ASSETS</u> | <u>2023</u> | <u>2022</u> |
|--|-------------------------|----------------------|
| Regular Fund: | | |
| Cash: | | |
| Cash Treasurer | \$ 15,559,762.92 | 14,492,995.14 |
| Change and Petty Cash Funds | 2,475.00 | 775.00 |
| Total Cash | <u>15,562,237.92</u> | <u>14,493,770.14</u> |
| Receivables and Other Assets with Full Reserves: | | |
| Delinquent Property Taxes Receivable | 328,524.11 | 315,149.70 |
| Tax Title and Other Liens | 19,892.82 | 17,879.40 |
| Property Acquired for Taxes - at Assessed Valuation | 308,862.00 | 308,862.00 |
| Revenue Accounts Receivable | 4,127.46 | 4,052.24 |
| Interfund Receivable: | | |
| Due from Water Sewer Operating | 871,560.61 | - |
| Due from Animal Control | 342.20 | 1,158.60 |
| Total Receivables and Other Assets | <u>1,533,309.20</u> | <u>647,101.94</u> |
| Total Regular Fund | <u>17,095,547.12</u> | <u>15,140,872.08</u> |
| Federal and State Grant Fund: | | |
| Cash | 228,425.74 | 247,972.42 |
| Federal and State Grants Receivable | 1,002,046.48 | 1,171,402.09 |
| Due from Current Fund | 41,976.54 | 5,400.00 |
| Total Federal and State Grant Fund | <u>1,272,448.76</u> | <u>1,424,774.51</u> |
| Total Current Fund | <u>\$ 18,367,995.88</u> | <u>16,565,646.59</u> |

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

| | <u>2023</u> | <u>2022</u> |
|--|-------------------------|----------------------|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| Regular Fund: | | |
| Liabilities: | | |
| Appropriation Reserves | \$ 1,317,149.49 | 1,653,149.57 |
| Reserve for Encumbrances | 621,193.47 | 668,466.55 |
| Accounts Payable | 19,273.24 | 19,723.24 |
| Prepaid Taxes | 1,319,562.57 | 1,346,140.75 |
| Overpaid Taxes | 60,048.20 | 57,111.53 |
| Payroll Taxes Payable | 268,339.98 | 251,379.63 |
| County Tax Payable | 287,245.12 | 84,970.22 |
| Tourism Commission | 1,310.00 | 1,310.00 |
| Due to State: | | |
| Marriage Licenses | 125.00 | - |
| Senior Citizens & Vets | 25,884.83 | 29,467.02 |
| DCA Training Fees | 5,158.00 | 13,566.00 |
| Interfund Payable: | | |
| Due General Capital Fund | 1,364,896.11 | 91,681.93 |
| Due Grant Fund | 41,976.54 | 5,400.00 |
| Due Trust Fund | 1,778.86 | - |
| Due Water-Sewer Utility Operating Fund | - | 666,861.15 |
| Other: | | |
| Tax Appeals | 503,000.00 | 502,500.00 |
| Tax Map and Property Revaluation | 300,019.00 | 300,019.00 |
| Master Plan | 20,065.02 | 20,065.02 |
| Future Capital Projects - Insurance Proceeds | - | 318,474.86 |
| Reserve for Future Capital Projects | 1,371,956.26 | 1,371,956.26 |
| Reserve for Municipal Relief Fund | 68,542.47 | 34,278.45 |
| | <u>7,597,524.16</u> | <u>7,436,521.18</u> |
| Reserve for Receivables and Other Assets | 1,533,309.20 | 647,101.94 |
| Fund Balance | <u>7,964,713.76</u> | <u>7,057,248.96</u> |
| Total Regular Fund | <u>17,095,547.12</u> | <u>15,140,872.08</u> |
| Federal and State Grant Fund: | | |
| Unappropriated Reserves | 4,255.03 | - |
| Appropriated Reserves | 1,161,355.69 | 1,385,426.96 |
| Encumbrances Payable | 106,838.04 | 39,347.55 |
| | <u>1,272,448.76</u> | <u>1,424,774.51</u> |
| Total Federal and State Grant Fund | <u>1,272,448.76</u> | <u>1,424,774.51</u> |
| Total Current Fund | <u>\$ 18,367,995.88</u> | <u>16,565,646.59</u> |

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

| | <u>2023</u> | <u>2022</u> |
|--|----------------------|----------------------|
| Revenue and Other Income Realized | | |
| Fund Balance | \$ 3,000,000.00 | 3,525,000.00 |
| Miscellaneous Revenue Anticipated | 7,730,195.97 | 6,800,269.90 |
| Receipts from Delinquent Taxes | 314,311.62 | 362,657.05 |
| Receipts from Current Taxes | 63,880,559.06 | 59,016,428.32 |
| Non Budget Revenue | 486,588.70 | 311,159.52 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Res. | 1,686,935.06 | 1,097,830.88 |
| Prior Accounts Payable | - | 12,271.41 |
| Reserves Liquidated: | | |
| Interfunds Returned | 1,158.60 | 268.60 |
| Total Income | <u>77,099,749.01</u> | <u>71,125,885.68</u> |
| Expenditures | | |
| Budget and Emergency Appropriations: | | |
| Appropriations Within "CAPS" | | |
| Operations: | | |
| Salaries and Wages | 13,459,510.00 | 13,460,050.00 |
| Other Expenses | 8,605,799.00 | 8,258,995.15 |
| Deferred Charges & Statutory Expenditures | | |
| Appropriations Within "CAPS" | 4,179,448.81 | 3,808,186.74 |
| Operations Excluded from "CAPS" | | |
| Salaries and Wages | 294,250.00 | 286,200.00 |
| Other Expenses | 681,994.62 | 786,628.77 |
| Capital Improvements - Excluded from "CAPS" | 566,000.00 | 500,000.00 |
| Municipal Debt Service - Excluded from "CAPS" | 3,783,247.43 | 3,873,547.42 |
| Deferred Charges and Statutory Expenditures | | |
| Municipal Excluded from "CAPS" | 318,350.37 | - |
| Transferred to Board of Education for Use of Local Schools | 1,136,527.44 | 1,103,860.00 |
| Local District School Tax | 15,888,114.00 | 15,863,114.00 |
| Senior Citizens' Deductions Disallowed by Collector - | | |
| Prior Year Taxes | 189.04 | 2,750.00 |
| County Tax | 23,119,705.57 | 20,320,784.17 |
| County Share of Added Tax | 287,245.12 | 84,970.22 |
| Creation of Reserve for : | | |
| Interfunds Created | 871,902.81 | 545.20 |
| Total Expenditures | <u>73,192,284.21</u> | <u>68,349,631.67</u> |
| Excess in Revenue | <u>3,907,464.80</u> | <u>2,776,254.01</u> |

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

| | <u>2023</u> | <u>2022</u> |
|---|------------------------|---------------------|
| Adjustments to Income before Fund Balance: | | |
| Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year | - | - |
| Total Adjustments | <u>-</u> | <u>-</u> |
| Statutory Excess to Fund Balance | <u>3,907,464.80</u> | <u>2,776,254.01</u> |
| Fund Balance January 1 | <u>7,057,248.96</u> | <u>7,805,994.95</u> |
| | 10,964,713.76 | 10,582,248.96 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | <u>3,000,000.00</u> | <u>3,525,000.00</u> |
| Fund Balance December 31 | <u>\$ 7,964,713.76</u> | <u>7,057,248.96</u> |

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

| | Budget | Anticipated N.J.S. 40A:4-87 | Realized | Excess or (Deficit) |
|--|-----------------|--------------------------------|--------------|------------------------|
| Fund Balance Anticipated | \$ 3,000,000.00 | | 3,000,000.00 | - |
| Total Fund Balance Anticipated | 3,000,000.00 | - | 3,000,000.00 | - |
| Miscellaneous Revenues: | | | | |
| Section A: Local Revenues | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | 12,000.00 | | 10,425.00 | (1,575.00) |
| Other | 12,800.00 | | 7,188.00 | (5,612.00) |
| Fees and Permits | 130,000.00 | | 172,253.73 | 42,253.73 |
| Fines and Costs: | | | | |
| Municipal Court | 100,000.00 | | 146,997.20 | 46,997.20 |
| Interest and Costs on Taxes | 100,000.00 | | 130,896.79 | 30,896.79 |
| Interest and Investments and Deposits | 230,000.00 | | 867,499.90 | 637,499.90 |
| Beach Fees | 900,000.00 | | 946,977.00 | 46,977.00 |
| Beach Vehicles Permits | 900,000.00 | | 874,425.00 | (25,575.00) |
| Cable Franchise Fee | 79,800.00 | | 82,221.55 | 2,421.55 |
| Emergency Medical Services | 230,000.00 | | 252,336.45 | 22,336.45 |
| Leased City Property | 275,000.00 | | 243,390.69 | (31,609.31) |
| County Share of Library Costs | 50,000.00 | | 50,000.00 | - |
| Total Section A: Local Revenues | 3,019,600.00 | - | 3,784,611.31 | 765,011.31 |
| Section B: State Aid Without Offsetting Appropriations | | | | |
| Municipal Relief Aid | 34,278.45 | | 34,278.45 | - |
| Energy Receipts Tax | 661,672.00 | | 661,672.32 | 0.32 |
| Type I School Debt Service | 156,976.00 | | 156,976.00 | - |
| Garden State Trust Fund | 15,570.00 | | 19,173.00 | 3,603.00 |
| Total Section B: State Aid Without Offsetting Appropriations | 868,496.45 | - | 872,099.77 | 3,603.32 |
| Section C: Uniform Construction Code Fees | | | | |
| Uniform Construction Code Fees | 600,000.00 | | 457,920.00 | (142,080.00) |
| Total Section C: Uniform Construction Code Fees | 600,000.00 | - | 457,920.00 | (142,080.00) |

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

| | Anticipated | | Realized | Excess or (Deficit) |
|---|-------------|-----------------|------------|------------------------|
| | Budget | N.J.S. 40A:4-87 | | |
| Section D: Special Items of General Revenue Anticipated | | | | |
| None | - | - | - | - |
| Total Section D: Special Items of General Revenue Anticipated | - | - | - | - |
| Section E: Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government | | | | |
| Services - Additional Revenues | | | | |
| Fire Prevention Inspection Fees | 308,450.00 | | 324,626.30 | 16,176.30 |
| Total Section E: Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government | 308,450.00 | - | 324,626.30 | 16,176.30 |
| Section F: Special Items - Public and Private Programs | | | | |
| Atlantic County Area Agency on Aging | | 44,928.00 | 44,928.00 | - |
| Drunk Driving Enforcement Fund | | 5,989.62 | 5,989.62 | - |
| Drive Sober or Get Pulled Over - Holiday | | 5,250.00 | 5,250.00 | - |
| Drive Sober or Get Pulled Over | | 2,800.00 | 2,800.00 | - |
| Summer Shore Pedestrian Awareness | | 5,250.00 | 5,250.00 | - |
| N.J. Transportation Trust Fund Authority- 44th Street & Cove | 261,640.00 | | 261,640.00 | - |
| Bulletproof Vest Partnership | | 6,890.00 | 6,890.00 | - |
| Automated License Plate Leader Initiative | | 31,842.00 | 31,842.00 | - |
| Cops in Shops | | 1,440.00 | 1,440.00 | - |
| Stormwater Assistance Grant | | 15,000.00 | 15,000.00 | - |
| Municipal Alliance on Alcoholism - Youth Leader | 3,124.38 | | 3,124.38 | - |
| Safe & Secure Communities Grant | 16,200.00 | | 16,200.00 | - |
| Municipal Alliance on Alcoholism and Drug Abuse | 4,503.39 | | 4,503.39 | - |
| Municipal Alliance on Alcoholism and Drug Abuse | | 4,503.39 | 4,503.39 | - |
| Clean Communities | | 49,954.06 | 49,954.06 | - |
| Click It or Ticket | | 5,250.00 | 5,250.00 | - |
| Emergency Management - EMAA Grant | | 10,000.00 | 10,000.00 | - |
| U Drive U Text U Pay | | 5,250.00 | 5,250.00 | - |
| Local Recreational Improvement Grant | | 63,000.00 | 63,000.00 | - |
| Recycling Tonnage Grant | | 17,559.78 | 17,559.78 | - |
| Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations | 285,467.77 | 274,906.85 | 560,374.62 | - |

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

| | Anticipated | | Excess or (Deficit) |
|--|---------------|-----------------|------------------------|
| | Budget | N.J.S. 40A:4-87 | |
| | | Realized | |
| Section G: Other Special Items | | | |
| Minature Golf Receipts | 24,000.00 | 24,000.00 | - |
| Golf Course Receipts | 1,000,000.00 | 1,388,089.11 | 388,089.11 |
| Reserve for Capital Projects | 318,474.86 | 318,474.86 | - |
| Total Section G: Other Special Items | 1,342,474.86 | 1,730,563.97 | 388,089.11 |
| Total Miscellaneous Revenues: | 6,424,489.08 | 7,730,195.97 | 1,030,800.04 |
| Receipts from Delinquent Taxes | 268,200.00 | 314,311.62 | 46,111.62 |
| Amount to be Raised by Taxes for Support of Municipal Budget | | | |
| Local Tax for Municipal Purposes | 23,455,881.00 | 24,966,322.44 | 1,510,441.44 |
| Addition to Local District School Tax | 979,551.44 | 979,551.44 | - |
| Total Amount to be Raised by Taxes for Support of Municipal Budget | 24,435,432.44 | 25,945,873.88 | 1,510,441.44 |
| Budget Totals | 34,128,121.52 | 36,990,381.47 | 2,587,353.10 |
| Non- Budget Revenues: | | | |
| Other Non- Budget Revenues: | - | 486,588.70 | 486,588.70 |
| | 34,128,121.52 | 37,476,970.17 | 3,073,941.80 |

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

Analysis of Realized Revenues

| | |
|--|-----------------------------|
| Allocation of Current Tax Collections: | |
| Revenue from Collections | 63,880,559.06 |
| Less: Reserve for Tax Appeals Pending | <u>-</u> |
| Net Revenue from Collections | 63,880,559.06 |
| Allocated to: | |
| School, County and Other Taxes | <u>39,295,064.69</u> |
| Balance for Support of Municipal Budget Appropriations | 24,585,494.37 |
| Increased by: | |
| Appropriation "Reserved for Uncollected Taxes" | <u>1,360,379.51</u> |
| Amount for Support of Municipal Budget Appropriations | <u><u>25,945,873.88</u></u> |

| | |
|--------------------------------------|--------------------------|
| Receipts from Delinquent Taxes: | |
| Delinquent Tax Collection | 312,677.11 |
| Tax Title Lien Collections | <u>1,634.51</u> |
| Total Receipts from Delinquent Taxes | <u><u>314,311.62</u></u> |

Analysis of Non-Budget Revenue:

| | |
|--|--------------------------|
| Miscellaneous Revenue Not Anticipated: | |
| Tax Sale Costs | 4,300.36 |
| Administrative Fee - Senior Citizens and Veterans Deductions | 1,384.58 |
| Police Special Detail-City Portion | 33,827.50 |
| Trash Cans | 5,100.00 |
| Sale of Equipment - GovDeals | 108,880.33 |
| Fines | 370.00 |
| Restitution | 1,177.00 |
| Special Charges | 7,637.60 |
| Zoning Fees | 12,750.00 |
| Street Opening Permits | 65,050.00 |
| Special Events Permits | 2,610.00 |
| Dune Maintenance Permits | 6,900.00 |
| Dog Park Permits / Dog Statutory Excess | 2,277.20 |
| Horseback Riding Permits | 700.00 |
| Copy/Notary Fees | 1,094.30 |
| Bulkhead Permits | 6,000.00 |
| List of Owners | 710.00 |
| Ice Cream Proceeds | 200.00 |
| Community Center Lease | 3,250.00 |
| Foreclosed Property | 4,450.00 |
| NSF Fees | 530.00 |
| Sidewalk Permits | 10,300.00 |
| Southern Coastal Dividend 2021 | 97,150.91 |
| Miscellaneous Collector Receipts | 54,274.71 |
| Miscellaneous | <u>55,664.21</u> |
| Total Miscellaneous Revenue Not Anticipated: | <u><u>486,588.70</u></u> |

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

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|----------------|-------------------------------|--------------------|------------|-----------|---|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| OPERATIONS WITHIN "CAPS" | | | | | | |
| GENERAL GOVERNMENT: | | | | | | |
| General Administration | | | | | | |
| Salaries & Wages | \$ 95,400.00 | 110,400.00 | 107,972.73 | | 2,427.27 | - |
| Other Expenses | 67,300.00 | 70,300.00 | 57,693.44 | 12,149.22 | 457.34 | - |
| Mayor and Council | | | | | | |
| Salaries & Wages | 37,800.00 | 37,800.00 | 37,751.22 | | 48.78 | - |
| Other Expenses | 6,000.00 | 6,000.00 | 3,147.86 | 793.14 | 2,059.00 | - |
| Municipal Clerk | | | | | | |
| Salaries & Wages | 99,600.00 | 99,600.00 | 98,217.14 | | 1,382.86 | - |
| Other Expenses | 85,400.00 | 90,400.00 | 59,270.23 | 29,689.66 | 1,440.11 | - |
| Financial Administration | | | | | | |
| Salaries & Wages | 192,800.00 | 194,800.00 | 194,144.84 | | 655.16 | - |
| Other Expenses | 40,800.00 | 48,800.00 | 46,310.96 | 591.26 | 1,897.78 | - |
| Audit Services | | | | | | |
| Other Expenses | 45,000.00 | 42,800.00 | 30,560.00 | 6,000.00 | 6,240.00 | - |
| Revenue Administration (Tax Collector) | | | | | | |
| Salaries & Wages | 115,500.00 | 115,500.00 | 115,403.12 | | 96.88 | - |
| Other Expenses | 36,200.00 | 31,200.00 | 21,198.07 | 815.26 | 9,186.67 | - |
| Tax Assessment Administration | | | | | | |
| Salaries & Wages | 148,500.00 | 148,500.00 | 147,337.71 | | 1,162.29 | - |
| Other Expenses | 34,400.00 | 34,400.00 | 12,023.40 | 5,823.87 | 16,552.73 | - |
| Legal Services | | | | | | |
| Other Expenses | 380,000.00 | 382,000.00 | 317,822.66 | 63,626.41 | 550.93 | - |
| Emergency Medical Billing | | | | | | |
| Other Expenses | 15,000.00 | 19,000.00 | 17,516.94 | | 1,483.06 | - |
| Engineering Services and Costs | | | | | | |
| Other Expenses | 140,000.00 | 140,000.00 | 116,950.14 | 18,342.50 | 4,707.36 | - |
| Municipal Court | | | | | | |
| Salaries & Wages | 142,000.00 | 142,000.00 | 141,618.37 | | 381.63 | - |
| Other Expenses | 16,000.00 | 16,000.00 | 13,517.07 | 1,829.15 | 653.78 | - |
| Public Defender | | | | | | |
| Other Expenses | 15,200.00 | 15,200.00 | 8,571.50 | 2,000.00 | 4,628.50 | - |

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

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

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--------------------------------|----------------|-------------------------------|--------------------|------------|------------|---|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| LAND USE ADMINISTRATION | | | | | | |
| Planning Board | | | | | | |
| Salaries & Wages | 10,510.00 | 10,510.00 | 10,500.10 | | 9.90 | - |
| Other Expenses | 41,000.00 | 50,000.00 | 23,541.17 | 16,035.69 | 10,423.14 | - |
| INSURANCE | | | | | | |
| General Liability | 455,363.00 | 455,363.00 | 336,723.21 | 816.00 | 117,823.79 | - |
| Workers Compensation Insurance | 335,356.00 | 335,356.00 | 335,356.00 | | - | - |
| Employee Group Insurance | 1,848,080.00 | 1,848,080.00 | 1,739,039.08 | 17,728.81 | 91,312.11 | - |
| Health Benefits Waiver | | | | | | |
| Salaries & Wages | 220,000.00 | 180,000.00 | 178,799.31 | | 1,200.69 | - |
| PUBLIC SAFETY | | | | | | |
| Fire Department | | | | | | |
| Salaries & Wages | 4,100,000.00 | 4,100,000.00 | 3,803,261.96 | | 296,738.04 | - |
| Other Expenses | 240,200.00 | 258,700.00 | 140,977.42 | 117,491.90 | 230.68 | - |
| Police Department | | | | | | |
| Salaries & Wages | 4,542,000.00 | 4,542,000.00 | 4,501,033.03 | | 40,966.97 | - |
| Other Expenses | 266,150.00 | 266,150.00 | 208,028.97 | 53,572.83 | 4,548.20 | - |
| Office of Emergency Management | | | | | | |
| Salaries & Wages | 8,500.00 | 8,500.00 | 8,461.46 | | 38.54 | - |
| Other Expenses | 10,600.00 | 10,600.00 | 2,180.25 | 1,844.22 | 6,575.53 | - |
| PUBLIC WORKS | | | | | | |
| Streets and Roads Maintenance | | | | | | |
| Salaries & Wages | 470,000.00 | 480,000.00 | 446,421.79 | | 33,578.21 | - |
| Other Expenses | 87,000.00 | 87,000.00 | 58,205.25 | 15,827.23 | 12,967.52 | - |
| Solid Waste Collection | | | | | | |
| Other Expenses | 1,640,000.00 | 1,620,000.00 | 1,329,252.00 | 36,105.24 | 254,642.76 | - |
| Recycling Program | | | | | | |
| Salaries & Wages | 28,000.00 | 35,000.00 | 34,525.44 | | 474.56 | - |
| Other Expenses | 13,500.00 | 13,500.00 | 4,848.18 | 2,168.98 | 6,482.84 | - |
| Department of Public Works | | | | | | |
| Salaries & Wages | 165,000.00 | 180,000.00 | 179,623.56 | | 376.44 | - |
| Other Expenses | 14,000.00 | 12,000.00 | 8,582.64 | 1,497.60 | 1,919.76 | - |
| Storm Water Management-OE | 45,000.00 | 28,000.00 | 1,777.52 | 19,851.75 | 6,370.73 | - |
| Buildings and Grounds | | | | | | |
| Salaries & Wages | 807,000.00 | 807,000.00 | 771,059.98 | | 35,940.02 | - |
| Other Expenses | 388,300.00 | 418,300.00 | 336,255.85 | 63,975.47 | 18,068.68 | - |

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

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

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|---|----------------|-------------------------------|--------------------|------------|-----------|---|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| Demolition | | | | | | |
| Other Expenses | 50,000.00 | - | | | - | - |
| Golf Course Operations | | | | | | |
| Other Expenses | 858,000.00 | 915,000.00 | 893,000.00 | | 22,000.00 | - |
| Vehicle Maintenance | | | | | | |
| Salaries & Wages | 92,400.00 | 93,400.00 | 88,975.96 | | 4,424.04 | |
| Other Expenses | 150,000.00 | 125,000.00 | 96,743.28 | 22,636.54 | 5,620.18 | |
| HEALTH AND HUMAN SERVICES | | | | | | |
| Dog Regulation | | | | | | |
| Other Expenses | 18,500.00 | 18,500.00 | 14,575.00 | | 3,925.00 | - |
| PARKS AND RECREATION | | | | | | |
| Beach Patrol and Maintenance | | | | | | |
| Salaries & Wages | 1,030,000.00 | 1,030,000.00 | 987,158.04 | | 42,841.96 | - |
| Other Expenses | 67,550.00 | 62,550.00 | 61,513.09 | | 1,036.91 | - |
| Beach Fee Program | | | | | | |
| Salaries & Wages | 200,000.00 | 200,000.00 | 194,943.28 | | 5,056.72 | - |
| Other Expenses | 42,500.00 | 46,500.00 | 31,856.90 | 14,530.00 | 113.10 | - |
| Parks and Playgrounds (Recreation) | | | | | | |
| Salaries & Wages | 316,000.00 | 316,000.00 | 308,308.18 | | 7,691.82 | - |
| Other Expenses | 19,600.00 | 19,600.00 | 12,653.00 | 2,289.81 | 4,657.19 | - |
| Cultural Arts | | | | | | |
| Other Expenses | 5,000.00 | 5,000.00 | 5,000.00 | | - | - |
| Grant Coordinator | | | | | | |
| Other Expenses | 35,000.00 | 32,790.00 | 21,060.00 | 11,730.00 | - | - |
| UNIFORM CONSTRUCTION CODE | | | | | | |
| Construction Official | | | | | | |
| Salaries & Wages | 378,500.00 | 378,500.00 | 350,757.25 | | 27,742.75 | - |
| Other Expenses | 20,300.00 | 20,300.00 | 19,310.97 | 778.04 | 210.99 | - |
| UNCLASSIFIED | | | | | | |
| Accumulated Leave Compensation | 250,000.00 | 250,000.00 | 250,000.00 | | - | - |
| Maintenance Agreements - Contractual | 130,000.00 | 135,000.00 | 129,038.33 | 3,000.00 | 2,961.67 | - |
| Storm Reserve | 50,000.00 | 50,000.00 | 50,000.00 | | - | - |

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

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

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|----------------------|-------------------------------|----------------------|-------------------|---------------------|---|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| UTILITY EXPENSES AND BULK PURCHASES | | | | | | |
| Electric | 220,000.00 | 240,000.00 | 228,738.15 | 8,060.87 | 3,200.98 | - |
| Street Lighting | 235,000.00 | 235,000.00 | 206,138.39 | 7,824.86 | 21,036.75 | - |
| Telephone | 115,000.00 | 135,000.00 | 124,463.91 | 10,452.82 | 83.27 | - |
| Gas | 68,000.00 | 68,000.00 | 64,049.02 | 3,950.98 | 0.00 | - |
| Fuel | 250,000.00 | 183,410.00 | 154,131.98 | 24,800.36 | 4,477.66 | - |
| Cable | 15,000.00 | 15,000.00 | 12,866.66 | 722.83 | 1,410.51 | - |
| TOTAL OPERATIONS WITHIN "CAPS" | 22,064,809.00 | 22,065,309.00 | 20,310,762.96 | 599,353.30 | 1,155,192.74 | - |
| Contingent | 500.00 | - | | | - | - |
| TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS" | 22,065,309.00 | 22,065,309.00 | 20,310,762.96 | 599,353.30 | 1,155,192.74 | - |
| Detail: | | | | | | |
| Salaries & Wages | 13,449,510.00 | 13,459,510.00 | 12,956,274.47 | - | 503,235.53 | - |
| Other Expenses | 8,615,799.00 | 8,605,799.00 | 7,354,488.49 | 599,353.30 | 651,957.21 | - |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES: | | | | | | |
| Deferred Charges: | | | | | | |
| None | - | - | | | | - |
| Statutory Expenditures: | | | | | | |
| Contributions to: | | | | | | |
| Public Employees' Retirement System | 576,411.81 | 576,411.81 | 576,411.81 | | - | - |
| Social Security System (O.A.S.I.) | 1,000,000.00 | 1,000,000.00 | 981,098.74 | | 18,901.26 | - |
| Police and Firemen's Retirement System | 2,504,037.00 | 2,504,037.00 | 2,504,037.00 | | - | - |
| Unemployment Compensation Insurance | 35,000.00 | 35,000.00 | 14,127.57 | | 20,872.43 | - |
| Lifeguard Pension | 60,000.00 | 60,000.00 | 60,000.00 | | - | - |
| Defined Contribution Retirement Program | 4,000.00 | 4,000.00 | 2,762.71 | | 1,237.29 | - |
| TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES: | 4,179,448.81 | 4,179,448.81 | 4,138,437.83 | - | 41,010.98 | - |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS" | 26,244,757.81 | 26,244,757.81 | 24,449,200.79 | 599,353.30 | 1,196,203.72 | - |
| OPERATIONS - EXCLUDED FROM "CAPS" | | | | | | |
| (A) Operations - Excluded from "CAPS" | | | | | | |
| Reserve for Tax Appeals | 500.00 | 500.00 | 500.00 | | - | - |
| Employee Group Insurance | 101,920.00 | 101,920.00 | | | 101,920.00 | - |
| Fire Prevention Inspections | 294,250.00 | 294,250.00 | 284,725.37 | | 9,524.63 | - |
| Salaries & Wages | 14,200.00 | 14,200.00 | 5,447.72 | 7,466.00 | 1,286.28 | - |
| Other Expenses | 308,450.00 | 308,450.00 | 290,173.09 | 7,466.00 | 10,810.91 | - |

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

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

| | Appropriations | | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|----------------|-------------------------------|--------------------|------------|---|
| | Budget | Budget After Modifications | Paid or Charged | Encumbered | |
| (A) Public and Private Programs Off-Set by Revenues | | | | | |
| Matching Funds for Grants | 5,000.00 | 5,000.00 | 5,000.00 | - | - |
| Drunk Driving Enforcement Fund | | 5,989.62 | 5,989.62 | - | - |
| Summer Shore Pedestrian Awareness | | 5,250.00 | 5,250.00 | - | - |
| Automated License Plate Leader Initiative | | 31,842.00 | 31,842.00 | - | - |
| N.J. Transportation Trust Fund Authority- 44th Street & Cove | 261,640.00 | 261,640.00 | 261,640.00 | - | - |
| Bulletproof Vest Partnership | | 6,890.00 | 6,890.00 | - | - |
| Drive Sober or Get Pulled Over | | 5,250.00 | 5,250.00 | - | - |
| Drive Sober or Get Pulled Over | | 2,800.00 | 2,800.00 | - | - |
| Municipal Alliance on Alcoholism - Youth Leader | 3,124.38 | 3,124.38 | 3,124.38 | - | - |
| Safe & Secure Communities Grant | 16,200.00 | 16,200.00 | 16,200.00 | - | - |
| Municipal Alliance on Alcoholism and Drug Abuse | | 4,503.39 | 4,503.39 | - | - |
| Municipal Alliance on Alcoholism and Drug Abuse - County | 4,503.39 | 4,503.39 | 4,503.39 | - | - |
| Cops in Shops | | 1,440.00 | 1,440.00 | - | - |
| Stormwater Assistance Grant | | 15,000.00 | 15,000.00 | - | - |
| Clean Communities | | 49,954.06 | 49,954.06 | - | - |
| Click It or Ticket | | 5,250.00 | 5,250.00 | - | - |
| U Drive U Text U Pay | | 5,250.00 | 5,250.00 | - | - |
| Emergency Management - EMAA Grant | | 10,000.00 | 10,000.00 | - | - |
| Local Recreational Improvement Grant | | 63,000.00 | 63,000.00 | - | - |
| Atlantic County-Nutritional Office of Aging | | 44,928.00 | 44,928.00 | - | - |
| Recycling Tonnage Grant | | 17,559.78 | 17,559.78 | - | - |
| Total Public and Private Programs Off-Set by Revenues | 290,467.77 | 565,374.62 | 565,374.62 | - | - |
| Total Operations - Excluded from "CAPS" | | | | | |
| Detail: | | | | | |
| Salaries & Wages | 701,337.77 | 976,244.62 | 856,047.71 | 7,466.00 | 112,730.91 |
| Other Expenses | 294,250.00 | 294,250.00 | 284,725.37 | - | 9,524.63 |
| | 407,087.77 | 681,994.62 | 571,322.34 | 7,466.00 | 103,206.28 |
| (C) Capital Improvements | | | | | |
| Capital Improvement Fund | 540,000.00 | 540,000.00 | 540,000.00 | - | - |
| Improvements to Recreational Grounds & Facilities | 26,000.00 | 26,000.00 | 3,410.97 | 14,374.17 | 8,214.86 |
| Total Capital Improvements | 566,000.00 | 566,000.00 | 543,410.97 | 14,374.17 | 8,214.86 |
| (D) Debt Service | | | | | |
| Payment of Bond Principal | 2,960,000.00 | 2,960,000.00 | 2,960,000.00 | - | - |
| Payment of Bond Anticipation Notes and Capital Notes | 185,000.00 | 185,000.00 | 185,000.00 | - | - |
| Interest on Bonds | 600,937.50 | 600,937.52 | 600,937.52 | - | - |
| Interest on Notes | 15,000.00 | 15,000.00 | - | - | 15,000.00 |
| Green Trust Loan Program: | | | | | |
| Loan Repayments for Principal & Interest | 39,831.12 | 39,831.10 | 37,309.91 | - | 2,521.19 |
| Total Debt Service | 3,800,768.62 | 3,800,768.62 | 3,783,247.43 | - | 17,521.19 |

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

| | Appropriations | | Expended | | (Over expended) Unexpended Balance Cancelled |
|---|-------------------------|-------------------------------|----------------------|-------------------|---|
| | Budget | Budget After Modifications | Paid or Charged | Encumbered | |
| (E) Deferred Charges - Municipal - Excluded from "CAPS" | | | | | |
| Deferred Charges to Future Taxation: | | | | | |
| Ordinance #24-18 | 9,053.64 | 9,053.64 | 9,053.64 | - | - |
| Ordinance #26-18 | 303,196.73 | 303,196.73 | 303,196.73 | - | - |
| Ordinance #12-19 | 2,250.00 | 2,250.00 | 2,250.00 | - | - |
| Ordinance #20-22 | 3,850.00 | 3,850.00 | 3,850.00 | - | - |
| Total Deferred Charges - Municipal - Excluded from "CAPS" | <u>318,350.37</u> | <u>318,350.37</u> | <u>318,350.37</u> | <u>-</u> | <u>-</u> |
| (I) Local School District Purposes - Excluded from "CAPS" | | | | | |
| Type I District School Debt Service | 520,000.00 | 520,000.00 | 520,000.00 | - | - |
| Payment of Bond Principal | 31,200.00 | 31,200.00 | 31,200.00 | - | - |
| Interest on Bonds | | | | | |
| (J) Deferred Charges and Statutory Expenditures - Excluded from "CAPS" | | | | | |
| Capital Project for Land, Building or Equipment | 585,327.44 | 585,327.44 | 585,327.44 | - | - |
| (K) TOTAL MUNICIPAL APPROPRIATIONS FOR LOCAL SCHOOL DISTRICT PURPOSES EXCLUDED FROM "CAPS" | <u>1,136,527.44</u> | <u>1,136,527.44</u> | <u>1,136,527.44</u> | <u>-</u> | <u>-</u> |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS" | <u>6,522,984.20</u> | <u>6,797,891.05</u> | <u>6,637,583.92</u> | <u>21,840.17</u> | <u>17,521.19</u> |
| SUBTOTAL GENERAL APPROPRIATIONS | <u>32,767,742.01</u> | <u>33,042,648.86</u> | <u>31,086,784.71</u> | <u>621,193.47</u> | <u>17,521.19</u> |
| (M) Reserve for Uncollected Taxes | <u>1,360,379.51</u> | <u>1,360,379.51</u> | <u>1,360,379.51</u> | <u>-</u> | <u>-</u> |
| TOTAL GENERAL APPROPRIATIONS | <u>\$ 34,128,121.52</u> | <u>34,403,028.37</u> | <u>32,447,164.22</u> | <u>621,193.47</u> | <u>17,521.19</u> |
| Budget | | 34,128,121.52 | | Cancelled | 17,521.19 |
| Appropriations by 40A.4-87 | | 274,906.85 | | Overexpended | - |
| | | <u>34,403,028.37</u> | | | <u>17,521.19</u> |
| Reserve for Uncollected Taxes | | 1,360,379.51 | | | |
| Federal and State Grants | | 560,374.62 | | | |
| Reserve for Tax Appeals | | 500.00 | | | |
| Deferred Charges | | 903,677.81 | | | |
| Disbursements | | 29,622,232.28 | | | |
| | | <u>32,447,164.22</u> | | | |

EXHIBIT - B
TRUST FUND

**TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

| | <u>2023</u> | <u>2022</u> |
|----------------------------|------------------------|---------------------|
| <u>Assets</u> | | |
| <u>Animal Control Fund</u> | | |
| Cash and Investments | \$ 1,589.20 | 2,272.20 |
| | <u>1,589.20</u> | <u>2,272.20</u> |
| <u>Other Funds</u> | | |
| Cash and Investments | 6,096,430.15 | 5,895,497.13 |
| Due from Current Fund | 1,778.86 | - |
| | <u>6,098,209.01</u> | <u>5,895,497.13</u> |
| | <u>\$ 6,099,798.21</u> | <u>5,897,769.33</u> |

TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,

| | <u>2023</u> | <u>2022</u> |
|---|-------------------------------|----------------------------|
| <u>Liabilities, Reserves and Fund Balance</u> | | |
| <u>Animal Control Fund</u> | | |
| Reserve for Animal Control Expenditures | \$ 1,247.00 | 1,113.60 |
| Due to Current Fund | 342.20 | 1,158.60 |
| | <u>1,589.20</u> | <u>2,272.20</u> |
| <u>Other Funds</u> | | |
| Reserve for Accumulated Absences | 900,099.57 | 902,792.67 |
| Reserve for Special Law Enforcement | 54,957.71 | 58,600.95 |
| Reserve for Police Special Detail Escrow | 67,602.50 | 4,950.01 |
| Reserve for POAA | 986.00 | 426.00 |
| Reserve for Engineering Escrow | 189,455.27 | 213,372.73 |
| Reserve for Lifeguard Pension | 596,711.05 | 562,029.76 |
| Reserve for Recreation | 91,279.30 | 85,471.07 |
| Reserve for Recreation-Benches/Bike Racks | 18,886.53 | 21,489.02 |
| Reserve for Recreation Green Team | 50,709.65 | 53,280.12 |
| Reserve for Garden Club | 10,428.02 | 9,081.00 |
| Reserve for COAH | 3,102,834.01 | 2,472,606.92 |
| Reserve for Tax Title Lien Redemptions | 15,051.63 | 247,757.99 |
| Reserve for Tax Title Lien Premiums | 219,100.00 | 527,504.00 |
| Reserve for Due to Third Parties Eng Escrow | 20,594.25 | 20,594.25 |
| Reserve for Fire Prevention | 4,705.00 | 4,705.00 |
| Reserve for Storm Expenses | 746,457.44 | 696,457.44 |
| Reserve for Municipal Alliance Donations | 8,351.08 | 14,378.20 |
| | <u>6,098,209.01</u> | <u>5,895,497.13</u> |
| | \$ <u><u>6,099,798.21</u></u> | <u><u>5,897,769.33</u></u> |

EXHIBIT - C
GENERAL CAPITAL FUND

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

| | <u>2023</u> | <u>2022</u> |
|---|-------------------------|----------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 10,376,876.03 | 6,984,196.89 |
| Grant Receivable - FEMA House Raising 2017 | 5,349,388.62 | 6,200,726.99 |
| Due from Current Fund | 1,364,896.11 | 91,681.93 |
| Deferred Charges to Future Taxation - | | |
| Funded | 16,015,514.19 | 19,530,331.12 |
| Unfunded | 29,208,274.00 | 16,525,827.81 |
| | <u>62,314,948.95</u> | <u>49,332,764.74</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| Serial Bonds Payable | 15,370,000.00 | 18,330,000.00 |
| School Type I Bonds Payable | 520,000.00 | 1,040,000.00 |
| Green Trust Loan Payable | 125,514.19 | 160,331.12 |
| Bond Anticipation Notes | 13,650,000.00 | 185,000.00 |
| Improvement Authorizations: | | |
| Funded | 6,677,073.93 | 9,861,047.02 |
| Unfunded | 17,395,941.38 | 12,296,698.16 |
| Reserve for Encumbrances | 7,896,140.32 | 6,729,782.29 |
| Accounts Payable | 82,553.13 | 95,844.15 |
| Reserve for Debt Service | 148,460.00 | - |
| Reserve for Future Capital Project | 264,555.00 | 264,555.00 |
| Capital Improvement Fund | 6,304.00 | 191,100.00 |
| Fund Balance | 178,407.00 | 178,407.00 |
| | <u>\$ 62,314,948.95</u> | <u>49,332,764.74</u> |

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

| | |
|------|---------------|
| 2022 | 16,340,827.81 |
| 2023 | 15,558,274.00 |

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

| | <u>2023</u> | <u>2022</u> |
|----------------------------------|----------------------|-------------------|
| Beginning Balance January 1 | \$ 178,407.00 | 130,101.56 |
| Increased by: | | |
| Close Improvement Authorizations | - | 48,305.44 |
| Decreased by: | | |
| None | - | - |
| Ending Balance December 31 | \$ <u>178,407.00</u> | <u>178,407.00</u> |

EXHIBIT - D
WATER AND SEWER UTILITY FUND

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

| | <u>2023</u> | <u>2022</u> |
|--|-------------------------|----------------------|
| <u>ASSETS</u> | | |
| Operating Fund: | | |
| Cash | \$ 5,022,555.18 | 4,498,096.23 |
| Interfunds and Receivables: | | |
| Due from Water Sewer Capital | 523,927.54 | 114,147.78 |
| Due from Current Fund | - | 666,861.15 |
| | <u>5,546,482.72</u> | <u>5,279,105.16</u> |
| Receivables and Other Assets with Full Reserves: | | |
| Consumer Accounts Receivable | 99,461.04 | 386,722.42 |
| | <u>99,461.04</u> | <u>386,722.42</u> |
| Total Operating Fund | <u>5,645,943.76</u> | <u>5,665,827.58</u> |
| Capital Fund: | | |
| Cash | 9,971,814.61 | 12,660,552.40 |
| New Jersey EIT Receivable | 24,227.00 | 24,227.00 |
| Fixed Capital | 39,841,830.02 | 39,841,830.02 |
| Fixed Capital - Authorized and Uncompleted | 26,495,469.59 | 19,383,469.59 |
| Total Capital Fund | <u>76,333,341.22</u> | <u>71,910,079.01</u> |
| | <u>\$ 81,979,284.98</u> | <u>77,575,906.59</u> |

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

| | 2023 | 2022 |
|---|-------------------------|----------------------|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| Operating Fund: | | |
| Appropriation Reserves | \$ 557,365.15 | 337,609.28 |
| Reserve for Encumbrances | 279,406.35 | 446,706.17 |
| Accounts Payable | 1,621.67 | - |
| Prepaid Rents | 1,791,064.35 | - |
| Overpaid Rents | 44,097.98 | 1,246,583.88 |
| Accrued Interest on Bonds and Notes | 98,866.15 | 116,666.15 |
| Reserve for Insurance Proceeds | 5,500.00 | 5,500.00 |
| Due to Current Fund | 871,560.61 | - |
| | <u>3,649,482.26</u> | <u>2,153,065.48</u> |
| Reserve for Receivables | 99,461.04 | 386,722.42 |
| Fund Balance | 1,897,000.46 | 3,126,039.68 |
| Total Operating Fund | <u>5,645,943.76</u> | <u>5,665,827.58</u> |
| Capital Fund: | | |
| Encumbrances Payable | 5,230,108.24 | 7,153,397.83 |
| Serial Bonds Payable | 11,920,000.00 | 13,160,000.00 |
| NJEIT Bonds & Loans | 2,429,750.60 | 2,820,604.83 |
| Improvement Authorizations: | | |
| Funded | 6,015,648.87 | 7,190,876.83 |
| Unfunded | 7,162,827.00 | 50,827.00 |
| Due to Water Sewer Operating | 523,927.54 | 114,147.78 |
| Reserve for Amortization | 42,980,199.01 | 41,349,344.78 |
| Reserve for American Recovery Plan | 383.00 | 383.00 |
| Deferred Reserve for Amortization | 70,350.00 | 70,350.00 |
| Fund Balance | 146.96 | 146.96 |
| Total Capital Fund | <u>76,333,341.22</u> | <u>71,910,079.01</u> |
| | <u>\$ 81,979,284.98</u> | <u>77,575,906.59</u> |

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

| | |
|------|--------------|
| 2022 | 1,825,000.00 |
| 2023 | 8,937,000.00 |

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

| | <u>2023</u> | <u>2022</u> |
|--|------------------------|---------------------|
| Revenue and Other Income Realized | | |
| Fund Balance Utilized | \$ 1,433,258.00 | 1,148,797.68 |
| Water and Sewer Rents | 5,232,731.24 | 5,835,997.58 |
| Reserve for Debt Service | - | 96,057.32 |
| Miscellaneous | 586,162.87 | 272,343.34 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 422,523.40 | 398,443.63 |
| Total Income | <u>7,674,675.51</u> | <u>7,751,639.55</u> |
| Expenditures | | |
| Operations: | | |
| Salaries and Wages | 1,250,000.00 | 1,250,000.00 |
| Other Expenses | 3,922,200.00 | 3,756,000.00 |
| Debt Service | 2,055,256.73 | 2,004,720.69 |
| Deferred Charges and Statutory Expenditures | 243,000.00 | 243,000.00 |
| Refunds | - | 335.00 |
| Total Expenditures | <u>7,470,456.73</u> | <u>7,254,055.69</u> |
| Excess in Revenue | <u>204,218.78</u> | <u>497,583.86</u> |
| Adjustments to Income before Fund Balance: | | |
| Expenditures included above which are by | | |
| Statute Deferred Charges to Budgets of | | |
| Succeeding Year | - | - |
| Total Adjustments | <u>-</u> | <u>-</u> |
| Excess in Operations | <u>204,218.78</u> | <u>497,583.86</u> |
| Fund Balance January 1 | <u>3,126,039.68</u> | <u>3,777,253.50</u> |
| | 3,330,258.46 | 4,274,837.36 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | <u>1,433,258.00</u> | <u>1,148,797.68</u> |
| Fund Balance December 31 | <u>\$ 1,897,000.46</u> | <u>3,126,039.68</u> |

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

| | <u>2023</u> | <u>2022</u> |
|----------------------------------|------------------|---------------|
| Beginning Balance January 1 | \$ 146.96 | - |
| Increased by: | | |
| Close Improvement Authorizations | - | 146.96 |
| Decreased by: | | |
| None | - | - |
| Ending Balance December 31 | \$ <u>146.96</u> | <u>146.96</u> |

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

| | Anticipated Budget | Realized | Excess or (Deficit) |
|----------------------|------------------------|---------------------|------------------------|
| Anticipated Revenue: | | | |
| Surplus Anticipated | \$ 1,433,258.00 | 1,433,258.00 | - |
| Water & Sewer Rents | 5,835,000.00 | 5,232,731.24 | (602,268.76) |
| Miscellaneous | 225,000.00 | 586,162.87 | 361,162.87 |
| | <u>\$ 7,493,258.00</u> | <u>7,252,152.11</u> | <u>(241,105.89)</u> |

Analysis of Realized Revenue:

| | | |
|---------------------------|--------------|---------------------|
| Water and Sewer Rents | | |
| Accounts Receivable | 5,232,731.24 | |
| Total Water & Sewer Rents | | <u>5,232,731.24</u> |
| Miscellaneous Revenue | | |
| Penalties and Interest | 31,609.93 | |
| Interest on Investments | 445,107.23 | |
| Water Reading Fees | 8,190.00 | |
| Meter Parts/Set Up | 93,484.88 | |
| Miscellaneous | 7,770.83 | |
| Total Miscellaneous | | <u>586,162.87</u> |

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

| | Appropriations | | Expended | | (Over expended) Unexpended Balance Cancelled |
|---|---------------------|-------------------------------|---------------------|-------------------|---|
| | Budget | Budget After Modifications | Paid or Charged | Encumbered | |
| Operations: | | | | | |
| Salaries and Wages | \$ 1,250,000.00 | 1,250,000.00 | 1,155,161.92 | | 94,838.08 |
| Other Expenses | 3,922,200.00 | 3,922,200.00 | 3,196,405.79 | 279,406.35 | 446,387.86 |
| | <u>5,172,200.00</u> | <u>5,172,200.00</u> | <u>4,351,567.71</u> | <u>279,406.35</u> | <u>541,225.94</u> |
| | | | | | - |
| Debt Service: | | | | | |
| Payment of Bond Principal | 1,630,855.00 | 1,630,855.00 | 1,625,854.23 | | 5,000.77 |
| Interest on Bonds | 447,203.00 | 447,203.00 | 429,402.50 | | 17,800.50 |
| | <u>2,078,058.00</u> | <u>2,078,058.00</u> | <u>2,055,256.73</u> | <u>-</u> | <u>22,801.27</u> |
| | | | | | |
| Deferred Charges and Statutory Expenditures: | | | | | |
| Contribution to: Public Employees Retirement System | 145,000.00 | 145,000.00 | 145,000.00 | | - |
| Social Security System (O.A.S.I.) | 95,500.00 | 95,500.00 | 81,860.79 | | 13,639.21 |
| Unemployment Compensation Insurance | 2,500.00 | 2,500.00 | | | 2,500.00 |
| | <u>243,000.00</u> | <u>243,000.00</u> | <u>226,860.79</u> | <u>-</u> | <u>16,139.21</u> |
| | | | | | - |
| | <u>7,493,258.00</u> | <u>7,493,258.00</u> | <u>6,633,685.23</u> | <u>279,406.35</u> | <u>22,801.27</u> |
| | | | | | |
| | | Cash Disbursed \$ | 6,651,485.23 | Cancelled | 22,801.27 |
| | | Accrued Interest | (17,800.00) | Overexpended | - |
| | | | <u>6,633,685.23</u> | | <u>22,801.27</u> |

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

EXHIBIT - F
GENERAL FIXED ASSETS ACCOUNT GROUP

**CITY OF BRIGANTINE
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

| | <u>2023</u> | <u>2022</u> |
|--|-------------------------------------|---------------------------------|
| General Fixed Assets: | | |
| Land, Buildings and Improvements | \$ 163,584,200.00 | 84,007,275.26 |
| Machinery and Equipment | <u>12,274,635.00</u> | <u>10,176,706.05</u> |
| Total General Fixed Assets | <u><u>175,858,835.00</u></u> | <u><u>94,183,981.31</u></u> |
| Investment in General Fixed Assets | <u><u>\$ 175,858,835.00</u></u> | <u><u>94,183,981.31</u></u> |

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Brigantine is an island community in the County of Atlantic, State of New Jersey. The City comprises an area of approximately 6.39 square miles with a population according to the 2020 census of 7,716.

The City is incorporated and operates under a Mayor - Council form of government. The Mayor is the chief officer of the City. The Council exercises the legislative power. The Manager oversees the day-to-day operation of the City. The Mayor and Council members are elected by the voters and the Manager is appointed by the Mayor and Council.

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

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

B. Description of Funds

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

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

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

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

Water and Sewer Operating and Capital Funds -- account for the operations of the water and sewer utility and acquisition of capital facilities of the municipally owned water and sewer utility.

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

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

C. Basis of Accounting

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

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

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

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

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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

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

General Fixed Assets -- The City has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$5,000.00 are capitalized.

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

No depreciation has been provided for in the financial statements.

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

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

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

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

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

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

Levy of Utility Charges – The City operates a water and sewer utility fund. Rates are determined by ordinance and changed as necessary. Water and Sewer charges are based on flat fees and usage based on the type of City. Water charges are billed semi-annually and due June and December 1st. Sewer charges are billed semi-annually and due January and July 1st.

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

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

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

D. Required Financial Statements

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

E. Comparative Data

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

F. Recent Accounting Pronouncements Not Yet Effective

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No.99, "Omnibus 2022". This statement, and the requirements related to leases, PPP's and SBITAs which is effective for fiscal years beginning after June 15, 2022, and all reporting periods, thereafter, may have an effect on the City's financial statements. This statement, and the requirements related financial guarantees and the classification and reporting of derivative instruments which is effective for fiscal years beginning after June 15, 2023, and all reporting periods, thereafter, will not have any effect on the City's financial reporting.

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

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

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

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

NOTE 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the City is required to establish a reserve for uncollected taxes. The 2023 and 2022 statutory budgets included a reserve for uncollected taxes in the amount of \$1,360,379.51 and \$1,278,147.99. To balance the budget, the City is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2023 and 2022 statutory budgets was \$3,000,000.00 and \$3,525,000.00. In addition, the City operates a self-liquidating water and sewer utility. Under New Jersey Statutes a separate budget for the utility must be adopted concurrently with the operating budget of the City. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The fund balance budgeted to balance the water and sewer utility budget in 2023 and 2022 was \$1,433,258.00 and \$1,148,797.68.

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

| <u>Budget Category</u> | <u>2023</u> | <u>2022</u> |
|--|--------------|-------------|
| Clean Communities Program | \$ 49,954.06 | 44,537.26 |
| Local Recreational Improvement Grant | 63,000.00 | |
| Click it or Ticket | 5,250.00 | 2,800.00 |
| Safe and Secure Communities Program | | 16,200.00 |
| Recycling Tonnage Grant | 17,559.78 | 15,078.93 |
| Emergency Management - EMAA Grant | 10,000.00 | |
| Drive Sober or Get Pulled Over | 2,800.00 | 3,840.00 |
| Drive Sober or Get Pulled Over-Holiday | 5,250.00 | 2,800.00 |
| Municipal Alliance | 4,503.39 | 4,503.39 |
| Municipal Alliance Youth Leader | | 3,124.38 |
| Stormwater Assistance Grant | 15,000.00 | |
| Drunk Driving Enforcement Fund | 5,989.62 | 4,450.00 |
| American Rescue Plan Firfighters Grant | | 26,000.00 |
| N.J. Transportation Trust Fund Authroity- 44th Street & Cove | | 261,640.00 |
| Bulletproof Vest Partnership | 6,890.00 | 6,360.00 |
| NJUCG Green Communities | | 3,000.00 |
| U Drive U Text U Pay | 5,250.00 | 2,800.00 |
| Automated License Plate Leader Initiative | 31,842.00 | |
| Cops in Shops | 1,440.00 | |
| Atlantic County Area Agency on Aging | 44,928.00 | |
| Summer Shore Pedestrian Awareness | 5,250.00 | |

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

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

| <u>Budget Category</u> | <u>2023</u> | <u>2022</u> |
|--|-------------|-------------|
| <u>Current Fund:</u> | | |
| Legal Services | | |
| Other Expenses | \$ | 70,000.00 |
| Insurance | | |
| Health Benefits Waiver Salaries & Wages | (40,000.00) | |
| Engineering Services and Costs | | |
| Other Expenses | | (27,500.00) |
| Police Department | | |
| Salaries and Wages | | (50,000.00) |
| Other Expenses | | 50,000.00 |
| Buildings and Grounds | | |
| Other Expenses | 30,000.00 | |
| Demolition | | |
| Other Expenses | (50,000.00) | |
| Golf Course Operations | | |
| Other Expenses | 57,000.00 | |
| Vehicle Maintenance | | |
| Other Expenses | (25,000.00) | |
| Fuel | (66,590.00) | |
| <u>Water Sewer Utility Operating Fund:</u> | None | None |

The City may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. As of December 31, 2023, the City did not have any special emergency appropriations.

NOTE 3: INVESTMENTS

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

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

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

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

NOTE 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the City in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2023, \$296,076.36 of the City's bank balance of \$47,400,434.38 was exposed to custodial credit risk. As of December 31, 2022, \$280,563.57 of the City's bank balance of \$44,920,670.13 was exposed to custodial credit risk.

New Jersey Cash Management Fund – During the year, the City participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Funds are not subject to custodial credit risk as defined above. At December 31, 2023 the City's deposits with the New Jersey Cash Management Fund were \$15,531,934.85.

NOTE 5: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2023, and 2022:

| | Balance 12/31/2021 | Additions | Deletions | Balance 12/31/2022 |
|----------------------------------|-----------------------|-------------------|-----------|-----------------------|
| Land, Buildings and Improvements | \$ 84,007,275.26 | | | 84,007,275.26 |
| Equipment and Machinery | 10,149,951.60 | 215,956.42 | | 10,365,908.02 |
| | <u>94,157,226.86</u> | <u>215,956.42</u> | <u>-</u> | <u>94,373,183.28</u> |

| | Balance 12/31/2022 | ** Adjustment | Deletions | Balance 12/31/2023 |
|----------------------------------|-----------------------|----------------------|-----------|-----------------------|
| Land, Buildings and Improvements | \$ 84,007,275.26 | 79,576,924.74 | | 163,584,200.00 |
| Equipment and Machinery | 10,365,908.02 | 1,908,726.98 | | 12,274,635.00 |
| | <u>94,373,183.28</u> | <u>81,485,651.72</u> | <u>-</u> | <u>175,858,835.00</u> |

** Appraisal completed in 2023

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

NOTE 6: SHORT-TERM OBLIGATIONS

| | Balance 12/31/21 | Issued | Retired | Balance 12/31/22 |
|-------------------|----------------------|----------------------|-------------------|----------------------|
| Bond Anticipation | | | | |
| Notes payable: | | | | |
| General | \$ 450,000.00 | 185,000.00 | 450,000.00 | 185,000.00 |
| | <u>\$ 450,000.00</u> | <u>185,000.00</u> | <u>450,000.00</u> | <u>185,000.00</u> |
| | | | | |
| | Balance 12/31/22 | Issued | Retired | Balance 12/31/23 |
| Bond Anticipation | | | | |
| Notes payable: | | | | |
| General | \$ 185,000.00 | 13,650,000.00 | 185,000.00 | 13,650,000.00 |
| | <u>\$ 185,000.00</u> | <u>13,650,000.00</u> | <u>185,000.00</u> | <u>13,650,000.00</u> |

The Capital Bond Anticipation Note was issued in the amount of \$13,650,000.00 on September 26, 2023 and due and payable on September 25, 2024 with interest at 5.00%. As of December 31, 2023, the city has authorized but not issued bonds in the amount of \$15,558,274.00 in the General Capital Fund.

NOTE 7: LONG TERM DEBT

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

| | Balance 12/31/2021 | Issued | Retired | Balance 12/31/2022 | Amounts Due Within One Year |
|-----------------------------|-------------------------|-------------------|---------------------|-----------------------|-----------------------------------|
| Bonds payable: | | | | | |
| General | \$ 22,760,000.00 | | 3,390,000.00 | 19,370,000.00 | 3,480,000.00 |
| Water Sewer Utility | 14,295,000.00 | | 1,135,000.00 | 13,160,000.00 | 1,240,000.00 |
| Total | <u>37,055,000.00</u> | <u>-</u> | <u>4,525,000.00</u> | <u>32,530,000.00</u> | <u>4,720,000.00</u> |
| Other liabilities: | | | | | |
| Loans Payable: | | | | | |
| General | 193,940.08 | | 33,608.97 | 160,331.11 | 34,284.52 |
| Water Sewer Utility | 3,196,459.06 | | 375,854.23 | 2,820,604.83 | 390,854.23 |
| Compensated | | | | | |
| Absences Payable | <u>4,060,960.70</u> | <u>475,476.68</u> | <u>413,148.20</u> | <u>4,123,289.18</u> | <u>51,352.54</u> |
| Total long-term liabilities | <u>\$ 44,506,359.84</u> | <u>475,476.68</u> | <u>5,347,611.40</u> | <u>39,634,225.12</u> | <u>5,196,491.29</u> |

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

| | Balance 12/31/2022 | Issued | Retired | Balance 12/31/2023 | Amounts Due Within One Year |
|---------------------------------|-----------------------|--------|--------------|-----------------------|-----------------------------------|
| Bonds payable: | | | | | |
| General | \$ 19,370,000.00 | | 3,480,000.00 | 15,890,000.00 | 3,620,000.00 |
| Water Sewer Utility | 13,160,000.00 | | 1,240,000.00 | 11,920,000.00 | 1,180,000.00 |
| Total | 32,530,000.00 | - | 4,720,000.00 | 27,810,000.00 | 4,800,000.00 |
| Other liabilities: | | | | | |
| Loans Payable: | | | | | |
| General | 160,331.11 | | 34,816.93 | 125,514.18 | 34,973.63 |
| Water Sewer Utility | 2,820,604.83 | | 390,854.23 | 2,429,750.60 | 394,854.23 |
| Compensated Absences Payable | 4,123,289.18 | | 1,964,376.44 | 2,158,912.74 | |
| Total long-term liabilities | \$ 39,634,225.12 | - | 7,110,047.60 | 32,524,177.52 | 5,229,827.86 |

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

\$9,000,000 General Obligation Bonds dated July 7, 2012 due in annual installments through July 15, 2024 bearing interest at various rates. The balance remaining as of December 31, 2023, is \$840,000.00.

\$6,850,000 General Obligation Bonds dated December 1, 2015 due in annual installments through December 1, 2024 bearing interest at various rates. The balance remaining as of December 31, 2023, is \$1,600,000.00.

\$6,450,000 General Obligation Bonds dated October 15, 2017 due in annual installments through October 15, 2030 bearing interest at various rates. The balance remaining as of December 31, 2023, is \$3,980,000.00.

\$13,000,000 General Obligation Bonds dated September 18, 2019 due in annual installments through October 1, 2031 bearing interest at various rates. The balance remaining as of December 31, 2023, is \$8,950,000.00.

\$5,850,000 Type I School Bond dated July 7, 2012, due in annual installments through July 15, 2024, bearing interest at various rates. The balance remaining as of December 31, 2023, is \$520,000.00.

\$72,803 Green Trust Loan dated 1997, due in annual installments through 2017, bearing an interest rate of 2.00%. There is no balance remaining as of December 31, 2023.

\$600,000 Green Trust Loan dated 2007, due in annual installments through March 16, 2027, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2023, is \$125,514.19.

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

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

\$1,400,000 Water and Sewer Utility Bond dated July 17, 2012, due in annual installments through July 15, 2023, bearing interest at various rates. There is no balance remaining as of December 31, 2023.

\$3,000,000 Water and Sewer Utility Bond dated October 15, 2017 due in annual installments through October 15, 2030 bearing interest at various rates. The balance remaining as of December 31, 2023, is \$1,890,000.00.

\$7,000,000 Water and Sewer Utility Bond dated September 18, 2019 due in annual installments through October 15, 2030 bearing interest at various rates. The balance remaining as of December 31, 2023, is \$4,685,000.00.

\$6,065,000 Water and Sewer Utility Bond dated October 19, 2021 due in annual installments through October 15, 2033 bearing interest at various rates. The balance remaining as of December 31, 2023, is \$5,345,000.00.

\$325,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated March 10, 2010, due in annual installments through August 1, 2029, bearing interest at various rates. The balance remaining as of December 31, 2023, is \$129,000.00.

\$931,500 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated March 10, 2010, due in annual installments through August 1, 2019, bearing no interest rate. The balance remaining as of December 31, 2023, is \$288,119.00.

\$2,335,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated February 2, 2010, due in annual installments through August 1, 2030, bearing interest at various rates. The balance remaining as of December 31, 2023, is \$683,000.00.

\$2,512,650 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated February 2, 2011, due in annual installments through August 1, 2030, bearing no interest rate. The balance remaining as of December 31, 2023, is \$461,433.23.

\$435,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated May 28, 2015, due in annual installments through August 1, 2034, bearing interest at various rates. The balance remaining as of December 31, 2023, is \$295,000.00.

\$1,049,067 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated May 28, 2015, due in annual installments through August 1, 2034, bearing no interest rate. The balance remaining as of December 31, 2023, is \$573,198.37.

Schedule of Annual Debt Service for Principal and Interest for Serial Bonds and Green Trust Loans Issued and Outstanding

| Year Ending December 31, | General Capital Bonds | | Year Ending December 31, | General Capital Green Trust | |
|-----------------------------|-------------------------|---------------------|-----------------------------|-----------------------------|-----------------|
| | Principal | Interest | | Principal | Interest |
| 2024 | \$ 3,620,000.00 | 505,137.50 | 2024 | \$ 34,973.63 | 2,336.29 |
| 2025 | 2,385,000.00 | 392,337.50 | 2025 | 35,676.60 | 1,633.32 |
| 2026 | 1,685,000.00 | 315,737.50 | 2026 | 36,393.70 | 916.22 |
| 2027 | 1,725,000.00 | 259,212.50 | 2027 | 18,470.25 | 184.70 |
| 2028 | 1,770,000.00 | 201,062.50 | | | |
| 2029-2031 | 4,705,000.00 | 268,350.00 | | | |
| | <u>\$ 15,890,000.00</u> | <u>1,941,837.50</u> | | <u>\$ 125,514.18</u> | <u>5,070.53</u> |

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

| Year Ending December 31, | Utility Capital Fund | |
|-----------------------------|-------------------------|---------------------|
| | Principal | Interest |
| 2024 | \$ 1,574,854.23 | 390,592.50 |
| 2025 | 1,633,854.23 | 344,382.50 |
| 2026 | 1,723,854.23 | 296,122.50 |
| 2027 | 1,728,240.06 | 244,400.00 |
| 2028 | 1,719,092.38 | 191,570.00 |
| 2029-2033 | 5,895,080.90 | 350,010.00 |
| 2034 | 74,774.57 | 1,400.00 |
| | <u>\$ 14,349,750.60</u> | <u>1,818,477.50</u> |

As of December 31, 2023, the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$603,962.92 and to the water and sewer utility budget was \$429,402.50.

| <u>Summary of Municipal Debt</u> | <u>Year 2023</u> | <u>Year 2022</u> | <u>Year 2021</u> |
|---|-------------------------|-------------------------|-------------------------|
| <u>Issued:</u> | | | |
| General - Bonds and Notes | \$ 29,665,514.19 | \$ 19,715,331.12 | \$ 23,403,940.09 |
| Water/Sewer Utility - Bonds and Notes | 14,349,750.60 | 15,980,604.83 | 17,491,459.06 |
| Total Issued | <u>44,015,264.79</u> | <u>35,695,935.95</u> | <u>40,895,399.15</u> |
| <u>Authorized but not issued:</u> | | | |
| General - Bonds and Notes | 15,558,274.00 | 16,340,827.81 | 12,118,654.77 |
| Water/Sewer Utility - Bonds and Notes | 8,937,000.00 | 1,825,000.00 | - |
| Total Authorized But Not Issued | <u>24,495,274.00</u> | <u>18,165,827.81</u> | <u>12,118,654.77</u> |
| Total Bonds & Notes Issued and Authorized But Not Issued | <u>\$ 68,510,538.79</u> | <u>\$ 53,861,763.76</u> | <u>\$ 53,014,053.92</u> |

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.959%.

| | Gross Debt | Deductions | Net Debt |
|-------------------|-------------------------|----------------------|----------------------|
| Local School Debt | \$ 520,000.00 | 520,000.00 | - |
| Utility Debt | 23,286,750.60 | 23,286,750.60 | - |
| General Debt | 44,703,788.19 | 148,460.00 | 44,555,328.19 |
| | <u>\$ 68,510,538.79</u> | <u>23,955,210.60</u> | <u>44,555,328.19</u> |

Net Debt \$44,555,328.19 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$4,645,401,234.00 = 0.959%.

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

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

| | | |
|---|----|--------------------|
| 3 1/2 % of Equalized Valuation Basis (Municipal) | \$ | 162,589,043 |
| Net Debt | | 44,555,328 |
| Remaining Borrowing Power | \$ | <u>118,033,715</u> |

NOTE 8: FUND BALANCES APPROPRIATED

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

| | 2024 | 2023 |
|---------------------|-----------------|--------------|
| Current Fund | \$ 3,425,000.00 | 3,000,000.00 |
| Water/Sewer Utility | 1,459,846.73 | 1,433,258.00 |

NOTE 9: SCHOOL TAXES

Local District School Tax in the amount of \$15,888,114.00 and \$15,863,114.00 has been raised for the 2023 and 2022 calendar years and remitted to the school district.

NOTE 10: TAXES COLLECTED IN ADVANCE

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

| | Balance 12/31/23 | Balance 12/31/22 |
|---|------------------------|---------------------|
| Prepaid Taxes | \$ 1,319,562.57 | \$ 1,346,140.75 |
| Cash Liability for Taxes Collected in Advance | <u>\$ 1,319,562.57</u> | <u>1,346,140.75</u> |

NOTE 11: PENSION FUNDS

Description of Plans

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

<http://www.state.nj.us/treasury/pensions/annrprts.shtml>.

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

Public Employees' Retirement System

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

Defined Contribution Retirement Program (DCRP)

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

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

Pension Plan for Lifeguards

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 7.50% of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 17.61% of covered payroll. The City's contributions to PERS for the years ended December 31, 2023, 2022, and 2021 were \$721,411.81, \$659,418.11, and \$629,798.00.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The City's contributions to PFRS for the years ended December 31, 2023, 2022, and 2021 were \$2,504,037.00, \$2,154,768.63, and \$2,048,263.00.

The total payroll for the year ended December 31, 2023, was \$12,700,173.53. Payroll covered by PFRS was \$6,775,579.00 and PERS was \$4,244,441.00.

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

The Lifeguard Pension provides for employee contributions of 4.00% of employees' annual compensation. The City's contributions to the Lifeguard Pension for the year ended December 31, 2023, 2022, and 2021 was \$60,000.00, \$60,000.00, and \$20,000.00. The City's trust for the Lifeguard Pension at December 31, 2023 was \$594,932.19. Currently there are eleven individuals receiving benefits. The benefits paid by the trust for the year ended December 31, 2023, 2022, and 2021 were \$86,300.43, \$81,825.04, and \$69,557.88.

Significant Legislation

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

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

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

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

pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal years 2012.

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

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

Note 12: PENSION LIABILITIES

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

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

Public Employees' Retirement System

The City has a liability of \$8,583,399 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, that was rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City's proportion would be 0.05687618450%, which would be a decrease of 5.46% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the City would have recognized pension expense of (\$652,805). At December 31, 2022, the City would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected & actual experience | \$ 61,951 | \$ (54,632) |
| Changes of assumptions | 26,594 | (1,285,275) |
| Changes in proportion | 271,054 | (245,571) |
| Net difference between projected and actual earnings on pension plan investments | 355,259 | |
| Total | <u>\$ 714,858</u> | <u>\$ (1,585,478)</u> |

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

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

| Year ended June 30, | | |
|------------------------|----|------------------|
| 2023 | \$ | (795,794) |
| 2024 | | (293,087) |
| 2025 | | (20,593) |
| 2026 | | 240,725 |
| 2027 | | (1,871) |
| Total | \$ | <u>(870,620)</u> |

Actuarial Assumptions

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

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

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

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

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

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

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

Discount Rate

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

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

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

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|------------------------|----------------------------------|------------------------|
| City's proportionate share of the net pension liability | \$ 10,293,256 | \$ 8,583,399 | \$ 7,129,860 |

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

Pension plan fiduciary net position.

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

Police and Firemen's Retirement System

The City has a liability of \$22,038,379 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2021, that was rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City's proportion would be 0.19253621000%, which would be an increase of 5.38% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the City would have recognized pension expense of \$34,634. At December 31, 2022, the City would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected & actual experience | \$ 997,516 | \$ (1,350,150) |
| Changes of assumptions | 60,399 | (2,774,197) |
| Changes in proportion | 1,959,254 | (1,133,111) |
| Net difference between projected and actual earnings on pension plan investments | 2,018,068 | |
| Total | <u>\$ 5,035,237</u> | <u>\$ (5,257,458)</u> |

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

| Year ended June 30, | |
|------------------------|---------------------|
| 2023 | \$ (233,647) |
| 2024 | (149,315) |
| 2025 | (142,239) |
| 2026 | 297,116 |
| 2027 | 2,863 |
| Thereafter | 3,002 |
| Total | <u>\$ (222,221)</u> |

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

Actuarial Assumptions

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

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

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

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

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

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

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

Discount Rate

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

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

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

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|--|---------------------------|-------------------------------------|---------------------------|
| City's proportionate share of the net pension liability | 31,143,065 | 22,038,379 | 14,459,573 |

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

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

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the City was 0.19253621000% for 2022. The net pension liability amount allocated to the City was \$3,922,185. For the fiscal year ending June 30, 2022, State special funding situation pension expense of \$452,517 is allocated to the City.

Pension plan fiduciary net position.

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

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

NOTE 13 – OTHER POST-RETIREMENT BENEFITS - STATE

General Information about the Plan:

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

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

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

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

Allocation Methodology:

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

Special Funding Situation:

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

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

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

Net OPEB Liability:

Components of Net OPEB Liability

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

| | June 30, 2022 |
|---|-----------------------------|
| | Collective Total |
| Total OPEB Liability | \$ 16,090,925,144.00 |
| Plan Fiduciary Net Position (Deficit) | (58,670,334.00) |
| Net OPEB Liability | <u>\$ 16,149,595,478.00</u> |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | -0.36% |

At June 30, 2022, the State's proportionate share for the Special Funding Situation that is associated with the City is \$24,010,694. The State's proportionate share attributable to the City of the Collective Net OPEB Liability for the Special Funding Situation was 0.711679% which was a decrease from the prior year of 0.92%.

For the Year ended June 30, 2022, the State of New Jersey realized Total OPEB Expense in the amount of \$(3,938,258) for its proportionate share of Total OPEB Expense that is associated with the City.

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

| | |
|---|-----------------------------|
| Investment Rate of Return Including Inflation rate | 3.54% |
| Salary increases*: | |
| PERS | |
| Completed Years of Service | Annual Rate of Increase (%) |
| 0 | 6.55 |
| 5 | 5.75 |
| 10 | 4.75 |
| 15 | 3.75 |
| 20 | 3.15 |
| 25 | 2.85 |
| >=29 | 2.75 |

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

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

Mortality:

Pre-Retirement Healthy Mortality:

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

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

Post-Retirement Healthy Mortality

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

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

Disable Retiree Mortality:

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

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

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

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

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

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

Discount Rate

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

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

| | <u>1% Decrease</u> <u>(2.54%)</u> | <u>Discount Rate</u> <u>(3.54%)</u> | <u>1% Increase</u> <u>(4.54%)</u> |
|-----------------------|--------------------------------------|--|--------------------------------------|
| Collective | | | |
| Net OPEB Liability \$ | 18,720,632,230 | 16,149,595,478 | 14,080,955,857 |

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

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

| | <u>1% Decrease</u> | <u>Healthcare Cost</u> <u>Trend Rate</u> | <u>1% Increase</u> |
|-----------------------|--------------------|---|----------------------|
| Collective | | | |
| Net OPEB Liability \$ | 13,700,188,049.00 | \$ 16,149,595,478.00 | \$ 19,286,596,671.00 |

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

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

| | <u>Collective Totals</u> | |
|--|---|--|
| | <u>Deferred Outflows</u> <u>of Resources</u> | <u>Deferred Inflows</u> <u>of Resources</u> |
| Differences between expected and actual experience | \$ 833,982,363 | (2,993,448,535) |
| Changes of assumptions | 2,155,230,462 | (5,511,545,572) |
| Net difference between projected and actual earnings on OPEB plan investments | 4,251,491 | |
| Changes in proportion and differences between contributions and proportionate share of contributions | | |
| Total | <u>\$ 2,993,464,316</u> | <u>(8,504,994,107)</u> |

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

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

| Year ended June 30, | Collective Totals |
|------------------------|----------------------------------|
| 2023 | \$ (1,463,380,541) |
| 2024 | (1,464,672,406) |
| 2025 | (1,156,630,075) |
| 2026 | (516,557,746) |
| 2027 | (115,810,526) |
| Thereafter | <u>(794,478,497)</u> |
| Total | \$ <u><u>(5,511,529,791)</u></u> |

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

Collective OPEB Expenses reported by the State of New Jersey.

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

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

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

NOTE 14: POST-RETIREMENT BENEFITS - LOCAL

Retired members of the PBA and the fire department are entitled to an annual allowance of up to \$900.00 for dental work. During 2023, the City provided post-retirement dental coverage to sixty-one (61) retired employees. In accordance with GASB Statement 75 "Accounting and Financial Reporting For Post-employment Benefits Other Than Pensions" ("OPEB") and the State of New Jersey, the City obtained an actuarial valuation of the liability for providing these benefits.

City employees are also eligible to participate in the single – employer OPEB Plan discussed below.

A retiree and their covered dependents may also receive City-paid dental and vision benefits for a period of 3 to 5 years in accordance with labor agreements if they meet any one of the following requirements:

- (1) Twenty-five (25) years or more of full-time service with the City and Twenty-five (25) years or more enrolled in the pension system; or

The Regulatory Basis of Accounting does not permit the accrual of Actuarially determined OPEB Expenses or Liabilities. The City reports all OPEB related costs on the "pay as you go" basis. The following information is for disclosure purposes only and has not been accrued in the Financial Statements of the City.

The actuarial determined valuation of these benefits has been reviewed and will be reviewed bi-annually for the purpose of estimating the present value of future benefits for active and retired employees and their dependents as required by GASB 75.

The actuarial valuation report was based on 141 total participants including 61 retirees.

Annual OPEB Cost and Net OPEB Liability

The City's annual OPEB cost represents the accrued cost for post-employment benefits under GASB 75. The cumulative difference between the annual OPEB cost and the benefits paid during a year will result in a net OPEB obligation. The annual OPEB cost is equal to the annual required contribution (ARC) less adjustment if a net OPEB obligation exists. The ARC is equal to the normal cost and amortization of the Unfunded Actuarial Accrued Liability (UAAL) plus interest.

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates and assumptions about the probability of occurrences of events far into the future, including future employment, mortality and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

In the January 1, 2023, actuarial valuation, the "Entry-Age-Normal as a Percentage of Salary" method was used for all participants. The actuarial assumptions used to project future costs included a discount rate of 4.00%. In addition, the unfunded actuarial accrued liability is being amortized over the maximum acceptable period of 30 years.

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

Other Post-employment Benefit Costs and Obligations

In the January 1, 2023, actuarial valuation, the Actuarially Determined Contribution for the year ending December 31, 2023, were projected as follows:

| | <u>12/31/2023</u> | <u>12/31/2022</u> | <u>12/31/2021</u> |
|--|-------------------|-------------------|-------------------|
| Service Cost | \$ 75,869.00 | 104,450.00 | 112,456.00 |
| 30 Year Amortization of NOL at 3.26 | 207,128.00 | 255,243.00 | 258,241.00 |
| Actuarily Determined Contribution | 282,997.00 | 359,693.00 | 370,697.00 |
| Actual Contribution | 27,229.00 | 28,976.00 | 29,192.00 |
| Excess Contribution | \$ (255,768.00) | (330,717.00) | (341,505.00) |
| Covered Payroll | \$ 8,311,981.00 | 8,344,348.00 | 8,031,861.00 |
| Actuarily Determined Contribution as a % of Covered Payroll | 0.33% | 0.35% | 0.36% |

| | <u>12/31/2020</u> | <u>12/31/2019</u> | <u>12/31/2018</u> |
|--|-------------------|-------------------|-------------------|
| Service Cost | \$ 72,619.00 | 66,678.00 | 68,659.00 |
| 30 Year Amortization of NOL at 3.26 | 209,751.00 | 203,032.00 | 201,335.00 |
| Actuarily Determined Contribution | 282,370.00 | 269,710.00 | 269,994.00 |
| Actual Contribution | 28,284.00 | 30,376.00 | 19,889.00 |
| Excess Contribution | \$ (254,086.00) | (239,334.00) | (250,105.00) |
| Covered Payroll | \$ 7,735,843.00 | 7,571,000.00 | 7,720,474.00 |
| Actuarily Determined Contribution as a % of Covered Payroll | 0.37% | 0.40% | 0.26% |

The following reflects the change in the Total OPEB Liability as of the January 1, 2023, valuation date for the Year ended December 31, 2023.

| | <u>12/31/2023</u> | <u>12/31/2022</u> | <u>12/31/2021</u> |
|--|-------------------|-------------------|-------------------|
| OPEB Liability, Beginning of Year | \$ 2,739,227.00 | 4,074,626.00 | 4,251,286.00 |
| Changes for the Year: | | | |
| Service Cost | 75,869.00 | 104,450.00 | 112,456.00 |
| Interest | 117,474.00 | 91,353.00 | 81,768.00 |
| Assumption Changes & Difference | | | |
| Between Actual & Expected Experience | (146,658.00) | 44,777.00 | (152,741.00) |
| Change in Assumptions | 185,690.00 | (1,547,003.00) | (188,951.00) |
| Change in Actuarial Cost Method | - | - | - |
| Benefit Payments | (27,229.00) | (28,976.00) | (29,192.00) |
| OPEB Liability, End of Year | \$ 2,944,373.00 | 2,739,227.00 | 4,074,626.00 |
| Covered payroll (for Covered Participants) | \$ 8,311,981.00 | 8,344,348.00 | 8,031,861.00 |
| Total OPEB liability as a percentage of covered payroll | 35.42% | 32.83% | 50.73% |

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

| | <u>12/31/2020</u> | <u>12/31/2019</u> | <u>12/31/2018</u> |
|--|------------------------|---------------------|---------------------|
| OPEB Liability, Beginning of Year | \$ 3,046,847.00 | 2,849,357.00 | 2,825,547.00 |
| Changes for the Year: | | | |
| Service Cost | 72,619.00 | 66,678.00 | 68,659.00 |
| Interest | 98,866.00 | 103,164.00 | 102,488.00 |
| Assumption Changes & Difference | | | |
| Between Actual & Expected Experience | 284,597.00 | (143,354.00) | (127,448.00) |
| Change in Assumptions | 776,641.00 | 201,378.00 | - |
| Change in Actuarial Cost Method | - | - | - |
| Benefit Payments | (28,284.00) | (30,376.00) | (19,889.00) |
| OPEB Liability, End of Year | \$ <u>4,251,286.00</u> | <u>3,046,847.00</u> | <u>2,849,357.00</u> |
| Covered payroll (for Covered Participants) | \$ 7,735,843.00 | 7,571,000.00 | 7,720,474.00 |
| Total OPEB liability as a percentage of covered payroll | 54.96% | 40.24% | 36.91% |

Sensitivity of the total OPEB liability to changes in the discount rate.

The January 1, 2023, valuation was prepared using a discount rate of 4.00%. If the discount rate were 1% higher than what was used in this valuation, the total OPEB liability would decrease to \$2,452,193.00 or by 5.00%. If the discount rate were 1% lower than was used in this valuation, the total OPEB liability would increase to \$3,586,791.00 or by 3.00%.

| <u>Discount Rate</u> | | |
|--|-----------------------|---------------------|
| <u>1% Decrease</u> | <u>Baseline 4.00%</u> | <u>1% Increase</u> |
| Total OPEB Liability \$ <u>3,586,791</u> | \$ <u>2,944,373</u> | \$ <u>2,452,193</u> |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The January 1, 2023, valuation was prepared using an initial trend rate of 5.00%. If the trend rate were 1% higher than what was used in this valuation, the total OPEB liability would increase to \$3,646,853.00 or by 6.00%. If the trend rate were 1% lower than was used in this valuation, the total OPEB liability would decrease to \$2,416,403.00 or by 4.00%.

| <u>Healthcare Cost Trend Rates</u> | | |
|--|-----------------------|---------------------|
| <u>1% Decrease</u> | <u>Baseline 5.00%</u> | <u>1% Increase</u> |
| Total OPEB Liability \$ <u>2,416,403</u> | \$ <u>2,944,373</u> | \$ <u>3,646,853</u> |

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

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

For the year ended December 31, 2023, the City's Actuarially determined OPEB expense was \$43,592.00. At December 31, 2023, the City reported deferred outflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Increase in January 1, 2023 OPEB Liability due to Actuarial experience different from expected and actuarial assumption changes | \$ 151,820.00 | \$ 295,117.00 |
| Changes of Assumptions | 563,105.00 | 1,139,307.00 |
| Total | <u>\$ 714,925.00</u> | <u>\$ 1,434,424.00</u> |

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

For the Year Ending December 31,

| | |
|------|---------------------|
| 2024 | \$ (149,751) |
| 2025 | (149,751) |
| 2026 | (133,824) |
| 2027 | (292,680) |
| 2028 | 6,507 |
| | <u>\$ (719,499)</u> |

NOTE 15: POST-RETIREMENT BENEFITS - LIFEGUARD PENSION

The City of Brigantine has established a pension plan to provide retirement pension benefits for the individuals who serve on the City's lifeguard force. An eligible employee becomes a plan member upon employment. Employee contributions are withheld from the member's salary and contributed to the plan for his/her benefit. A plan member may retire with a pension only after his/her 45th birthday and after he/she has completed 20 years of service, the last 10 must have been completed immediately preceding his/her application. As of January 2022, the City provided post-retirement benefits to eleven (11) retired lifeguard employees. In accordance with GASB Statement 73 "Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68 and the State of New Jersey, the City obtained an actuarial valuation of the liability for providing these benefits.

The Regulatory Basis of Accounting does not permit the accrual of Actuarially determined OPEB Expenses or Liabilities. The City reports all OPEB related costs on the "pay as you go" basis. The following information is for disclosure purposes only and has not been accrued in the Financial Statements of the City.

The actuarial determined valuation of these benefits has been reviewed and will be reviewed bi-annually for the purpose of estimating the present value of future benefits for active and retired employees and their beneficiaries as required by GASB 73.

The actuarial valuation report was based on 117 total participants including 11 retirees.

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

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates and assumptions about the probability of occurrences of events far into the future, including future employment, mortality and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

In the January 1, 2022 actuarial valuation, the "Entry-Age-Normal" method was used for all participants. The actuarial assumptions used to project future costs included a 4.00% interest rate of return. In addition, the unfunded actuarial accrued liability is being amortized over 30 years on a level percent of pay basis.

In the January 1, 2022 actuarial valuation, the plan assets were as follows:

| | | |
|--------------------------------|--------------------|-----------------------------|
| Assets as of January 1, 2021 | | \$ 551,622.18 |
| Receipts: | | |
| Contributions - Employee | 35,375.70 | |
| Contributions - City | <u>20,214.64</u> | |
| | | 55,590.34 |
| Disbursements: | | |
| Benefit Payments | <u>(69,557.88)</u> | |
| | | (69,557.88) |
| Assets as of December 31, 2021 | | \$ <u><u>537,654.64</u></u> |

The following reflects the Unfunded Accrued Liability as of the January 1, 2022, valuation date for the Year ended December 31, 2021:

| | | |
|--|---------------------|---------------------|
| Actives | \$ 3,649,896.00 | |
| Non Actives | <u>1,436,884.00</u> | |
| Total | | 5,086,780.00 |
| (Less) Market Value of Assets | | <u>(537,656.00)</u> |
| Unfunded Accrued Liability as of January 1, 2022 | | <u>4,549,124.00</u> |
| Actuarial (Gain)/Loss | | 4,549,124.00 |
| Normal Cost as of January 1, 2022 | \$ | 42,964.00 |

As of the date of this audit report, the City has not obtained an updated Lifeguard Pension Actuary Report.

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

NOTE 16: ACCRUED SICK AND VACATION BENEFITS

The City has permitted employees to accrue unused vacation and sick time, which may be taken as time off or paid at a later date. Personal time accrued during the year must be used during that year and does not accrue.

Upon termination or retirement, unused earned vacation hours are paid out in total at the employees' current hourly rate, sick time payouts vary with the different bargaining units and are determined by contractual agreements and hire dates as follows:

- Hired prior to May 22, 2010 - The majority of the sick time liability lies within the police and fire departments. Police and Fire employees having more than \$50,000 in accrued sick time will be capped at 9 months of their salary as of January 1, 2015. All other employees with \$50,000 or less in accrued sick time will be capped at the greater of \$50,000 or the dollar value of the hours accrued.
- Hired after May 22, 2010 – Sick time payout for all employees is capped at a payout of \$15,000.

The total monetary value of these earned and unused employee benefits has not been accrued by either charges to operations or to budgets of prior years, although in some cases they might be material, since the realization of this liability may be affected by conditions which preclude an employee from receiving full payment of the accrual. The City has been providing in the budget amounts to cover anticipated payouts during the budget year. At December 31, 2023, the City estimates this liability to be approximately \$2,158,912.74 based upon 2023 pay rates and compensated balances.

NOTE 17: ECONOMIC DEPENDENCY

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

NOTE 18: RISK MANAGEMENT

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

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

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

NOTE 19: DEFERRED COMPENSATION

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. In 1998 the City of Brigantine amended the plan by resolution to comply with a private letter ruling of the Internal Revenue Service that requires assets of deferred compensation plans be held in trust under the beneficial ownership of the Trustee, (City of Brigantine) serving as Trustee, for the exclusive benefit of the plan participants and their beneficiaries, and that the assets shall not be diverted to any other purpose. The plan administrators are Hartford, Aflac, AXA Capital and Valic.

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

NOTE 20: INTERFUND BALANCES

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

| | Due From | Due To |
|-----------------------------|------------------------|---------------------|
| Current Fund: | | |
| Animal Control Fund | \$ 342.20 | |
| General Capital Fund | | 1,364,896.11 |
| Grant Fund | | 41,976.54 |
| Other Trust Fund | | 1,778.86 |
| Water-Sewer Operating Fund | 871,560.61 | |
| Grant Fund: | | |
| Current Fund | 41,976.54 | |
| Animal Control Fund: | | |
| Current Fund | | 342.20 |
| Other Trust Funds: | | |
| Current Fund | 1,778.86 | |
| General Capital Fund: | | |
| Current Fund | 1,364,896.11 | |
| Water-Sewer Operating Fund: | | |
| Water-Sewer Capital Fund | 523,927.54 | |
| Current Fund | | 871,560.61 |
| Water-Sewer Capital Fund: | | |
| Water-Sewer Operating Fund | | 523,927.54 |
| | \$ <u>2,804,481.86</u> | <u>2,804,481.86</u> |

The balances are primarily the result of disbursements made from the various funds which were not reimbursed prior to year-end.

NOTE 21: CONTINGENT LIABILITIES

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

NOTE 22: FEDERAL AND STATE GRANTS

In the normal course of operations, the City received grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as a result of these audits is not believed to be material.

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

NOTE 23: LEASE OBLIGATIONS

Operating Leases

In February 2020, the City entered into an agreement to lease copy machines for City Hall under an operating lease. The term for the lease is 60 months, and it will expire in February 2025. The total monthly payment for the lease is \$3,413.03. The City has the option to purchase this equipment at the termination of the lease for the fair market value.

In June 2020, the City entered into an agreement to lease a postage machine for City Hall under an operating lease. The term of the lease is 60 months, and it will expire in June 2025. The total monthly payment for the lease is \$740.00. The City has the option to purchase the equipment at the termination of the lease for the fair market value.

The total operating lease payments in 2023 and 2022 were \$49,836.36 and \$49,836.36 respectively.

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

| <u>Year</u> | <u>Operating</u> |
|--|------------------|
| 2024 | \$ 49,836.36 |
| 2025 | 11,266.06 |
| Total minimum lease payments | 61,102.42 |
| Less amount representing interest | - |
| Present value of minimum lease payments \$ | <u>61,102.42</u> |

NOTE 24: SUBSEQUENT EVENTS

The City has evaluated subsequent events through August 5, 2024, the date which the financial statements were available to be issued. The following event was identified:

Subsequent to December 31, the City of Brigantine introduced additional Bonds and Notes as follows:

| <u>Purpose</u> | <u>Date</u> | <u>Amount</u> |
|--|--------------------------|-------------------------|
| Bonds and Notes: | | |
| Various Capital Improvements | Introduced: 7/10/2024 | \$ 16,357,860.00 |
| Various Improvements to Water and Sewer Utility | Introduced: 7/10/2024 | 8,960,000.00 |
| | | <u>\$ 25,317,860.00</u> |

SUPPLEMENTARY INFORMATION



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

To the Honorable Mayor and
Members of the City Council
City of Brigantine
County of Atlantic, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements – regulatory basis, as listed in the accompanying table of contents, of the City of Brigantine, State of New Jersey, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 5, 2024, which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, the City of Brigantine prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey.

Report Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

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

August 5, 2024



F O R D - S C O T T

& A S S O C I A T E S , L L C .

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of City of Brigantine and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of City Brigantine's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Brigantine's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Brigantine's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of City of Brigantine's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

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

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

August 5, 2024

**SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| Federal or State Grantor/Pass-Through Grantor/Program Title | AL Number | Grant Period | | Program or Award Amount | Receipts or Revenue Recognized | Budgetary Expenditures | | | (MEMO) Passed Through to Sub-Recipients |
|--|-----------|--------------|------------|----------------------------|--------------------------------------|------------------------|--------|------------|---|
| | | From | To | | | Pass Through | Source | Total | |
| FEDERAL: | | | | | | | | | |
| U.S. Department of Justice: | | | | | | | | | |
| Passed thru New Jersey Department of Law and Public Safety: | | | | | | | | | |
| Bulletproof Vest Partnership - 2022 | 16.607 | 10/1/2022 | Open | 6,360.00 \$ | | 6,017.10 | | 6,017.10 | - |
| Bulletproof Vest Partnership - 2023 | 16.607 | 10/1/2023 | Open | 6,890.00 | | 1,203.42 | | 1,203.42 | - |
| Total U.S. Department of Justice | | | | | - | 7,220.52 | | 7,220.52 | - |
| U.S. Department of Treasury: | | | | | | | | | |
| Passed thru New Jersey Department of Community Affairs: | | | | | | | | | |
| American Rescue Plan Firefighter Grant | 21.027 | 1/1/2022 | 12/30/2022 | 26,000.00 | | 26,000.00 | | 26,000.00 | - |
| Total U.S. Department of Treasury | | | | | - | 26,000.00 | | 26,000.00 | - |
| U.S. Department of Homeland Security: | | | | | | | | | |
| Passed thru New Jersey Department of Emergency Management | | | | | | | | | |
| Flood Mitigation Assistance Grant | 97.029 | 8/14/2017 | 3/22/2024 | 7,364,310.19 | | 739,305.92 | | 739,305.92 | - |
| Total U.S. Department of Homeland Security | | | | | - | 739,305.92 | | 739,305.92 | - |
| Total Federal Assistance | | | | | \$ - | 772,526.44 | | 772,526.44 | - |

See Accompanying Notes to Schedule of Federal Awards

**NOTES TO SCHEDULE EXPENDITURES OF
FEDERAL AWARDS FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2023**

Note 1: General

The accompanying schedule of federal awards includes the federal grant activity of the City of Brigantine, State of New Jersey and is presented on the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. Encumbrances are considered in determining single audit threshold on major programs. The City has elected not to use the 10% de minimis indirect cost rate.

Note 2: Relationship to General Purpose Financial Statements

Amounts reported in the accompanying schedule do not agree with amounts reported in the City's financial statements. Receipts from Federal grants are realized as revenue when anticipated in the City's budget. Expenditures are recognized when they become payable. Following is a reconciliation of expenditures:

| | | |
|---|----|-------------------|
| Expenditures - Schedule of Federal Awards | \$ | 772,526.44 |
| Capital Fund Grant | | (739,305.92) |
| State Grants | | 711,436.87 |
| Other Grants | | 39,788.50 |
| Expenditures reported on Schedule A-12 | \$ | <u>784,445.89</u> |

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Part I -- Summary of Auditor's Results

| A) Type of auditor's report issued: | | Adverse - GAAP Basis, Unmodified Regulatory Basis | | | |
|---|--|---|-----|---------------|----|
| B) Internal control over financial reporting: | | | | | |
| 1) Material weakness(es) identified? | | _____ | yes | _____ X _____ | no |
| 2) Were significant deficiencies identified that were not considered to be material weaknesses? | | _____ | yes | _____ X _____ | no |
| C) Noncompliance material to general-purpose financial statements noted? | | | yes | X | no |

| | | | | | | |
|----|---|----------------------|-----|-------------------|----|-----------------------|
| D) | Dollar threshold used to determine Type A programs: | <u>\$ 750,000.00</u> | | | | |
| E) | Auditee qualified as low-risk auditee? | <u>X</u> | yes | <u> </u> | no | <u> </u> n/a |
| F) | Type of auditor's report on compliance for major programs | <u>Unmodified</u> | | | | |
| G) | Internal Control over compliance: | | | | | |
| | 1) Material weakness(es) identified? | <u> </u> | yes | <u>X</u> | no | |
| | 2) Were significant deficiencies identified that were not considered to be material weaknesses? | <u> </u> | yes | <u>X</u> | no | |
| H) | Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance | <u> </u> | yes | <u>X</u> | no | |
| I) | Identification of major programs: | | | | | |

| <u>AL Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|---------------------|---|
| 97.029 | Flood Mitigation Assistance Grant |
| | |
| | |
| | |
| | |

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

Part I -- Summary of Auditor's Results

State Awards Section -

Not Applicable

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

GMIS Number(s)

Name of State Program

| | |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

Part 2 - Schedule of Financial Statement Findings

None

Part 3 - Schedule of Federal Award Findings and Questioned Costs

None

STATUS OF PRIOR YEAR FINDINGS

None

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

| | <u>Current Fund</u> | <u>Grant Fund</u> |
|---|----------------------|-------------------|
| Balance December 31, 2022 | \$ 14,492,995.14 | 247,972.42 |
| Increased by Receipts: | | |
| Tax Collector | 64,450,882.80 | |
| State of New Jersey - Veterans' and Senior Citizens' Deductions | 68,978.77 | |
| Miscellaneous Revenue Anticipated | 6,591,388.43 | |
| Miscellaneous Revenue Not Anticipated | 427,671.37 | |
| Reserve for Municipal Relief Fund | 68,542.47 | |
| Due to State of New Jersey - State Training Fees | 25,839.00 | |
| Due to State of New Jersey - Marriage Licenses | 575.00 | |
| Payroll Taxes Payable | 18,739.21 | |
| Due Grant Fund | 315,460.03 | 278,883.49 |
| Due General Capital | 649,319.19 | |
| Due Animal Control | 1,158.60 | |
| Federal and State Grant Fund: | | |
| Federal and State Grants Receivable | 418,525.23 | |
| Federal and State Unappropriated Reserves | - | |
| | <u>72,618,554.87</u> | <u>697,408.72</u> |
| | 87,111,550.01 | 945,381.14 |
| Decreased by Disbursements: | | |
| Current Year Appropriation | 29,622,232.28 | |
| Prior Year Appropriations | 630,631.06 | |
| Accounts Payable | 4,500.00 | |
| County Taxes | 23,119,705.57 | |
| Local District School Taxes | 15,888,114.00 | |
| Due to County - Added and Omitted Taxes | 84,970.16 | |
| Due to State of New Jersey - Marriage License Fees | 450.00 | |
| Due to State of New Jersey - State Training Fees | 34,247.00 | |
| Refund of Tax Overpayments | 162,931.77 | |
| Change Fund | 1,700.00 | |
| Due Grant Fund | 278,883.49 | |
| Due Water-Sewer Utility Operating Fund | 1,538,421.76 | |
| Due General Capital | 185,000.00 | |
| Federal and State Grant Fund: | | |
| Federal and State Disbursements | 716,955.40 | |
| | <u>71,551,787.09</u> | <u>716,955.40</u> |
| | 15,559,762.92 | 228,425.74 |
| Balance December 31, 2023 | \$ 15,559,762.92 | 228,425.74 |

See Accompanying Auditor's Report

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

| | | | |
|-----------------------------|----------------------|----|----------------------|
| Balance December 31, 2022 | | \$ | - |
| Increased by Receipts: | | | |
| Prepaid Taxes | 1,319,562.57 | | |
| Taxes Receivable | 62,940,213.86 | | |
| Interest on Taxes | 130,896.79 | | |
| Tax Title Liens | 1,634.51 | | |
| Miscellaneous Revenue | <u>58,575.07</u> | | |
| | | | <u>64,450,882.80</u> |
| | | | 64,450,882.80 |
| Decreased By Disbursements: | | | |
| Payments to Treasurer | <u>64,450,882.80</u> | | |
| | | | <u>64,450,882.80</u> |
| Balance December 31, 2023 | | \$ | <u><u>-</u></u> |

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

| Year | Balance Dec. 31, 2022 | Current Year Levy | Added Taxes | Collections by Cash | | Adjustments | Transferred To Tax Title Lien | Balance Dec. 31, 2023 |
|------------|--------------------------|----------------------|-------------|---------------------|---------------|-------------|-------------------------------------|--------------------------|
| | | | | 2022 | 2023 | | | |
| Arrears \$ | - | | | | | | | - |
| 2021 | 250.00 | | | | 250.00 | | | - |
| 2022 | 314,899.70 | | | | 312,427.11 | 592.61 | 1,879.98 | 0.00 |
| | 315,149.70 | - | - | - | 312,677.11 | 592.61 | 1,879.98 | 0.00 |
| 2023 | - | 64,254,808.22 | 3,546.30 | 1,346,140.75 | 62,534,418.31 | 47,626.63 | 1,644.72 | 328,524.11 |
| | 315,149.70 | 64,254,808.22 | 3,546.30 | 1,346,140.75 | 62,847,095.42 | 48,219.24 | 3,524.70 | 328,524.11 |

Cash Receipts
Senior Citizens and Veterans
Other

| | |
|----------------------|--|
| 62,940,213.86 | |
| 72,750.00 | |
| (165,868.44) | |
| <u>62,847,095.42</u> | |
| 64,254,808.22 | |
| <u>3,546.30</u> | |
| <u>64,258,354.52</u> | |

Analysis of Current Year Tax Levy

Tax Yield:

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

Tax Levy:

General County Taxes
County Library Taxes
County Health Service Taxes
County Open Space Taxes
County Added and Omitted Taxes
Total County Taxes
Local School District Tax
Additional Local Open Space Tax
Local Tax for Municipal Purposes
Add: Additional Tax Levied

| | |
|----------------------|--|
| 20,481,239.35 | |
| 1,450,304.26 | |
| 953,294.72 | |
| 234,867.24 | |
| <u>287,245.12</u> | |
| 23,406,950.69 | |
| 15,888,114.00 | |
| 24,435,432.44 | |
| <u>527,857.39</u> | |
| <u>24,963,289.83</u> | |
| <u>64,258,354.52</u> | |

**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS**

| | | | |
|------------------------------------|----------|----|-------------------------|
| Balance December 31, 2022 | | \$ | 17,879.40 |
| Increased by: | | | |
| Transfers from Taxes Receivable | 3,524.70 | | |
| Interest and Costs Accrued by Sale | 123.23 | | |
| | <hr/> | | <hr/> |
| | | | 3,647.93 |
| | | | 21,527.33 |
| Decreased by: | | | |
| Collections | 1,634.51 | | |
| | <hr/> | | <hr/> |
| | | | 1,634.51 |
| Balance December 31, 2023 | | \$ | <u><u>19,892.82</u></u> |

CURRENT FUND **SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

| | Balance Dec. 31, 2022 | Accrued in 2023 | Collected by | | Balance Dec. 31, 2023 |
|---------------------------------------|--------------------------|---------------------|-------------------|---------------------|--------------------------|
| | | | Collector | Treasurer | |
| Licenses: | | | | | |
| Alcoholic Beverages | \$ - | 10,425.00 | | 10,425.00 | - |
| Other | - | 7,188.00 | | 7,188.00 | - |
| Fees and Permits | - | 172,253.73 | | 172,253.73 | - |
| Municipal Court | | | | | |
| Fines and Costs | 4,052.24 | 147,072.42 | | 146,997.20 | 4,127.46 |
| Interest and Costs on Taxes | - | 130,896.79 | 130,896.79 | | - |
| Interest and Investments and Deposits | - | 867,499.90 | | 867,499.90 | - |
| Beach Fees | - | 946,977.00 | | 946,977.00 | - |
| Beach Vehicles Permits | - | 874,425.00 | | 874,425.00 | - |
| Cable Franchise | - | 82,221.55 | | 82,221.55 | - |
| County Share of Library Costs | - | 50,000.00 | | 50,000.00 | - |
| Emergency Medical Services | - | 252,336.45 | | 252,336.45 | - |
| Lease of City Property | - | 243,390.69 | | 243,390.69 | - |
| Uniform Construction Code Fees | - | 457,920.00 | | 457,920.00 | - |
| Fire Prevention Inspection Fees | - | 324,626.30 | | 324,626.30 | - |
| Minature Golf Receipts | - | 24,000.00 | | 24,000.00 | - |
| Municipal Relief Aid | - | 34,278.45 | | 34,278.45 | - |
| Golf Course Receipts | - | 1,388,089.11 | | 1,388,089.11 | - |
| Energy Receipts | - | 661,672.32 | | 661,672.32 | - |
| Garden State Trust | - | 19,173.00 | | 19,173.00 | - |
| Type I School Debt Service Aid | - | 156,976.00 | | 156,976.00 | - |
| Reserve for Capital Projects | - | 318,474.86 | | 318,474.86 | - |
| Miscellaneous Revenue Not Anticipated | - | 486,588.70 | 58,575.07 | 428,013.63 | - |
| | | | | | |
| | <u>\$ 4,052.24</u> | <u>7,656,485.27</u> | <u>189,471.86</u> | <u>7,466,938.19</u> | <u>4,127.46</u> |

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

| | Balance Dec. 31, 2022 | Balance After Transfers | Paid or Charges | Balance Lapsed | Over- Expended |
|--|--------------------------|-------------------------------|--------------------|-------------------|-------------------|
| OPERATIONS WITHIN "CAPS" | | | | | |
| GENERAL GOVERNMENT: | | | | | |
| General Administration | | | | | |
| Other Expenses | 13,916.57 | 13,916.57 | 10,402.17 | 3,514.40 | - |
| Municipal Clerk | | | | | |
| Other Expenses | 8,659.16 | 8,659.16 | 909.76 | 7,749.40 | - |
| Financial Administration | | | | | |
| Other Expenses | 112.00 | 112.00 | 61.48 | 50.52 | - |
| Audit Services | | | | | |
| Other Expenses | 4,700.00 | 4,700.00 | 4,700.00 | - | - |
| Revenue Administration (Tax Collector) | | | | | |
| Other Expenses | 1,892.26 | 1,892.26 | 1,185.12 | 707.14 | - |
| Tax Assessment Administration | | | | | |
| Other Expenses | 25,593.56 | 25,593.56 | 302.91 | 25,290.65 | - |
| Legal Services | | | | | |
| Other Expenses | 75,993.53 | 75,993.53 | 32,284.29 | 43,709.24 | - |
| Emergency Medical Services - Billing | | | | | |
| Other Expenses | 10,280.77 | 10,280.77 | 2,655.44 | 7,625.33 | - |
| Engineering Services and Costs | | | | | |
| Other Expenses | 25,957.75 | 25,957.75 | 22,686.00 | 3,271.75 | - |
| Municipal Court | | | | | |
| Other Expenses | 7,547.50 | 7,547.50 | 217.87 | 7,329.63 | - |
| Public Defender | | | | | |
| Other Expenses | 1,488.50 | 1,488.50 | 500.00 | 988.50 | - |

See Accompanying Auditor's Report

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

| | Balance Dec. 31, 2022 | Balance After Transfers | Paid or Charges | Balance Lapsed | Over- Expended |
|---------------------------------------|--------------------------|-------------------------------|--------------------|-------------------|-------------------|
| LAND USE ADMINISTRATION | | | | | |
| Planning Board | | | | | |
| Other Expenses | 18,244.45 | 18,244.45 | 191.40 | 18,053.05 | - |
| INSURANCE | | | | | |
| General Liability and Other Insurance | 25,113.37 | 25,113.37 | 323.20 | 24,790.17 | - |
| Employee Group Health | 122,711.61 | 122,711.61 | 51,626.59 | 71,085.02 | - |
| PUBLIC SAFETY | | | | | |
| Fire Department | | | | | |
| Other Expenses | 77,712.49 | 77,712.49 | 66,736.80 | 10,975.69 | - |
| Police Department | | | | | |
| Other Expenses | 183,901.01 | 198,901.01 | 188,809.70 | 10,091.31 | - |
| PUBLIC WORKS | | | | | |
| Streets and Roads Maintenance | | | | | |
| Salaries & Wages | 31,930.16 | 31,930.16 | 130.38 | 31,799.78 | - |
| Other Expenses | 29,373.47 | 14,373.47 | 2,621.28 | 11,752.19 | - |
| Solid Waste Collection | | | | | |
| Other Expenses | 102,888.73 | 102,888.73 | 71,212.07 | 31,676.66 | - |
| Department of Public Works | | | | | |
| Other Expenses | 1,716.11 | 1,716.11 | 528.65 | 1,187.46 | - |
| Storm Water Management-OE | 6,476.00 | 6,476.00 | 5,960.79 | 515.21 | - |
| Buildings and Grounds | | | | | |
| Other Expenses | 136,001.11 | 136,001.11 | 27,489.61 | 108,511.50 | - |
| Vehicle Maintenance | | | | | |
| Other Expenses | 110,147.86 | 110,147.86 | 13,208.30 | 96,939.56 | - |
| Golf Course Operations | | | | | |
| Other Expenses | 46,612.57 | 46,612.57 | 225.87 | 46,386.70 | - |

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

| | Balance Dec. 31, 2022 | Balance After Transfers | Paid or Charges | Balance Lapsed | Over- Expended |
|--------------------------------------|--------------------------|-------------------------------|--------------------|-------------------|-------------------|
| HEALTH AND HUMAN SERVICES | | | | | |
| Dog Regulation | | | | | |
| Other Expenses | 2,478.75 | 2,478.75 | 1,225.00 | 1,253.75 | - |
| PARKS AND RECREATION | | | | | |
| Beach Fee Program | | | | | |
| Other Expenses | 29,599.69 | 29,599.69 | 11,227.76 | 18,371.93 | - |
| Parks and Playgrounds | | | | | |
| Other Expenses | 40,264.90 | 40,264.90 | 1,700.32 | 38,564.58 | - |
| Grant Coordinator | | | | | |
| Other Expenses | 17,750.00 | 17,750.00 | 1,937.50 | 15,812.50 | - |
| UNIFORM CONSTRUCTION CODE | | | | | |
| Construction Official | | | | | |
| Other Expenses | 7,057.06 | 7,057.06 | 1,330.65 | 5,726.41 | - |
| UNCLASSIFIED | | | | | |
| Maintenance Agreements - Contractual | 13,133.38 | 13,133.38 | 10,060.08 | 3,073.30 | - |

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

| | Balance Dec. 31, 2022 | Balance After Transfers | Paid or Charges | Balance Lapsed | Over- Expended |
|---|--------------------------|-------------------------------|--------------------|---------------------|-------------------|
| UTILITY EXPENSES AND BULK PURCHASES | | | | | |
| Electric | 28,066.52 | 28,066.52 | 5,464.70 | 22,601.82 | - |
| Street Lighting | 24,275.39 | 24,275.39 | 19,306.25 | 4,969.14 | - |
| Telephone | 9,067.08 | 9,067.08 | 8,947.16 | 119.92 | - |
| Gas | 13,731.16 | 13,731.16 | 12,191.83 | 1,539.33 | - |
| Fuel | 72,181.74 | 72,181.74 | 6,041.55 | 66,140.19 | - |
| STATUTORY EXPENDITURES | | | | | |
| Contribution to: | | | | | |
| Unemployment Compensation Insurance | 35,000.00 | 35,000.00 | 20,878.58 | 14,121.42 | - |
| CAPITAL IMPROVEMENTS | | | | | |
| Improvements to Recreational Grounds & Facilities | 150,000.00 | 150,000.00 | 29,400.00 | 120,600.00 | - |
| All Other Accounts - No Change | 810,039.91 | 810,039.91 | | 810,039.91 | - |
| \$ | 2,321,616.12 | 2,321,616.12 | 634,681.06 | 1,686,935.06 | - |

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

| | | |
|--|-------------------|--------------------------------|
| Balance December 31, 2022 | | |
| School Tax Payable | \$ - | |
| School Tax Deferred | - | |
| | <u> </u> | \$ - |
| Increased by: | | |
| Levy - School Year July 1, 2023 to June 30, 2024 | | <u>15,888,114.00</u> |
| | | 15,888,114.00 |
| Decreased by: | | |
| Payments | | <u>15,888,114.00</u> |
| Balance December 31, 2023 | | |
| School Tax Payable | - | |
| School Tax Deferred | - | |
| | <u> </u> | <u>-</u> |
| Current Year Liability for Local School District School Tax: | | |
| Tax Paid | | 15,888,114.00 |
| Tax Payable Ending | | <u>-</u> |
| | | 15,888,114.00 |
| Less: Tax Payable Beginning | | <u>-</u> |
| Amount charged to Current Year Operations | | <u><u>\$ 15,888,114.00</u></u> |

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

| <u>Purpose</u> | <u>Balance Dec. 31, 2022</u> | <u>Transferred From 2023 Revenues</u> | <u>Received</u> | <u>Cancelled</u> | <u>Balance Dec. 31, 2023</u> |
|---|----------------------------------|---|-------------------|------------------|----------------------------------|
| FEDERAL GRANTS: | | | | | |
| Bulletproof Vest Partnership | \$ 2,634.68 | | | | 2,634.68 |
| Bulletproof Vest Partnership | - | 6,890.00 | 6,890.00 | | - |
| American Rescue Plan Firefighters Grant | 26,000.00 | | | | 26,000.00 |
| Total Federal | 28,634.68 | 6,890.00 | 6,890.00 | - | 28,634.68 |
| STATE GRANTS: | | | | | |
| Municipal Alliance on Alcoholism and Drug Abuse - 2023 | - | 4,503.39 | 4,503.39 | | - |
| Municipal Alliance on Alcoholism and Drug Abuse - 2023 | | 4,503.39 | 496.61 | | 4,006.78 |
| Municipal Alliance on Alcoholism and Drug Abuse - 2022 | 4,503.39 | | 4,503.39 | | (0.00) |
| Municipal Alliance on Alcoholism - Youth Leader | 3,124.38 | | | | 3,124.38 |
| Municipal Alliance on Alcoholism - Youth Leader | - | 3,124.38 | 3,124.38 | | - |
| NJUCG Green Communities | 6,000.00 | | | | 6,000.00 |
| Clean Communities Program - 2023 | - | 49,954.06 | 49,954.06 | | - |
| Drive Sober or Get Pulled Over - Holiday | 2,800.00 | | | | 2,800.00 |
| Drive Sober or Get Pulled Over - Holiday | - | 5,250.00 | 4,410.00 | | 840.00 |
| Drive Sober or Get Pulled Over | - | 2,800.00 | 2,800.00 | | - |
| Drive Sober Get Pulled Over - 2022 | 1,380.00 | | | | 1,380.00 |
| NJ Transportation Trust Fund Authority Act - Sheridan Project | 124,910.40 | | | | 124,910.40 |
| N.J. Transportation Trust Fund Authority- 44th Street & Cove | 261,640.00 | | 243,750.00 | | 279,530.00 |
| NJ Transportation Trust Fund Authority Act - Revere Blvd | 62,500.00 | | 62,500.00 | | - |
| N.J. Transportation Trust Fund Authority- 44th Street | 325,000.00 | | | | 325,000.00 |
| Drunk Driving Enforcement Fund | - | 5,989.62 | 5,989.62 | | - |
| Body-Worn Cameras | 40,760.00 | | 40,760.00 | | - |
| Safe & Secure Communities Grant | 5,415.00 | | | | 5,415.00 |
| Safe & Secure Communities Grant | - | 16,200.00 | 10,815.00 | | 5,385.00 |
| Cops in Shops | - | 1,440.00 | 1,440.00 | | - |
| Stormwater Assistance Grant | - | 15,000.00 | 15,000.00 | | - |
| Sustainable Jersey Grant | 2,500.00 | | | | 2,500.00 |
| Automated License Plate Leader Initiative | - | 31,842.00 | | | 31,842.00 |
| Click it or Ticket | - | 5,250.00 | 5,250.00 | | - |
| Emergency Management - EMAA Grant | - | 10,000.00 | | | 10,000.00 |
| U Drive U Text U Pay | - | 5,250.00 | 5,250.00 | | - |
| Recycling Tonnage Grant | - | 17,559.78 | 17,559.78 | | - |
| Total State | 840,533.17 | 440,306.62 | 478,106.23 | - | 802,733.56 |
| OTHER GRANTS: | | | | | |
| County of Atlantic - Brigantine Blvd | 292,979.74 | | 196,230.00 | | 96,749.74 |
| Summer Shore Pedestrian Awareness | - | 5,250.00 | 5,250.00 | | - |
| Local Recreational Improvement Grant | - | 63,000.00 | | | 63,000.00 |
| Atlantic County Area Agency on Aging | 9,254.50 | | 7,546.50 | | 1,708.00 |
| Atlantic County Area Agency on Aging | - | 44,928.00 | 35,707.50 | | 9,220.50 |
| Total Other | 302,234.24 | 113,178.00 | 244,734.00 | - | 170,678.24 |
| \$ | 1,171,402.09 | 560,374.62 | 729,730.23 | - | 1,002,046.48 |

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

| | Balance December 31, 2022 | | 2023 | Disbursed | Encumbrances | Cancelled | Balance Dec. 31, 2023 |
|---|---------------------------|-----------------------------|-----------|------------|--------------|-----------|--------------------------|
| | Appropriated | Reserve for Encumbrances | | | | | |
| FEDERAL GRANTS: | | | | | | | |
| Small Cities Grant | \$ 141,853.05 | | | (3,275.00) | | | 145,128.05 |
| Community Development Block Grant - Drainage 2005 | 9,237.88 | | | | | | 9,237.88 |
| Small Cities Community Development Block Grant | 31,765.00 | | | 6,017.10 | | | 31,765.00 |
| Bulletproof Vests 2021 | 6,360.00 | | 6,890.00 | | 1,203.42 | | 342.90 |
| American Rescue Plan Firefighter Grant | 26,000.00 | | | 11,029.00 | 14,971.00 | | 5,686.58 |
| Total Federal | 215,215.93 | - | 6,890.00 | 13,771.10 | 16,174.42 | - | 192,160.41 |
| STATE GRANTS: | | | | | | | |
| Clean Communities Program - 2021 | 3,988.73 | 885.00 | | 3,433.73 | 1,440.00 | | (0.00) |
| Clean Communities Program - 2022 | 44,319.29 | | | 43,500.29 | | | 819.00 |
| Clean Communities Program - 2023 | - | | 49,954.06 | 23,929.87 | 7,795.00 | | 18,229.19 |
| NJDEP - NJUCF Green Communities | 2,930.02 | | | 171.98 | | | 2,930.02 |
| Drunk Driving Enforcement Program - 2020 | (0.00) | 171.98 | | 1,814.99 | 2,635.01 | | (0.00) |
| Drunk Driving Enforcement Program | 4,450.00 | | 5,989.62 | 3,371.12 | 1,404.62 | | - |
| Drunk Driving Enforcement Program | - | | | | | | 1,213.88 |
| Alcohol Education and Rehabilitation Grant - 2006 | 878.88 | | | | | | 878.88 |
| Alcohol Education and Rehabilitation Grant - 2008 | 289.33 | | | | | | 289.33 |
| Alcohol Education and Rehabilitation Grant - 2009 | 246.09 | | | | | | 246.09 |
| Alcohol Education and Rehabilitation Grant - 2010 | 232.05 | | | | | | 232.05 |
| Alcohol Education and Rehabilitation Grant - 2011 | 703.82 | | | | | | 703.82 |
| Alcohol Education and Rehabilitation Grant - 2012 | 269.67 | | | | | | 269.67 |
| Alcohol Education and Rehabilitation Grant - 2013 | 809.45 | | | | | | 809.45 |
| Municipal Alliance on Alcoholism and Drug Abuse 2022-2023 | 8,753.62 | | 4,503.39 | 4,503.39 | 3,124.38 | | 5,629.24 |
| Municipal Alliance on Alcoholism and Drug Abuse 2023-2024 | - | | 4,503.39 | 1,125.85 | | | 3,377.54 |
| Municipal Alliance on Alcoholism - Youth Leader | - | | 3,124.38 | 3,124.38 | | | - |
| Sustainable Jersey Small Grant - 2018 | 6.93 | | | | | | 6.93 |
| Sustainable Jersey Small Grant - 2021 | 5,000.00 | | | | | | 5,000.00 |
| Recycling Tonnage - 2018 | 14,593.66 | | | 13,118.24 | | | 1,475.42 |
| Recycling Tonnage - 2019 | 5,165.05 | | | 5,165.05 | | | 0.00 |
| Recycling Tonnage - 2020 | 13,786.44 | | | 4,303.48 | | | 9,482.96 |
| Recycling Tonnage - 2022 | 15,078.93 | | | | | | 15,078.93 |
| Recycling Tonnage - 2023 | - | | 17,559.78 | | | | 17,559.78 |
| Drive Sober Get Pulled Over - Holiday 2022 | 2,800.00 | | | 1,814.99 | | | 985.01 |
| Drive Sober Get Pulled Over - 2022 | 1,100.00 | | | 1,100.00 | | | - |
| Drive Sober Get Pulled Over - Holiday 2023 | - | | 5,250.00 | | | | 5,250.00 |
| Drive Sober or Get Pulled Over | - | | 2,800.00 | | | | 2,800.00 |
| U Drive U Text U Pay 2023 | - | | 5,250.00 | 4,900.00 | | | 350.00 |
| Safe and Secure - 2022-2023 | 10,800.00 | | | | | | 10,800.00 |
| Safe and Secure - 2023-2024 | - | | 16,200.00 | | | | 16,200.00 |
| Emergency Management - EMEA Grant | - | | 10,000.00 | | | | 10,000.00 |

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

| | Balance December 31, 2022 | | 2023 | Disbursed | Encumbrances | Cancelled | Balance Dec. 31, 2023 |
|---|---------------------------|-----------------------------|----------------|------------|--------------|-----------|--------------------------|
| | Appropriated | Reserve for Encumbrances | Appropriations | | | | |
| Click it or Ticket | - | - | 5,250.00 | 5,250.00 | - | - | - |
| Cops in Shops 2023 | - | - | 1,440.00 | 880.00 | - | - | 560.00 |
| Stormwater Assistance Grant | - | - | 15,000.00 | - | - | - | 15,000.00 |
| Summer Shore Pedestrian Awareness | - | - | 5,250.00 | 5,250.00 | - | - | - |
| Automated License Plate Leader Initiative | - | - | 31,842.00 | - | - | - | 31,842.00 |
| NJ Transportation Trust Fund Authority Act - 44th Street & Cove | 261,640.00 | - | 261,640.00 | 254,066.54 | 7,573.46 | - | 261,640.00 |
| NJ Transportation Trust Fund Authority Act - 44th Street Recon. | 325,000.00 | - | - | 258,308.85 | 66,691.15 | - | - |
| NJ Transportation Trust Fund Authority Act - Sheridan Project | 114,225.00 | - | - | - | - | - | 114,225.00 |
| NJ Transportation Trust Fund Authority Act - Revere Blvd | 0.00 | 38,290.57 | - | 20,988.05 | - | - | 17,302.52 |
| Total State | 837,066.96 | 39,347.55 | 445,556.62 | 660,120.80 | 90,663.62 | - | 571,186.71 |
| OTHER GRANTS: | | | | | | | |
| County of Atlantic - Brigantine Blvd | 329,547.07 | - | - | - | - | - | 329,547.07 |
| Local Recreational Improvement Grant | - | - | 63,000.00 | - | - | - | 63,000.00 |
| Atlantic County Office of Aging Nutritional | - | - | 44,928.00 | 42,073.50 | - | - | 2,854.50 |
| Atlantic County Area Agency on Aging | 3,597.00 | - | - | 990.00 | - | - | 2,607.00 |
| Total Other | 333,144.07 | - | 107,928.00 | 43,063.50 | - | - | 398,008.57 |
| | 1,385,426.96 | 39,347.55 | 560,374.62 | 716,955.40 | 106,838.04 | - | 1,161,355.69 |

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES

| <u>Purpose</u> | <u>Balance Dec. 31, 2022</u> | <u>Transferred To 2023 Appropriations</u> | <u>Received</u> | <u>Balance Dec. 31, 2023</u> |
|------------------------|----------------------------------|---|-----------------|----------------------------------|
| FEDERAL GRANTS: | | | | |
| None | \$ - | | | - |
| Total Federal | - | - | - | - |
| STATE GRANTS: | | | | |
| Body Armor | - | | 2,739.58 | 2,739.58 |
| TAP-0638 #1 | - | | 1,515.45 | 1,515.45 |
| Total State | - | - | 4,255.03 | 4,255.03 |
| | \$ - | - | 4,255.03 | 4,255.03 |

TRUST FUND
SCHEDULE OF ANIMAL CONTROL CASH - TREASURER

| | | | |
|--|----|----------|------------------------|
| Balance December 31, 2022 | | \$ | 2,272.20 |
| Increased By Receipts: | | | |
| Dog Licenses Fees | \$ | 475.60 | |
| State License Fees | | 101.40 | |
| | | <hr/> | <hr/> |
| | | | 577.00 |
| | | | <hr/> |
| | | | 2,849.20 |
| Decreased By Disbursements: | | | |
| Registration Fees Due to State of New Jersey | | 101.40 | |
| Statutory Excess Due to Current Fund | | 1,158.60 | |
| | | <hr/> | <hr/> |
| | | | 1,260.00 |
| | | | <hr/> |
| Balance December 31, 2023 | | \$ | <u><u>1,589.20</u></u> |

TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER

| | | |
|---|---------------|-------------------------------|
| Balance December 31, 2022 | | \$ 5,895,497.13 |
| Increased By Receipts: | | |
| Reserve for Police Special Detail Escrow | \$ 181,392.49 | |
| Reserve for Special Law Enforcement | 2,511.23 | |
| Reserve for POAA | 560.00 | |
| Reserve for Engineering Escrow | 181,401.61 | |
| Reserve for Lifeguard Pension | 219,202.86 | |
| Reserve for Recreation | 168,537.50 | |
| Reserve for Recreation-Benches/Bike Racks | 11,250.00 | |
| Reserve for Recreation Farmers/Green Team | 32,879.00 | |
| Reserve for Garden Club | 2,377.00 | |
| Reserve for COAH | 640,507.09 | |
| Reserve for Accumulated Absences | 270,706.80 | |
| Reserve for Municipal Alliance Donations | 100.00 | |
| Reserve for Storm Expenses | 50,000.00 | |
| Reserve for Tax Title Lien Premiums | 489,034.91 | |
| Reserve for Tax Title Lien Redemptions | 306,917.54 | |
| | <hr/> | 2,557,378.03 |
| | | 8,452,875.16 |
| Decreased By Disbursements: | | |
| Reserve for Special Law Enforcement | 6,154.47 | |
| Reserve for Police Special Detail Escrow | 118,740.00 | |
| Reserve for Engineering Escrow | 205,319.07 | |
| Reserve for Lifeguard Pension | 186,300.43 | |
| Reserve for Recreation | 162,729.27 | |
| Reserve for Recreation-Benches/Bike Racks | 13,852.49 | |
| Reserve for Recreation Farmers/Green Team | 35,449.47 | |
| Reserve for Garden Club | 1,029.98 | |
| Reserve for COAH | 10,280.00 | |
| Reserve for Accumulated Absences | 273,399.90 | |
| Reserve for Municipal Alliance Donations | 6,127.12 | |
| Reserve for Tax Title Lien Premiums | 797,438.91 | |
| Reserve for Tax Title Lien Redemptions | 539,623.90 | |
| | <hr/> | 2,356,445.01 |
| Balance December 31, 2023 | | \$ <u><u>6,096,430.15</u></u> |

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

| | | |
|--------------------------------------|-----------|---------------------------|
| Balance December 31, 2022 | | \$ 1,113.60 |
| Increased By: | | |
| Dog Licenses Fees Collected | \$ 475.60 | |
| | <hr/> | <hr/> |
| | | 475.60 |
| | | <hr/> |
| | | 1,589.20 |
| Decreased By Disbursements: | | |
| Statutory Excess due to Current Fund | 342.20 | |
| | <hr/> | <hr/> |
| | | 342.20 |
| | | <hr/> |
| Balance December 31, 2023 | | <u><u>\$ 1,247.00</u></u> |

License Fees Collected

Year

| | |
|------|---------------------------|
| 2021 | \$ 701.80 |
| 2022 | <hr/> |
| | 545.20 |
| | <hr/> |
| | \$ <u><u>1,247.00</u></u> |

**TRUST - OTHER FUND
STATEMENT OF DUE TO CURRENT FUND**

| | |
|--------------------------------------|-------------------------|
| Balance December 31, 2022 | \$ 1,158.60 |
| Increased By: | |
| Statutory Excess Due to Current Fund | <u>342.20</u> |
| | 1,500.80 |
| Decreased By: | |
| Statutory Excess Due to Current Fund | <u>1,158.60</u> |
| Balance December 31, 2023 | <u><u>\$ 342.20</u></u> |

**TRUST - OTHER FUND
STATEMENT OF DUE (TO)FROM STATE OF NEW JERSEY**

| | |
|-----------------------------|--------------------|
| Balance December 31, 2022 | \$ - |
| Increased by: | |
| Paid to State of New Jersey | <u>101.40</u> |
| | 101.40 |
| Decreased by: | |
| Licenses Issued in 2023 | <u>101.40</u> |
| | 101.40 |
| Balance December 31, 2023 | <u><u>\$ -</u></u> |

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

| | | |
|----------------------------|---------------|--------------------------------|
| Balance December 31, 2022 | | \$ 6,984,196.89 |
| Increased by: | | |
| Capital Improvement Fund | 540,000.00 | |
| Due from Current | 279,782.82 | |
| Note Premium | 148,460.00 | |
| Bond Anticipation Note | 13,650,000.00 | |
| Grant Receipts | 730,019.10 | |
| | <hr/> | <hr/> |
| | | 15,348,261.92 |
| | | 22,332,458.81 |
| Decreased by: | | |
| Improvement Authorizations | 11,623,816.90 | |
| Accounts Payable | 13,291.02 | |
| Due to Current | 318,474.86 | |
| | <hr/> | <hr/> |
| | | 11,955,582.78 |
| Balance December 31, 2023 | | \$ <u><u>10,376,876.03</u></u> |

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

| | Balance Dec. 31, 2022 | Receipts | | Disbursements | | Transfers | | Balance Dec. 31, 2023 |
|--|--------------------------|---------------------|----------------------|-------------------------------|-------------------|----------------------|----------------------|--------------------------|
| | | Miscellaneous | Debt Issued | Improvement Authorizations | Miscellaneous | From | To | |
| \$ | | | | | | | | |
| Fund Balance | 178,407.00 | | | | | | | 178,407.00 |
| Capital Improvement Fund | 191,100.00 | 540,000.00 | | | | 724,796.00 | | 6,304.00 |
| Due to Current Fund | (91,681.93) | 94,782.82 | 185,000.00 | | 318,474.86 | 1,234,522.14 | | (1,364,896.11) |
| Accounts Payable | 95,844.15 | | | | 13,291.02 | | | 82,553.13 |
| Grant Receivable - FEMA House Raising 2017 | (6,200,726.99) | 520,494.04 | | | | | 330,844.33 | (5,349,388.62) |
| Reserve for Debt Service | - | 148,460.00 | | | | | | 148,460.00 |
| Reserve for Future Capital Project | 264,555.00 | | | | | | | 264,555.00 |
| Reserve for Encumbrances | 6,729,782.29 | | | | | 6,829,300.45 | 7,995,658.48 | 7,896,140.32 |
| Improvement Authorizations | | | | | | | | - |
| 14-10 Various Improvements | 2,300.70 | | | | | 2,300.70 | | - |
| 27-10 Various Improvements | 18,186.75 | | | | | 18,186.75 | | 18,890.56 |
| 19-12 Beach Replenishment | 35,321.33 | | | 9,655.84 | | 23,197.62 | 20,644.03 | 23,111.90 |
| 10-13 Various Improvements | 27,508.52 | | | | | 19,107.91 | | 8,400.61 |
| 13-14 Various Improvements | - | | | 1,285,572.34 | | 558,210.84 | 1,843,783.18 | - |
| 15-17 Various Improvements | 1,015,258.04 | | | 1,007,540.23 | | 675,708.35 | | 252,638.11 |
| 06-18 School Improvements | (1,335,327.44) | | | | | | 585,327.44 | (750,000.00) |
| 07-18 Beachfill Renourishment Project | 249,225.44 | | | 208,031.25 | | 15,653.00 | | 25,541.19 |
| 24-18 Residential Structural Elevation Project | (7,798.77) | | | | | 10,730.00 | 19,783.64 | 331,254.87 |
| 26-18, 19-22 Streetscape Projects - Phase II & III | (752,733.34) | | | 750,419.49 | | 488,256.17 | 442,255.10 | 293,846.10 |
| 12-19 Various Improvements | 2,403,623.59 | | | 1,471,581.18 | | 2,058,774.79 | 2,022,032.15 | 1,225,299.77 |
| 21-19 FEMA House Raising | 5,936,072.65 | | | 752,905.92 | | 254,410.00 | 268,010.00 | 5,406,291.79 |
| 19-21, 18-23 School Improvements | (445,496.59) | 209,525.06 | | 2,847,414.33 | | 17,476.50 | | 1,689,612.58 |
| 7-22 Reconstruction of Public Works Building | 124,400.00 | | | | | 2,499,400.00 | | (175,000.00) |
| 17-22 Purchase of Fire Ladder Truck | (1,502,773.51) | | | 1,634,146.32 | | 34,121.43 | 1,587,773.51 | 31,732.25 |
| 20-22 North End Beach Replenishment | 49,150.00 | | | | | | 3,850.00 | 983,000.00 |
| 6-23 Beach Replenishment | - | | | 1,656,550.00 | | 1,320,124.42 | 100,000.00 | (154,550.00) |
| 16-23 Various Improvements | - | | | | | | 624,796.00 | (695,328.42) |
| \$ | <u>6,984,196.89</u> | <u>1,513,261.92</u> | <u>13,835,000.00</u> | <u>11,623,816.90</u> | <u>331,765.88</u> | <u>16,784,277.07</u> | <u>16,784,277.07</u> | <u>10,376,876.03</u> |

See Accompanying Auditor's Report

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

| | | | |
|------------------------------------|------------|----|------------------------|
| Balance December 31, 2022 | | \$ | 191,100.00 |
| Increased by: | | | |
| Current Fund Budget Appropriations | 540,000.00 | | |
| | <hr/> | | <hr/> |
| | | | 540,000.00 |
| | | | 731,100.00 |
| Decreased by: | | | |
| Improvement Authorizations Funded | 724,796.00 | | |
| | <hr/> | | <hr/> |
| | | | 724,796.00 |
| Balance December 31, 2023 | | \$ | <u><u>6,304.00</u></u> |

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

| | | | |
|---------------------------|--------------|----|-----------------------------|
| Balance December 31, 2022 | | \$ | 19,530,331.12 |
| Increased by: | | | |
| None | - | | |
| | <hr/> | | <hr/> |
| | | | - |
| | | | <hr/> |
| | | | 19,530,331.12 |
| Decreased by: | | | |
| Serial Bonds Paid | 2,960,000.00 | | |
| School Type I Bonds | 520,000.00 | | |
| Green Trust Loans Paid | 34,816.93 | | |
| | <hr/> | | <hr/> |
| | | | 3,514,816.93 |
| | | | <hr/> |
| Balance December 31, 2023 | | \$ | <u><u>16,015,514.19</u></u> |

| | |
|-------------------------------------|---------------|
| Improvement Authorizations Unfunded | 17,395,941.38 |
| Ass: | |

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

| Ord # | Ord. Date | Amount | Authorizations | | | | |
|--------------|------------|------------|---------------------------|---------------|---------------|-------------------------------------|---------------|
| | | | Balance December 31, 2022 | | Other Funding | Deferred Charges to Future Taxation | |
| | | | Funded | Unfunded | | | |
| 14-10 | 9/1/2010 | 1,500,000 | \$ 2,300.70 | | | 2,300.70 | |
| 27-10 | 12/15/2010 | 500,000 | 18,186.75 | | | (703.81) | - |
| 19-12 | 06/20/2012 | 1,000,000 | 35,321.33 | | | 12,209.43 | 18,890.56 |
| 10-13 | 09/18/2013 | 4,000,000 | 27,508.52 | | | 19,107.91 | 23,111.90 |
| 13-14 | 9/3/2014 | 6,200,000 | - | | | - | 8,400.61 |
| 15-17 | 4/19/2017 | 5,343,000 | 1,015,258.04 | | | 762,619.93 | - |
| 07-18 | 5/2/2018 | 250,000 | 249,225.44 | | | 223,684.25 | 252,638.11 |
| 24-18 | 10/3/2018 | 942,455 | | 331,254.87 | | - | 25,541.19 |
| 26-18; 19-22 | 12/5/2018 | 2,928,410 | | 1,393,463.39 | | 1,099,617.29 | |
| 12-19 | 8/7/2019 | 7,955,000 | 2,403,623.59 | 332,250.00 | | 1,510,573.82 | 293,846.10 |
| 21-19 | 12/4/2019 | 8,699,045 | 5,936,072.65 | | | 529,780.86 | 332,250.00 |
| 19-21; 18-23 | 12/15/2021 | 7,264,150 | | 6,818,653.41 | | 2,864,890.83 | |
| 7-22 | 4/20/2022 | 2,500,000 | 124,400.00 | 2,375,000.00 | | 2,499,400.00 | 3,953,762.58 |
| 17-22 | 11/2/2022 | 1,700,000 | | 112,226.49 | | 80,494.24 | |
| 20-22 | 12/21/2022 | 983,000 | 49,150.00 | 933,850.00 | | | 31,732.25 |
| 6-23 | 5/3/2023 | 2,000,000 | | | 100,000.00 | 1,656,550.00 | 933,850.00 |
| 16-23 | 11/1/2023 | 12,495,920 | | | 624,796.00 | 1,320,124.42 | 343,450.00 |
| | | | \$ 9,861,047.02 | 12,296,698.16 | 724,796.00 | 12,580,649.87 | 11,175,795.58 |
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See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
STATEMENT OF GENERAL SERIAL BONDS**

| Purpose | Date of Issue | Amount of Original Issue | Outstanding December 31, 2023 | | Interest Rate | Balance Dec. 31, 2022 | Increased | Decreased | Balance Dec. 31, 2023 |
|-----------------------|---------------|--------------------------|-------------------------------|---------------|---------------|-----------------------|-----------|--------------|-----------------------|
| | | | Date | Amount | | | | | |
| General Bonds of 2012 | 7/7/2012 | \$ 9,000,000 | 7/15/2024 | \$ 840,000.00 | 3.000% | \$ 1,680,000.00 | | 840,000.00 | 840,000.00 |
| General Bonds of 2015 | 12/1/2015 | 6,850,000 | 12/1/2024 | 800,000.00 | 3.000% | 2,350,000.00 | | 750,000.00 | 1,600,000.00 |
| | | | 12/1/2025 | 800,000.00 | 3.000% | | | | |
| General Bonds of 2017 | 10/15/2017 | 6,450,000 | 10/15/2024 | 520,000.00 | 2.000% | 4,460,000.00 | | 480,000.00 | 3,980,000.00 |
| | | | 10/15/2025 | 540,000.00 | 2.000% | | | | |
| | | | 10/15/2026 | 580,000.00 | 2.125% | | | | |
| | | | 10/15/2027 | 620,000.00 | 2.250% | | | | |
| | | | 10/15/2028 | 670,000.00 | 2.375% | | | | |
| | | | 10/15/2029 | 640,000.00 | 3.000% | | | | |
| | | | 10/15/2030 | 410,000.00 | 3.000% | | | | |
| General Bonds of 2019 | 9/18/2019 | 13,000,000 | 10/1/2024 | 940,000.00 | 4.000% | 9,840,000.00 | | 890,000.00 | 8,950,000.00 |
| | | | 10/1/2025 | 1,045,000.00 | 4.000% | | | | |
| | | | 10/1/2026 | 1,105,000.00 | 4.000% | | | | |
| | | | 10/1/2027 | 1,105,000.00 | 4.000% | | | | |
| | | | 10/1/2028 | 1,100,000.00 | 4.000% | | | | |
| | | | 10/1/2029 | 1,160,000.00 | 3.000% | | | | |
| | | | 10/1/2030 | 1,160,000.00 | 3.000% | | | | |
| | | | 10/1/2031 | 1,335,000.00 | 3.000% | | | | |
| | | | | | | \$ 18,330,000.00 | - | 2,960,000.00 | 15,370,000.00 |

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
STATEMENT OF TYPE I SCHOOL SERIAL BONDS**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding December 31, 2023 | | Interest Rate | Balance Dec. 31, 2022 | Increased | Decreased | Balance Dec. 31, 2023 |
|-----------------------|---------------|--------------------------|---|------------|---------------|------------------------|-----------|-------------------|-----------------------|
| | | | Date | Amount | | | | | |
| General Bonds of 2012 | 07/07/12 | 5,850,000 | 7/15/2024 | 520,000.00 | 3.000% | 1,040,000.00 | | 520,000.00 | 520,000.00 |
| | | | | | | <u>\$ 1,040,000.00</u> | <u>-</u> | <u>520,000.00</u> | <u>520,000.00</u> |

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

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding December 31, 2023 | | | | Interest Rate | Balance Dec. 31, 2022 | Increased | Decreased | Balance Dec. 31, 2023 |
|---------------------|---------------|--------------------------|---|-----------|--|--|---------------|-----------------------|-----------|------------|-----------------------|
| | | | Date | Amount | | | | | | | |
| | | | | | | | | | | | |
| Municipal Boat Ramp | 1997 | 72,803 | | | | | 2.000% | 532.41 | | 532.41 | - |
| Municipal Boat Ramp | 2007 | 600,000 | 2024 | 34,973.63 | | | 2.000% | 159,798.71 | | 34,284.52 | 125,514.19 |
| | | | 2025 | 35,676.60 | | | | | | | |
| | | | 2026 | 36,393.70 | | | | | | | |
| | | | 2027 | 18,470.26 | | | | | | | |
| | | | | | | | \$ 160,331.12 | - | 34,816.93 | 125,514.19 | |

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

| Improvement Description | Ordinance Number | Date of Original Issue | Date of Issue | Date of Maturity | Interest Rate | Balance Dec. 31, 2022 | Increased | Decreased | Balance Dec. 31, 2023 |
|--|------------------|------------------------|---------------|------------------|---------------|-----------------------|---------------|------------|-----------------------|
| Golf Course Improvements | 6-13 | 12/12/2013 | * | * | * | \$ 185,000.00 | | 185,000.00 | - |
| Residential Structural Elevation Project | 24-18 | 9/26/2023 | 9/26/2023 | 9/25/2024 | 5.00% | - | 330,000.00 | | 330,000.00 |
| Streetscape Projects - Phase II & III | 26-18 | 9/26/2023 | 9/26/2023 | 9/25/2024 | 5.00% | - | 1,843,000.00 | | 1,843,000.00 |
| Various Improvements | 12-19 | 9/26/2023 | 9/26/2023 | 9/25/2024 | 5.00% | - | 330,000.00 | | 330,000.00 |
| Reconstruction of Public Works Building | 7-22 | 9/26/2023 | 9/26/2023 | 9/25/2024 | 5.00% | - | 2,200,000.00 | | 2,200,000.00 |
| Purchase of Fire Ladder Truck | 17-22 | 9/26/2023 | 9/26/2023 | 9/25/2024 | 5.00% | - | 1,615,000.00 | | 1,615,000.00 |
| North End Beach Replenishment | 20-22 | 9/26/2023 | 9/26/2023 | 9/25/2024 | 5.00% | - | 930,000.00 | | 930,000.00 |
| Beach Replenishment | 6-23 | 9/26/2023 | 9/26/2023 | 9/25/2024 | 5.00% | - | 1,402,000.00 | | 1,402,000.00 |
| School Improvements | 19-21 | 9/26/2023 | 9/26/2023 | 9/25/2024 | 4.75% | - | 5,000,000.00 | | 5,000,000.00 |
| * Note held by the Current Fund | | | | | | \$ 185,000.00 | 13,650,000.00 | 185,000.00 | 13,650,000.00 |

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

| Ordinance Number | Improvement Description | Balance Dec. 31, 2022 | 2023 Authorizations | Budget Appropriation | Debt Issued | Balance Dec. 31, 2023 |
|---------------------|--|--------------------------|------------------------|-------------------------|----------------------|--------------------------|
| 06-18 | School Improvements | \$ 1,335,327.44 | | 585,327.44 | | 750,000.00 |
| 24-18 | Residential Structural Elevation Project | 339,053.64 | | 9,053.64 | 330,000.00 | - |
| 26-18; 19-22 | Streetscape Projects - Phase II & III | 2,146,196.73 | | 303,196.73 | 1,843,000.00 | - |
| 12-19 | Various Improvements | 332,250.00 | | 2,250.00 | 330,000.00 | - |
| 19-21; 18-23 | School Improvements | 7,264,150.00 | | | 5,000,000.00 | 2,264,150.00 |
| 7-22 | Reconstruction of Public Works Building | 2,375,000.00 | | | 2,200,000.00 | 175,000.00 |
| 17-22 | Purchase of Fire Ladder Truck | 1,615,000.00 | | | 1,615,000.00 | - |
| 20-22 | North End Beach Replenishment | 933,850.00 | | 3,850.00 | 930,000.00 | - |
| 6-23 | Beach Replenishment | - | 1,900,000.00 | | 1,402,000.00 | 498,000.00 |
| 16-23 | Various Improvements | - | 11,871,124.00 | | | 11,871,124.00 |
| | | <u>\$ 16,340,827.81</u> | <u>13,771,124.00</u> | <u>903,677.81</u> | <u>13,650,000.00</u> | <u>15,558,274.00</u> |

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

| | Operating Fund | Capital Fund |
|--------------------------------|------------------------|---------------------|
| Balance December 31, 2022 | \$ 4,498,096.23 | 12,660,552.40 |
| Increased by Receipts: | | |
| Water and Sewer Rent Collected | 4,525,394.15 | |
| Prepaid Water and Sewer | 1,191,696.22 | |
| Due from Current Fund | 1,644,981.72 | |
| Due to W/S Operating | | 409,779.76 |
| Miscellaneous Revenue | 188,088.47 | |
| | <u>7,550,160.56</u> | <u>409,779.76</u> |
| | 12,048,256.79 | 13,070,332.16 |
| Decreased by Disbursements: | | |
| Current Appropriations | 6,651,485.23 | |
| Appropriation Reserves | 358,471.38 | |
| Due from W/S Capital | 15,745.00 | |
| Improvement Authorizations | | 3,098,517.55 |
| | <u>7,025,701.61</u> | <u>3,098,517.55</u> |
| Balance December 31, 2023 | \$ <u>5,022,555.18</u> | <u>9,971,814.61</u> |

WATER AND SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH

| | Balance Dec. 31, 2022 | Receipts | | Disbursements | Transfers | | Balance Dec. 31, 2023 |
|------------------------------------|--------------------------|---------------|-------------|---------------|---------------|---------------|--------------------------|
| | | Miscellaneous | Debt Issued | | From | To | |
| New Jersey EIT Receivables | \$ (24,227.00) | | | | | | (24,227.00) |
| Encumbrances Payable | 7,153,397.83 | | | | 7,153,397.83 | 5,230,108.24 | 5,230,108.24 |
| Reserve for American Recovery Plan | 383.00 | | | | | | 383.00 |
| Due from W/S Operating | 114,147.78 | 409,779.76 | | | | | 523,927.54 |
| Fund Balance | 146.96 | | | | | | 146.96 |
| Improvement Authorizations: | | | | | | | |
| 13-14 Various Improvements | 3,479,114.69 | | | | 25,981.98 | 25,981.98 | 3,479,114.69 |
| 13-17 Various Improvements | 14,637.37 | | | 27,626.02 | 10,081.35 | 23,070.00 | - |
| 25-18 Sewer Main Replacements | - | | | 20,496.99 | | 20,496.99 | - |
| 13-19 Various Improvements | 3,585,176.26 | | | 1,254,910.19 | 1,013,926.66 | 1,108,246.26 | 2,424,585.67 |
| 16-21 Water Tower Improvements | 111,948.51 | | | 1,190,407.85 | 3,011,621.75 | 4,202,029.60 | 111,948.51 |
| 11-22 Water Tower Improvements | (1,774,173.00) | | | 605,076.50 | 1,168,496.50 | 1,773,573.00 | (1,774,173.00) |
| 15-23 Various Improvements | - | | | | | | - |
| | \$ 12,660,552.40 | 409,779.76 | - | 3,098,517.55 | 12,383,506.07 | 12,383,506.07 | 9,971,814.61 |

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

| | | |
|-----------------------------|--------------|----------------------------|
| Balance December 31, 2022 | | \$ 386,722.42 |
| Increased by Receipts: | | |
| Billings of User Charges | 4,945,469.86 | |
| Overpayments Created | 44,097.98 | |
| | <hr/> | <hr/> |
| | | 4,989,567.84 |
| | | 5,376,290.26 |
| Decreased by Disbursements: | | |
| Collections | 4,030,245.34 | |
| Overpayments Applied | 1,246,583.88 | |
| | <hr/> | <hr/> |
| | | 5,276,829.22 |
| Balance December 31, 2023 | | \$ <u><u>99,461.04</u></u> |

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

| | | |
|-----------------------------|-------|--------------------|
| Balance December 31, 2022 | | \$ - |
| Increased by Receipts: | | |
| None | - | |
| | <hr/> | <hr/> |
| | | - |
| Decreased by Disbursements: | | |
| None | - | |
| | <hr/> | <hr/> |
| | | - |
| Balance December 31, 2023 | | \$ <u><u>-</u></u> |

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

| | Balance Dec. 31, 2022 | Balance After Transfers | Paid or Charges | Balance Lapsed | Over- Expended |
|--|--------------------------|-------------------------------|--------------------|-------------------|-------------------|
| Operating: | | | | | |
| Salaries and Wages | \$ 66,554.73 | 66,554.73 | | 66,554.73 | - |
| Other Expenses | 703,188.60 | 703,188.60 | 361,792.05 | 341,396.55 | - |
| Deferred Charges and Statutory Expenditures: | | | | | |
| Social Security System (O.A.S.I.) | 12,072.12 | 12,072.12 | | 12,072.12 | - |
| Unemployment Compensation Insurance | 2,500.00 | 2,500.00 | | 2,500.00 | - |
| | <u>\$ 784,315.45</u> | <u>784,315.45</u> | <u>361,792.05</u> | <u>422,523.40</u> | <u>-</u> |
| Appropriation Reserves | 337,609.28 | | | | |
| Encumbrances | <u>446,706.17</u> | | | | |
| | <u><u>784,315.45</u></u> | | | | |

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

| | | |
|-----------------------------------|------------|----------------------------|
| Balance December 31, 2022 | | \$ 116,666.15 |
| Increased by: | | |
| Budget Appropriations | 98,866.15 | |
| | <hr/> | <hr/> |
| | | 98,866.15 |
| | | 215,532.30 |
| Decreased By: | | |
| Payments of Debt Service Interest | 116,666.15 | |
| | <hr/> | <hr/> |
| | | 116,666.15 |
| Balance December 31, 2023 | | \$ <u><u>98,866.15</u></u> |

Analysis of Accrued Interest December 31, 2023

| | Principal Outstanding December 31, 2023 | Interest Rate | From | To | Days | Amount |
|----|---|------------------|------------|------------|------|-------------------------|
| \$ | 1,890,000.00 | Var. | 10/15/2023 | 12/31/2023 | 77 | 9,601.56 |
| | 4,685,000.00 | Var. | 10/1/2023 | 12/31/2023 | 91 | 42,075.00 |
| | 129,000.00 | Var. | 8/1/2023 | 12/31/2023 | 152 | 2,150.00 |
| | 683,000.00 | Var. | 8/1/2023 | 12/31/2023 | 152 | 13,622.92 |
| | 295,000.00 | Var. | 8/1/2023 | 12/31/2023 | 152 | 5,187.50 |
| | 5,345,000.00 | Var. | 10/15/2023 | 12/31/2023 | 77 | 26,229.17 |
| | <hr/> | | | | | <hr/> |
| | 13,027,000.00 | | | | | <u><u>98,866.15</u></u> |

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

| Ord # | Improvement Description | Ord. Date | Amount | Authorizations | | | | |
|-------|---|--------------|--------------|---------------------------|------------------|---------------------|---------------------------|---------------------|
| | | | | Balance December 31, 2022 | | Paid or Charged | Balance December 31, 2023 | |
| | | | | Funded | Unfunded | | Funded | Unfunded |
| 13-14 | Various Improvements | 9/3/2014 | 5,830,000.00 | \$ 3,479,114.69 | | - | 3,479,114.69 | |
| 13-17 | Various Improvements | 4/19/2017 | 159,469.59 | 14,637.37 | | 14,637.37 | (0.00) | |
| 25-18 | Sewer Main Replacements | 12/5/2018 | 950,000.00 | - | | - | - | |
| 13-19 | Various Improvements | 8/7/2019 | 6,170,000.00 | 3,585,176.26 | | 1,160,590.59 | 2,424,585.67 | |
| 16-21 | Water Tower Improvements | 8/4/2021 | 6,350,000.00 | 111,948.51 | | - | 111,948.51 | |
| 11-22 | Improvements to Remote Water Meters and Related Improvements | 8/17/2022 | 1,825,000.00 | - | 50,827.00 | - | | 50,827.00 |
| 15-23 | Various Improvements | 11/1/2023 | 7,112,000.00 | | | | | 7,112,000.00 |
| | | | | <u>\$ 7,190,876.83</u> | <u>50,827.00</u> | <u>1,175,227.96</u> | <u>6,015,648.87</u> | <u>7,162,827.00</u> |

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

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding | | | | Interest Rate | Balance Dec. 31, 2022 | Increased | Decreased | Balance Dec. 31, 2023 |
|----------------------------------|---------------|--------------------------|---------------------------------|---------------|--------|------------------|---------------|-----------------------|---------------|------------|-----------------------|
| | | | December 31, 2023 | | | | | | | | |
| | | | Date | Amount | | | | | | | |
| General Obligation Bonds of 2012 | 7/17/2012 | 1,400,000 | | | | \$ | 160,000.00 | | | 160,000.00 | - |
| General Obligation Bonds of 2017 | 10/15/2017 | 3,000,000 | 10/15/2024 | \$ 220,000.00 | 2.000% | 2,100,000.00 | | 210,000.00 | 1,890,000.00 | | |
| | | | 10/15/2025 | 240,000.00 | 2.000% | | | | | | |
| | | | 10/15/2026 | 250,000.00 | 2.125% | | | | | | |
| | | | 10/15/2027 | 260,000.00 | 2.250% | | | | | | |
| | | | 10/15/2028 | 300,000.00 | 2.375% | | | | | | |
| | | | 10/15/2029 | 300,000.00 | 3.000% | | | | | | |
| | 10/15/2030 | 320,000.00 | 3.000% | | | | | | | | |
| General Obligation Bonds of 2019 | 9/18/2019 | 7,000,000 | 10/1/2024 | 510,000.00 | 4.000% | 5,165,000.00 | | 480,000.00 | 4,685,000.00 | | |
| | | | 10/1/2025 | 540,000.00 | 4.000% | | | | | | |
| | | | 10/1/2026 | 575,000.00 | 4.000% | | | | | | |
| | | | 10/1/2027 | 575,000.00 | 4.000% | | | | | | |
| | | | 10/1/2028 | 575,000.00 | 4.000% | | | | | | |
| | | | 10/1/2029 | 605,000.00 | 3.000% | | | | | | |
| | | | 10/1/2030 | 605,000.00 | 3.000% | | | | | | |
| | | | 10/1/2031 | 700,000.00 | 3.000% | | | | | | |
| General Obligation Bonds of 2021 | 10/19/2021 | 6,065,000 | 10/15/2024 | 450,000.00 | 3.000% | 5,735,000.00 | | 390,000.00 | 5,345,000.00 | | |
| | | | 10/15/2025 | 450,000.00 | 3.000% | | | | | | |
| | | | 10/15/2026 | 485,000.00 | 3.000% | | | | | | |
| | | | 10/15/2027 | 515,000.00 | 3.000% | | | | | | |
| | | | 10/15/2028 | 545,000.00 | 2.000% | | | | | | |
| | | | 10/15/2029 | 550,000.00 | 2.000% | | | | | | |
| | | | 10/15/2030 | 550,000.00 | 2.000% | | | | | | |
| | | | 10/15/2031 | 570,000.00 | 2.000% | | | | | | |
| | | | 10/15/2032 | 580,000.00 | 2.000% | | | | | | |
| | | | 10/15/2033 | 650,000.00 | 2.000% | | | | | | |
| | | | | | | \$ 13,160,000.00 | | 1,240,000.00 | 11,920,000.00 | | |
| | | | | | | | - | | | | |

See Accompanying Auditor's Report

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER AND SEWER LOANS**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding December 31, 2023 | | | | | Interest Rate | Balance Dec. 31, 2022 | Increased | Decreased | Balance Dec. 31, 2023 |
|----------------------------------|---------------|--------------------------|---|------------|---------|----|------------|---------------|-----------------------|------------|------------|-----------------------|
| | | | Date | Amount | | | | | | | | |
| | | | | | | | | | | | | |
| State of New Jersey EIT Bonds | 3/10/2010 | \$ 325,000 | 08/01/24 | 19,000.00 | Various | \$ | 148,000.00 | | | 19,000.00 | 129,000.00 | |
| | | | 08/01/25 | 19,000.00 | | | | | | | | |
| | | | 08/01/26 | 19,000.00 | | | | | | | | |
| | | | 08/01/27 | 24,000.00 | | | | | | | | |
| | | | 08/01/28 | 24,000.00 | | | | | | | | |
| | | | 08/01/29 | 24,000.00 | | | | | | | | |
| State of New Jersey EIT Loans | 3/10/2010 | 931,500 | 08/01/24 | 51,750.00 | 0.000% | | 339,869.00 | | | 51,750.00 | 288,119.00 | |
| | | | 08/01/25 | 51,750.00 | | | | | | | | |
| | | | 08/01/26 | 51,750.00 | | | | | | | | |
| | | | 08/01/27 | 51,750.00 | | | | | | | | |
| | | | 08/01/28 | 51,750.00 | | | | | | | | |
| | | | 08/01/29 | 29,369.00 | | | | | | | | |
| State of New Jersey EIT Bonds | 2/2/2010 | 2,335,000 | 2/1/2024 | 123,000.00 | Various | | 802,000.00 | | | 119,000.00 | 683,000.00 | |
| | | | 2/1/2025 | 132,000.00 | | | | | | | | |
| | | | 2/1/2026 | 137,000.00 | | | | | | | | |
| | | | 2/1/2027 | 146,000.00 | | | | | | | | |
| | | | 2/1/2028 | 145,000.00 | | | | | | | | |
| State of New Jersey EIT Loans | 2/2/2010 | 2,512,650 | 2/1/2024 | 127,761.85 | 0.000% | | 589,195.08 | | | 127,761.85 | 461,433.23 | |
| | | | 2/1/2025 | 127,761.85 | | | | | | | | |
| | | | 2/1/2026 | 127,761.85 | | | | | | | | |
| | | | 2/1/2027 | 78,147.68 | | | | | | | | |

See Accompanying Auditor's Report

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER AND SEWER LOANS**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding | | Interest Rate | Balance Dec. 31, 2022 | Increased | Decreased | Balance Dec. 31, 2023 |
|----------------------------------|---------------|--------------------------|---------------------------------|-----------|---------------|-----------------------|-----------|------------|-----------------------|
| | | | December 31, 2023 | | | | | | |
| | | | Date | Amount | | | | | |
| State of New Jersey EIT Bonds | 5/28/2015 | 435,000 | 08/01/24 | 20,000.00 | Various | 315,000.00 | | 20,000.00 | 295,000.00 |
| | | | 08/01/25 | 20,000.00 | | | | | |
| | | | 08/01/26 | 25,000.00 | | | | | |
| | | | 08/01/27 | 25,000.00 | | | | | |
| | | | 08/01/28 | 25,000.00 | | | | | |
| | | | 08/01/29 | 25,000.00 | | | | | |
| | | | 08/01/30 | 30,000.00 | | | | | |
| | | | 08/01/31 | 30,000.00 | | | | | |
| | | | 08/01/32 | 30,000.00 | | | | | |
| | | | 08/01/33 | 30,000.00 | | | | | |
| | | | 08/01/34 | 35,000.00 | | | | | |
| State of New Jersey EIT Loans | 5/28/2015 | 1,049,067 | 08/01/24 | 53,342.38 | 0.000% | 626,540.75 | | 53,342.38 | 573,198.37 |
| | | | 08/01/25 | 53,342.38 | | | | | |
| | | | 08/01/26 | 53,342.38 | | | | | |
| | | | 08/01/27 | 53,342.38 | | | | | |
| | | | 08/01/28 | 53,342.38 | | | | | |
| | | | 08/01/29 | 53,342.38 | | | | | |
| | | | 08/01/30 | 53,342.38 | | | | | |
| | | | 08/01/31 | 53,342.38 | | | | | |
| | | | 08/01/32 | 53,342.38 | | | | | |
| | | | 08/01/33 | 53,342.38 | | | | | |
| | | | 08/01/34 | 39,774.57 | | | | | |
| | | | | | | \$ 2,820,604.83 | - | 390,854.23 | 2,429,750.60 |

See Accompanying Auditor's Report

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

| Ordinance Number | | Balance Dec. 31, 2022 | 2023 Authorizations | Debt Issued | Balance Dec. 31, 2023 |
|---------------------|---|--------------------------|------------------------|----------------|--------------------------|
| 11-22 | Improvements to Remote Water Meters and Related Improvements | \$ 1,825,000.00 | | | 1,825,000.00 |
| 15-23 | Various Improvements | - | 7,112,000.00 | | 7,112,000.00 |
| | | <u>\$ 1,825,000.00</u> | <u>7,112,000.00</u> | <u>-</u> | <u>8,937,000.00</u> |

CITY OF BRIGANTINE

PART II

GENERAL COMMENTS AND FINDINGS AND RESPONSES

FOR THE YEAR ENDED

DECEMBER 31, 2023

GENERAL COMMENTS

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

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. Effective July 1, 2020, pursuant to subsection b. of section 9 of P.L. 1971, c. 198 (C.40A:11-9), the governing body can establish the bid threshold at \$44,000 with the appointment of a qualified purchasing agent. The City adopted the bid threshold of \$44,000.

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

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

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

- Brigantine Boulevard (CR 638) Tap Lighthouse District Streetscape Improvement Program
- Repair and Replacement of the Drive-Up Window and Deal Drawer
- Replacement of Fire Hydrants
- Reconstruction of 44th Street from Brigantine Avenue to Bayshore Avenue
- Design, Construction Management and Inspection Services for Repair or Replacement of Sanitary and Storm Water Systems at Various Locations
- Reconstruction of Various Stormwater and Sanitary Systems
- Road Improvements
- Police and Fire Uniforms
- Bulkhead Replacement at Various Locations
- Removal of Cupola and Installation of Roof at City Hall
- Reconditioning of the Public Works Building

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

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Collection of Interest on Delinquent Taxes and Assessments

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

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

BE IT RESOLVED by the City Council of the City of Brigantine, in accordance with Chapter 75, New Jersey Laws of 1991, and N.J.S.A. 54:4-67, 54:5-32, 54:5-34 and 54:5-35, which authorizes the Governing Body inter alia to fix the rate of interest to be charged, in the City of Brigantine, for the nonpayment of taxes, assessments and municipal charges, said rate of interest shall be and is hereby fixed at 8 per cent per annum on the first \$1,500 of delinquency and 18 per cent per annum on any amount in excess of \$1,500 to be calculated from the date when the taxes, assessments and charges become delinquent.

BE IT FURTHER RESOLVED by the City Council of the City of Brigantine, in accordance with N.J.S.A. 54:4-67, Chapter 75, New Jersey Laws of 1991, and Chapter 32, New Jersey Laws of 1994, which permits a 6 per cent penalty on taxes and municipal charges greater than \$10,000 as of the close of the fiscal year, that said end-of-year penalty shall be fixed for the year.

It appears from an examination of the Collector's records that interest was charged in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

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

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

| <u>Year</u> | <u>Number</u> |
|-------------|---------------|
| 2023 | 10 |
| 2022 | 8 |
| 2021 | 7 |

It is essential to good management that all means provided by the statutes be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

Verification of Delinquent Taxes and Other Charges

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

| <u>Type</u> | <u>Number Mailed</u> |
|----------------------------------|--------------------------|
| Payments of 2023 and 2024 Taxes | 25 |
| Delinquent Taxes | 5 |
| Payment of Water and Sewer Rents | 25 |
| Delinquent Water and Sewer Rents | 25 |
| Total | <u>80</u> |

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

Comparison of Tax Levies and Collections Currently

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

| Year | Tax Levy | Currently | |
|---------|---------------|------------------|---------------------------|
| | | Cash Collections | Percentage of Collections |
| 2023 \$ | 64,258,354.52 | 63,880,559.06 | 99.41% |
| 2022 | 59,389,292.40 | 59,016,428.32 | 99.37% |
| 2021 | 57,534,075.44 | 57,161,349.99 | 99.35% |
| 2020 | 56,320,669.36 | 55,801,551.28 | 99.08% |
| 2019 | 56,343,951.49 | 55,740,293.11 | 98.93% |

Comparative Schedule of Tax Rate Information

| | | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|----------------------------|----|---------------|---------------|---------------|---------------|---------------|
| Tax Rate | \$ | 1.848 | 1.737 | 1.706 | 1.688 | 1.703 |
| Apportionment of Tax Rate: | | | | | | |
| Municipal | | 0.683 | 0.646 | 0.646 | 0.635 | 0.648 |
| County | | 0.673 | 0.597 | 0.562 | 0.548 | 0.545 |
| Local School | | 0.492 | 0.494 | 0.498 | 0.505 | 0.510 |
| Assessed Valuation | | 3,434,155,000 | 3,404,663,000 | 3,356,576,700 | 3,322,876,700 | 3,296,137,900 |

Delinquent Taxes and Tax Title Liens

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

| Year | Amount of Tax Title Liens | Amount of Delinquent Taxes | Total Delinquent | Percentage Of Tax Levy |
|---------|---------------------------|----------------------------|------------------|------------------------|
| 2023 \$ | 19,892.82 | 328,524.11 | 348,416.93 | 0.54% |
| 2022 | 17,879.40 | 315,149.70 | 333,029.10 | 0.56% |
| 2021 | 28,640.29 | 350,970.80 | 379,611.09 | 0.66% |
| 2020 | 24,731.84 | 458,076.04 | 482,807.88 | 0.86% |
| 2019 | 20,864.63 | 499,851.77 | 520,716.40 | 0.92% |

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Uniform Construction Code

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

Deposit of Municipal Funds

N.J.S.A. 40A:5-15 states:

"All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either:

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. be deposited to the credit of the local unit in its designated legal depository."

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

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RECOMMENDATIONS

None

In accordance with the Division of Local Government Services Regulations, a corrective action plan must be prepared and filed by the City Council in response to comments, if any.

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

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

Leon P. Costello

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

August 5, 2024

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