

*Report of Audit*

*on the*

*Financial Statements*  
*and Supplementary Schedules*

*of the*

*Borough of Ship Bottom*

*in the*

*County of Ocean*  
*New Jersey*

*for the*

*Year Ended*  
*December 31, 2021*



BOROUGH OF SHIP BOTTOM

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BOROUGH OF SHIP BOTTOM

PART I

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2021



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Ship Bottom  
County of Ocean  
Ship Bottom, New Jersey 08008

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

#### ***Adverse and Unmodified Opinions***

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account groups of the Borough of Ship Bottom (the "Borough", as of and for the years ended December 31, 2021 and 2020, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's regulatory 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 "Matter Giving Rise to Adverse Opinion" 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 the various individual funds and account groups of the Borough as of December 31, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2021.

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

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the financial position of the various individual funds and account groups as of December 31, 2021 and 2020, the results of its operations and changes in fund balance for the years then ended and the revenues and expenditures for the year ended December 31, 2021 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.



***Basis for Adverse and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough 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 adverse and unmodified audit opinions.

***Matter Giving Rise to Adverse Opinion***

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Borough on the basis of the financial reporting provisions prescribed by the Division, 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 the regulatory financial statements in accordance with the regulatory basis of accounting prescribed by the Division, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the regulatory 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

## SUPLEE, CLOONEY & COMPANY

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's regulatory financial statements. The supplementary information, schedule of expenditures of state financial assistance and data listed in the table of contents as required by the Division and New Jersey OMB 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid 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, schedule of expenditures of state financial assistance and data listed in the table of contents, as required by the Division and New Jersey OMB 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

# SUPLEE, CLOONEY & COMPANY

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Borough's internal control over financial reporting and compliance.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

September 30, 2022

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CURRENT FUND

BOROUGH OF SHIP BOTTOM

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

|                                                      | <u>REF.</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2021</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2020</u> |
|------------------------------------------------------|-------------|------------------------------------------|------------------------------------------|
| <u>ASSETS</u>                                        |             |                                          |                                          |
| Current Fund:                                        |             |                                          |                                          |
| Cash and Cash Equivalents                            | A-4         | \$ 6,940,983.10                          | \$ 5,773,195.43                          |
| Change Fund                                          | A-5         | 175.00                                   | 175.00                                   |
| Investment in Bond Anticipation Notes                | A-7         | 174,309.42                               | 292,017.94                               |
|                                                      |             | <u>7,115,467.52</u>                      | <u>6,065,388.37</u>                      |
| Receivables with Full Reserves:                      |             |                                          |                                          |
| Taxes Receivable                                     | A-8         | 47,868.34                                | 190,360.69                               |
| Property Acquired for Taxes at Assessed<br>Valuation | A-10        | 75,700.00                                | 75,700.00                                |
| Revenue Accounts Receivable                          | A-11        | 6,071.45                                 | 3,588.46                                 |
| Prepaid Local District School Tax                    | A-17        | 69,003.74                                | 67,461.49                                |
| Interfunds Receivable                                | A-20        | 16,594.88                                | 413,623.87                               |
|                                                      |             | <u>215,238.41</u>                        | <u>750,734.51</u>                        |
| Deferred Charges:                                    |             |                                          |                                          |
| Emergency Authorizations (40A:4-47)                  | A-3         |                                          | 135,058.29                               |
|                                                      |             | <u>7,330,705.93</u>                      | <u>6,951,181.17</u>                      |
| Federal and State Grant Fund:                        |             |                                          |                                          |
| Cash and Cash Equivalents                            | A-4         | 144,645.11                               | 157,184.11                               |
| Interfunds Receivable                                | A-24        | 75,992.98                                | 1,150.30                                 |
| Grants Receivable                                    | A-25        | 35,880.00                                | 880.00                                   |
|                                                      |             | <u>256,518.09</u>                        | <u>159,214.41</u>                        |
|                                                      |             | <u>\$ 7,587,224.02</u>                   | <u>\$ 7,110,395.58</u>                   |

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

BOROUGH OF SHIP BOTTOM

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

|                                                | <u>REF.</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2021</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2020</u> |
|------------------------------------------------|-------------|------------------------------------------|------------------------------------------|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u>  |             |                                          |                                          |
| Current Fund:                                  |             |                                          |                                          |
| Appropriation Reserves                         | A-3:A-19    | \$ 1,293,225.06                          | \$ 1,264,017.04                          |
| Deferred Revenue - Covid-19 Reimbursement      | A-2         |                                          | 26,923.91                                |
| Third Party Liens                              | A-12        | 10.00                                    | 10.00                                    |
| Due to State of New Jersey (Ch. 20, P.L. 1971) | A-13        | 1,000.00                                 | 500.00                                   |
| Tax Overpayments                               | A-14        | 16,477.43                                | 5,010.90                                 |
| Prepaid Taxes                                  | A-15        | 441,055.89                               | 414,486.64                               |
| Due County - Added and Omitted Taxes           | A-16        | 55,901.03                                | 63,278.11                                |
| Regional School District Taxes Payable         | A-18        | 507,431.72                               | 522,690.72                               |
| Interfunds Payable                             | A-20        | 246,138.75                               | 7,083.12                                 |
| Accounts Payable                               | A-21        | 8,314.58                                 | 8,121.00                                 |
| Reserve for:                                   |             |                                          |                                          |
| Encumbrances                                   | A-22        | 73,331.19                                | 57,039.91                                |
| Repairs to Police Vehicle                      | A-23        | 1,520.47                                 | 1,520.47                                 |
|                                                |             | <u>2,644,406.12</u>                      | <u>2,370,681.82</u>                      |
| Reserve for Receivables                        |             | 215,238.41                               | 750,734.51                               |
| Fund Balance                                   | A-1         | <u>4,471,061.40</u>                      | <u>3,829,764.84</u>                      |
|                                                |             | <u>7,330,705.93</u>                      | <u>6,951,181.17</u>                      |
| Federal and State Grant Fund:                  |             |                                          |                                          |
| Reserve for Encumbrances                       | A-22        | 40,748.29                                | 3,660.00                                 |
| Grants - Appropriated                          | A-26        | 132,149.40                               | 148,631.13                               |
| Grants - Unappropriated                        | A-27        | 83,620.40                                | 6,923.28                                 |
|                                                |             | <u>256,518.09</u>                        | <u>159,214.41</u>                        |
|                                                |             | <u>\$ 7,587,224.02</u>                   | <u>\$ 7,110,395.58</u>                   |

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

BOROUGH OF SHIP BOTTOM

CURRENT FUND

STATEMENTS OF OPERATIONS  
AND CHANGES IN FUND BALANCE - REGULATORY BASIS

|                                                                   | <u>REF.</u> | <u>YEAR ENDED</u><br><u>2021</u> | <u>YEAR ENDED</u><br><u>2020</u> |
|-------------------------------------------------------------------|-------------|----------------------------------|----------------------------------|
| <u>REVENUE AND OTHER INCOME</u>                                   |             |                                  |                                  |
| Fund Balance Utilized                                             | A-2         | \$ 1,766,422.00                  | \$ 1,490,000.00                  |
| Miscellaneous Revenue Anticipated                                 | A-2         | 1,738,760.14                     | 1,673,213.79                     |
| Receipts from Delinquent Taxes                                    | A-2         | 190,360.69                       | 141,155.92                       |
| Receipts from Current Taxes                                       | A-2         | 14,849,975.72                    | 14,528,991.40                    |
| Non-Budget Revenues                                               | A-2         | 188,256.56                       | 188,359.31                       |
| Other Credits to Income:                                          |             |                                  |                                  |
| Canceled Tax Overpayments                                         | A-14        | 9,624.01                         |                                  |
| Prior Year Reserve for Prepaid Local District School Tax Canceled |             |                                  | 8,911.00                         |
| Unexpended Balance of Appropriation Reserves                      | A-19        | 1,226,839.94                     | 836,094.95                       |
| Prior Year Interfunds Liquidated                                  | A-20        | 397,028.99                       |                                  |
| <u>Total Income</u>                                               |             | <u>20,367,268.05</u>             | <u>18,866,726.37</u>             |
| <u>EXPENDITURES</u>                                               |             |                                  |                                  |
| Budget Appropriations:                                            |             |                                  |                                  |
| Salaries and Wages                                                |             | 3,357,000.00                     | 3,179,500.00                     |
| Other Expenses                                                    |             | 3,424,248.28                     | 3,332,505.55                     |
| Capital Improvements                                              |             | 200,000.00                       | 200,000.00                       |
| Municipal Debt Service                                            |             | 252,189.44                       | 250,189.45                       |
| Deferred Charges and Statutory Expenditures                       |             | 1,011,656.29                     | 757,313.83                       |
|                                                                   | A-3         | <u>8,245,094.01</u>              | <u>7,719,508.83</u>              |
| Refund of Prior Year Revenue                                      | A-4         | 150.00                           | 2,077.93                         |
| County Taxes                                                      | A-16        | 5,911,578.20                     | 5,840,561.24                     |
| Added Taxes Due County                                            | A-16        | 55,901.03                        | 63,278.11                        |
| Local District School Taxes                                       | A-17        | 678,289.00                       | 684,458.00                       |
| Reserve for Prepaid Local District School Tax                     | A-17        | 1,542.25                         |                                  |
| Regional School District Taxes                                    | A-18        | 3,066,995.00                     | 3,097,513.00                     |
| Interfund Advances                                                |             |                                  | 88,213.06                        |
| <u>Total Expenditures</u>                                         |             | <u>\$ 17,959,549.49</u>          | <u>\$ 17,495,610.17</u>          |

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



BOROUGH OF SHIP BOTTOM

CURRENT FUND

STATEMENTS OF OPERATIONS  
AND CHANGES IN FUND BALANCE - REGULATORY BASIS

|                                                  | <u>REF.</u> | <u>YEAR ENDED</u><br><u>2021</u> | <u>YEAR ENDED</u><br><u>2020</u> |
|--------------------------------------------------|-------------|----------------------------------|----------------------------------|
| <u>EXPENDITURES (CONTINUED)</u>                  |             |                                  |                                  |
| Excess/(Deficit) in Revenue                      |             | \$ 2,407,718.56                  | \$ 1,371,116.20                  |
| Adjustments to Income Before Fund Balance:       |             |                                  |                                  |
| Expenditures Included Above Which are by Statute |             |                                  |                                  |
| Deferred Charges to Budget of Succeeding Years   | A           | <u>135,058.29</u>                | <u>135,058.29</u>                |
| Statutory Excess to Fund Balance                 |             | 2,407,718.56                     | 1,506,174.49                     |
| Fund Balance January 1                           | A           | <u>3,829,764.84</u>              | <u>3,813,590.35</u>              |
|                                                  |             | 6,237,483.40                     | 5,319,764.84                     |
| Decreased by:                                    |             |                                  |                                  |
| Utilized as Anticipated Revenue                  | A-1         | <u>1,766,422.00</u>              | <u>1,490,000.00</u>              |
| Fund Balance December 31                         | A           | \$ <u><u>4,471,061.40</u></u>    | \$ <u><u>3,829,764.84</u></u>    |

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

BOROUGH OF SHIP BOTTOM

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

|                                                  | REF. | ANTICIPATED     |                                          | EXCESS OR<br>(DEFICIT) |
|--------------------------------------------------|------|-----------------|------------------------------------------|------------------------|
|                                                  |      | BUDGET          | SPECIAL N.J.S.A.<br>40A:4-87<br>REALIZED |                        |
| Fund Balance Anticipated                         | A-1  | \$ 1,766,422.00 | \$ 1,766,422.00                          | \$                     |
| Miscellaneous Revenues:                          |      |                 |                                          |                        |
| Licenses:                                        |      |                 |                                          |                        |
| Alcoholic Beverages                              | A-11 | 15,000.00       | 15,330.00                                | 330.00                 |
| Other                                            | A-11 | 18,000.00       | 19,725.00                                | 1,725.00               |
| Fees and Permits                                 | A-11 | 15,000.00       | 20,310.00                                | 5,310.00               |
| Fines and Costs - Municipal Court                | A-11 | 40,000.00       | 94,628.73                                | 54,628.73              |
| Interest and Costs on Taxes                      | A-11 | 30,000.00       | 35,375.10                                | 5,375.10               |
| Beach Badge Fees                                 | A-11 | 750,000.00      | 1,003,943.00                             | 253,943.00             |
| Post Office Rent                                 | A-11 | 24,000.00       | 26,220.00                                | 2,220.00               |
| Boat Ramp Fees                                   | A-11 | 35,000.00       | 60,780.00                                | 25,780.00              |
| Energy Receipts Tax                              | A-11 | 247,442.00      | 247,442.00                               |                        |
| Uniform Construction Code Fees                   | A-11 | 100,000.00      | 100,000.00                               |                        |
| Shared Services Agreement:                       |      |                 |                                          |                        |
| Township of Long Beach - Tax Collection Services |      |                 |                                          |                        |
| Salaries and Wages                               | A-11 | 30,000.00       | 30,000.00                                |                        |
| Other Expenses                                   | A-11 | 7,944.00        | 7,943.03                                 | (0.97)                 |
| Body Armor Replacement Fund                      | A-24 | 1,423.28        | 1,423.28                                 |                        |
| Community Development Block Grant 1529-19        | A-24 | 35,000.00       | 35,000.00                                |                        |
| Community Development Block Grant 1529-21        | A-24 | 35,000.00       | 35,000.00                                |                        |

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

BOROUGH OF SHIP BOTTOM

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

|                                                                    | REF.    | ANTICIPATED     |    | SPECIAL N.J.S.A.<br>40A:4-87 | REALIZED     | EXCESS OR<br>(DEFICIT) |
|--------------------------------------------------------------------|---------|-----------------|----|------------------------------|--------------|------------------------|
|                                                                    |         | BUDGET          |    |                              |              |                        |
| Cops In Shops                                                      | A-24    | \$ 5,280.00     | \$ | \$                           | 5,280.00     | \$                     |
| Drunk Driving Enforcement Fund                                     | A-24    |                 |    | 360.00                       | 360.00       |                        |
|                                                                    | A-1     | 1,389,089.28    |    | 360.00                       | 1,738,760.14 | 349,310.86             |
| Receipts from Delinquent Taxes                                     | A-1:A-2 | 185,000.00      |    |                              | 190,360.69   | 5,360.69               |
| Amount to be Raised by Taxation for Support<br>of Municipal Budget | A-8     | 5,104,488.72    |    |                              | 5,337,474.40 | 232,985.68             |
| Budget Totals                                                      | A-1:A-2 | 8,445,000.00    |    | 360.00                       | 9,033,017.23 | 587,657.23             |
| Non-Budget Revenues                                                |         |                 |    |                              | 188,256.56   | 188,256.56             |
|                                                                    |         | \$ 8,445,000.00 | \$ | 360.00                       | 9,221,273.79 | \$ 775,913.79          |
|                                                                    | REF.    | A-3             |    | A-3                          |              |                        |

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

BOROUGH OF SHIP BOTTOM

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

REF.

ANALYSIS OF REALIZED REVENUE

|                                               |         |                        |
|-----------------------------------------------|---------|------------------------|
| Current Tax Collections                       | A-1:A-8 | \$ 14,849,975.72       |
| Appropriation "Reserve for Uncollected Taxes" | A-3     | 200,261.91             |
|                                               |         | <u>15,050,237.63</u>   |
| Less: Allocated to School and County Taxes    | A-8     | <u>9,712,763.23</u>    |
|                                               | A-2     | \$ <u>5,337,474.40</u> |

RECEIPTS FROM DELINQUENT TAXES

|                            |         |                      |
|----------------------------|---------|----------------------|
| Delinquent Tax Collections | A-8     | \$ 185,349.79        |
| Overpayments Applied       | A-8     | <u>5,010.90</u>      |
|                            | A-1:A-2 | \$ <u>190,360.69</u> |

MISCELLANEOUS REVENUES

|                                          |         |                        |
|------------------------------------------|---------|------------------------|
| Revenue Accounts Receivable              | A-11    | \$ 1,661,696.86        |
| Interfund - Federal and State Grant Fund | A-24    | <u>77,063.28</u>       |
|                                          | A-1:A-2 | \$ <u>1,738,760.14</u> |

ANALYSIS OF NON-BUDGET REVENUE

|                                                          |         |                      |
|----------------------------------------------------------|---------|----------------------|
| Bids                                                     |         | \$ 1,550.00          |
| Cable TV Franchise                                       |         | 16,757.98            |
| Cares Act                                                |         | 33,220.40            |
| Copies                                                   |         | 7.80                 |
| Fire Arms ID Cards                                       |         | 65.00                |
| Homestead Benefit Administrative Fees                    |         | 78.00                |
| Interest on Investments                                  |         | 57,622.54            |
| NSF Check Charges - Collector                            |         | 20.00                |
| NSF Check Charges - Other                                |         | 20.07                |
| Planning Board Fees                                      |         | 13,125.00            |
| Police Reports                                           |         | 1,614.00             |
| Recycling                                                |         | 4,384.95             |
| SC/VETS Administrative Fees                              |         | 311.11               |
| Vital Statistics                                         |         | 2,985.00             |
| Unclaimed Property                                       |         | 1,020.21             |
| Unclassified                                             |         | <u>28,305.14</u>     |
|                                                          | A-4     | 161,087.20           |
| Applied from Deferred Revenue - Covid - 19 Reimbursement | A       | 26,923.91            |
| Statutory Excess in Animal Control Trust Reserve         | A-20    | <u>245.45</u>        |
|                                                          | A-1:A-2 | \$ <u>188,256.56</u> |

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

BOROUGH OF SHIP BOTTOM

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

|                                         | APPROPRIATED |                              | PAID OR<br>CHARGED | EXPENDED   |             | UNEXPENDED<br>BALANCE<br>CANCELED |
|-----------------------------------------|--------------|------------------------------|--------------------|------------|-------------|-----------------------------------|
|                                         | BUDGET       | BUDGET AFTER<br>MODIFICATION |                    | ENCUMBERED | RESERVED    |                                   |
| <u>OPERATIONS WITHIN CAPS</u>           |              |                              |                    |            |             |                                   |
| GENERAL GOVERNMENT                      |              |                              |                    |            |             |                                   |
| Administrative and Executive            |              |                              |                    |            |             |                                   |
| Salaries and Wages                      | \$ 45,000.00 | \$ 45,000.00                 | \$ 36,713.68       |            | \$ 8,286.32 | \$                                |
| Other Expenses                          | 30,000.00    | 30,000.00                    | 23,559.74          | 50.32      | 6,389.94    |                                   |
| Human Resources (Personnel)             |              |                              |                    |            |             |                                   |
| Other Expenses                          | 50,000.00    | 50,000.00                    | 35,836.82          |            | 14,063.18   |                                   |
| Mayor and Council                       |              |                              |                    |            |             |                                   |
| Salaries and Wages                      | 45,000.00    | 45,000.00                    | 43,000.00          |            | 2,000.00    |                                   |
| Other Expenses                          | 5,000.00     | 5,000.00                     | 1,096.35           | 141.95     | 3,761.70    |                                   |
| Municipal Clerk                         |              |                              |                    |            |             |                                   |
| Salaries and Wages                      | 95,000.00    | 95,000.00                    | 92,920.50          | 670.26     | 2,079.50    |                                   |
| Other Expenses                          | 27,000.00    | 27,000.00                    | 14,595.04          |            | 11,734.70   |                                   |
| Financial Administration (Treasury)     |              |                              |                    |            |             |                                   |
| Salaries and Wages                      | 65,000.00    | 72,500.00                    | 72,403.36          |            | 96.64       |                                   |
| Other Expenses                          | 39,500.00    | 32,000.00                    | 25,727.12          | 176.62     | 6,096.26    |                                   |
| Audit Services                          |              |                              |                    |            |             |                                   |
| Other Expenses                          | 55,000.00    | 55,000.00                    | 40,375.00          |            | 14,625.00   |                                   |
| Revenue Administration (Tax Collection) |              |                              |                    |            |             |                                   |
| Salaries and Wages                      | 65,000.00    | 65,000.00                    | 50,180.70          | 273.62     | 14,819.30   |                                   |
| Other Expenses                          | 15,000.00    | 15,000.00                    | 9,548.93           |            | 5,177.45    |                                   |
| Liquidation of Tax Title Liens          |              |                              |                    |            |             |                                   |
| Other Expenses                          | 1,000.00     | 1,000.00                     |                    |            | 1,000.00    |                                   |
| Tax Assessment Administration           |              |                              |                    |            |             |                                   |
| Salaries and Wages                      | 30,000.00    | 30,000.00                    | 22,660.02          |            | 7,339.98    |                                   |
| Other Expenses                          | 15,000.00    | 15,000.00                    | 4,180.79           | 2,059.61   | 8,759.60    |                                   |
| Other Expenses - Revaluation            | 10,000.00    | 10,000.00                    |                    |            | 10,000.00   |                                   |
| Legal Services                          |              |                              |                    |            |             |                                   |
| Other Expenses                          | 125,000.00   | 125,000.00                   | 74,174.18          | 785.44     | 50,040.38   |                                   |
| Consulting Services                     |              |                              |                    |            |             |                                   |
| Other Expenses                          | 10,000.00    | 5,000.00                     |                    |            | 5,000.00    |                                   |
| Engineering Services                    |              |                              |                    |            |             |                                   |
| Other Expenses                          | 125,000.00   | 125,000.00                   | 44,776.55          |            | 80,223.45   |                                   |
| Historic Preservation                   |              |                              |                    |            |             |                                   |
| Other Expenses                          | 5,000.00     | 5,000.00                     |                    |            | 5,000.00    |                                   |
| Municipal Prosecutor                    |              |                              |                    |            |             |                                   |
| Other Expenses                          | 14,000.00    | 14,000.00                    | 13,500.00          |            | 500.00      |                                   |
| <u>LAND USE ADMINISTRATION</u>          |              |                              |                    |            |             |                                   |
| Land Use Board                          |              |                              |                    |            |             |                                   |
| Salaries and Wages                      | 25,000.00    | 25,000.00                    | 23,213.52          |            | 1,786.48    |                                   |
| Other Expenses                          | 100,000.00   | 100,000.00                   | 13,822.27          | 2,000.30   | 84,177.43   |                                   |
| Zoning Enforcement                      |              |                              |                    |            |             |                                   |
| Salaries and Wages                      | 52,000.00    | 52,000.00                    | 49,292.56          | 300.16     | 2,707.44    |                                   |
| Other Expenses                          | 7,500.00     | 7,500.00                     | 5,123.83           |            | 2,076.01    |                                   |

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

BOROUGH OF SHIP BOTTOM

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

|                                     | APPROPRIATED |                              | PAID OR<br>CHARGED | EXPENDED   |             | UNEXPENDED<br>BALANCE<br>CANCELED |
|-------------------------------------|--------------|------------------------------|--------------------|------------|-------------|-----------------------------------|
|                                     | BUDGET       | BUDGET AFTER<br>MODIFICATION |                    | ENCUMBERED | RESERVED    |                                   |
| Other Code Enforcement              | \$ 27,500.00 | \$ 27,500.00                 | \$ 22,708.02       | \$ 8.53    | \$ 4,791.98 | \$                                |
| Salaries and Wages                  | 10,000.00    | 10,000.00                    | 1,166.63           |            | 8,824.84    |                                   |
| Other Expenses                      |              |                              |                    |            |             |                                   |
| <u>INSURANCE</u>                    |              |                              |                    |            |             |                                   |
| General Liability                   | 115,000.00   | 115,000.00                   | 65,137.91          |            | 47,112.09   |                                   |
| Worker's Compensation               | 170,000.00   | 170,000.00                   | 75,839.37          | 2,750.00   | 94,160.63   |                                   |
| Employee Group Health               | 452,000.00   | 452,000.00                   | 374,053.24         |            | 77,946.76   |                                   |
| <u>PUBLIC SAFETY</u>                |              |                              |                    |            |             |                                   |
| Police Department                   | 1,485,000.00 | 1,485,000.00                 | 1,485,000.00       |            |             |                                   |
| Salaries and Wages                  | 135,000.00   | 135,000.00                   | 114,870.70         | 16,944.57  | 3,184.73    |                                   |
| Other Expenses                      |              |                              |                    |            |             |                                   |
| Police Dispatch/911                 | 63,340.00    | 63,340.00                    | 63,340.00          |            |             |                                   |
| Other Expenses                      |              |                              |                    |            |             |                                   |
| Office of Emergency Management      | 3,000.00     | 3,000.00                     |                    |            | 3,000.00    |                                   |
| Salaries and Wages                  | 37,000.00    | 37,000.00                    | 3,045.02           |            | 33,954.98   |                                   |
| Other Expenses                      | 55,000.00    | 55,000.00                    |                    |            |             |                                   |
| Aid to Volunteer Fire Company       | 25,000.00    | 25,000.00                    | 25,000.00          |            |             |                                   |
| First Aid Organization Contribution |              |                              |                    |            |             |                                   |
| Municipal Court                     | 115,000.00   | 127,500.00                   | 127,138.77         |            | 361.23      |                                   |
| Salaries and Wages                  | 19,000.00    | 11,500.00                    | 7,193.97           | 124.62     | 4,181.41    |                                   |
| Other Expenses                      |              |                              |                    |            |             |                                   |
| Public Defender                     | 10,000.00    | 10,000.00                    | 200.00             |            | 9,800.00    |                                   |
| Other Expenses                      |              |                              |                    |            |             |                                   |
| <u>PUBLIC WORKS</u>                 |              |                              |                    |            |             |                                   |
| Streets and Road Maintenance        |              |                              |                    |            |             |                                   |
| Salaries and Wages                  | 170,000.00   | 170,000.00                   | 152,718.93         |            | 17,281.07   |                                   |
| Other Expenses                      | 100,000.00   | 85,000.00                    | 13,688.50          | 5,780.98   | 65,530.52   |                                   |
| County "Schedule C" Program         |              |                              |                    |            |             |                                   |
| Garbage and Trash Removal           |              |                              |                    |            |             |                                   |
| Other Expenses                      | 325,000.00   | 325,000.00                   | 258,569.96         |            | 66,430.04   |                                   |
| Recycling                           |              |                              |                    |            |             |                                   |
| Salaries and Wages                  | 25,000.00    | 25,000.00                    | 22,191.07          |            | 2,808.93    |                                   |
| Other Expenses                      | 25,000.00    | 25,000.00                    | 2,928.10           | 17,181.71  | 4,890.19    |                                   |
| Public Buildings and Grounds        |              |                              |                    |            |             |                                   |
| Salaries and Wages                  | 82,000.00    | 82,000.00                    | 78,521.61          |            | 3,478.39    |                                   |
| Other Expenses                      | 115,000.00   | 114,000.00                   | 94,714.02          | 530.27     | 18,755.71   |                                   |
| Equipment Maintenance and Repair    |              |                              |                    |            |             |                                   |
| Salaries and Wages                  | 137,500.00   | 137,500.00                   | 127,541.53         |            | 9,958.47    |                                   |
| Other Expenses                      | 50,000.00    | 50,000.00                    | 21,624.95          | 3,375.66   | 24,999.39   |                                   |
| <u>HEALTH AND HUMAN SERVICES</u>    |              |                              |                    |            |             |                                   |
| Board of Health                     |              |                              |                    |            |             |                                   |
| Other Expenses                      | 51,101.00    | 51,101.00                    | 51,101.00          |            |             |                                   |

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

BOROUGH OF SHIP BOTTOM

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

|                                                                                                         | APPROPRIATED |                              | PAID OR<br>CHARGED | EXPENDED   |            | UNEXPENDED<br>BALANCE<br>CANCELED |
|---------------------------------------------------------------------------------------------------------|--------------|------------------------------|--------------------|------------|------------|-----------------------------------|
|                                                                                                         | BUDGET       | BUDGET AFTER<br>MODIFICATION |                    | ENCUMBERED | RESERVED   |                                   |
|                                                                                                         | \$           | \$                           | \$                 | \$         | \$         | \$                                |
| LBI Joint Environmental Commission                                                                      | 500.00       | 500.00                       |                    |            | 500.00     |                                   |
| Other Expenses                                                                                          |              |                              |                    |            |            |                                   |
| Animal Control Services                                                                                 | 7,500.00     | 7,500.00                     | 4,776.54           |            | 2,723.46   |                                   |
| Other Expenses                                                                                          |              |                              |                    |            |            |                                   |
| Aid to Senior Citizens Center (R.S. 40-48-94):                                                          | 7,000.00     | 7,000.00                     | 7,000.00           |            |            |                                   |
| Other Expenses                                                                                          |              |                              |                    |            |            |                                   |
| Aid to Museum (N.J.S.A. 40-23-22):                                                                      | 300.00       | 300.00                       | 300.00             |            |            |                                   |
| Other Expenses                                                                                          |              |                              |                    |            |            |                                   |
| <u>WHARVES, DOCKS AND BULKHEADS</u>                                                                     |              |                              |                    |            |            |                                   |
| Salaries and Wages                                                                                      | 25,000.00    | 25,000.00                    | 23,674.63          |            | 1,325.37   |                                   |
| Other Expenses                                                                                          | 25,000.00    | 25,000.00                    | 23,773.54          | 60.82      | 1,165.64   |                                   |
| <u>PARKS AND RECREATION FUNCTIONS</u>                                                                   |              |                              |                    |            |            |                                   |
| Recreation                                                                                              | 15,000.00    | 15,000.00                    | 10,515.11          |            | 4,484.89   |                                   |
| Salaries and Wages                                                                                      | 32,000.00    | 32,000.00                    | 7,297.78           |            | 24,702.22  |                                   |
| Other Expenses                                                                                          |              |                              |                    |            |            |                                   |
| <u>BEACHFRONT MAINTENANCE</u>                                                                           |              |                              |                    |            |            |                                   |
| Salaries and Wages                                                                                      | 165,000.00   | 195,000.00                   | 189,345.04         |            | 5,654.96   |                                   |
| Other Expenses                                                                                          | 45,000.00    | 30,000.00                    | 7,333.52           | 726.08     | 21,940.40  |                                   |
| <u>BEACH OPERATIONS</u>                                                                                 |              |                              |                    |            |            |                                   |
| Salaries and Wages                                                                                      | 540,000.00   | 540,000.00                   | 417,794.52         |            | 122,205.48 |                                   |
| Other Expenses                                                                                          | 82,000.00    | 82,000.00                    | 59,559.64          | 13,291.14  | 9,149.22   |                                   |
| <u>BEACH REPLENISHMENT</u>                                                                              |              |                              |                    |            |            |                                   |
| Other Expenses                                                                                          | 1,000.00     | 1,000.00                     |                    |            | 1,000.00   |                                   |
| <u>CELEBRATION OF PUBLIC EVENTS</u>                                                                     |              |                              |                    |            |            |                                   |
| Other Expenses                                                                                          | 50,000.00    | 50,000.00                    | 46,518.95          | 2,805.79   | 675.26     |                                   |
| <u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY<br/>DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</u> |              |                              |                    |            |            |                                   |
| Uniform Construction Code Enforcement Functions                                                         | 30,000.00    | 30,000.00                    | 27,101.22          |            | 2,898.78   |                                   |
| Salaries and Wages                                                                                      | 20,000.00    | 20,000.00                    | 3,750.57           | 190.05     | 16,059.38  |                                   |
| Other Expenses                                                                                          |              |                              |                    |            |            |                                   |
| <u>UNCLASSIFIED</u>                                                                                     |              |                              |                    |            |            |                                   |
| Electricity                                                                                             | 47,000.00    | 47,000.00                    | 19,115.14          | 837.08     | 27,047.78  |                                   |
| Street Lighting                                                                                         | 135,000.00   | 135,000.00                   | 105,553.21         | 1,707.03   | 27,739.76  |                                   |
| Telephone                                                                                               | 37,500.00    | 37,500.00                    | 24,967.89          |            | 12,532.11  |                                   |
| Natural Gas                                                                                             | 20,000.00    | 20,000.00                    | 12,035.90          | 211.65     | 7,752.45   |                                   |

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

BOROUGH OF SHIP BOTTOM

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

|                                    | APPROPRIATED |                              | EXPENDED           |            | UNEXPENDED          |
|------------------------------------|--------------|------------------------------|--------------------|------------|---------------------|
|                                    | BUDGET       | BUDGET AFTER<br>MODIFICATION | PAID OR<br>CHARGED | ENCUMBERED | BALANCE<br>CANCELED |
| Gasoline                           | \$ 65,000.00 | \$ 65,000.00                 | \$ 51,024.74       | \$ 346.93  | \$ 13,628.33        |
| Sanitary Landfill                  | 195,000.00   | 195,000.00                   | 110,660.24         |            | 84,339.76           |
| Accumulated Absence Liability      | 125,000.00   | 125,000.00                   | 125,000.00         |            |                     |
| Salary Settlements and Adjustments | 35,000.00    | 35,000.00                    | 21,096.76          |            | 13,903.24           |
| Total Operations within Caps       | 6,563,241.00 | 6,562,241.00                 | 5,238,289.20       | 73,331.19  | 1,250,620.61        |
| Detail:                            |              |                              |                    |            |                     |
| Salaries and Wages                 | 3,277,000.00 | 3,327,000.00                 | 3,095,731.55       |            | 231,268.45          |
| Other Expenses                     | 3,286,241.00 | 3,235,241.00                 | 2,142,557.65       | 73,331.19  | 1,019,352.16        |

DEFERRED CHARGES AND STATUTORY EXPENDITURES

|                                                               |              |
|---------------------------------------------------------------|--------------|
| WITHIN CAPS                                                   |              |
| Deferred Charges:                                             |              |
| Emergency Authorizations                                      | 135,058.29   |
| Statutory Expenditures:                                       |              |
| Contribution to:                                              |              |
| Public Employees Retirement System                            | 164,216.00   |
| Social Security System (O.A.S.I.)                             | 252,000.00   |
| Police and Firemen's Retirement System of NJ                  | 377,882.00   |
| Defined Contribution Retirement Program                       | 2,500.00     |
| Unemployment and Disability Insurance                         | 20,000.00    |
| Total Deferred Charges and Statutory Expenditures within Caps | 951,656.29   |
| Total Appropriations within Caps                              | 7,514,897.29 |

OPERATIONS EXCLUDED FROM CAPS

|                                                   |           |
|---------------------------------------------------|-----------|
| Length of Service Award Program                   | 6,000.00  |
| Recycling Tax                                     | 7,000.00  |
| Interlocal Municipal Service Agreements:          |           |
| Shared Services Agreements:                       |           |
| Township of Long Beach - Tax Collection Services: |           |
| Salaries and Wages                                | 30,000.00 |
| Other Expenses                                    | 7,944.00  |
| Township of Long Beach - Transportation:          |           |
| Other Expenses                                    | 20,000.00 |
| Township of Long Beach - Zoning:                  |           |
| Other Expenses                                    | 70,000.00 |

PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES

|                                                     |           |
|-----------------------------------------------------|-----------|
| Body Armor Replacement Fund                         | 1,423.28  |
| Community Development Block Grant 1529-19           | 35,000.00 |
| Community Development Block Grant 1529-21           | 35,000.00 |
| Cops in Shops                                       | 5,280.00  |
| Drunk Driving Enforcement Fund (40A 4-87 +\$360.00) | 360.00    |

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



BOROUGH OF SHIP BOTTOM

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

|                                                        | APPROPRIATED    |                              | EXPENDED           |              | UNEXPENDED<br>BALANCE<br>CANCELED |
|--------------------------------------------------------|-----------------|------------------------------|--------------------|--------------|-----------------------------------|
|                                                        | BUDGET          | BUDGET AFTER<br>MODIFICATION | PAID OR<br>CHARGED | ENCUMBERED   |                                   |
| Total Operations excluded from Caps                    | \$ 217,647.28   | \$ 219,007.28                | \$ 216,273.14      | \$ 2,734.14  | \$                                |
| Detail:                                                |                 |                              |                    |              |                                   |
| Salaries and Wages                                     | 30,000.00       | 30,000.00                    | 30,000.00          |              |                                   |
| Other Expenses                                         | 187,647.28      | 189,007.28                   | 186,273.14         | 2,734.14     |                                   |
| <u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u>         |                 |                              |                    |              |                                   |
| Capital Improvement Fund                               | 150,000.00      | 150,000.00                   | 150,000.00         |              |                                   |
| Bulkhead                                               | 50,000.00       | 50,000.00                    | 50,000.00          |              |                                   |
| Total Capital Improvements excluded from Caps          | 200,000.00      | 200,000.00                   | 200,000.00         |              |                                   |
| <u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u>       |                 |                              |                    |              |                                   |
| Payment of Bond Principal                              | 80,000.00       | 80,000.00                    | 80,000.00          |              |                                   |
| Payment of Bond Anticipation Notes and Capital Notes   | 117,708.52      | 117,708.52                   | 117,708.52         |              | 1.24                              |
| Interest on Bonds                                      | 34,605.00       | 34,605.00                    | 34,603.76          |              |                                   |
| Green Trust Loan Program:                              |                 |                              |                    |              |                                   |
| Loan Repayments for Principal & Interest               | 19,880.00       | 19,880.00                    | 19,877.16          | .00          | 2.84                              |
| Total Municipal Debt Service excluded from Caps        | 252,193.52      | 252,193.52                   | 252,189.44         |              | 4.08                              |
| <u>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM CAPS</u> |                 |                              |                    |              |                                   |
| DEFERRED CHARGES:                                      |                 |                              |                    |              |                                   |
| Deferred Charges to Future Taxation Unfunded:          |                 |                              |                    |              |                                   |
| Ordinances 09-22-09                                    | 60,000.00       | 60,000.00                    | 60,000.00          |              |                                   |
| Total Deferred Charges - Municipal excluded from Caps  | 60,000.00       | 60,000.00                    | 60,000.00          |              |                                   |
| Total General Appropriations excluded from Caps        | 729,840.80      | 731,200.80                   | 728,462.58         | 2,734.14     | 4.08                              |
| Subtotal General Appropriations                        | 8,244,738.09    | 8,245,098.09                 | 6,878,537.76       | 73,331.19    | 4.08                              |
| Reserve for Uncollected Taxes                          | 200,261.91      | 200,261.91                   | 200,261.91         |              |                                   |
|                                                        | \$ 8,445,000.00 | \$ 8,445,360.00              | \$ 7,078,799.67    | \$ 73,331.19 | \$ 4.08                           |
| REF.                                                   | A-2             |                              | A1                 | A-1A22       | A, A-1                            |
| Appropriation by 40A-4-87                              |                 | \$ 360.00                    |                    |              |                                   |
| Budget                                                 |                 | 8,445,000.00                 |                    |              |                                   |
|                                                        |                 | \$ 8,445,360.00              |                    |              |                                   |
| Deferred Charges - Emergency Authorizations (40A-4-47) | A               |                              | \$ 135,058.29      |              |                                   |
| Reserve for Uncollected Taxes                          | A-2             |                              | 200,261.91         |              |                                   |
| Disbursements                                          | A-4             |                              | 6,666,416.19       |              |                                   |
| Interfund - Federal and State Grant Fund               | A-24            |                              | 77,063.28          |              |                                   |
|                                                        |                 |                              | \$ 7,078,799.67    |              |                                   |

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

BOROUGH OF SHIP BOTTOM

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

|                                                        | <u>REF.</u> | <u>APPROPRIATED<br/>BUDGET AFTER<br/>MODIFICATION</u> |
|--------------------------------------------------------|-------------|-------------------------------------------------------|
| Appropriation by 40A:4-87                              | A-2         | \$ 360.00                                             |
| Budget                                                 | A-3         | <u>8,445,000.00</u>                                   |
|                                                        |             | <u>\$ 8,445,360.00</u>                                |
|                                                        |             |                                                       |
|                                                        |             | <u>EXPENDED<br/>PAID OR<br/>CHARGED</u>               |
| Deferred Charges - Emergency Authorizations (40A:4-47) | A           | \$ 135,058.29                                         |
| Reserve for Uncollected Taxes                          | A-2         | 200,261.91                                            |
| Disbursements                                          | A-4         | 6,666,416.19                                          |
| Interfund - Federal and State Grant Fund               | A-24        | <u>77,063.28</u>                                      |
|                                                        |             | <u>\$ 7,078,799.67</u>                                |

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

TRUST FUND

BOROUGH OF SHIP BOTTOM

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

|                                                    | <u>REF.</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2021</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2020</u> |
|----------------------------------------------------|-------------|------------------------------------------|------------------------------------------|
| <u>ASSETS</u>                                      |             |                                          |                                          |
| Animal Control Trust Fund:                         |             |                                          |                                          |
| Cash and Cash Equivalents                          | B-1         | \$ <u>628.73</u>                         | \$ <u>696.76</u>                         |
|                                                    |             | <u>628.73</u>                            | <u>696.76</u>                            |
| Trust - Other:                                     |             |                                          |                                          |
| Cash and Cash Equivalents                          | B-1         | <u>995,022.36</u>                        | <u>819,123.28</u>                        |
|                                                    |             | <u>995,022.36</u>                        | <u>819,123.28</u>                        |
|                                                    |             | \$ <u><u>995,651.09</u></u>              | \$ <u><u>819,820.04</u></u>              |
| <u>LIABILITIES, RESERVES AND FUND BALANCES</u>     |             |                                          |                                          |
| Animal Control Trust Fund:                         |             |                                          |                                          |
| Reserve for Animal Control Trust Fund Expenditures | B-2         | \$ 382.80                                | \$ 556.80                                |
| Interfunds Payable                                 | B-4         | 245.93                                   | 64.46                                    |
| Reserve for Encumbrances                           | B-5         |                                          | 75.50                                    |
|                                                    |             | <u>628.73</u>                            | <u>696.76</u>                            |
| Trust - Other:                                     |             |                                          |                                          |
| Interfunds Payable                                 | B-4         | 14,613.18                                | 2,833.18                                 |
| Reserve for Encumbrances                           | B-5         | 7,507.79                                 | 600.00                                   |
| Miscellaneous Reserves                             | B-6         | <u>972,901.39</u>                        | <u>815,690.10</u>                        |
|                                                    |             | <u>995,022.36</u>                        | <u>819,123.28</u>                        |
|                                                    |             | \$ <u><u>995,651.09</u></u>              | \$ <u><u>819,820.04</u></u>              |

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

GENERAL CAPITAL FUND

BOROUGH OF SHIP BOTTOMGENERAL CAPITAL FUNDBALANCE SHEETS - REGULATORY BASIS

|                                               | <u>REF.</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2021</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2020</u> |
|-----------------------------------------------|-------------|------------------------------------------|------------------------------------------|
| <u>ASSETS</u>                                 |             |                                          |                                          |
| Cash and Cash Equivalents                     | C-2         | \$ 9,622,332.05                          | \$ 743,264.01                            |
| Deferred Charges to Future Taxation:          |             |                                          |                                          |
| Funded                                        | C-4         | 1,096,859.56                             | 1,194,238.42                             |
| Unfunded                                      | C-5         | 12,657,032.42                            | 12,234,970.94                            |
| Grants Receivable                             | C-6         | 1,217,956.92                             | 794,776.92                               |
| Interfunds Receivable                         | C-7         | 1,139,150.65                             |                                          |
|                                               |             | <u>\$ 25,733,331.60</u>                  | <u>\$ 14,967,250.29</u>                  |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> |             |                                          |                                          |
| Interfunds Payable                            | C-7         | \$                                       | \$ 410,281.26                            |
| Serial Bonds Payable                          | C-8         | 985,000.00                               | 1,065,000.00                             |
| Bond Anticipation Notes Payable               | C-9         | 11,815,309.42                            | 292,017.94                               |
| Green Trust Loans Payable                     | C-10        | 111,859.56                               | 129,238.42                               |
| Improvement Authorizations:                   |             |                                          |                                          |
| Funded                                        | C-11        | 625,158.89                               | 750,514.41                               |
| Unfunded                                      | C-11        | 1,883,843.44                             | 10,866,982.78                            |
| Capital Improvement Fund                      | C-12        | 504,894.42                               | 449,772.00                               |
| Reserve for Encumbrances                      | C-13        | 9,243,056.59                             | 450,434.18                               |
| Capital Reserves                              | C-14        | 130,745.00                               | 180,745.00                               |
| Fund Balance                                  | C-1         | 433,464.28                               | 372,264.30                               |
|                                               |             | <u>\$ 25,733,331.60</u>                  | <u>\$ 14,967,250.29</u>                  |

There were bonds and notes authorized but not issued on December 31, 2021 of \$841,723.00 (Schedule C-15).

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

BOROUGH OF SHIP BOTTOM

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

|                                                      | <u>REF.</u> |                      |
|------------------------------------------------------|-------------|----------------------|
| Balance, December 31, 2020                           | C           | \$ 372,264.30        |
| Increased by:                                        |             |                      |
| Premium on Bond Anticipation Notes Issued            | C-2         | <u>141,199.98</u>    |
|                                                      |             | \$ 513,464.28        |
| Decreased by:                                        |             |                      |
| Appropriation to Finance Improvement Authoriizations | C-11        | <u>80,000.00</u>     |
| Balance, December 31, 2021                           | C           | \$ <u>433,464.28</u> |

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

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WATER - SEWER UTILITY FUND

BOROUGH OF SHIP BOTTOM  
WATER - SEWER UTILITY FUND  
BALANCE SHEETS - REGULATORY BASIS

|                                          | REF. | BALANCE<br>DECEMBER<br>31, 2021 | BALANCE<br>DECEMBER<br>31, 2020 |
|------------------------------------------|------|---------------------------------|---------------------------------|
| <u>ASSETS</u>                            |      |                                 |                                 |
| Operating Fund:                          |      |                                 |                                 |
| Cash and Cash Equivalents                | D-5  | \$ 1,418,914.09                 | \$ 1,515,849.15                 |
| Interfunds Receivable                    | D-10 | 1,057,707.24                    | 550,754.31                      |
|                                          |      | <u>2,476,621.33</u>             | <u>2,066,603.46</u>             |
| Receivables with Full Reserves:          |      |                                 |                                 |
| Water Rents Receivable                   | D-7  | 113,957.31                      | 111,451.54                      |
| Sewer Rents Receivable                   | D-8  | 162,208.39                      | 153,543.28                      |
|                                          |      | <u>276,165.70</u>               | <u>264,994.82</u>               |
| <u>Total Operating Fund</u>              |      | <u>2,752,787.03</u>             | <u>2,331,598.28</u>             |
| Capital Fund:                            |      |                                 |                                 |
| Cash and Cash Equivalents                | D-5  | 462,391.63                      | 11,140,010.46                   |
| Fixed Capital                            | D-14 | 37,853,941.53                   | 36,784,456.29                   |
| Fixed Capital Authorized and Uncompleted | D-15 | 8,572,676.05                    | 8,792,161.29                    |
| DOT Grant Receivable                     |      | 3,000,000.00                    | 3,000,000.00                    |
| <u>Total Capital Fund</u>                |      | <u>49,889,009.21</u>            | <u>59,716,628.04</u>            |
|                                          |      | <u>\$ 52,641,796.24</u>         | <u>\$ 62,048,226.32</u>         |

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

BOROUGH OF SHIP BOTTOM  
WATER - SEWER UTILITY FUND  
BALANCE SHEETS - REGULATORY BASIS

|                                                | <u>REF.</u> | <u>BALANCE</u><br><u>DECEMBER</u><br><u>31, 2021</u> | <u>BALANCE</u><br><u>DECEMBER</u><br><u>31, 2020</u> |
|------------------------------------------------|-------------|------------------------------------------------------|------------------------------------------------------|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u>  |             |                                                      |                                                      |
| Operating Fund:                                |             |                                                      |                                                      |
| Appropriation Reserves                         | D-4, D-9    | \$ 193,842.04                                        | \$ 314,305.79                                        |
| Interfunds Payable                             | D-10        | 9,683.80                                             |                                                      |
| Overpayments                                   | D-11        | 5,740.63                                             | 3,152.14                                             |
| Accrued Interest on Bonds, Notes and Loans     | D-12        | 56,139.07                                            | 96,454.48                                            |
| Reserve for Encumbrances                       | D-13        | 1,383.17                                             | 2,865.65                                             |
|                                                |             | <u>266,788.71</u>                                    | <u>416,778.06</u>                                    |
| Reserve for Receivables                        |             | 276,165.70                                           | 264,994.82                                           |
| Fund Balance                                   | D-1         | 2,209,832.62                                         | 1,649,825.40                                         |
| <u>Total Operating Fund</u>                    |             | <u>2,752,787.03</u>                                  | <u>2,331,598.28</u>                                  |
| Capital Fund:                                  |             |                                                      |                                                      |
| Reserve for Encumbrances                       | D-13        | 2,128,561.83                                         | 14,183,135.17                                        |
| Interfunds Payable                             | D-16        | 2,026,712.12                                         | 544,821.49                                           |
| Serial Bonds Payable                           | D-17        | 2,530,000.00                                         | 2,660,000.00                                         |
| Bond Anticipation Notes Payable                | D-18        | 2,590,000.00                                         | 13,500,000.00                                        |
| New Jersey Environmental Infrastructure Trust: |             |                                                      |                                                      |
| Loans Payable                                  | D-19        | 4,965,788.79                                         | 5,270,241.67                                         |
| Interim Construction Note                      | D-5         | 11,813,785.00                                        | 120,231.00                                           |
| Improvement Authorizations:                    |             |                                                      |                                                      |
| Funded                                         | D-20        | 2,877,028.64                                         | 2,883,531.79                                         |
| Unfunded                                       | D-20        | 5,695,647.41                                         | 5,908,629.50                                         |
| Capital Improvement Fund                       | D-21        | 372,558.93                                           | 222,558.93                                           |
| Reserve for Amortization                       | D-22        | 11,496,544.15                                        | 11,055,588.12                                        |
| Deferred Reserve for Amortization              | D-23        | 2,877,028.64                                         | 2,883,531.79                                         |
| Fund Balance                                   | D-2         | 515,353.70                                           | 484,358.58                                           |
| <u>Total Capital Fund</u>                      |             | <u>49,889,009.21</u>                                 | <u>59,716,628.04</u>                                 |
|                                                |             | <u>\$ 52,641,796.24</u>                              | <u>\$ 62,048,226.32</u>                              |

There were bonds and notes authorized but not issued on December 31, 2021 of \$10,153,471.00 (Schedule D-24).

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

BOROUGH OF SHIP BOTTOM

WATER - SEWER UTILITY OPERATING FUND

STATEMENTS OF OPERATIONS  
AND CHANGES IN OPERATING FUND BALANCE - REGULATORY BASIS

|                                             | <u>REF.</u> | <u>YEAR ENDED<br/>DECEMBER<br/>31, 2021</u> | <u>YEAR ENDED<br/>DECEMBER<br/>31, 2020</u> |
|---------------------------------------------|-------------|---------------------------------------------|---------------------------------------------|
| <u>REVENUE AND OTHER INCOME REALIZED</u>    |             |                                             |                                             |
| Fund Balance Utilized                       | D-3         | \$ 275,000.00                               | \$ 39,000.00                                |
| Water Rents                                 | D-3         | 784,771.53                                  | 746,132.07                                  |
| Sewer Rents                                 | D-3         | 1,036,529.28                                | 1,006,341.51                                |
| Miscellaneous                               | D-3         | 490,695.02                                  | 340,531.42                                  |
| Tower Lease Rental                          | D-3         | 119,112.59                                  | 112,769.92                                  |
| Other Credits to Income:                    |             |                                             |                                             |
| Unexpended Balance of                       |             |                                             |                                             |
| Appropriation Reserves                      | D-9         | <u>313,180.20</u>                           | <u>282,815.34</u>                           |
| <u>TOTAL INCOME</u>                         |             | <u>3,019,288.62</u>                         | <u>2,527,590.26</u>                         |
| <u>EXPENDITURES</u>                         |             |                                             |                                             |
| Operating                                   | D-4         | 1,241,225.00                                | 1,241,225.00                                |
| Capital Improvements                        | D-4         | 150,000.00                                  | 150,000.00                                  |
| Debt Service                                | D-4         | 749,906.40                                  | 482,342.44                                  |
| Deferred Charges                            | D-4         |                                             | 13,923.10                                   |
| Statutory Expenditures                      | D-4         | <u>39,500.00</u>                            | <u>36,500.00</u>                            |
|                                             |             | <u>2,180,631.40</u>                         | <u>1,923,990.54</u>                         |
| Refund of Prior Year Revenue (Overpayments) | D-5         | <u>3,650.00</u>                             | <u>769.15</u>                               |
| <u>TOTAL EXPENDITURES</u>                   |             | <u>2,184,281.40</u>                         | <u>1,924,759.69</u>                         |
| Statutory Excess to Fund Balance            |             | 835,007.22                                  | 602,830.57                                  |
| Fund Balance January 1                      | D           | <u>1,649,825.40</u>                         | <u>1,085,994.83</u>                         |
|                                             |             | <u>2,484,832.62</u>                         | <u>1,688,825.40</u>                         |
| Less: Utilized as Anticipated Revenue       | D-1         | <u>275,000.00</u>                           | <u>39,000.00</u>                            |
| Fund Balance December 31                    | D           | <u>\$ 2,209,832.62</u>                      | <u>\$ 1,649,825.40</u>                      |

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

BOROUGH OF SHIP BOTTOM

WATER/SEWER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

|                                           | <u>REF.</u> |    |                          |
|-------------------------------------------|-------------|----|--------------------------|
| Balance December 31, 2020                 | D           | \$ | 484,358.58               |
| Increased by:                             |             |    |                          |
| Premium on Bond Anticipation Notes Issued | D-5         |    | <u>30,995.12</u>         |
| Balance December 31, 2021                 | D           | \$ | <u><u>515,353.70</u></u> |

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

BOROUGH OF SHIP BOTTOM

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2021

|                          | <u>REF.</u> | <u>ANTICIPATED</u>     | <u>REALIZED</u>        | <u>EXCESS</u>        |
|--------------------------|-------------|------------------------|------------------------|----------------------|
| Fund Balance Anticipated | D-1         | \$ 275,000.00          | \$ 275,000.00          | \$                   |
| Water Rents              | D-1:D-7     | 715,000.00             | 784,771.53             | 69,771.53            |
| Sewer Rents              | D-1:D-8     | 985,000.00             | 1,036,529.28           | 51,529.28            |
| Miscellaneous            | D-1:D-3     | 110,000.00             | 490,695.02             | 380,695.02           |
| Tower Lease Rental       | D-1:D-5     | 100,000.00             | 119,112.59             | 19,112.59            |
|                          | D-4         | \$ <u>2,185,000.00</u> | \$ <u>2,706,108.42</u> | \$ <u>521,108.42</u> |

ANALYSIS OF REALIZED REVENUE

|                                 |         |                      |
|---------------------------------|---------|----------------------|
| Miscellaneous:                  |         |                      |
| Connection Fees                 | \$      | 58,775.00            |
| Disconnect                      |         | 2,102.00             |
| Interest on Delinquent Accounts |         | 1,693.77             |
| Investment Interest             |         | 67,959.00            |
| NSF Fee                         |         | 40.00                |
| Hotel/Motel Tax                 |         | 359,250.25           |
| Other Miscellaneous             |         | <u>875.00</u>        |
|                                 | D-3:D-5 | \$ <u>490,695.02</u> |

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

BOROUGH OF SHIP BOTTOM  
WATER/SEWER UTILITY OPERATING FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2021

|                                                   | APPROPRIATIONS  |                              | EXPENDED           |               | UNEXPENDED<br>BALANCE<br>CANCELED |
|---------------------------------------------------|-----------------|------------------------------|--------------------|---------------|-----------------------------------|
|                                                   | BUDGET          | BUDGET AFTER<br>MODIFICATION | PAID OR<br>CHARGED | RESERVED      |                                   |
| Operating:                                        |                 |                              |                    |               |                                   |
| Salaries and Wages                                | \$ 160,000.00   | \$ 160,000.00                | \$ 141,699.99      | \$ 18,300.01  | \$                                |
| Other Expenses                                    | 1,081,225.00    | 1,081,225.00                 | 914,549.39         | 166,675.61    |                                   |
| Total Operating                                   | 1,241,225.00    | 1,241,225.00                 | 1,056,249.38       | 184,975.62    |                                   |
| Capital Improvements:                             |                 |                              |                    |               |                                   |
| Capital Improvement Fund                          | 150,000.00      | 150,000.00                   | 150,000.00         |               |                                   |
| Total Capital Improvements                        | 150,000.00      | 150,000.00                   | 150,000.00         |               |                                   |
| Debt Service:                                     |                 |                              |                    |               |                                   |
| Payment of Bond Principal                         | 130,000.00      | 130,000.00                   | 130,000.00         |               | 1,546.66                          |
| Interest on Bonds                                 | 85,125.00       | 85,125.00                    | 83,578.34          |               |                                   |
| Interest on Notes                                 | 168,750.00      | 168,750.00                   | 168,750.00         |               |                                   |
| Infrastructure Loan Principal                     | 304,452.88      | 304,452.88                   | 304,452.88         |               |                                   |
| Infrastructure Loan Interest                      | 65,947.12       | 65,947.12                    | 63,125.18          |               | 2,821.94                          |
| Total Debt Service                                | 754,275.00      | 754,275.00                   | 749,906.40         |               | 4,368.60                          |
| Statutory Expenditures:                           |                 |                              |                    |               |                                   |
| Contribution To:                                  |                 |                              |                    |               |                                   |
| Public Employees Retirement System                | 20,000.00       | 20,000.00                    | 20,000.00          |               |                                   |
| Social Security System (O.A.S.I.)                 | 15,000.00       | 15,000.00                    | 10,315.29          | 4,684.71      |                                   |
| Unemployment Compensation Insurance               | 4,500.00        | 4,500.00                     | 318.29             | 4,181.71      |                                   |
| Total Deferred Charges and Statutory Expenditures | 39,500.00       | 39,500.00                    | 30,633.58          | 8,866.42      |                                   |
|                                                   | \$ 2,185,000.00 | \$ 2,185,000.00              | \$ 1,986,789.36    | \$ 193,842.04 | \$ 4,368.60                       |
|                                                   | D-3             |                              | D-1                | D:D-1         | D-1                               |
| Disbursements                                     |                 |                              |                    |               |                                   |
| Accrued Interest on Bonds, Notes and Loans        |                 |                              | \$ 1,669,952.67    |               |                                   |
| Reserve for Encumbrances                          |                 |                              | 315,453.52         |               |                                   |
|                                                   |                 |                              | 1,383.17           |               |                                   |
|                                                   |                 |                              | \$ 1,986,789.36    |               |                                   |

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

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PAYROLL FUND

BOROUGH OF SHIP BOTTOM

PAYROLL FUND

BALANCE SHEETS - REGULATORY BASIS

|                                               | <u>BALANCE<br/>DECEMBER<br/>31, 2021</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2020</u> |
|-----------------------------------------------|------------------------------------------|------------------------------------------|
| <u>ASSETS</u>                                 |                                          |                                          |
| Cash and Cash Equivalents                     | \$ 75,839.55                             | \$ 20,934.60                             |
| Interfunds Receivable                         | <u>8,448.40</u>                          | <u></u>                                  |
|                                               | <u>\$ 84,287.95</u>                      | <u>\$ 20,934.60</u>                      |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> |                                          |                                          |
| Interfunds Payable                            | \$ 500.37                                | \$ 444.97                                |
| Payroll Liabilities                           | <u>83,787.58</u>                         | <u>20,489.63</u>                         |
|                                               | <u>\$ 84,287.95</u>                      | <u>\$ 20,934.60</u>                      |

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

GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF SHIP BOTTOM  
GENERAL FIXED ASSETS ACCOUNT GROUP  
BALANCE SHEETS - REGULATORY BASIS

|                                           | <u>BALANCE<br/>DECEMBER<br/>31, 2021</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2020</u> |
|-------------------------------------------|------------------------------------------|------------------------------------------|
| <u>GENERAL FIXED ASSETS</u>               |                                          |                                          |
| Land                                      | \$ 43,307,000.00                         | \$ 43,307,000.00                         |
| Buildings                                 | 3,358,200.00                             | 3,358,200.00                             |
| Equipment & Vehicles                      | <u>3,574,876.45</u>                      | <u>3,520,703.23</u>                      |
|                                           | <u>\$ 50,240,076.45</u>                  | <u>\$ 50,185,903.23</u>                  |
| <u>INVESTMENT IN GENERAL FIXED ASSETS</u> |                                          |                                          |
| Investment in General Fixed Assets        | <u>\$ 50,240,076.45</u>                  | <u>\$ 50,185,903.23</u>                  |

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

NOTES TO FINANCIAL STATEMENTS

## BOROUGH OF SHIP BOTTOM

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2021 AND 2020

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

The Borough of Ship Bottom is an instrumentality of the State of New Jersey established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Except as noted below, the financial statements of the Borough of Ship Bottom include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough of Ship Bottom, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Ship Bottom do not include the operations of any libraries, first aid organizations, volunteer fire companies, the consolidated school district or the regional school district, in as much as their activities are administered by separate boards.

##### B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types: the governmental, proprietary and fiduciary funds as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles, (GAAP).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

The accounting policies of the Borough of Ship Bottom 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 respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Ship Bottom are organized on the basis of funds and account groups which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account groups:

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

Trust Fund - receipts, custodianship and disbursements 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 capital facilities, other than those acquired in the Current Fund.

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

Payroll Fund - Receipt and disbursement of funds for payroll costs and payroll taxes.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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 and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - the proceeds from the sale of municipal assets can be held in a reserve until anticipated as revenue in a future budget. GAAP requires such proceeds to be recorded as revenue in the year of sale.



NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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. GAAP does not require the establishment of an offsetting reserve.

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

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.

No depreciation has been provided on general fixed assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based upon an inspection and historical cost analysis except for land and buildings acquired prior to December 31, 1985 which are stated at current replacement values as permitted by N.J.A.C. 5:30-5.6. Except for land and buildings, fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

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.

Inventories of Supplies - the costs 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. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Water - Sewer Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Water - Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represents charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Accounting and Financial Reporting for Pensions

Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" (an amendment of GASB Statement No. 68), local government employers (or non-employer contributing entity in a special funding situation) are required to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year.

If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

Under GAAP, municipalities are required to recognize their proportionate share of net pension liability, deferred outflows of resources, deferred inflows of resources on the Statement of Net Position and the proportionate share of the pension related expense on the Statement of Activities.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan).

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) (Continued)

The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2021, was not available, therefore the information dated June 30, 2020, is disclosed.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general-purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP.

## NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

### A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey, and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation (FDIC). The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Borough of Ship Bottom had the following cash and cash equivalents at December 31, 2021:

|                              | PETTY CASH<br>AND<br>CHANGE<br>FUND | CASH IN<br>BANK        | DEPOSITS<br>IN TRANSIT | OUTSTANDING<br>CHECKS | RECONCILED<br>BALANCE  |
|------------------------------|-------------------------------------|------------------------|------------------------|-----------------------|------------------------|
| Current Fund                 | \$175.00                            | \$7,522,083.82         | \$6,133.65             | \$587,234.37          | \$6,941,158.10         |
| Federal and State Grant Fund |                                     | \$144,285.11           | \$360.00               |                       | \$144,645.11           |
| Animal Control Trust Fund    |                                     | 708.08                 |                        | 79.35                 | 628.73                 |
| Trust Other Fund             |                                     | 1,018,171.61           |                        | 23,149.25             | 995,022.36             |
| General Capital Fund         |                                     | 11,707,447.10          |                        | 2,085,115.05          | 9,622,332.05           |
| Water-Sewer Operating Fund   |                                     | 1,519,427.68           | 2,710.49               | 103,224.08            | 1,418,914.09           |
| Water-Sewer Capital Fund     |                                     | 71,286.99              | 1,356,131.00           | 965,026.36            | 462,391.63             |
| Payroll Fund                 |                                     | 76,342.27              |                        | 502.72                | 75,839.55              |
|                              | <u>\$175.00</u>                     | <u>\$22,059,752.66</u> | <u>\$1,365,335.14</u>  | <u>\$3,764,331.18</u> | <u>\$19,660,931.62</u> |

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of the statute. As of December 31, 2021, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on deposit in the bank, \$250,000.00 was covered by FDIC insurance and a collateral pool under NJ GUDPA covered \$21,634,844.11. An amount of \$174,908.55 was on deposit in the name of various developers for escrow and is insured by FDIC insurance or uninsured depending on the deposits of the individual developer in the escrow depository.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the Borough is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units.
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

Other than cash equivalents that would otherwise qualify as investments, except for their maturity or the withdrawal provisions of their deposit, the Borough of Ship Bottom had investments in its' own Bond Anticipation Notes as permitted by category 4 listed above. The Borough's investment in Bond Anticipation Notes at December 31, 2021 was \$174,309.42.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Title 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

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 next debt of 0.882%.

|                               | <u>GROSS DEBT</u>       | <u>DEDUCTIONS</u>       | <u>NET DEBT</u>         |
|-------------------------------|-------------------------|-------------------------|-------------------------|
| Local School District Debt    | \$                      | \$                      | \$                      |
| Regional School District Debt |                         |                         |                         |
| Water - Sewer Utility Debt    | 32,053,044.79           | 32,053,044.79           |                         |
| General Debt                  | 13,753,891.98           |                         | 13,753,891.98           |
|                               | <u>\$ 45,806,936.77</u> | <u>\$ 32,053,044.79</u> | <u>\$ 13,753,891.98</u> |

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Net debt of \$13,753,891.98 divided by equalized valuation basis per N.J.S.40A:2-2, as amended, of \$1,558,699,405.00 equals 0.882%.

SUMMARY OF MUNICIPAL DEBT

|                                 | <u>YEAR 2021</u>        | <u>YEAR 2020</u>        | <u>YEAR 2019</u>        |
|---------------------------------|-------------------------|-------------------------|-------------------------|
| Issued:                         |                         |                         |                         |
| General:                        |                         |                         |                         |
| Bonds, Notes and Loans          | \$ 12,912,168.98        | \$ 1,486,256.36         | \$ 1,696,001.31         |
| Water - Sewer Utility:          |                         |                         |                         |
| Bonds, Notes and Loans          | <u>21,899,573.79</u>    | <u>21,550,472.67</u>    | <u>8,325,258.02</u>     |
| Total Issued                    | <u>34,811,742.77</u>    | <u>23,036,729.03</u>    | <u>10,021,259.33</u>    |
| Less:                           |                         |                         |                         |
| Funds Temporarily Held to Pay   |                         |                         |                         |
| Bonds, Notes and Loans,         |                         |                         |                         |
| Accounts Receivable and         |                         |                         |                         |
| Self-Liquidating Purpose        | <u>32,053,044.79</u>    | <u>31,637,497.67</u>    | <u>32,482,791.12</u>    |
| Total Deductions                | <u>32,053,044.79</u>    | <u>31,637,497.67</u>    | <u>32,482,791.12</u>    |
| Net Debt Issued                 | <u>2,758,697.98</u>     | <u>(8,600,768.64)</u>   | <u>(22,461,531.79)</u>  |
| Authorized But Not Issued:      |                         |                         |                         |
| General:                        |                         |                         |                         |
| Bonds, Notes and Loans          | 841,723.00              | 11,942,953.00           | 9,939,002.83            |
| Water - Sewer Utility:          |                         |                         |                         |
| Bonds, Notes and Loans          | <u>10,153,471.00</u>    | <u>10,087,025.00</u>    | <u>24,157,533.10</u>    |
| Total Authorized But Not Issued | <u>10,995,194.00</u>    | <u>22,029,978.00</u>    | <u>34,096,535.93</u>    |
| Net Bonds and Notes Issued and  |                         |                         |                         |
| Authorized But Not Issued       | <u>\$ 13,753,891.98</u> | <u>\$ 13,429,209.36</u> | <u>\$ 11,635,004.14</u> |

BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED

|                                                |                            |
|------------------------------------------------|----------------------------|
| Equalized Valuation Basis* - December 31, 2021 | <u>\$ 1,558,699,405.00</u> |
| 3-1/2 of Equalized Valuation Basis (Municipal) | \$ 54,554,479.18           |
| Net Debt                                       | <u>13,753,891.98</u>       |
| Remaining Borrowing Power                      | <u>\$ 40,800,587.20</u>    |

\*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Rail Road Property of the Borough of Ship Bottom for the last three (3) preceding years.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

CALCULATION OF "SELF-LIQUIDATING PURPOSE"  
WATER - SEWER UTILITY PER N.J.S.40A:2-45

|                                                                          |                   |                      |
|--------------------------------------------------------------------------|-------------------|----------------------|
| Revenue from Fees, Rents, and Other Charges for<br>Year and Fund Balance |                   | \$ 2,706,108.42      |
| Deductions:                                                              |                   |                      |
| Operating and Maintenance Cost                                           | \$ 1,430,725.00   |                      |
| Debt Service per Water - Sewer Account                                   | <u>749,906.40</u> |                      |
| Total Deductions                                                         |                   | <u>2,180,631.40</u>  |
| Excess in Revenue                                                        |                   | \$ <u>525,477.02</u> |

LONG-TERM DEBT OBLIGATIONS:

General Capital Fund:

Serial Bonds:

Various % General Improvement Bonds Series 2017A  
issued September 21, 2017, installment maturities to  
September 15, 2030 \$ 640,000.00

Various % General Improvement Bonds Series 2017C  
issued September 21, 2017, installment maturities to  
September 15, 2035 345,000.00

\$ 985,000.00

The General Capital Fund bonds mature serially in installments to the year 2035.  
Aggregate debt service requirements during the next five fiscal years and  
thereafter are as follows:

| <u>YEAR</u> | <u>PRINCIPAL</u>     | <u>INTEREST</u>      |
|-------------|----------------------|----------------------|
| 2022        | \$ 85,000.00         | \$ 31,403.76         |
| 2023        | 90,000.00            | 28,003.76            |
| 2024        | 90,000.00            | 24,403.76            |
| 2025        | 90,000.00            | 20,803.76            |
| 2026        | 90,000.00            | 17,203.76            |
| 2027-31     | 420,000.00           | 51,275.02            |
| 2032-35     | <u>120,000.00</u>    | <u>10,350.00</u>     |
| Total       | \$ <u>985,000.00</u> | \$ <u>183,443.82</u> |



NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT OBLIGATIONS (CONTINUED):

General Capital Fund (Continued)

Green Trust Loan Program:

The Borough has a low interest loan (2%) under the New Jersey Department of Environmental Protection's Green Trust Loan Program. The \$319,655.00 loan for Waterfront Park was finalized on February 5, 2008. The Borough must repay the loan in semi-annual installments over twenty years. Loan payments are due through the year 2027.

Debt service requirements for the two loans are as follows:

| <u>YEAR</u> | <u>PRINCIPAL</u>     | <u>INTEREST</u>    |
|-------------|----------------------|--------------------|
| 2022        | \$ 17,728.18         | \$ 2,149.00        |
| 2023        | 18,084.51            | 1,792.65           |
| 2024        | 18,448.02            | 1,429.16           |
| 2025        | 18,818.82            | 1,058.35           |
| 2026        | 19,197.07            | 680.09             |
| 2027        | <u>19,582.96</u>     | <u>294.23</u>      |
| Total       | <u>\$ 111,859.56</u> | <u>\$ 7,403.48</u> |

Water - Sewer Utility Capital Fund:

Serial Bonds:

Various % Water-Sewer Utility Bonds Series 2017B  
issued September 21, 2017, installment maturities to  
September 15, 2037 \$1,775,000.00

Various % Water-Sewer Utility Bonds Series 2017D  
issued September 21, 2017, installment maturities to  
September 15, 2035 755,000.00

\$2,530,000.00

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT OBLIGATIONS (CONTINUED)

Water - Sewer Utility Capital Fund (Continued):

Serial Bonds (Continued):

The Water - Sewer Utility Capital Fund bonds Mature serially in installments to the year 2037. Aggregate debt service requirements during the next five fiscal years are as follows:

| <u>YEAR</u> | <u>PRINCIPAL</u>       | <u>INTEREST</u>      |
|-------------|------------------------|----------------------|
| 2022        | \$ 135,000.00          | \$ 79,925.00         |
| 2023        | 140,000.00             | 74,525.00            |
| 2024        | 145,000.00             | 68,925.00            |
| 2025        | 145,000.00             | 63,125.00            |
| 2026        | 155,000.00             | 57,325.00            |
| 2027-31     | 830,000.00             | 226,448.78           |
| 2032-36     | 865,000.00             | 95,443.80            |
| 2037        | <u>115,000.00</u>      | <u>3,593.76</u>      |
| Total       | \$ <u>2,530,000.00</u> | \$ <u>669,311.34</u> |

New Jersey Environmental Infrastructure Loans:

The Borough received various low interest loans (variable rate) under the New Jersey Environmental Infrastructure Trust Loan Program. The respective loan balances at December 31, 2021 are enumerated below. Loan payments are due in semi-annual installments over twenty years. Loan payments are due through the year 2039.

|                                                                 |                       |
|-----------------------------------------------------------------|-----------------------|
| New Jersey Environmental<br>Infrastructure Trust - 2008A (CW)   | \$ 157,426.00         |
| New Jersey Environmental<br>Infrastructure Trust - 2008A (DW)   | 397,692.16            |
| New Jersey Environmental<br>Infrastructure Trust - 2020A-1 (CW) | 2,561,489.33          |
| New Jersey Environmental<br>Infrastructure Trust - 2020A-1 (DW) | <u>1,849,181.30</u>   |
|                                                                 | <u>\$4,965,788.79</u> |

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG-TERM DEBT OBLIGATIONS (CONTINUED):

Water-Sewer Utility Capital Fund (Continued):

New Jersey Environmental Infrastructure Loans (Continued):

Debt Service requirements during the next five fiscal years and thereafter are as follows:

| <u>YEAR</u> | <u>PRINCIPAL</u>              | <u>INTEREST</u>             |
|-------------|-------------------------------|-----------------------------|
| 2022        | \$ 309,971.97                 | \$ 60,656.26                |
| 2023        | 313,333.21                    | 56,156.26                   |
| 2024        | 318,642.15                    | 51,406.26                   |
| 2025        | 317,496.01                    | 46,456.26                   |
| 2026        | 314,651.95                    | 41,006.26                   |
| 2027-31     | 1,329,173.07                  | 131,111.30                  |
| 2032-36     | 1,274,075.10                  | 61,000.02                   |
| 2037-39     | <u>788,445.33</u>             | <u>13,281.26</u>            |
| Total       | \$ <u><u>4,965,788.79</u></u> | \$ <u><u>461,073.88</u></u> |

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SHORT-TERM DEBT OBLIGATIONS:

Bond Anticipation Notes:

General Capital Fund:

| <u>DATE OR<br/>ORDINANCE<br/>NUMBER</u> | <u>DATE OF<br/>ORIGINAL<br/>ISSUE</u> | <u>DATE OF<br/>ISSUE</u> | <u>DATE OF<br/>MATURITY</u> | <u>INTEREST<br/>RATE</u> | <u>AMOUNT</u>           |
|-----------------------------------------|---------------------------------------|--------------------------|-----------------------------|--------------------------|-------------------------|
| 09/25/12                                | 12/31/12                              | 12/31/21                 | 12/31/22                    | 0.0000%                  | \$ 61,107.59            |
| 10/25/11                                | 12/31/13                              | 12/31/21                 | 12/31/22                    | 0.0000%                  | 19,868.45               |
| 2013-03                                 | 12/31/13                              | 12/31/21                 | 12/31/22                    | 0.0000%                  | 48,888.92               |
| 2013-09                                 | 12/31/13                              | 12/31/21                 | 12/31/22                    | 0.0000%                  | 44,444.46               |
| 09/22/09                                | 10/20/21                              | 10/20/21                 | 10/20/22                    | 1.5000%                  | 5,440,000.00            |
| 2019-09                                 | 10/20/21                              | 10/20/21                 | 10/20/22                    | 1.5000%                  | 370,000.00              |
| 2019-16                                 | 10/20/21                              | 10/20/21                 | 10/20/22                    | 1.5000%                  | 3,800,000.00            |
| 2019-20                                 | 10/20/21                              | 10/20/21                 | 10/20/22                    | 1.5000%                  | 100,000.00              |
| 2020-06                                 | 10/20/21                              | 10/20/21                 | 10/20/22                    | 1.5000%                  | 230,000.00              |
| 2020-15                                 | 10/20/21                              | 10/20/21                 | 10/20/22                    | 1.5000%                  | 1,425,000.00            |
| 2020-17                                 | 10/20/21                              | 10/20/21                 | 10/20/22                    | 1.5000%                  | 150,000.00              |
| 2021-13                                 | 10/20/21                              | 10/20/21                 | 10/20/22                    | 1.5000%                  | 126,000.00              |
|                                         |                                       |                          |                             |                          | <u>\$ 11,815,309.42</u> |

Water – Sewer Utility Capital Fund:

| <u>DATE OR<br/>ORDINANCE<br/>NUMBER</u> | <u>DATE OF<br/>ORIGINAL<br/>ISSUE</u> | <u>DATE OF<br/>ISSUE</u> | <u>DATE OF<br/>MATURITY</u> | <u>INTEREST<br/>RATE</u> | <u>AMOUNT</u>          |
|-----------------------------------------|---------------------------------------|--------------------------|-----------------------------|--------------------------|------------------------|
| 2016-20                                 | 10/20/21                              | 10/20/21                 | 10/20/22                    | 1.5000%                  | \$ 305,000.00          |
| 2016-21                                 | 10/20/21                              | 10/20/21                 | 10/20/22                    | 1.5000%                  | 350,000.00             |
| 2019-21                                 | 10/20/21                              | 10/20/21                 | 10/20/22                    | 1.5000%                  | 615,000.00             |
| 2019-22                                 | 10/20/21                              | 10/20/21                 | 10/20/22                    | 1.5000%                  | 470,000.00             |
| 2021-12                                 | 10/20/21                              | 10/20/21                 | 10/20/22                    | 1.5000%                  | 850,000.00             |
|                                         |                                       |                          |                             |                          | <u>\$ 2,590,000.00</u> |

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SHORT-TERM DEBT OBLIGATIONS (CONTINUED)

NJEIT Interim Construction Notes:

Water – Sewer Utility Capital Fund:

On or about February 14, 2020 and January 22, 2021, the Borough signed loan agreements with the New Jersey Environmental Infrastructure Trust, (NJEIT) in order to provide funding for Ordinance #'s 2019-22, 2019-26 and 2019-27. The NJEIT assigned the projects the following project numbers: 1528001-003, 1528001-003 (CLP), 1528001-004 and S340311-04. Funding in the amount of \$17,560,509 was approved by the NJEIT. The loan is in the interim construction phase of the loan process. Of the respective amount approved, \$11,914,737 was drawn down through December 31, 2021. As of December 31, 2021, a balance of \$5,645,772 remained available for draw down. The loan has yet to go to permanent financing.

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED:

At December 31, 2021, the Borough had bonds and notes authorized but not issued as follows:

|                                    |                  |
|------------------------------------|------------------|
| General Capital Fund               | \$ 841,723.00    |
| Water - Sewer Utility Capital Fund | \$ 10,153,471.00 |

NOTE 4: COMPENSATED ABSENCES

Under the terms of various contracts, Borough employees are allowed to accumulate unused vacation and sick pay over the life of their working careers which may be taken as time off or paid at a later date. It is estimated that the current cost of such unpaid compensation would approximate \$814,959.20. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2021. The Borough has accumulated \$565,412.89 for this purpose in the Trust Other Fund and has budgeted \$125,000 in 2022 and continues to budget funds to provide for these liabilities as they arise.

NOTE 5: FUND BALANCES APPROPRIATED

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

|                            |              |
|----------------------------|--------------|
| Current Fund               | \$ 2,065,585 |
| Water - Sewer Utility Fund | \$ 0         |

**NOTE 6: PROPERTY TAXES**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County, the Local School District and the Regional School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

**NOTE 7: TAXES AND WATER – SEWER CHARGES COLLECTED IN ADVANCE**

Taxes and water - sewer charges collected in advance and recorded as cash liabilities in the financial statements are as follows:

|                            | BALANCE<br>DECEMBER<br><u>31, 2021</u> | BALANCE<br>DECEMBER<br><u>31, 2020</u> |
|----------------------------|----------------------------------------|----------------------------------------|
| Prepaid Taxes              | \$441,055.89                           | \$414,486.64                           |
| Tax Overpayments           | 16,477.43                              | 5,010.90                               |
| Water - Sewer Overpayments | 5,740.63                               | 3,152.14                               |

**NOTE 8: CONTINGENT LIABILITIES**

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2021, the Borough does not believe that any material liabilities will result from such audits.

**NOTE 9: LITIGATION**

The Borough is a member of the Ocean County Municipal Joint Insurance Fund, and any and all claims for damages under the New Jersey Tort Claims Act are covered by the self-insurance pool provided by the Fund. There is no anticipated or pending tort claim litigation which will result in any direct and uninsured liability of the Borough. Rather, all matters of tort claim have adequate insurance protection.

It is the opinion of the Borough officials that there is no litigation threatened or pending that would materially affect the financial position of the Borough or adversely affect the Borough's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

NOTE 10: RISK MANAGEMENT

The Borough 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. The Borough is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance program for municipalities within the State. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 11: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2021:

| <u>FUND</u>                  | <u>INTERFUND<br/>RECEIVABLE</u> | <u>INTERFUND<br/>PAYABLE</u> |
|------------------------------|---------------------------------|------------------------------|
| Current Fund                 | \$ 16,594.88                    | \$ 246,138.75                |
| Federal and State Grant Fund | 75,992.98                       |                              |
| Animal Control Trust Fund    |                                 | 245.93                       |
| Trust Other Fund             |                                 | 14,613.18                    |
| General Capital Fund         | 1,139,150.65                    |                              |
| Water- Sewer Operating Fund  | 1,057,707.24                    | 9,683.80                     |
| Water- Sewer Capital Fund    |                                 | 2,026,712.12                 |
| Payroll Fund                 | 8,448.40                        | 500.37                       |
|                              | <u>\$ 2,297,894.15</u>          | <u>\$ 2,297,894.15</u>       |

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 12: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at [www.nj.gov/treasury/pensions/annrpts.shtml](http://www.nj.gov/treasury/pensions/annrpts.shtml).

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 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

NOTE 12: PENSION PLANS (CONTINUED)

employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey 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 pension fund or local jurisdiction's pension fund.

*Police and Firemen's Retirement System (PFRS)* - The Police and Firemen's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

*Defined Contribution Retirement Program (DCRP)* - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:3B. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.



NOTE 12: PENSION PLANS (CONTINUED)

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2020, PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires 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. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2020, the State contributed an amount less than the actuarially determined amount. During 2020, PFRS provides for employee contributions of 10.00% of employees' base salary.

The Borough's share of pension, which is based upon the annual billings received from the state, amounted to \$542,098.00 for 2021, \$452,310.00 for 2020 and \$423,055.00 for 2019.

Certain Borough employees are also covered by the Federal Insurance Contribution Act.

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2021. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2021.

Public Employees Retirement System (PERS)

At June 30, 2021, the State reported a net pension liability of \$1,781,745.00 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Borough's proportion was 0.0150402664 percent, which was an increase of 0.0000289710 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the State recognized an actuarially determined pension benefit of \$179,767.00 for the Borough's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statements based on the April 1, 2021 billing was \$164,216.00.

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

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

|                                                                                                              | <u>Deferred<br/>Outflow of<br/>Resources</u> | <u>Deferred<br/>Inflow of<br/>Resources</u> |
|--------------------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------|
| Differences between expected and actual experience                                                           | \$ 28,100.00                                 | \$ 12,755.00                                |
| Changes of assumptions                                                                                       |                                              | 634,313.00                                  |
| Net difference between projected and actual earnings on pension plan investments                             | 9,279.00                                     | 469,358.00                                  |
| Changes in proportion and differences between Borough contributions and proportionate share of contributions | <u>377,117.00</u>                            | <u>148,066.00</u>                           |
|                                                                                                              | <u>\$ 414,496.00</u>                         | <u>\$ 1,264,492.00</u>                      |

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

| <u>Year Ended<br/>June 30,</u> | <u>Amount</u>                |
|--------------------------------|------------------------------|
| 2022                           | (\$374,603.80)               |
| 2023                           | (254,364.80)                 |
| 2024                           | (158,857.80)                 |
| 2025                           | (108,039.80)                 |
| 2026                           | <u>45,870.20</u>             |
|                                | <u><u>(\$849,996.00)</u></u> |

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

|                           | <u>June 30, 2021</u> |
|---------------------------|----------------------|
| Inflation                 |                      |
| Price                     | 2.75%                |
| Wage                      | 3.25%                |
| Salary Increases          |                      |
| Through 2026              | 2.00-6.00%           |
| Thereafter                | 3.00-7.00%           |
|                           | Based on             |
|                           | Years of Service     |
| Investment Rate of Return | 7.00%                |

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2021 and June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of both June 30, 2021 and June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

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

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2021 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the 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:

|                                                        | June 30, 2021  |                |                |
|--------------------------------------------------------|----------------|----------------|----------------|
|                                                        | 1%             | At Current     | 1%             |
|                                                        | Decrease       | Discount Rate  | Increase       |
|                                                        | <u>6.00%</u>   | <u>7.00%</u>   | <u>8.00%</u>   |
| Borough's proportionate share of the pension liability | \$2,426,375.00 | \$1,781,745.00 | \$1,234,685.00 |

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

Police and Firemen's Retirement System (PFRS)

At June 30, 2021, the State reported a net pension liability of \$2,516,426.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

At June 30, 2021, the Borough's proportion was 0.0344284200 percent, which was an increase of 0.0024117278 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the State recognized an actuarially determined pension benefit of \$165,142.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2021 billing was \$377,882.00.

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

|                                                                                                              |    | Deferred<br>Outflow of<br>Resources | Deferred<br>Inflow of<br>Resources |
|--------------------------------------------------------------------------------------------------------------|----|-------------------------------------|------------------------------------|
| Differences between expected and actual experience                                                           | \$ | 28,709.00                           | \$ 301,442.00                      |
| Changes of assumptions                                                                                       |    | 13,390.00                           | 754,161.00                         |
| Net difference between projected and actual earnings on pension plan investments                             |    |                                     | 1,072,331.00                       |
| Changes in proportion and differences between Borough contributions and proportionate share of contributions |    | 536,978.00                          |                                    |
|                                                                                                              | \$ | <u>579,077.00</u>                   | <u>\$ 2,127,934.00</u>             |

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended     |    | Amount                |
|----------------|----|-----------------------|
| <u>June 30</u> |    |                       |
| 2022           | \$ | (560,359.40)          |
| 2023           |    | (393,850.40)          |
| 2024           |    | (322,708.40)          |
| 2025           |    | (316,739.40)          |
| 2026           |    | 53,895.60             |
| Thereafter     |    | <u>(9,095.00)</u>     |
|                | \$ | <u>(1,548,857.00)</u> |

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

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

June 30, 2021

|                           |                           |
|---------------------------|---------------------------|
| Inflation:                |                           |
| Price                     | 2.75%                     |
| Salary Increases          |                           |
| Through all future years  | 3.25-15.25%               |
|                           | Based on years of Service |
| Investment Rate of Return | 7.00%                     |

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.



NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2021 and June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2021 are summarized in the following table:

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

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of both June 30, 2021 and June 30, 2020, respectively. 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 based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2021 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the 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:

|                                                                | June 30, 2021                  |                                             |                                |
|----------------------------------------------------------------|--------------------------------|---------------------------------------------|--------------------------------|
|                                                                | 1%<br>Decrease<br><u>6.00%</u> | At Current<br>Discount Rate<br><u>7.00%</u> | 1%<br>Increase<br><u>8.00%</u> |
| Borough's proportionate share<br>of the PFRS pension liability | \$3,821,113.00                 | \$2,516,426.00                              | \$1,430,414.00                 |

NOTE 12: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation

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

At June 30, 2021 and 2020, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$707,744.00 and \$678,301.00, respectively.

At June 30, 2021, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

|                                                                                                 |                       |
|-------------------------------------------------------------------------------------------------|-----------------------|
| Borough's Proportionate Share of Net Pension Liability                                          | \$2,516,426.00        |
| State of New Jersey Proportionate Share of<br>Net Pension Liability Associated with the Borough | <u>707,744.00</u>     |
|                                                                                                 | <u>\$3,224,170.00</u> |

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the Borough is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

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

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT  
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations' agreement.

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.

Contributions

The Borough's annual contributions to the Plan for retirees were \$17,404.08 for 2021, \$17,802.46 for 2020 and \$23,431.55 for 2019 which equaled the required contributions for each year.

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT  
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Total Net OPEB Liability

At June 30, 2020, the Plan reported a liability of \$4,478,039.00 for the Borough's proportionate share of the collective net OPEB liability. The total Net OPEB Liability measured as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

The Borough's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2019 through June 30, 2020.

At June 30, 2020, the Borough's proportion was 0.024952 percent, which was an increase of 0.002597 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State reported OPEB benefit of \$83,946.00. This OPEB benefit was based on the OPEB plans June 30, 2020 measurement date.

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                                               | <u>Deferred<br/>Outflow of<br/>Resources</u> | <u>Deferred<br/>Inflow of<br/>Resources</u> |
|-------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------|
| Differences between expected and actual experience                            | \$117,948                                    | \$833,894                                   |
| Changes of assumptions                                                        | 669,774                                      | 995,847                                     |
| Net difference between projected and actual earnings on OPEB plan investments | 2,844                                        | -                                           |
| Changes in proportion                                                         | <u>1,097,753</u>                             | <u>1,401,702</u>                            |
|                                                                               | <u>\$1,888,319</u>                           | <u>\$3,231,443</u>                          |

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT  
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the State's actuarially calculated OPEB (benefit)/expense as follows:

| Year Ended       |                      |
|------------------|----------------------|
| <u>June 30,</u>  | <u>Amount</u>        |
| 2021             | (\$301,507)          |
| 2022             | (301,725)            |
| 2023             | (302,078)            |
| 2024             | (302,400)            |
| 2025             | (225,538)            |
| Total Thereafter | <u>90,123</u>        |
|                  | <u>(\$1,343,124)</u> |

Actuarial Assumptions and Other Inputs

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:

|                                                | <u>2020</u>     | <u>2019</u>     |
|------------------------------------------------|-----------------|-----------------|
| Inflation rate                                 | 2.50%           | 2.50%           |
| Salary Increases:                              |                 |                 |
| Public Employees Retirement System (PERS):     |                 |                 |
| Initial fiscal Year Applied                    |                 |                 |
| Rate through 2026                              | 2.00% to 6.00%  | 2.00% to 6.00%  |
| Rate thereafter                                | 3.00% to 7.00%  | 3.00% to 7.00%  |
| Police and Firemen's Retirement System (PFRS): |                 |                 |
| Rate for all future years                      | 3.25% to 15.25% | 3.25% to 15.25% |

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT  
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Mortality:

|      |                                                                                                                                                                  |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PERS | Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2020 |
| PFRS | Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2020  |

\* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

Actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.



NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT  
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Sensitivity of the Borough's Proportionate Share of the Net OPEB Liability to  
Changes in the Discount Rate

The following presents the Net OPEB Liability associated with the Borough's as of June 30, 2020, 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:

|                                                            | June 30, 2020   |                   |                 |
|------------------------------------------------------------|-----------------|-------------------|-----------------|
|                                                            | 1.00%           | Healthcare Cost   | 1.00%           |
|                                                            | <u>Decrease</u> | <u>Trend Rate</u> | <u>Increase</u> |
| Borough's proportionate share<br>of the Net OPEB Liability | \$3,705,582     | \$4,478,039       | \$5,489,582     |

Sensitivity of the Borough's Proportionate Share of the Net OPEB Liability to  
Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the Borough's as of June 30, 2020, 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:

|                                                            | June 30, 2020           |                     |                         |
|------------------------------------------------------------|-------------------------|---------------------|-------------------------|
|                                                            | 1.00%                   | At Discount         | 1.00%                   |
|                                                            | <u>Decrease (1.21%)</u> | <u>Rate (2.21%)</u> | <u>Increase (3.21%)</u> |
| Borough's proportionate share<br>of the Net OPEB Liability | \$5,293,988             | \$4,478,039         | \$3,832,141             |

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT  
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Special Funding Situation

The Borough, by resolution of the governing body, has elected to provide postretirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge.

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net 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.

At June 30, 2020 and 2019, the State's proportionate share of the net OPEB liability attributable to the Borough for the special funding situation is \$3,147,761.00 and \$2,779,215.00 respectively.

At June 30, 2020, the Borough's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

|                                                                                                   |                    |
|---------------------------------------------------------------------------------------------------|--------------------|
| Borough's proportionate share<br>of the Net OPEB Liability                                        | \$4,478,039        |
| State of New Jersey's proportionate<br>share of Net OPEB Liability associated<br>with the Borough | <u>3,147,761</u>   |
|                                                                                                   | <u>\$7,625,800</u> |

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

NOTE 14: SCHOOL TAXES

Local District School Taxes and Regional School District Taxes have been raised and liabilities deferred by statute resulting in the school taxes payable as set forth in the Current Fund liabilities as follows:

|                | <u>LOCAL DISTRICT SCHOOL TAX</u> |                       | <u>REGIONAL SCHOOL DISTRICT TAX</u> |                      |
|----------------|----------------------------------|-----------------------|-------------------------------------|----------------------|
|                | <u>BALANCE</u>                   | <u>BALANCE</u>        | <u>BALANCE</u>                      | <u>BALANCE</u>       |
|                | <u>DECEMBER</u>                  | <u>DECEMBER</u>       | <u>DECEMBER</u>                     | <u>DECEMBER</u>      |
|                | <u>31, 2021</u>                  | <u>31, 2020</u>       | <u>31, 2021</u>                     | <u>31, 2020</u>      |
| Balance of Tax | \$ 169,572.26                    | \$ 171,114.51         | \$ 1,533,497.50                     | \$ 1,548,756.50      |
| Deferred       | <u>238,576.00</u>                | <u>238,576.00</u>     | <u>1,026,065.78</u>                 | <u>1,026,065.78</u>  |
| Tax Payable    | <u>\$ (69,003.74)</u>            | <u>\$ (67,461.49)</u> | <u>\$ 507,431.72</u>                | <u>\$ 522,690.72</u> |

NOTE 15: LENGTH OF SERVICE AWARD PROGRAM

The Borough of Ship Bottom Light adopted an ordinance establishing a Length of Service Award Program to ensure retention of the Borough's volunteers pursuant to N.J.S.A. 40A:14-183 *et seq.*

Under this program, each volunteer member that performs the minimum amount of service will have an annual amount up to \$1,150.00 deposited into a tax deferred income account that will earn interest for the volunteer. The Borough's costs amounted to \$7,091.00 in 2021, \$8,213.00 in 2020 and \$5,562.00 in 2019. The accompanying financial statements do not include the Borough's Length of Service Awards Program's activities. The Borough's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulations.

NOTE 16: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2021:

|                         | Balance<br>December<br><u>31, 2020</u> | <u>Additions</u>   | <u>Deletions</u> | Balance<br>December<br><u>31, 2021</u> |
|-------------------------|----------------------------------------|--------------------|------------------|----------------------------------------|
| Land                    | \$43,307,000.00                        |                    |                  | \$43,307,000.00                        |
| Buildings               | 3,358,200.00                           |                    |                  | 3,358,200.00                           |
| Equipment &<br>Vehicles | <u>3,520,703.23</u>                    | <u>\$54,173.22</u> |                  | <u>3,574,876.45</u>                    |
|                         | <u>\$50,185,903.23</u>                 | <u>\$54,173.22</u> | <u>\$0.00</u>    | <u>\$50,240,076.45</u>                 |

NOTE 17: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through September 30, 2022 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that except for the items set forth below, there are no other subsequent events that need to be disclosed.

The Borough adopted the following capital ordinances as of September 30, 2022:

| <u>PROJECT</u>                      | <u>AMOUNT<br/>OF DEBT<br/>PROPOSED</u> |
|-------------------------------------|----------------------------------------|
| <u>General Capital Fund:</u>        |                                        |
| Bulkhead Replacement                | \$665,000.00                           |
| Acquisition of Heavy Equipment      | 332,500.00                             |
| Acquisition of Playground Equipment | 95,000.00                              |

BOROUGH OF SHIP BOTTOM  
SUPPLEMENTARY SCHEDULES - ALL FUNDS  
YEAR ENDED DECEMBER 31, 2021

BOROUGH OF SHIP BOTTOMCURRENT FUNDSCHEDULE OF CASH

|                                        | REF. | CURRENT<br>FUND        | FEDERAL<br>AND STATE<br>GRANT<br>FUND |
|----------------------------------------|------|------------------------|---------------------------------------|
| Balance December 31, 2020              | A    | \$ 5,773,195.43        | \$ 157,184.11                         |
| Increased by Receipts:                 |      |                        |                                       |
| Miscellaneous Revenue Not Anticipated  | A-2  | 161,087.20             |                                       |
| Change Fund                            | A-5  | 4,000.00               |                                       |
| Petty Cash                             | A-6  | 250.00                 |                                       |
| Investment in Bond Anticipation Notes  | A-7  | 117,708.52             |                                       |
| Taxes Receivable                       | A-8  | 14,605,783.39          |                                       |
| Revenue Accounts Receivable            | A-11 | 1,661,696.86           |                                       |
| Due State of New Jersey                | A-13 | 15,555.48              |                                       |
| Tax Overpayments                       | A-14 | 33,834.14              |                                       |
| Prepaid Taxes                          | A-15 | 441,055.89             |                                       |
| Interfunds - Other Funds               | A-20 | 3,789,159.81           |                                       |
| Interfund - Current Fund               | A-24 |                        | 2,740.57                              |
| Grants Receivable                      | A-25 |                        | 40,640.00                             |
| Grants Unappropriated                  | A-27 |                        | 78,120.40                             |
|                                        |      | <u>20,830,131.29</u>   | <u>121,500.97</u>                     |
|                                        |      | <u>26,603,326.72</u>   | <u>278,685.08</u>                     |
| Decreased by Disbursements:            |      |                        |                                       |
| Refund of Prior Year Revenue           | A-1  | 150.00                 |                                       |
| Budget Appropriations                  | A-3  | 6,666,416.19           |                                       |
| Change Fund                            | A-5  | 4,000.00               |                                       |
| Petty Cash                             | A-6  | 250.00                 |                                       |
| Tax Overpayments                       | A-14 | 7,732.70               |                                       |
| County Taxes Payable                   | A-16 | 5,974,856.31           |                                       |
| Local District School Taxes Payable    | A-17 | 679,831.25             |                                       |
| Regional School District Taxes Payable | A-18 | 3,082,254.00           |                                       |
| Appropriation Reserves                 | A-19 | 94,023.43              |                                       |
| Interfunds - Other Funds               | A-20 | 3,152,829.74           |                                       |
| Interfund - Current Fund               | A-24 |                        | 77,583.25                             |
| Grants Appropriated                    | A-26 |                        | 56,456.72                             |
|                                        |      | <u>19,662,343.62</u>   | <u>134,039.97</u>                     |
| Balance December 31, 2021              | A    | \$ <u>6,940,983.10</u> | \$ <u>144,645.11</u>                  |

"A-5"

BOROUGH OF SHIP BOTTOM

CURRENT FUND

SCHEDULE OF CHANGE FUND

|                           | <u>REF</u> |                  |
|---------------------------|------------|------------------|
| Balance December 31, 2020 | A          | \$ 175.00        |
| Increased by:             |            |                  |
| Disbursements             | A-4        | <u>4,000.00</u>  |
|                           |            | 4,175.00         |
| Decreased by:             |            |                  |
| Receipts                  | A-4        | <u>4,000.00</u>  |
| Balance December 31, 2021 | A          | \$ <u>175.00</u> |

"A-6"

SCHEDULE OF PETTY CASH

|               | <u>REF</u> |                  |
|---------------|------------|------------------|
| Increased by: |            |                  |
| Disbursements | A-4        | \$ <u>250.00</u> |
| Decreased by: |            |                  |
| Receipts      | A-4        | \$ <u>250.00</u> |

"A-7"

SCHEDULE OF INVESTMENT IN BOND ANTICIPATION NOTES

|                           | <u>REF</u> |                      |
|---------------------------|------------|----------------------|
| Balance December 31, 2020 | A          | \$ 292,017.94        |
| Decreased by:             |            |                      |
| Receipts                  | A-4        | <u>117,708.52</u>    |
| Balance December 31, 2021 | A          | \$ <u>174,309.42</u> |

BOROUGH OF SHIP BOTTOM

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| YEAR | BALANCE<br>DECEMBER<br>31, 2020 | 2021 LEVY        | COLLECTED        |               | OVERPAYMENTS<br>APPLIED | DUE FROM<br>STATE OF<br>NEW JERSEY<br>CH. 20,<br>P.L. 1971 | CANCELED    | BALANCE<br>DECEMBER<br>31, 2021 |
|------|---------------------------------|------------------|------------------|---------------|-------------------------|------------------------------------------------------------|-------------|---------------------------------|
|      |                                 |                  | 2021             | 2020          |                         |                                                            |             |                                 |
| 2020 | \$ 190,360.69                   | \$               | \$ 185,349.79    | \$            | \$ 5,010.90             | \$                                                         | \$          | \$                              |
|      | 190,360.69                      |                  | 185,349.79       |               | 5,010.90                |                                                            |             |                                 |
| 2021 |                                 | 14,901,952.66    | 14,420,433.60    | 414,486.64    |                         | 15,055.48                                                  | 4,108.60    | 47,868.34                       |
|      |                                 |                  |                  |               |                         |                                                            |             |                                 |
|      | \$ 190,360.69                   | \$ 14,901,952.66 | \$ 14,605,783.39 | \$ 414,486.64 | \$ 5,010.90             | \$ 15,055.48                                               | \$ 4,108.60 | \$ 47,868.34                    |
| REF. | A                               |                  | A-4              | A-15          | A-14                    | A-13                                                       |             | A                               |

Analysis of 2021 Property Tax Levy

Tax Yield:

|                     |                         |
|---------------------|-------------------------|
| General Purpose Tax | \$ 14,762,339.76        |
| Added Taxes         | 139,612.90              |
|                     | <u>\$ 14,901,952.66</u> |

Tax Levy:

|                                                   |         |                         |
|---------------------------------------------------|---------|-------------------------|
| Local District School Tax Payable (Abstract)      | A-17    | \$ 678,289.00           |
| Regional School District Taxes Payable (Abstract) | A-18    | 3,066,995.00            |
| County Tax (Abstract)                             | A-16    |                         |
| County Library Tax (Abstract)                     | A-16    | \$ 5,161,857.76         |
| County Open Space Preservation (Abstract)         | A-16    | 563,155.23              |
|                                                   | A-1     | 186,565.21              |
|                                                   | A-1, 16 | 5,911,578.20            |
| Due County Added Taxes                            | A-16    | 55,901.03               |
|                                                   | A-2     |                         |
|                                                   |         | <u>5,967,479.23</u>     |
|                                                   |         | 9,712,763.23            |
| Total School and County Taxes                     |         |                         |
| Local Tax for Municipal Purposes                  |         | 5,104,488.72            |
| Added Taxes                                       |         | 84,700.71               |
|                                                   |         | <u>5,189,189.43</u>     |
|                                                   |         | <u>\$ 14,901,952.66</u> |



"A-9"

BOROUGH OF SHIP BOTTOM

CURRENT FUND

SCHEDULE OF 6% YEAR END PENALTY RECEIVABLE

NO ACTIVITY IN TAX YEAR 2021

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES

(AT ASSESSED VALUATION)

REF

Balance December 31, 2020 and 2021

A

\$ 75,700.00

BOROUGH OF SHIP BOTTOM

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

|                                   | BALANCE<br>DECEMBER<br>31, 2020 | ACCRUED<br>IN 2021 | COLLECTED       | BALANCE<br>DECEMBER<br>31, 2021 |
|-----------------------------------|---------------------------------|--------------------|-----------------|---------------------------------|
| Licenses:                         |                                 |                    |                 |                                 |
| Alcoholic Beverages               | \$                              | \$ 15,330.00       | \$ 15,330.00    | \$                              |
| Other                             |                                 | 19,725.00          | 19,725.00       |                                 |
| Fees and Permits                  |                                 | 20,310.00          | 20,310.00       |                                 |
| Fines and Costs - Municipal Court | 3,588.46                        | 97,111.72          | 94,628.73       | 6,071.45                        |
| Interest and Costs on Taxes       |                                 | 35,375.10          | 35,375.10       |                                 |
| Beach Badge Fees                  |                                 | 1,003,943.00       | 1,003,943.00    |                                 |
| Post Office Rent                  |                                 | 26,220.00          | 26,220.00       |                                 |
| Boat Ramp Fees                    |                                 | 60,780.00          | 60,780.00       |                                 |
| Energy Receipts Tax               |                                 | 247,442.00         | 247,442.00      |                                 |
| Uniform Construction Code Fees    |                                 | 100,000.00         | 100,000.00      |                                 |
| Shared Service Agreements:        |                                 |                    |                 |                                 |
| Tax Collection Services:          |                                 |                    |                 |                                 |
| Salaries and Wages                |                                 | 30,000.00          | 30,000.00       |                                 |
| Other Expenses                    |                                 | 7,943.03           | 7,943.03        |                                 |
|                                   | \$ 3,588.46                     | \$ 1,664,179.85    | \$ 1,661,696.86 | \$ 6,071.45                     |

REF.

A

A-4

A

BOROUGH OF SHIP BOTTOM  
CURRENT FUND  
SCHEDULE OF THIRD PARTY LIENS

|                                    | <u>REF</u> |                 |
|------------------------------------|------------|-----------------|
| Balance December 31, 2020 and 2021 | A          | \$ <u>10.00</u> |

BOROUGH OF SHIP BOTTOM

CURRENT FUND

SCHEDULE OF DUE FROM/TO STATE OF NEW JERSEY

|                                                | <u>REF.</u> | <u>CH. 20,<br/>P.L. 1971</u> |
|------------------------------------------------|-------------|------------------------------|
| Balance, December 31, 2020 - Due From/(Due To) | A           | \$ (500.00)                  |
| Increased/Decreased by:                        |             |                              |
| Deductions:                                    |             |                              |
| Per Billings                                   |             | \$ 15,250.00                 |
| Allowed by Collector (Net)                     |             | <u>(194.52)</u>              |
| Total Increases/Decreases                      | A-8         | <u>15,055.48</u>             |
| Total Increases/Decreases and Balances         |             | <u>14,555.48</u>             |
| Decreased/Increased by:                        |             |                              |
| Receipts                                       | A-4         | <u>15,555.48</u>             |
| Balance, December 31, 2021 - Due From/(Due To) | A           | \$ <u><u>(1,000.00)</u></u>  |

BOROUGH OF SHIP BOTTOM  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS

|                             | <u>REF.</u> |    |                         |
|-----------------------------|-------------|----|-------------------------|
| Balance December 31, 2020   | A           | \$ | 5,010.90                |
| Increased by:               |             |    |                         |
| Receipts                    | A-4         |    | <u>33,834.14</u>        |
|                             |             |    | 38,845.04               |
| Decreased by:               |             |    |                         |
| Canceled                    | A-1         | \$ | 9,624.01                |
| Disbursements               | A-4         |    | 7,732.70                |
| Applied to Taxes Receivable | A-8         |    | <u>5,010.90</u>         |
|                             |             |    | <u>22,367.61</u>        |
| Balance December 31, 2021   | A           | \$ | <u><u>16,477.43</u></u> |

"A-15"

BOROUGH OF SHIP BOTTOM  
CURRENT FUND  
SCHEDULE OF PREPAID TAXES

|                                  | <u>REF.</u> |                      |
|----------------------------------|-------------|----------------------|
| Balance December 31, 2020        | A           | \$ 414,486.64        |
| Increased by:                    |             |                      |
| Collections                      | A-4         | <u>441,055.89</u>    |
|                                  |             | 855,542.53           |
| Decreased by:                    |             |                      |
| Applied to 2021 Taxes Receivable | A-8         | <u>414,486.64</u>    |
| Balance December 31, 2021        | A           | <u>\$ 441,055.89</u> |

"A-16"

SCHEDULE OF COUNTY TAXES PAYABLE

|                                    | <u>REF.</u> |                     |
|------------------------------------|-------------|---------------------|
| Balance, December 31, 2020         | A           | \$ 63,278.11        |
| Increased by:                      |             |                     |
| General County Tax                 | A-8         | \$ 5,161,857.76     |
| County Library Tax                 | A-8         | 563,155.23          |
| County Open Space Preservation Tax | A-8         | 186,565.21          |
| Added and Omitted Taxes            | A-8         | <u>55,901.03</u>    |
|                                    | A-8         | 5,967,479.23        |
| Decreased by:                      |             |                     |
| Payments                           | A-4         | <u>5,974,856.31</u> |
| Balance, December 31, 2021         | A           | <u>\$ 55,901.03</u> |

"A-17"

BOROUGH OF SHIP BOTTOM

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

|                                    | <u>REF.</u> |                   |                      |
|------------------------------------|-------------|-------------------|----------------------|
| Balance, December 31, 2020:        |             |                   |                      |
| School Tax Payable (Prepaid)       | A           | \$ (67,461.49)    |                      |
| School Tax Deferred                |             | <u>238,576.00</u> |                      |
|                                    |             |                   | \$ 171,114.51        |
| Increased by:                      |             |                   |                      |
| Levy School Year - July 1, 2021 to |             |                   |                      |
| June 30, 2022                      | A-8         |                   | <u>678,289.00</u>    |
|                                    |             |                   | 849,403.51           |
| Decreased by:                      |             |                   |                      |
| Payments                           | A-4         |                   | <u>679,831.25</u>    |
| Balance, December 31, 2021:        |             |                   |                      |
| School Tax Payable (Prepaid)       | A           | \$ (69,003.74)    |                      |
| School Tax Deferred                |             | <u>238,576.00</u> |                      |
|                                    |             |                   | \$ <u>169,572.26</u> |

"A-18"

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE

|                                    | <u>REF.</u> |                     |                        |
|------------------------------------|-------------|---------------------|------------------------|
| Balance, December 31, 2020:        |             |                     |                        |
| School Tax Payable                 | A           | \$ 522,690.72       |                        |
| School Tax Deferred                |             | <u>1,026,065.78</u> |                        |
|                                    |             |                     | \$ 1,548,756.50        |
| Increased by:                      |             |                     |                        |
| Levy School Year - July 1, 2021 to |             |                     |                        |
| June 30, 2022                      | A-8         |                     | <u>3,066,995.00</u>    |
|                                    |             |                     | 4,615,751.50           |
| Decreased by:                      |             |                     |                        |
| Payments                           | A-4         |                     | <u>3,082,254.00</u>    |
| Balance, December 31, 2021:        |             |                     |                        |
| School Tax Payable                 | A           | \$ 507,431.72       |                        |
| School Tax Deferred                |             | <u>1,026,065.78</u> |                        |
|                                    |             |                     | \$ <u>1,533,497.50</u> |

BOROUGH OF SHIP BOTTOM

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

|                                          | BALANCE<br>DECEMBER<br>31, 2020 | BALANCE<br>AFTER<br>TRANSFER | PAID OR<br>CHARGED | BALANCE<br>LAPSED |
|------------------------------------------|---------------------------------|------------------------------|--------------------|-------------------|
| <u>OPERATIONS WITHIN CAPS</u>            |                                 |                              |                    |                   |
| Administrative and Executive:            |                                 |                              |                    |                   |
| Salaries and Wages                       | \$ 13,663.51                    | \$ 13,663.51                 | \$                 | 13,663.51         |
| Other Expenses                           | 5,653.69                        | 5,653.69                     | 1,466.40           | 4,187.29          |
| Human Resources (Personnel):             |                                 |                              |                    |                   |
| Other Expenses                           | 8,638.40                        | 8,638.40                     | 4,128.00           | 4,510.40          |
| Mayor and Council:                       |                                 |                              |                    |                   |
| Salaries and Wages                       | 2,000.00                        | 2,000.00                     |                    | 2,000.00          |
| Other Expenses                           | 4,212.14                        | 4,212.14                     |                    | 4,212.14          |
| Municipal Clerk:                         |                                 |                              |                    |                   |
| Salaries and Wages                       | 13,953.64                       | 13,953.64                    |                    | 13,953.64         |
| Other Expenses                           | 18,134.35                       | 18,134.35                    | 767.12             | 17,367.23         |
| Financial Administration (Treasury):     |                                 |                              |                    |                   |
| Salaries and Wages                       | 4,790.05                        | 4,790.05                     |                    | 4,790.05          |
| Other Expenses                           | 30,011.91                       | 30,011.91                    | 7,492.98           | 22,518.93         |
| Audit Services:                          |                                 |                              |                    |                   |
| Other Expenses                           | 3,625.00                        | 3,625.00                     |                    | 3,625.00          |
| Revenue Administration (Tax Collection): |                                 |                              |                    |                   |
| Salaries and Wages                       | 20,135.98                       | 20,135.98                    |                    | 20,135.98         |
| Other Expenses                           | 5,499.01                        | 5,499.01                     | 23.23              | 5,475.78          |



|                                 | \$        | 1,000.00 | \$ | 1,000.00  | \$        | \$        |
|---------------------------------|-----------|----------|----|-----------|-----------|-----------|
| Liquidation of Tax Title Liens: |           |          |    |           |           |           |
| Other Expenses                  |           |          |    |           |           | 1,000.00  |
| Tax Assessment Administration:  |           |          |    |           |           |           |
| Salaries and Wages              | 11,492.75 |          |    | 11,492.75 |           | 11,492.75 |
| Other Expenses                  | 12,099.84 |          |    | 12,099.84 | 1,328.40  | 10,771.44 |
| Other Expenses - Revaluation    | 5,000.00  |          |    | 5,000.00  |           | 5,000.00  |
| Legal Services:                 |           |          |    |           |           |           |
| Other Expenses                  | 48,846.38 |          |    | 48,846.38 | 2,184.80  | 46,661.58 |
| Engineering Services:           |           |          |    |           |           |           |
| Other Expenses                  | 46,241.47 |          |    | 46,241.47 | 29,225.16 | 17,016.31 |
| Historic Preservation:          |           |          |    |           |           |           |
| Other Expenses                  | 1,000.00  |          |    | 1,000.00  |           | 1,000.00  |
| Municipal Prosecutor:           |           |          |    |           |           |           |
| Other Expenses                  | 500.00    |          |    | 500.00    |           | 500.00    |
| Land Use Board:                 |           |          |    |           |           |           |
| Salaries and Wages              | 3,481.22  |          |    | 3,481.22  |           | 3,481.22  |
| Other Expenses                  | 56,050.89 |          |    | 56,050.89 | 3,049.53  | 53,001.36 |
| Zoning Enforcement:             |           |          |    |           |           |           |
| Salaries and Wages              | 1.44      |          |    | 1.44      |           | 1.44      |
| Other Expenses                  | 8,067.36  |          |    | 8,067.36  | 61.58     | 8,005.78  |

BOROUGH OF SHIP BOTTOM

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

|                                           | BALANCE<br>DECEMBER<br>31, 2020 | BALANCE<br>AFTER<br>TRANSFER | PAID OR<br>CHARGED | BALANCE<br>LAPSED |
|-------------------------------------------|---------------------------------|------------------------------|--------------------|-------------------|
| <u>OPERATIONS WITHIN CAPS (CONTINUED)</u> |                                 |                              |                    |                   |
| Code Enforcement:                         |                                 |                              |                    |                   |
| Salaries and Wages                        | \$ 3,113.01                     | \$ 3,113.01                  | \$                 | 3,113.01          |
| Other Expenses                            | 5,480.76                        | 5,480.76                     |                    | 5,480.76          |
| Insurance:                                |                                 |                              |                    |                   |
| General Liability                         | 15,769.34                       | 15,769.34                    |                    | 15,769.34         |
| Worker's Compensation                     | 404.50                          | 404.50                       |                    | 404.50            |
| Employee Group Health                     | 90,234.24                       | 90,234.24                    | (3,050.00)         | 93,284.24         |
| Police Department:                        |                                 |                              |                    |                   |
| Salaries and Wages                        | 16,290.32                       | 16,290.32                    | (77,382.50)        | 93,672.82         |
| Other Expenses                            | 18,866.76                       | 18,866.76                    | 5,650.68           | 13,216.08         |
| Office of Emergency Management:           |                                 |                              |                    |                   |
| Salaries and Wages                        | 876.00                          | 876.00                       |                    | 876.00            |
| Other Expenses                            | 35,688.15                       | 35,688.15                    | 272.14             | 35,416.01         |
| Municipal Court:                          |                                 |                              |                    |                   |
| Salaries and Wages                        | 4,020.80                        | 4,020.80                     |                    | 4,020.80          |
| Other Expenses                            | 13,671.45                       | 13,671.45                    | 226.06             | 13,445.39         |

BOROUGH OF SHIP BOTTOM

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

|                                           | <u>BALANCE<br/>DECEMBER<br/>31, 2020</u> | <u>BALANCE<br/>AFTER<br/>TRANSFER</u> | <u>PAID OR<br/>CHARGED</u> | <u>BALANCE<br/>LAPSED</u> |
|-------------------------------------------|------------------------------------------|---------------------------------------|----------------------------|---------------------------|
| <u>OPERATIONS WITHIN CAPS (CONTINUED)</u> |                                          |                                       |                            |                           |
| Public Defender:                          |                                          |                                       |                            |                           |
| Other Expenses                            | \$ 9,601.14                              | \$ 9,601.14                           | \$                         | 9,601.14                  |
| Streets and Road Maintenance:             |                                          |                                       |                            |                           |
| Salaries and Wages                        | 32,222.56                                | 32,222.56                             |                            | 32,222.56                 |
| Other Expenses                            | 33,889.66                                | 33,889.66                             | 4,462.58                   | 29,427.08                 |
| County "Schedule C" Program               | 49,121.85                                | 49,121.85                             |                            | 49,121.85                 |
| Garbage and Trash Removal                 |                                          |                                       |                            |                           |
| Other Expenses                            | 69,948.35                                | 69,948.35                             | 22,250.00                  | 47,698.35                 |
| Recycling:                                |                                          |                                       |                            |                           |
| Salaries and Wages                        | 3,169.41                                 | 3,169.41                              |                            | 3,169.41                  |
| Other Expenses                            | 15,131.23                                | 15,131.23                             | 6.80                       | 15,124.43                 |
| Public Buildings and Grounds:             |                                          |                                       |                            |                           |
| Salaries and Wages                        | 3,942.04                                 | 3,942.04                              |                            | 3,942.04                  |
| Other Expenses                            | 48,499.97                                | 48,499.97                             | 7,447.25                   | 41,052.72                 |
| Equipment Maintenance and Repair:         |                                          |                                       |                            |                           |
| Salaries and Wages                        | 14,721.86                                | 14,721.86                             |                            | 14,721.86                 |
| Other Expenses                            | 34,439.66                                | 34,439.66                             | 9,333.86                   | 25,105.80                 |
| Board of Health:                          |                                          |                                       |                            |                           |
| Other Expenses                            | 2,076.48                                 | 2,076.48                              |                            | 2,076.48                  |

BOROUGH OF SHIP BOTTOM

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

|                                                   | BALANCE<br>DECEMBER<br>31, 2020 | BALANCE<br>AFTER<br>TRANSFER | PAID OR<br>CHARGED | BALANCE<br>LAPSED |
|---------------------------------------------------|---------------------------------|------------------------------|--------------------|-------------------|
| <u>OPERATIONS WITHIN CAPS (CONTINUED)</u>         |                                 |                              |                    |                   |
| Long Beach Island Joint Environmental Commission: |                                 |                              |                    |                   |
| Other Expenses                                    | \$ 500.00                       | \$ 500.00                    | \$                 | 500.00            |
| Animal Control Services:                          |                                 |                              |                    |                   |
| Other Expenses                                    | 3,735.00                        | 3,735.00                     | 1,009.36           | 2,725.64          |
| Aid to Museum (N.J.S.A. 40:23-22):                |                                 |                              |                    |                   |
| Other Expenses                                    | 300.00                          | 300.00                       |                    | 300.00            |
| Wharves, Docks and Bulkheads:                     |                                 |                              |                    |                   |
| Salaries and Wages                                | 7,990.00                        | 7,990.00                     |                    | 7,990.00          |
| Other Expenses                                    | 2,633.93                        | 2,633.93                     | 382.62             | 2,251.31          |
| Recreation Services and Programs:                 |                                 |                              |                    |                   |
| Salaries and Wages                                | 10,645.00                       | 10,645.00                    |                    | 10,645.00         |
| Other Expenses                                    | 12,051.92                       | 12,051.92                    | 12,000.00          | 51.92             |
| Beach Front Maintenance:                          |                                 |                              |                    |                   |
| Salaries and Wages                                | 4,161.68                        | 4,161.68                     |                    | 4,161.68          |
| Other Expenses                                    | 37,461.33                       | 37,461.33                    | 14.67              | 37,446.66         |
| Beach Operations:                                 |                                 |                              |                    |                   |
| Salaries and Wages                                | 49,818.37                       | 49,818.37                    |                    | 49,818.37         |
| Other Expenses                                    | 18,995.43                       | 18,995.43                    | 11,900.80          | 7,094.63          |
| Beach Replenishment:                              |                                 |                              |                    |                   |
| Other Expenses                                    | 1,000.00                        | 1,000.00                     |                    | 1,000.00          |
| Celebration of Public Events                      |                                 |                              |                    |                   |
| Other Expenses                                    | 44,483.12                       | 44,483.12                    | 2,813.51           | 41,669.61         |

BOROUGH OF SHIP BOTTOM

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

|                                                  | <u>BALANCE<br/>DECEMBER<br/>31, 2020</u> | <u>BALANCE<br/>AFTER<br/>TRANSFER</u> | <u>PAID OR<br/>CHARGED</u> | <u>BALANCE<br/>LAPSED</u> |
|--------------------------------------------------|------------------------------------------|---------------------------------------|----------------------------|---------------------------|
| <u>OPERATIONS WITHIN CAPS (CONTINUED)</u>        |                                          |                                       |                            |                           |
| Uniform Construction Code Enforcement Functions: |                                          |                                       |                            |                           |
| Salaries and Wages                               | \$ 15,031.12                             | \$ 15,031.12                          | \$ 12,000.00               | \$ 3,031.12               |
| Other Expenses                                   | 16,973.37                                | 16,973.37                             | 12,167.03                  | 4,806.34                  |
| Utilities:                                       |                                          |                                       |                            |                           |
| Electricity                                      | 29,100.66                                | 29,100.66                             | 1,460.35                   | 27,640.31                 |
| Street Lighting                                  | 35,525.89                                | 35,525.89                             | 4,271.80                   | 31,254.09                 |
| Telephone                                        | 14,042.35                                | 14,042.35                             |                            | 14,042.35                 |
| Natural Gas                                      | 6,739.27                                 | 6,739.27                              | 2,502.07                   | 4,237.20                  |
| Gasoline                                         | 35,713.37                                | 35,713.37                             | 1,124.86                   | 34,588.51                 |
| Sanitary Landfill                                | 74,572.53                                | 74,572.53                             | 7,382.55                   | 67,189.98                 |
| Salary Settlements and Adjustments               | 17,500.00                                | 17,500.00                             |                            | 17,500.00                 |
| <u>STATUTORY EXPENDITURES WITHIN CAPS:</u>       |                                          |                                       |                            |                           |
| Contribution to:                                 |                                          |                                       |                            |                           |
| Social Security System (O.A.S.I.)                | 486.51                                   | 486.51                                |                            | 486.51                    |
| Defined Contribution Retirement Program          | 2,344.39                                 | 2,344.39                              |                            | 2,344.39                  |
| Unemployment and Disability Insurance            | 10,054.37                                | 10,054.37                             |                            | 10,054.37                 |
| Total Appropriations within Caps                 | \$ 1,297,138.18                          | \$ 1,297,138.18                       | \$ 87,973.69               | \$ 1,209,164.49           |



BOROUGH OF SHIP BOTTOM

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

|                                                           |             | <u>BALANCE<br/>DECEMBER<br/>31, 2020</u> | <u>BALANCE<br/>AFTER<br/>TRANSFER</u> | <u>PAID OR<br/>CHARGED</u> | <u>BALANCE<br/>LAPSED</u> |
|-----------------------------------------------------------|-------------|------------------------------------------|---------------------------------------|----------------------------|---------------------------|
|                                                           | <u>REF.</u> |                                          |                                       |                            |                           |
| Appropriation Reserves - 2020<br>Reserve for Encumbrances | A           | \$ 1,264,017.04                          |                                       |                            |                           |
|                                                           | A-22        | <u>57,039.91</u>                         |                                       |                            |                           |
|                                                           |             | \$ <u>1,321,056.95</u>                   |                                       |                            |                           |
| Accounts Payable<br>Disbursements                         | A-21        |                                          |                                       | \$ 193.58                  |                           |
|                                                           | A-4         |                                          |                                       | <u>94,023.43</u>           |                           |
|                                                           |             |                                          |                                       | \$ <u>94,217.01</u>        |                           |

BOROUGH OF SHIP BOTTOM

CURRENT FUND

SCHEDULE OF INTERFUNDS

| REF. |                                                                        | TOTAL<br>(MEMO ONLY) | FEDERAL<br>AND STATE<br>GRANT<br>FUND | ANIMAL<br>CONTROL<br>TRUST<br>FUND | OTHER<br>TRUST<br>FUND | GENERAL<br>CAPITAL<br>FUND | WATER - SEWER<br>UTILITY<br>OPERATING<br>FUND | WATER - SEWER<br>UTILITY<br>CAPITAL<br>FUND | PAYROLL<br>FUND |
|------|------------------------------------------------------------------------|----------------------|---------------------------------------|------------------------------------|------------------------|----------------------------|-----------------------------------------------|---------------------------------------------|-----------------|
| A    | Balance December 31, 2020 - Due From/(Due To)                          | \$ 406,540.75        | \$ (1,150.30)                         | \$ 64.46                           | \$ 2,833.18            | \$ 410,281.26              | \$ (5,932.82)                                 | \$                                          | \$ 444.97       |
| A-2  | Increased/Decreased by:                                                |                      |                                       |                                    |                        |                            |                                               |                                             |                 |
| A-4  | Statutory Excess in Reserve for Animal Control Trust Fund Expenditures | 245.45               |                                       | 245.45                             |                        |                            |                                               |                                             |                 |
|      | Disbursements                                                          | 3,152,829.74         | 2,740.57                              | 5.49                               | 19,667.09              | 8,589.21                   | 121,771.98                                    | 3,000,000.00                                | 55.40           |
|      | Total Increases/Decreases                                              | 3,153,075.19         | 2,740.57                              | 250.94                             | 19,687.09              | 8,589.21                   | 121,771.98                                    | 3,000,000.00                                | 55.40           |
|      | Total Increases/Decreases and Balances                                 | 3,559,615.94         | 1,590.27                              | 315.40                             | 22,500.27              | 418,870.47                 | 115,839.16                                    | 3,000,000.00                                | 500.37          |
| A-4  | Decreased/Increased by:                                                |                      |                                       |                                    |                        |                            |                                               |                                             |                 |
|      | Receipts                                                               | 3,789,159.81         | 77,583.25                             | 69.47                              | 7,887.09               | 589,016.24                 | 114,603.76                                    | 3,000,000.00                                |                 |
|      |                                                                        | 3,789,159.81         | 77,583.25                             | 69.47                              | 7,887.09               | 589,016.24                 | 114,603.76                                    | 3,000,000.00                                |                 |
| A    | Balance December 31, 2021 - Due From/(Due To)                          | \$ (229,543.87)      | \$ (75,992.98)                        | \$ 245.93                          | \$ 14,613.18           | \$ (170,145.77)            | \$ 1,235.40                                   | \$                                          | \$ 500.37       |



BOROUGH OF SHIP BOTTOM  
CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE

|                                      | <u>REF.</u> |                           |
|--------------------------------------|-------------|---------------------------|
| Balance December 31, 2020            | A           | \$ 8,121.00               |
| Increased by:                        |             |                           |
| Transfer from Appropriation Reserves | A-19        | <u>193.58</u>             |
| Balance December 31, 2021            | A           | \$ <u><u>8,314.58</u></u> |

"A-22"

BOROUGH OF SHIP BOTTOM

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

|                            | <u>REF.</u> | <u>CURRENT<br/>FUND</u> | <u>FEDERAL AND<br/>STATE<br/>GRANT<br/>FUND</u> |
|----------------------------|-------------|-------------------------|-------------------------------------------------|
| Balance December 31, 2020  | A           | \$ 57,039.91            | \$ 3,660.00                                     |
| Increased by:              |             |                         |                                                 |
| Transfer from:             |             |                         |                                                 |
| 2021 Budget Appropriations | A-3         | 73,331.19               |                                                 |
| Grants Appropriated        | A-26        |                         | 40,748.29                                       |
|                            |             | <u>73,331.19</u>        | <u>40,748.29</u>                                |
|                            |             | 130,371.10              | 44,408.29                                       |
| Decreased by:              |             |                         |                                                 |
| Transfer to:               |             |                         |                                                 |
| Appropriation Reserves     | A-19        | 57,039.91               |                                                 |
| Grants Appropriated        | A-26        |                         | 3,660.00                                        |
|                            |             | <u>57,039.91</u>        | <u>3,660.00</u>                                 |
| Balance December 31, 2021  | A           | \$ <u>73,331.19</u>     | \$ <u>40,748.29</u>                             |

"A-23"

SCHEDULE OF RESERVE FOR REPAIRS TO POLICE VEHICLE

REF.

|                                    |   |                    |
|------------------------------------|---|--------------------|
| Balance December 31, 2020 and 2021 | A | \$ <u>1,520.47</u> |
|------------------------------------|---|--------------------|

BOROUGH OF SHIP BOTTOM  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF INTERFUNDS

|                                               | <u>REF.</u> | <u>CURRENT<br/>FUND</u> |
|-----------------------------------------------|-------------|-------------------------|
| Balance December 31, 2020 - Due From/(Due To) | A           | \$ 1,150.30             |
| Increased/Decreased by:                       |             |                         |
| Receipts                                      | A-4         | 2,740.57                |
| 2021 Budget Revenues Realized                 | A-2:A-25    | <u>77,063.28</u>        |
| Total Increases/Decreases                     |             | <u>79,803.85</u>        |
| Total Increases/Decreases and Balances        |             | <u>(78,653.55)</u>      |
| Decreased/Increased by:                       |             |                         |
| Disbursements                                 | A-4         | 77,583.25               |
| 2021 Budget Appropriations                    | A-3:A-26    | <u>77,063.28</u>        |
| Total Decreases/Increases                     |             | <u>154,646.53</u>       |
| Balance December 31, 2021 - Due From/(Due To) | A           | \$ <u>75,992.98</u>     |

BOROUGH OF SHIP BOTTOM

CURRENT FUND

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

|                                   | BALANCE<br>DECEMBER<br>31, 2020 | 2021 BUDGET<br>REVENUE<br>REALIZED | RECEIPTS            | UNAPPROPRIATED<br>RESERVE<br>APPLIED | BALANCE<br>DECEMBER<br>31, 2021 |
|-----------------------------------|---------------------------------|------------------------------------|---------------------|--------------------------------------|---------------------------------|
| Body Armor Replacement Fund       | \$                              | \$ 1,423.28                        | \$                  | \$ 1,423.28                          | \$                              |
| Community Development Block Grant |                                 | 70,000.00                          | 35,000.00           |                                      | 35,000.00                       |
| Cops in Shops                     | 880.00                          | 5,280.00                           | 5,280.00            |                                      | 880.00                          |
| Drunk Driving Enforcement Fund    |                                 | 360.00                             | 360.00              |                                      |                                 |
|                                   | <u>\$ 880.00</u>                | <u>\$ 77,063.28</u>                | <u>\$ 40,640.00</u> | <u>\$ 1,423.28</u>                   | <u>\$ 35,880.00</u>             |
| REF.                              | A                               | A-24                               | A-4                 | A-27                                 | A                               |

BOROUGH OF SHIP BOTTOM

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS - APPROPRIATED

|                                       | BALANCE<br>DECEMBER<br>31, 2020 | 2021 BUDGET<br>APPROPRIATION | PAID OR<br>CHARGED  | BALANCE<br>DECEMBER<br>31, 2021 |
|---------------------------------------|---------------------------------|------------------------------|---------------------|---------------------------------|
| Alcohol Education Rehabilitation Fund | \$ 5,420.98                     | \$                           | \$                  | 5,420.98                        |
| Body Armor Replacement Fund           | 2,808.48                        | 1,423.28                     | 2,139.40            | 2,092.36                        |
| Clean Communities Program             | 45,908.33                       |                              | 8,447.56            | 37,460.77                       |
| Community Development Block Grant     |                                 | 70,000.00                    | 34,999.96           | 35,000.04                       |
| Cops in Shops                         | 11,440.00                       | 5,280.00                     | 5,280.00            | 11,440.00                       |
| Drunk Driving Enforcement Fund        | 40,375.25                       | 360.00                       | 11,405.92           | 40,735.25                       |
| Recycling Revenue and Residue         | 11,405.92                       |                              |                     |                                 |
| Recycling Tonnage Grant               | 31,272.17                       |                              | 31,272.17           |                                 |
|                                       | <u>\$ 148,631.13</u>            | <u>\$ 77,063.28</u>          | <u>\$ 93,545.01</u> | <u>\$ 132,149.40</u>            |
| REF.                                  | A                               | A-24                         |                     | A                               |
| Disbursements                         |                                 |                              | \$ 56,456.72        |                                 |
| Reserve for Encumbrances              |                                 |                              | 40,748.29           |                                 |
| Reserve for Encumbrances              |                                 |                              | <u>(3,660.00)</u>   |                                 |
|                                       |                                 |                              | <u>\$ 93,545.01</u> |                                 |

BOROUGH OF SHIP BOTTOM

CURRENT FUND

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS - UNAPPROPRIATED

|                                 | BALANCE<br>DECEMBER<br>31, 2020 | RECEIPTS     | APPLICATION<br>TO GRANTS<br>RECEIVABLE | BALANCE<br>DECEMBER<br>31, 2021 |
|---------------------------------|---------------------------------|--------------|----------------------------------------|---------------------------------|
| American Rescue Plan Tranche #1 |                                 |              |                                        |                                 |
| Body Armor Replacement Fund     | \$ 1,423.28                     | \$ 60,341.42 | \$ 1,423.28                            | \$ 60,341.42                    |
| Clean Communities Program       |                                 | 1,175.21     |                                        | 1,175.21                        |
| Distracted Driving Crackdown    | 5,500.00                        | 9,867.62     |                                        | 9,867.62                        |
| Drunk Driving Enforcement Fund  |                                 | 360.00       |                                        | 5,500.00                        |
| Recycling Tonnage Grant         |                                 | 6,376.15     |                                        | 360.00                          |
|                                 |                                 |              |                                        | 6,376.15                        |
|                                 | \$ 6,923.28                     | \$ 78,120.40 | \$ 1,423.28                            | \$ 83,620.40                    |
| REF.                            | A                               | A-4          | A-25                                   | A                               |

BOROUGH OF SHIP BOTTOM

TRUST FUND

SCHEDULE OF CASH

|                             | <u>REF.</u> | <u>ANIMAL<br/>CONTROL<br/>TRUST<br/>FUND</u> | <u>TRUST<br/>OTHER<br/>FUND</u> |
|-----------------------------|-------------|----------------------------------------------|---------------------------------|
| Balance, December 31, 2020  | B           | \$ <u>696.76</u>                             | \$ <u>819,123.28</u>            |
| Increased by Receipts:      |             |                                              |                                 |
| Animal Control License Fees | B-2         | 150.80                                       |                                 |
| State Registration Fees     | B-3         | 31.20                                        |                                 |
| Interfunds                  | B-4         | 5.49                                         | 19,667.09                       |
| Miscellaneous Reserves      | B-6         |                                              | 818,158.13                      |
|                             |             | <u>187.49</u>                                | <u>837,825.22</u>               |
|                             |             | <u>884.25</u>                                | <u>1,656,948.50</u>             |
| Decreased by Disbursements: |             |                                              |                                 |
| Animal Control Expenditures | B-2         | 154.85                                       |                                 |
| State Registration Fees     | B-3         | 31.20                                        |                                 |
| Interfunds                  | B-4         | 69.47                                        | 7,887.09                        |
| Miscellaneous Reserves      | B-6         |                                              | 654,039.05                      |
|                             |             | <u>255.52</u>                                | <u>661,926.14</u>               |
| Balance, December 31, 2021  | B           | \$ <u><u>628.73</u></u>                      | \$ <u><u>995,022.36</u></u>     |

"B-2"

BOROUGH OF SHIP BOTTOM

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL

TRUST FUND EXPENDITURES

|                                       | <u>REF.</u> |                  |
|---------------------------------------|-------------|------------------|
| Balance, December 31, 2020            | B           | \$ 556.80        |
| Increased by:                         |             |                  |
| Animal Control License Fees Collected | B-1         | <u>150.80</u>    |
|                                       |             | 707.60           |
| Decreased by:                         |             |                  |
| Expenditures Under R.S. 4:19-15.11:   |             |                  |
| Cash                                  | B-1         | \$ 154.85        |
| Statutory Excess Due Current Fund     | B-4         | 245.45           |
| Reserve for Encumbrances (Net)        | B-5         | <u>(75.50)</u>   |
|                                       |             | <u>324.80</u>    |
| Balance, December 31, 2021            | B           | \$ <u>382.80</u> |

License Fees Collected

| <u>Year</u> | <u>Amount</u>    |
|-------------|------------------|
| 2020        | \$ 150.80        |
| 2019        | <u>232.00</u>    |
|             | \$ <u>382.80</u> |

"B-3"

SCHEDULE OF DUE STATE OF NEW JERSEY

|                                         | <u>REF.</u> |                 |
|-----------------------------------------|-------------|-----------------|
| Decreased by:                           |             |                 |
| Receipts - State Registration Fees      | B-1         | \$ <u>31.20</u> |
|                                         |             | 31.20           |
| Increased by:                           |             |                 |
| Disbursements - State Registration Fees | B-1         | \$ <u>31.20</u> |



"B-4"

BOROUGH OF SHIP BOTTOM

TRUST FUND

SCHEDULE OF INTERFUNDS

|                                                | <u>REF.</u> | <u>TOTAL<br/>(MEMO ONLY)</u> | <u>ANIMAL<br/>CONTROL<br/>TRUST<br/>FUND</u> | <u>TRUST<br/>OTHER<br/>FUND</u> |
|------------------------------------------------|-------------|------------------------------|----------------------------------------------|---------------------------------|
| Balance December 31, 2020 - Due From/(Due To)  | B           | \$ 10,634.96                 | \$ (64.46)                                   | \$ (2,833.18)                   |
| Increased/Decreased by:                        |             |                              |                                              |                                 |
| Receipts                                       | B-1         | 19,672.58                    | 5.49                                         | 19,667.09                       |
| Statutory Excess in Reserve for Animal Control |             |                              |                                              |                                 |
| Trust Fund Expenditures                        | B-2         | <u>245.45</u>                | <u>245.45</u>                                | <u>(22,500.27)</u>              |
|                                                |             | (22,815.67)                  | (315.40)                                     |                                 |
| Decreased/Increased by:                        |             |                              |                                              |                                 |
| Disbursements                                  | B-1         | <u>7,956.56</u>              | <u>69.47</u>                                 | <u>7,887.09</u>                 |
| Balance December 31, 2021 - Due From/(Due To)  | B           | \$ <u>(14,859.11)</u>        | \$ <u>(245.93)</u>                           | \$ <u>(14,613.18)</u>           |

"B-5"

SCHEDULE OF RESERVE FOR ENCUMBRANCES

|                                        | <u>REF.</u> | <u>ANIMAL<br/>CONTROL<br/>TRUST<br/>FUND</u> | <u>TRUST<br/>OTHER<br/>FUND</u> |
|----------------------------------------|-------------|----------------------------------------------|---------------------------------|
| Balance December 31, 2020              | B           | \$ 75.50                                     | \$ 600.00                       |
| Increased by:                          |             |                                              |                                 |
| Transfer from Miscellaneous Reserves   | B-6         | <u>75.50</u>                                 | <u>7,507.79</u>                 |
|                                        |             |                                              | 8,107.79                        |
| Decreased by:                          |             |                                              |                                 |
| Transfer to Reserve for Animal Control |             |                                              |                                 |
| Trust Fund Expenditures                | B-2         | <u>75.50</u>                                 |                                 |
| Transfer to Miscellaneous Reserves     | B-6         |                                              | <u>600.00</u>                   |
| Balance December 31, 2021              | B           | \$ <u>75.50</u>                              | \$ <u>7,507.79</u>              |

BOROUGH OF SHIP BOTTOM

TRUST FUND

SCHEDULE OF MISCELLANEOUS RESERVES

|                                       | BALANCE<br>DECEMBER<br>31, 2020 | INCREASE             | DECREASE             | BALANCE<br>DECEMBER<br>31, 2021 |
|---------------------------------------|---------------------------------|----------------------|----------------------|---------------------------------|
| Anchor Maintenance                    | \$ 7,897.66                     | \$                   | \$                   | 7,897.66                        |
| Beach Patrol/LIT                      | 34,136.08                       | 37,799.22            | 32,834.47            | 39,100.83                       |
| Beach Wheels                          | 260.50                          |                      |                      | 260.50                          |
| Cash Bonds                            | 156,542.53                      | 46,684.41            | 35,232.60            | 167,994.34                      |
| Compensated Absences                  | 440,412.89                      | 125,000.00           |                      | 565,412.89                      |
| Curbing Bonds                         | 4,987.80                        |                      |                      | 4,987.80                        |
| Disposal of Forfeited Property        | 39,837.69                       | 812.00               | 9,855.55             | 30,794.14                       |
| McTeague Green Acres Restricted Funds | 6,000.00                        |                      |                      | 6,000.00                        |
| Off Duty Police                       | 46,539.50                       | 379,487.50           | 395,497.50           | 30,529.50                       |
| POAA                                  | 3,606.00                        | 146.00               |                      | 3,752.00                        |
| Public Defender Fund                  | 408.61                          |                      | 400.00               | 8.61                            |
| Reserve for Construction              | 4,596.86                        | 201,399.00           | 173,730.05           | 32,265.81                       |
| Special Events                        | 13,669.00                       | 12,300.00            | 10,794.30            | 15,174.70                       |
| Tax Sale Premiums                     | 17,900.00                       |                      |                      | 17,900.00                       |
| Time Capsule                          | 413.17                          |                      |                      | 413.17                          |
| Tower Bonds                           | 3,915.00                        |                      |                      | 3,915.00                        |
| Walk of Names                         | 34,566.81                       | 14,530.00            | 2,602.37             | 46,494.44                       |
|                                       | <u>\$ 815,690.10</u>            | <u>\$ 818,158.13</u> | <u>\$ 660,946.84</u> | <u>\$ 972,901.39</u>            |
| REF.                                  | B                               | B-1                  |                      | B                               |
| Disbursements                         |                                 |                      | \$ 654,039.05        |                                 |
| Reserve for Encumbrances              |                                 |                      | 7,507.79             |                                 |
| Reserve for Encumbrances              |                                 |                      | <u>(600.00)</u>      |                                 |
|                                       |                                 |                      | <u>\$ 660,946.84</u> |                                 |

BOROUGH OF SHIP BOTTOM

GENERAL CAPITAL FUND

SCHEDULE OF CASH

|                                           | <u>REF.</u> |    |                            |
|-------------------------------------------|-------------|----|----------------------------|
| Balance, December 31, 2020                | C           | \$ | 743,264.01                 |
| Increased by:                             |             |    |                            |
| Premium on Bond Anticipation Notes Issued | C-1         | \$ | 141,199.98                 |
| Budget Appropriations:                    |             |    |                            |
| Improvement Costs                         | C-5         |    | 60,000.00                  |
| Capital Improvement Fund                  | C-12        |    | 150,000.00                 |
| Interfunds                                | C-7         |    | 2,629,584.33               |
| Bond Anticipation Notes                   | C-9         |    | 11,815,309.42              |
| Capital Reserves                          | C-14        |    | <u>50,000.00</u>           |
|                                           |             |    | <u>14,846,093.73</u>       |
|                                           |             |    | 15,589,357.74              |
| Decreased by:                             |             |    |                            |
| Interfunds                                | C-7         | \$ | 4,179,016.24               |
| Bond Anticipation Notes                   | C-9         |    | 174,309.42                 |
| Improvement Authorizations                | C-11        |    | 1,513,700.03               |
| Capital Reserves                          | C-14        |    | <u>100,000.00</u>          |
|                                           |             |    | <u>5,967,025.69</u>        |
| Balance, December 31, 2021                | C           | \$ | <u><u>9,622,332.05</u></u> |

BOROUGH OF SHIP BOTTOM

GENERAL CAPITAL FUND

ANALYSIS OF CASH

|                             | DATE OR<br>ORDINANCE<br>NUMBER | IMPROVEMENT DESCRIPTION | BALANCE<br>DECEMBER<br>31, 2020 | RECEIPTS         | DISBURSEMENTS   | TRANSFERS        |                  | BALANCE<br>DECEMBER<br>31, 2021 |
|-----------------------------|--------------------------------|-------------------------|---------------------------------|------------------|-----------------|------------------|------------------|---------------------------------|
|                             |                                |                         |                                 |                  |                 | TO               | FROM             |                                 |
| Fund Balance                |                                |                         | \$ 372,264.30                   | \$ 141,199.98    | \$              | \$               | \$ 80,000.00     | \$ 433,464.28                   |
| Capital Reserves            |                                |                         | 180,745.00                      | 50,000.00        |                 |                  |                  | 130,745.00                      |
| Reserve for Encumbrances    |                                |                         | 450,434.18                      |                  | 100,000.00      | 9,243,056.59     | 450,434.18       | 9,243,056.59                    |
| Capital Improvement Fund    |                                |                         | 449,772.00                      | 150,000.00       |                 | 5,122.42         | 100,000.00       | 504,894.42                      |
| Interfunds                  |                                |                         | 410,281.26                      | 2,629,584.33     | 4,179,016.24    |                  |                  | (1,139,150.65)                  |
| Grants Receivable           |                                |                         | (794,776.92)                    |                  |                 |                  | 423,180.00       | (1,217,956.92)                  |
| Improvement Authorizations: |                                |                         |                                 |                  |                 |                  |                  |                                 |
|                             |                                |                         | (205,780.00)                    | 5,500,000.00     | 880,045.88      |                  | 4,414,174.12     |                                 |
|                             |                                |                         |                                 | 19,868.45        | 19,868.45       |                  |                  |                                 |
|                             |                                |                         |                                 | 61,107.59        | 61,107.59       |                  |                  |                                 |
|                             |                                |                         | 32,065.55                       | 48,888.92        | 48,888.92       | 1,246.56         |                  | 32,065.55                       |
|                             |                                |                         | 5,122.42                        | 44,444.46        | 45,691.02       |                  | 5,122.42         |                                 |
|                             |                                |                         | 48,275.93                       |                  |                 |                  |                  | 48,275.93                       |
|                             |                                |                         | 1,159.06                        |                  |                 |                  |                  | 1,159.06                        |
|                             |                                |                         | (371,610.67)                    | 370,000.00       | 6,339.33        |                  |                  | (7,950.00)                      |
|                             |                                |                         | (327,225.07)                    | 3,800,000.00     | 57,519.75       | 239,920.59       | 3,612,876.29     | 42,299.48                       |
|                             |                                |                         | 243,207.00                      | 100,000.00       | 44,366.60       |                  | 277,543.40       | 21,297.00                       |
|                             |                                |                         | (203,420.03)                    | 230,000.00       | 165,159.32      | 191,567.03       | 55,887.68        | (2,900.00)                      |
|                             |                                |                         | 74,600.00                       | 1,425,000.00     | 116,253.53      |                  | 690,022.50       | 693,323.97                      |
|                             |                                |                         | 378,150.00                      | 150,000.00       | 216,655.06      | 17,700.00        | 191,210.50       | 137,984.44                      |
|                             |                                |                         |                                 |                  | 26,114.00       | 75,000.00        |                  | 75,000.00                       |
|                             |                                |                         |                                 | 126,000.00       |                 | 80,000.00        | 1,342.10         | 52,543.90                       |
|                             |                                |                         |                                 |                  |                 | 423,180.00       |                  | 549,180.00                      |
|                             |                                |                         |                                 |                  |                 | 25,000.00        |                  | 25,000.00                       |
|                             |                                |                         | \$ 743,264.01                   | \$ 14,846,093.73 | \$ 5,967,025.69 | \$ 10,301,793.19 | \$ 10,301,793.19 | \$ 9,622,332.05                 |

REF.

C

C-2

C-2

C

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

|                                                     | <u>REF.</u> |                  |                        |
|-----------------------------------------------------|-------------|------------------|------------------------|
| Balance, December 31, 2020                          | C           |                  | \$ 1,194,238.42        |
| Decreased by:                                       |             |                  |                        |
| 2021 Budget Appropriations to Pay Bonds             | C-8         | \$ 80,000.00     |                        |
| 2021 Budget Appropriations to Pay Green Trust Loans | C-10        | <u>17,378.86</u> |                        |
|                                                     |             |                  | <u>97,378.86</u>       |
| Balance, December 31, 2021                          | C           |                  | \$ <u>1,096,859.56</u> |

[illegible]

BOROUGH OF SHIP BOTTOM

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

|                            | <u>REF.</u> |                        |
|----------------------------|-------------|------------------------|
| Balance, December 31, 2020 | C           | \$ 794,776.92          |
| Increased by:              |             |                        |
| Grants Awarded             | C-11        | <u>423,180.00</u>      |
| Balance, December 31, 2021 | C           | \$ <u>1,217,956.92</u> |

ANALYSIS OF BALANCE

|                                                                |                        |
|----------------------------------------------------------------|------------------------|
| Reconstruction of 14th, 15th & 16th Streets<br>(DOT) (2018-11) | \$ 126,879.92          |
| Improvements to 6th and Bay Terrace<br>(DOT) (2019-20)         | 292,897.00             |
| Improvements to 20th Street<br>(DOT) (2020-17)                 | 375,000.00             |
| 10th and Shore Avenue Improvements<br>(DOT) (2021-13)          | <u>423,180.00</u>      |
|                                                                | \$ <u>1,217,956.92</u> |

BOROUGH OF SHIP BOTTOM

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

|                                                | <u>REF.</u> | TOTAL<br>(MEMO ONLY)   | CURRENT<br>FUND      | UTILITY<br>CAPITAL<br>FUND |
|------------------------------------------------|-------------|------------------------|----------------------|----------------------------|
| Balance, December 31, 2020 - Due From/(Due To) | C           | \$ (410,281.26)        | \$ (410,281.26)      | \$                         |
| Increased/Decreased by:                        |             |                        |                      |                            |
| Receipts                                       | C-2         | <u>2,629,584.33</u>    | <u>8,589.21</u>      | <u>2,620,995.12</u>        |
|                                                |             | <u>(3,039,865.59)</u>  | <u>(418,870.47)</u>  | <u>(2,620,995.12)</u>      |
| Decreased/Increased by:                        |             |                        |                      |                            |
| Disbursements                                  | C-2         | <u>4,179,016.24</u>    | <u>589,016.24</u>    | <u>3,590,000.00</u>        |
| Balance, December 31, 2021 - Due From/(Due To) | C           | \$ <u>1,139,150.65</u> | \$ <u>170,145.77</u> | \$ <u>969,004.88</u>       |



## BOROUGH OF SHIP BOTTOM

## GENERAL CAPITAL FUND

## SCHEDULE OF SERIAL BONDS PAYABLE

| PURPOSE      | DATE OF<br>ISSUE | ORIGINAL<br>ISSUE | MATURITIES OF BONDS<br>OUTSTANDING |              | INTEREST<br>RATE | BALANCE<br>DECEMBER<br>31, 2020 | DECREASED           | BALANCE<br>DECEMBER<br>31, 2021 |
|--------------|------------------|-------------------|------------------------------------|--------------|------------------|---------------------------------|---------------------|---------------------------------|
|              |                  |                   | DATE                               | AMOUNT       |                  |                                 |                     |                                 |
| Series 2017A | 09/21/17         | \$ 842,000.00     | 9/15/22                            | \$ 65,000.00 | 4.000%           | \$                              | \$                  |                                 |
|              |                  |                   | 9/15/23-25                         | 70,000.00    | 4.000%           |                                 |                     |                                 |
|              |                  |                   | 9/15/26-27                         | 70,000.00    | 2.000%           |                                 |                     |                                 |
|              |                  |                   | 09/15/28                           | 75,000.00    | 2.125%           |                                 |                     |                                 |
|              |                  |                   | 09/15/29                           | 75,000.00    | 2.250%           |                                 |                     |                                 |
| Series 2017C | 09/21/17         | 405,000.00        | 09/15/30                           | 75,000.00    | 3.000%           | 705,000.00                      | 65,000.00           | 640,000.00                      |
|              |                  |                   | 9/15/22-26                         | 20,000.00    | 4.000%           |                                 |                     |                                 |
|              |                  |                   | 09/15/27                           | 25,000.00    | 3.000%           |                                 |                     |                                 |
|              |                  |                   | 09/15/28                           | 25,000.00    | 3.100%           |                                 |                     |                                 |
|              |                  |                   | 09/15/29                           | 25,000.00    | 3.200%           |                                 |                     |                                 |
|              |                  |                   | 09/15/30                           | 25,000.00    | 3.250%           |                                 |                     |                                 |
|              |                  |                   | 09/15/31                           | 25,000.00    | 3.300%           |                                 |                     |                                 |
|              |                  |                   | 09/15/32                           | 30,000.00    | 3.350%           |                                 |                     |                                 |
|              |                  |                   | 09/15/33                           | 30,000.00    | 3.400%           |                                 |                     |                                 |
|              |                  |                   | 09/15/34                           | 30,000.00    | 3.450%           |                                 |                     |                                 |
|              |                  |                   | 09/15/35                           | 30,000.00    | 3.500%           |                                 |                     |                                 |
|              |                  |                   |                                    |              |                  | 360,000.00                      | 15,000.00           | 345,000.00                      |
|              |                  |                   |                                    |              |                  | <u>\$ 1,065,000.00</u>          | <u>\$ 80,000.00</u> | <u>\$ 985,000.00</u>            |
|              |                  |                   |                                    |              | REF.             | C                               | C-4                 | C                               |

**BOROUGH OF SHIP BOTTOM**

**GENERAL CAPITAL FUND**

**SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**

| DATE OR<br>ORDINANCE<br>NUMBER | IMPROVEMENT DESCRIPTION                                            | DATE OF<br>ISSUE<br>NOTE | DATE OF<br>ISSUE | DATE OF<br>MATURITY | INTEREST<br>RATE | BALANCE<br>DECEMBER<br>31, 2020 | INCREASED               | DECREASED            | BALANCE<br>DECEMBER<br>31, 2021 |
|--------------------------------|--------------------------------------------------------------------|--------------------------|------------------|---------------------|------------------|---------------------------------|-------------------------|----------------------|---------------------------------|
| 09/25/12                       | Construction of New Public Works Facility                          | 12/31/12                 | 12/31/20         | 12/31/21            | 0.000%           | \$ 122,215.22                   | \$                      | \$ 122,215.22        | \$                              |
| 09/25/12                       | Construction of New Public Works Facility                          | 12/31/12                 | 12/31/21         | 12/31/22            | 0.000%           |                                 | 61,107.59               |                      | 61,107.59                       |
| 10/25/11                       | Improvement of North Shore Avenue                                  | 12/31/13                 | 12/31/20         | 12/31/21            | 0.000%           | 29,802.68                       |                         | 29,802.68            |                                 |
| 10/25/11                       | Improvement of North Shore Avenue                                  | 12/31/13                 | 12/31/21         | 12/31/22            | 0.000%           |                                 | 19,868.45               |                      | 19,868.45                       |
| 2013-03                        | Chevy Tahoe/Barber Surf Rake/Reconstruct and<br>Improve Beach Berm | 12/31/13                 | 12/31/20         | 12/31/21            | 0.000%           | 73,333.36                       |                         | 73,333.36            |                                 |
| 2013-03                        | Chevy Tahoe/Barber Surf Rake/Reconstruct and<br>Improve Beach Berm | 12/31/13                 | 12/31/21         | 12/31/22            | 0.000%           |                                 | 48,888.92               |                      | 48,888.92                       |
| 2013-09                        | Reconstruction of Borough Hall and Bulkheads                       | 12/31/13                 | 12/31/20         | 12/31/21            | 0.000%           | 66,666.68                       |                         | 66,666.68            |                                 |
| 2013-09                        | Reconstruction of Borough Hall and Bulkheads                       | 12/31/13                 | 12/31/21         | 12/31/22            | 0.000%           |                                 | 44,444.46               |                      | 44,444.46                       |
| 09/22/09                       | Construction of New Borough Hall                                   | 10/20/21                 | 10/20/21         | 10/20/22            | 1.5000%          |                                 | 5,440,000.00            |                      | 5,440,000.00                    |
| 2019-09                        | Bulkhead Repair and Improvements to<br>Department of Public Works  | 10/20/21                 | 10/20/21         | 10/20/22            | 1.5000%          |                                 | 370,000.00              |                      | 370,000.00                      |
| 2019-16                        | Construction of New Borough Hall Phase II                          | 10/20/21                 | 10/20/21         | 10/20/22            | 1.5000%          |                                 | 3,800,000.00            |                      | 3,800,000.00                    |
| 2019-20                        | Improvements to 6th and Bay Terrace                                | 10/20/21                 | 10/20/21         | 10/20/22            | 1.5000%          |                                 | 100,000.00              |                      | 100,000.00                      |
| 2020-06                        | Various Equipment for PD/DPW                                       | 10/20/21                 | 10/20/21         | 10/20/22            | 1.5000%          |                                 | 230,000.00              |                      | 230,000.00                      |
| 2020-15                        | Borough Hall Phase III                                             | 10/20/21                 | 10/20/21         | 10/20/22            | 1.5000%          |                                 | 1,425,000.00            |                      | 1,425,000.00                    |
| 2020-17                        | DPW Improvements/ DOT 20th Street                                  | 10/20/21                 | 10/20/21         | 10/20/22            | 1.5000%          |                                 | 150,000.00              |                      | 150,000.00                      |
| 2021-13                        | 10th and Shore Avenue Improvements                                 | 10/20/21                 | 10/20/21         | 10/20/22            | 1.5000%          |                                 | 126,000.00              |                      | 126,000.00                      |
|                                |                                                                    |                          |                  |                     |                  | <u>\$ 292,017.94</u>            | <u>\$ 11,815,309.42</u> | <u>\$ 292,017.94</u> | <u>\$ 11,815,309.42</u>         |
|                                |                                                                    |                          |                  |                     | REF.             | C                               | C-2                     |                      | C                               |
|                                | Disbursed                                                          |                          |                  |                     | C-2              |                                 |                         | \$ 174,309.42        |                                 |
|                                | Paid by Budget Appropriation                                       |                          |                  |                     | C-5              |                                 |                         | <u>117,708.52</u>    |                                 |
|                                |                                                                    |                          |                  |                     |                  |                                 |                         | <u>\$ 292,017.94</u> |                                 |

BOROUGH OF SHIP BOTTOM

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOANS PAYABLE

| <u>PURPOSE</u>   | <u>DATE OF<br/>ISSUE</u> | <u>MATURITIES OF LOANS<br/>OUTSTANDING</u> |               | <u>INTEREST<br/>RATE</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2020</u> | <u>DECREASED</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2021</u> |
|------------------|--------------------------|--------------------------------------------|---------------|--------------------------|------------------------------------------|------------------|------------------------------------------|
|                  |                          | <u>DATE</u>                                | <u>AMOUNT</u> |                          |                                          |                  |                                          |
| Green Trust 2007 | 2007                     | See C-10 - Sheet 2                         |               | 2.00%                    | \$ 129,238.42                            | \$ 17,378.86     | \$ 111,859.56                            |
|                  |                          |                                            |               |                          | \$ 129,238.42                            | \$ 17,378.86     | \$ 111,859.56                            |
|                  |                          | <u>REF.</u>                                |               |                          | C                                        | C-4              | C                                        |

BOROUGH OF SHIP BOTTOM

GENERAL CAPITAL FUND

MATURITY SCHEDULE \$319,655 GREEN TRUST - 2007 - WATERFRONT PARK

| <u>DUE</u>   | <u>LOAN</u><br><u>BALANCE</u> | <u>PRINCIPAL</u>     | <u>INTEREST</u>    | <u>PAYMENT</u>       |
|--------------|-------------------------------|----------------------|--------------------|----------------------|
| 02/05/22     | \$ 111,859.56                 | \$ 8,819.99          | \$ 1,118.60        | \$ 9,938.59          |
| 08/05/22     | 103,039.57                    | 8,908.19             | 1,030.40           | 9,938.59             |
| 02/05/23     | 94,131.38                     | 8,997.27             | 941.31             | 9,938.58             |
| 08/05/23     | 85,134.11                     | 9,087.24             | 851.34             | 9,938.58             |
| 02/05/24     | 76,046.87                     | 9,178.12             | 760.47             | 9,938.59             |
| 08/05/24     | 66,868.75                     | 9,269.90             | 668.69             | 9,938.59             |
| 02/05/25     | 57,598.85                     | 9,362.60             | 575.99             | 9,938.59             |
| 08/05/25     | 48,236.25                     | 9,456.22             | 482.36             | 9,938.58             |
| 02/05/26     | 38,780.03                     | 9,550.78             | 387.80             | 9,938.58             |
| 08/05/26     | 29,229.25                     | 9,646.29             | 292.29             | 9,938.58             |
| 02/05/27     | 19,582.96                     | 9,742.75             | 195.83             | 9,938.58             |
| 08/05/27     | 9,840.21                      | 9,840.18             | 98.40              | 9,938.58             |
|              |                               | 111,859.53           | 7,403.48           | 119,263.01           |
| Rounding     |                               | .03                  |                    | .03                  |
| <u>TOTAL</u> |                               | \$ <u>111,859.56</u> | \$ <u>7,403.48</u> | \$ <u>119,263.04</u> |

BOROUGH OF SHIP BOTTOM  
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| DATE OR<br>ORDINANCE<br>NUMBER | IMPROVEMENT DESCRIPTION                                         | ORDINANCE<br>DATE | AMOUNT          | BALANCE<br>DECEMBER<br>31, 2020 |                  | 2021<br>AUTHORIZATIONS | PAID OR<br>CHARGED | CANCELLED   | BALANCE<br>DECEMBER<br>31, 2021 |                 |
|--------------------------------|-----------------------------------------------------------------|-------------------|-----------------|---------------------------------|------------------|------------------------|--------------------|-------------|---------------------------------|-----------------|
|                                |                                                                 |                   |                 | FUNDED                          | UNFUNDED         |                        |                    |             | FUNDED                          | UNFUNDED        |
| 09/22/09                       | Construction of New Borough Hall                                | 09/22/09          | \$ 5,500,000.00 | \$                              | \$ 5,294,220.00  | \$                     | \$ 5,294,220.00    | \$          | \$                              | \$              |
| 2013-03                        | Chevy Tahoe/Barber Surf Rake/Reconstruct and Improve Beach Berm | 03/26/13          | 323,000.00      |                                 | 32,065.55        |                        |                    |             |                                 | 32,065.55       |
| 2018-07                        | Acquisition of Property (CIF)                                   | 06/26/18          | 40,000.00       | 5,122.42                        |                  |                        |                    | 5,122.42    | 48,275.93                       | 95,000.00       |
| 2018-11                        | Reconstruction of 14th, 15th & 16th Streets                     | 11/27/18          | 450,000.00      | 48,275.93                       | 95,000.00        |                        |                    |             | 1,159.06                        |                 |
| 2019-06                        | Network Equipment Upgrades (CIF)                                | 03/26/19          | 40,000.00       | 1,159.06                        |                  |                        |                    |             |                                 |                 |
| 2019-09                        | Bulkhead Repair and Improvements to Department of Public Works  | 04/23/19          | 400,000.00      |                                 | 8,389.33         |                        | 6,339.33           | 2,050.00    |                                 |                 |
| 2019-16                        | Construction of New Borough Hall Phase II                       | 07/23/19          | 4,000,000.00    |                                 | 3,472,774.93     |                        | 3,430,475.45       |             |                                 | 42,299.48       |
| 2019-20                        | Improvements to 6th and Bay Terrace                             | 10/22/19          | 400,000.00      | 243,207.00                      | 101,703.00       |                        | 321,910.00         |             |                                 | 23,000.00       |
| 2020-06                        | Various Equipment for PD/DPW                                    | 06/23/20          | 250,000.00      |                                 | 34,079.97        |                        | 29,479.97          |             |                                 | 4,600.00        |
| 2020-15                        | Borough Hall Phase III                                          | 08/11/20          | 1,500,000.00    | 74,600.00                       | 1,425,000.00     |                        | 806,276.03         |             |                                 | 693,323.97      |
| 2020-17                        | DPW Improvements/DOT 20th Street                                | 09/22/20          | 800,000.00      | 378,150.00                      | 403,750.00       |                        | 390,165.56         |             |                                 | 391,734.44      |
| 2021-09                        | Purchase of Vehicles (CIF)                                      | 06/22/21          | 75,000.00       |                                 |                  | 75,000.00              |                    |             | 75,000.00                       |                 |
| 2021-10                        | Purchase of Body Worn Cameras (FB)                              | 06/22/21          | 80,000.00       |                                 |                  | 80,000.00              | 27,456.10          |             | 52,543.90                       |                 |
| 2021-13                        | 10th and Shore Avenue Improvements                              | 08/24/21          | 550,000.00      |                                 |                  | 550,000.00             |                    |             | 423,180.00                      | 126,820.00      |
| 2021-14                        | Acquisition of Garbage Trucks                                   | 08/24/21          | 500,000.00      |                                 |                  | 500,000.00             |                    |             | 25,000.00                       | 475,000.00      |
|                                |                                                                 |                   |                 | \$ 750,514.41                   | \$ 10,866,982.78 | \$ 1,205,000.00        | \$ 10,306,322.44   | \$ 7,172.42 | \$ 625,158.89                   | \$ 1,883,843.44 |
|                                |                                                                 |                   |                 | C                               | C                |                        |                    |             | C                               | C               |
|                                | Capital Fund Balance                                            | REF.              |                 |                                 |                  |                        |                    |             |                                 |                 |
|                                | Deferred Charges to Future Taxation Unfunded                    | C-1               |                 |                                 | \$ 80,000.00     |                        | \$                 |             |                                 |                 |
|                                | Grants Receivable                                               | C-5               |                 |                                 | 601,820.00       |                        |                    | 2,050.00    |                                 |                 |
|                                | Capital Improvement Fund                                        | C-6               |                 |                                 | 423,180.00       |                        |                    |             |                                 |                 |
|                                |                                                                 | C-12              |                 |                                 | 100,000.00       |                        |                    | 5,122.42    |                                 |                 |
|                                |                                                                 |                   |                 |                                 | \$ 1,205,000.00  |                        | \$                 | 7,172.42    |                                 |                 |
|                                | Disbursements                                                   | C-2               |                 |                                 |                  |                        | \$ 1,513,700.03    |             |                                 |                 |
|                                | Reserve for Encumbrances                                        | C-13              |                 |                                 |                  |                        | 9,243,056.59       |             |                                 |                 |
|                                | Reserve for Encumbrances                                        | C-13              |                 |                                 |                  |                        | (450,434.18)       |             |                                 |                 |
|                                |                                                                 |                   |                 |                                 |                  |                        | \$ 10,306,322.44   |             |                                 |                 |

"C-12"

BOROUGH OF SHIP BOTTOM

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

|                                                     | <u>REF.</u> |                 |                   |
|-----------------------------------------------------|-------------|-----------------|-------------------|
| Balance, December 31, 2020                          | C           | \$              | 449,772.00        |
| Increased by:                                       |             |                 |                   |
| 2021 Budget Appropriation                           | C-2         | 150,000.00      |                   |
| Improvement Authorizations Canceled                 | C-11        | <u>5,122.42</u> |                   |
|                                                     |             |                 | <u>155,122.42</u> |
|                                                     |             |                 | 604,894.42        |
| Decreased by:                                       |             |                 |                   |
| Appropriation to Finance Improvement Authorizations | C-11        |                 | <u>100,000.00</u> |
| Balance, December 31, 2021                          | C           | \$              | <u>504,894.42</u> |

"C-13"

SCHEDULE OF RESERVE FOR ENCUMBRANCES

|                                          | <u>REF.</u> |    |                     |
|------------------------------------------|-------------|----|---------------------|
| Balance, December 31, 2020               | C           | \$ | 450,434.18          |
| Increased by:                            |             |    |                     |
| Transfer from Improvement Authorizations | C-11        |    | <u>9,243,056.59</u> |
|                                          |             |    | 9,693,490.77        |
| Decreased by:                            |             |    |                     |
| Transfer to Improvement Authorizations   | C-11        |    | <u>450,434.18</u>   |
| Balance, December 31, 2021               | C           | \$ | <u>9,243,056.59</u> |

BOROUGH OF SHIP BOTTOM  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL RESERVES

|                                          | <u>BALANCE</u><br><u>DECEMBER</u><br><u>31, 2020</u> | <u>INCREASE/</u><br><u>(DECREASE)</u> | <u>BALANCE</u><br><u>DECEMBER</u><br><u>31, 2021</u> |
|------------------------------------------|------------------------------------------------------|---------------------------------------|------------------------------------------------------|
| Lifeguard Headquarters Improvements      | \$ 11,145.00                                         | \$                                    | \$ 11,145.00                                         |
| Portable Restrooms and Fuel Tank Upgrade | 60,000.00                                            |                                       | 60,000.00                                            |
| Bocce Ball & Tennis Court Repairs        | 9,600.00                                             |                                       | 9,600.00                                             |
| Bulkhead                                 | <u>100,000.00</u>                                    | <u>(50,000.00)</u>                    | <u>50,000.00</u>                                     |
|                                          | <u>\$ 180,745.00</u>                                 | <u>\$ (50,000.00)</u>                 | <u>\$ 130,745.00</u>                                 |
|                                          | REF. C                                               |                                       | C                                                    |
| Receipts                                 | C-2                                                  | \$ 50,000.00                          |                                                      |
| Disbursements                            | C-2                                                  | <u>(100,000.00)</u>                   |                                                      |
|                                          |                                                      | <u>\$ (50,000.00)</u>                 |                                                      |

BOROUGH OF SHIP BOTTOM

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

| <u>DATE OR<br/>ORDINANCE<br/>NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u>                                    | <u>BALANCE<br/>DECEMBER<br/>31, 2021</u> |
|-----------------------------------------|-------------------------------------------------------------------|------------------------------------------|
| 2018-11                                 | Reconstruction of 14th, 15th & 16th Streets                       | \$ 95,000.00                             |
| 2019-09                                 | Bulkhead Repair and Improvements to Department<br>of Public Works | 7,950.00                                 |
| 2019-20                                 | Improvements to 6th and Bay Terrace                               | 1,703.00                                 |
| 2020-06                                 | Various Equipment for PD/DPW                                      | 7,500.00                                 |
| 2020-17                                 | DPW Improvements/DOT 20th Street                                  | 253,750.00                               |
| 2021-13                                 | 10th and Shore Avenue Improvements                                | 820.00                                   |
| 2021-14                                 | Acquisition of Garbage Trucks                                     | 475,000.00                               |
|                                         |                                                                   | <u>\$ 841,723.00</u>                     |
|                                         | <u>REF.</u>                                                       | C                                        |



BOROUGH OF SHIP BOTTOMWATER - SEWER UTILITY FUNDSCHEDULE OF WATER - SEWER UTILITY CASH

|                                            | <u>REF.</u> | <u>OPERATING</u>              | <u>CAPITAL</u>              |
|--------------------------------------------|-------------|-------------------------------|-----------------------------|
| Balance, December 31, 2020                 | D           | \$ <u>1,515,849.15</u>        | \$ <u>11,140,010.46</u>     |
| Increased by Receipts:                     |             |                               |                             |
| Water - Sewer Miscellaneous                | D-3         | 490,695.02                    |                             |
| Tower Lease Rental                         | D-3         | 119,112.59                    |                             |
| Water Rents Receivable                     | D-7         | 783,688.03                    |                             |
| Sewer Rents Receivable                     | D-8         | 1,034,460.64                  |                             |
| Interfunds                                 | D-10        | 1,487,165.71                  |                             |
| Overpayments                               | D-11        | 5,740.63                      |                             |
| Premium on Bond Anticipation Notes Issued  | D-2         |                               | 30,995.12                   |
| Interfunds                                 | D-16        |                               | 8,459,831.08                |
| Bond Anticipation Notes Payable            | D-18        |                               | 2,590,000.00                |
| Budget Appropriations:                     |             |                               |                             |
| Capital Improvement Fund                   | D-21        |                               | 150,000.00                  |
| NJFIT Interim Construction Note            | D           |                               | 11,693,554.00               |
|                                            |             | <u>3,920,862.62</u>           | <u>22,924,380.20</u>        |
|                                            |             | <u>5,436,711.77</u>           | <u>34,064,390.66</u>        |
| Decreased by Disbursements:                |             |                               |                             |
| Refund of Prior Year Revenue               | D-1         | 3,650.00                      |                             |
| Budget Appropriations                      | D-4         | 1,669,952.67                  |                             |
| Appropriation Reserves                     | D-9         | 3,991.24                      |                             |
| Interfunds                                 | D-10        | 1,984,434.84                  |                             |
| Accrued Interest on Bonds, Notes and Loans | D-12        | 355,768.93                    |                             |
| Interfunds                                 | D-16        |                               | 6,977,940.45                |
| Bond Anticipation Notes Payable            | D-18        |                               | 13,500,000.00               |
| Improvement Authorizations                 | D-20        |                               | 13,124,058.58               |
|                                            |             | <u>4,017,797.68</u>           | <u>33,601,999.03</u>        |
| Balance, December 31, 2021                 | D           | \$ <u><u>1,418,914.09</u></u> | \$ <u><u>462,391.63</u></u> |

BOROUGH OF SHIP BOTTOM  
WATER - SEWER UTILITY CAPITAL FUND  
ANALYSIS OF UTILITY CAPITAL CASH

| DATE OR<br>ORDINANCE<br>NUMBER | IMPROVEMENT DESCRIPTION                                            | BALANCE<br>DECEMBER<br>31, 2020 | RECEIPTS         | DISBURSEMENTS    | TRANSFERS        |                  | BALANCE<br>DECEMBER<br>31, 2021 |
|--------------------------------|--------------------------------------------------------------------|---------------------------------|------------------|------------------|------------------|------------------|---------------------------------|
|                                |                                                                    |                                 |                  |                  | TO               | FROM             |                                 |
| Fund Balance                   |                                                                    | \$ 484,358.58                   | \$ 30,995.12     | \$               | \$ 2,128,561.83  | \$ 14,183,135.17 | \$ 515,353.70                   |
| Reserve for Encumbrances       |                                                                    | 14,183,135.17                   |                  |                  |                  |                  | 2,128,561.83                    |
| Capital Improvement Fund       |                                                                    | 222,558.93                      | 150,000.00       |                  |                  |                  | 372,558.93                      |
| Interfunds                     |                                                                    | 544,821.49                      | 8,459,831.08     | 6,977,940.45     |                  |                  | 2,026,712.12                    |
| DOT Grant Receivable           |                                                                    | (3,000,000.00)                  |                  |                  |                  |                  | (3,000,000.00)                  |
| Improvement Authorizations:    |                                                                    |                                 |                  |                  |                  |                  |                                 |
| 2013-04                        | Water Utility Improvements and Other<br>Related Expenses           | 12,076.44                       |                  |                  |                  |                  | 12,076.44                       |
| 2015-13                        | Water Utility Improvements and Other<br>Related Expenses           | 161,622.49                      |                  |                  |                  |                  | 161,622.49                      |
| 2015-15                        | Water and Sewer Utility Improvements<br>and Other Related Expenses | 73,505.34                       |                  |                  | 189.35           |                  | 73,694.69                       |
| 2016-20                        | Various Water Utility Improvements                                 | (236,138.75)                    | 305,000.00       | 73,038.39        |                  |                  | (4,177.14)                      |
| 2016-21                        | Various Sewer Utility Improvements                                 | (286,087.79)                    | 350,000.00       | 64,302.89        |                  |                  | (390.68)                        |
| 2019-21                        | Infrastructure Improvements                                        | (274,313.49)                    | 615,000.00       | 184,837.55       |                  | 192,105.60       | (36,256.64)                     |
| 2019-22                        | Water Meter Project                                                | (807,879.12)                    | 1,052,333.00     | 138,541.53       | 339,038.81       | 290,717.87       | 154,233.29                      |
| 2019-26                        | Water Plant Replacement                                            | 883,373.01                      | 8,094,815.00     | 16,470,570.92    | 7,049,337.09     | 444,248.07       | (887,293.89)                    |
| 2019-27a                       | 8th and 9th Water                                                  | (1,597,467.52)                  | 3,016,406.00     | 4,016,391.42     | 2,976,723.49     | 847,256.79       | (467,986.24)                    |
| 2019-27b                       | 8th and 9th Sewer                                                  | (1,858,629.09)                  |                  | 5,659,302.63     | 3,463,612.93     |                  | (4,054,318.79)                  |
| 2020-14                        | 8th and 9th DOT                                                    | 2,636,327.52                    |                  | 6,692.50         | 354,233.50       |                  | 2,629,635.02                    |
| 2020-18                        | 15th Street Pump Station                                           | (1,252.75)                      |                  | 10,380.75        |                  |                  | (11,633.50)                     |
| 2021-12                        | 20th and Shore Avenue Infrastructure Upgrade                       |                                 | 850,000.00       |                  |                  |                  | 850,000.00                      |
|                                |                                                                    | \$ 11,140,010.46                | \$ 22,924,380.20 | \$ 33,601,999.03 | \$ 16,311,697.00 | \$ 16,311,697.00 | \$ 462,391.83                   |
| REF.                           |                                                                    | D                               | D-5              | D-5              |                  |                  | D                               |

"D-7"

BOROUGH OF SHIP BOTTOM

WATER - SEWER UTILITY OPERATING FUND

SCHEDULE OF WATER RENTS RECEIVABLE

|                            | <u>REF.</u> |    |                          |
|----------------------------|-------------|----|--------------------------|
| Balance, December 31, 2020 | D           | \$ | 111,451.54               |
| Increased by:              |             |    |                          |
| Water Rents Levied         |             |    | <u>787,277.30</u>        |
|                            |             |    | 898,728.84               |
| Decreased by:              |             |    |                          |
| Collection                 | D-5         | \$ | 783,688.03               |
| Overpayments Applied       | D-11        |    | <u>1,083.50</u>          |
|                            | D-3         |    | <u>784,771.53</u>        |
| Balance, December 31, 2021 | D           | \$ | <u><u>113,957.31</u></u> |

"D-8"

SCHEDULE OF SEWER RENTS RECEIVABLE

|                            | <u>REF.</u> |    |                          |
|----------------------------|-------------|----|--------------------------|
| Balance, December 31, 2020 | D           | \$ | 153,543.28               |
| Increased by:              |             |    |                          |
| Sewer Rents Levied         |             |    | <u>1,045,194.39</u>      |
|                            |             |    | 1,198,737.67             |
| Decreased by:              |             |    |                          |
| Collection                 | D-5         | \$ | 1,034,460.64             |
| Overpayments Applied       | D-11        |    | <u>2,068.64</u>          |
|                            | D-3         |    | <u>1,036,529.28</u>      |
| Balance, December 31, 2021 | D           | \$ | <u><u>162,208.39</u></u> |

BOROUGH OF SHIP BOTTOM  
WATER - SEWER UTILITY OPERATING FUND  
SCHEDULE OF APPROPRIATION RESERVES

|                                     | BALANCE<br>DECEMBER<br>31, 2020 | BALANCE<br>AFTER<br>TRANSFERS | PAID OR<br>CHARGED | BALANCE<br>LAPSED    |
|-------------------------------------|---------------------------------|-------------------------------|--------------------|----------------------|
| Operating                           |                                 |                               |                    |                      |
| Salaries and Wages                  | \$ 27,716.09                    | \$ 27,716.09                  | \$                 | \$ 27,716.09         |
| Other Expenses                      | 279,944.98                      | 279,944.98                    | 3,991.24           | 275,953.74           |
| Statutory Expenditures              |                                 |                               |                    |                      |
| Contribution to:                    |                                 |                               |                    |                      |
| Social Security System (O.A.S.I.)   | 5,275.83                        | 5,275.83                      |                    | 5,275.83             |
| Unemployment Compensation Insurance | 4,234.54                        | 4,234.54                      |                    | 4,234.54             |
|                                     | <u>\$ 317,171.44</u>            | <u>\$ 317,171.44</u>          | <u>\$ 3,991.24</u> | <u>\$ 313,180.20</u> |
| REF.                                |                                 |                               | D-5                | D-1                  |
| Appropriation Reserves - 2020       | D \$ 314,305.79                 |                               |                    |                      |
| Reserve for Encumbrances            | D-13 <u>2,865.65</u>            |                               |                    |                      |
|                                     | <u>\$ 317,171.44</u>            |                               |                    |                      |

BOROUGH OF SHIP BOTTOM

WATER - SEWER UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS

|                                                | REF. | TOTAL<br>(MEMO ONLY) | CURRENT<br>FUND | WATER - SEWER<br>CAPITAL<br>FUND | PAYROLL<br>FUND |
|------------------------------------------------|------|----------------------|-----------------|----------------------------------|-----------------|
| Balance, December 31, 2020 - Due From/(Due To) | D    | \$ 550,754.31        | \$ 5,932.82     | \$ 544,821.49                    | \$              |
| Increased/Decreased by:                        |      |                      |                 |                                  |                 |
| Receipts                                       | D-5  | 1,487,165.71         | 121,771.98      | 1,356,945.33                     | 8,448.40        |
|                                                |      | (936,411.40)         | (115,839.16)    | (812,123.84)                     | (8,448.40)      |
| Decreased/Increased by:                        |      |                      |                 |                                  |                 |
| Disbursements                                  | D-5  | 1,984,434.84         | 114,603.76      | 1,869,831.08                     |                 |
| Balance, December 31, 2021 - Due From/(Due To) | D    | \$ 1,048,023.44      | \$ (1,235.40)   | \$ 1,057,707.24                  | \$ (8,448.40)   |

"D-11"

BOROUGH OF SHIP BOTTOM  
WATER - SEWER UTILITY OPERATING FUND

SCHEDULE OF OVERPAYMENTS

|                                       | <u>REF.</u> |    |                        |
|---------------------------------------|-------------|----|------------------------|
| Balance, December 31, 2020            | D           | \$ | 3,152.14               |
| Increased by:                         |             |    |                        |
| Receipts                              | D-5         |    | <u>5,740.63</u>        |
|                                       |             |    | 8,892.77               |
| Decreased by:                         |             |    |                        |
| Application to Water Rents Receivable | D-7         | \$ | 1,083.50               |
| Application to Sewer Rents Receivable | D-8         |    | <u>2,068.64</u>        |
|                                       |             |    | <u>3,152.14</u>        |
| Balance, December 31, 2021            | D           | \$ | <u><u>5,740.63</u></u> |

"D-12"

SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

|                              | <u>REF.</u> |    |                         |
|------------------------------|-------------|----|-------------------------|
| Balance, December 31, 2020   | D           | \$ | 96,454.48               |
| Increased by:                |             |    |                         |
| Budget Appropriations for:   |             |    |                         |
| Interest on Bonds            |             | \$ | 83,578.34               |
| Interest on Notes            |             |    | 168,750.00              |
| Infrastructure Loan Interest |             |    | <u>63,125.18</u>        |
|                              | D-4         |    | <u>315,453.52</u>       |
|                              |             |    | 411,908.00              |
| Decreased by:                |             |    |                         |
| Interest Paid                | D-5         |    | <u>355,768.93</u>       |
| Balance, December 31, 2021   | D           | \$ | <u><u>56,139.07</u></u> |

BOROUGH OF SHIP BOTTOM

WATER - SEWER UTILITY FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

|                                          | <u>REF.</u> | <u>OPERATING<br/>FUND</u> | <u>CAPITAL<br/>FUND</u>       |
|------------------------------------------|-------------|---------------------------|-------------------------------|
| Balance, December 31, 2020               | D           | \$ <u>2,865.65</u>        | \$ <u>14,183,135.17</u>       |
| Increased by:                            |             |                           |                               |
| Transfer from 2021 Budget Appropriations | D-4         | 1,383.17                  |                               |
| Transfer from Improvement Authorizations | D-20        | <u>4,248.82</u>           | <u>2,128,561.83</u>           |
|                                          |             |                           | <u>16,311,697.00</u>          |
| Decreased by:                            |             |                           |                               |
| Transfer to Appropriation Reserves       | D-9         | 2,865.65                  |                               |
| Transfer to Improvement Authorizations   | D-20        | <u>1,383.17</u>           | <u>14,183,135.17</u>          |
| Balance, December 31, 2021               | D           | \$ <u><u>1,383.17</u></u> | \$ <u><u>2,128,561.83</u></u> |

BOROUGH OF SHIP BOTTOM  
WATER - SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

|                                                                                    | BALANCE<br>DECEMBER<br>31, 2020 | <u>ADDITIONS<br/>ORDINANCE</u> | BALANCE<br>DECEMBER<br>31, 2021 |
|------------------------------------------------------------------------------------|---------------------------------|--------------------------------|---------------------------------|
| Land                                                                               | \$ 2,700.00                     | \$                             | \$ 2,700.00                     |
| Water Plant, Pump Station & Equipment                                              | 167,567.12                      |                                | 167,567.12                      |
| Springs & Well Structure                                                           | 148,831.46                      |                                | 148,831.46                      |
| Infrastructure, Distribution Mains & Equipment                                     | 7,930,835.82                    |                                | 7,930,835.82                    |
| Sewer Plant, Pump Station & Equipment                                              | 252,808.11                      |                                | 252,808.11                      |
| General Structures                                                                 | 76,120.08                       |                                | 76,120.08                       |
| Engineering, Organization & Interest                                               | 11,940.30                       |                                | 11,940.30                       |
| Fire Hydrant                                                                       | 3,592.34                        |                                | 3,592.34                        |
| Meter & Meter Accessories                                                          | 153,175.62                      |                                | 153,175.62                      |
| Elevated Tank                                                                      | 97,750.00                       |                                | 97,750.00                       |
| Other Equipment                                                                    | 180,545.98                      |                                | 180,545.98                      |
| Water/Sewer Infrastructure Upgrades<br>02/25/08                                    | 150,000.00                      |                                | 150,000.00                      |
| Water/Sewer Infrastructure Upgrades<br>05/27/08                                    | 1,223,335.36                    |                                | 1,223,335.36                    |
| Water/Sewer Infrastructure Upgrades<br>05/27/08                                    | 805,466.23                      |                                | 805,466.23                      |
| Water/Sewer Infrastructure Upgrades<br>07/28/09                                    | 400,000.00                      |                                | 400,000.00                      |
| 2013 Budget Appropriation                                                          | 47,775.50                       |                                | 47,775.50                       |
| Water Utility Improvements and Other<br>Related Expenses<br>2013-04                | 289,923.56                      |                                | 289,923.56                      |
| 2014 Budget Appropriation                                                          | 38,078.00                       |                                | 38,078.00                       |
| Water and Sewer Utility Infrastructure Upgrades<br>and Related Expenses<br>2014-02 | 416,153.76                      |                                | 416,153.76                      |
| Water Utility Improvements and Other<br>Related Expenses<br>2015-13                | 176,377.51                      |                                | 176,377.51                      |
| Water and Sewer Utility Improvements<br>and Other Related Expenses<br>2015-15      | 489,994.66                      | (189.35)                       | 489,805.31                      |



BOROUGH OF SHIP BOTTOM  
WATER - SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

|                                                                               | <u>BALANCE<br/>DECEMBER<br/>31, 2020</u> | <u>ADDITIONS<br/>ORDINANCE</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2021</u> |
|-------------------------------------------------------------------------------|------------------------------------------|--------------------------------|------------------------------------------|
| Water and Sewer Utility Improvements<br>and Other Related Expenses<br>2015-17 | \$ 131,441.90                            | \$                             | \$ 131,441.90                            |
| Various Water Utility Improvements<br>2016-20                                 | 2,796,168.75                             | 73,038.39                      | 2,869,207.14                             |
| Various Sewer Utility Improvements<br>2016-21                                 | 3,118,801.79                             | 64,302.89                      | 3,183,104.68                             |
| Water Tower Cleaning/Repainting<br>2019-08                                    | 35,000.00                                |                                | 35,000.00                                |
| Infrastructure Improvements<br>2019-21                                        | 274,313.49                               | 376,943.15                     | 651,256.64                               |
| Water Meter Project<br>2019-22                                                | 928,110.12                               | 90,220.59                      | 1,018,330.71                             |
| Water Plant Replacement<br>2019-26                                            | 8,616,626.99                             | 365,481.90                     | 8,982,108.89                             |
| 8th and 9th Water<br>2019-27a                                                 | 3,446,267.52                             | 38,124.72                      | 3,484,392.24                             |
| 8th and 9th Sewer<br>2019-27b                                                 | 4,009,829.09                             | 44,489.70                      | 4,054,318.79                             |
| 8th and 9th DOT<br>2020-14                                                    | 363,672.48                               | 6,692.50                       | 370,364.98                               |
| 15th Street Pump Station<br>2020-18                                           | 1,252.75                                 | 10,380.75                      | 11,633.50                                |
|                                                                               | <u>\$ 36,784,456.29</u>                  | <u>\$ 1,069,485.24</u>         | <u>\$ 37,853,941.53</u>                  |

REF.

D

D-15

D

BOROUGH OF SHIP BOTTOM

WATER - SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

| DATE OR<br>ORDINANCE<br>NUMBER | IMPROVEMENT DESCRIPTION                                            | DATE     | ORDINANCE<br>AMOUNT | BALANCE<br>DECEMBER<br>31, 2020 | DEFERRED<br>CHARGES TO<br>FUTURE<br>REVENUE | COSTS TO<br>FIXED<br>CAPITAL | BALANCE<br>DECEMBER<br>31, 2021 |
|--------------------------------|--------------------------------------------------------------------|----------|---------------------|---------------------------------|---------------------------------------------|------------------------------|---------------------------------|
| 2013-04                        | Water Utility Improvements and Other<br>Related Expenses           | 03/26/13 | \$ 302,000.00       | \$ 12,076.44                    | \$                                          | \$                           | \$ 12,076.44                    |
| 2015-13                        | Water Utility Improvements and Other<br>Related Expenses           | 06/23/15 | 338,000.00          | 161,622.49                      |                                             |                              | 161,622.49                      |
| 2015-15                        | Water and Sewer Utility Improvements<br>and Other Related Expenses | 08/25/15 | 563,500.00          | 73,505.34                       |                                             | (189.35)                     | 73,694.69                       |
| 2016-20                        | Various Water Utility Improvements                                 | 08/23/16 | 3,500,000.00        | 703,831.25                      |                                             | 73,038.39                    | 630,792.86                      |
| 2016-21                        | Various Sewer Utility Improvements                                 | 08/23/16 | 4,400,000.00        | 1,281,198.21                    |                                             | 64,302.89                    | 1,216,895.32                    |
| 2019-21                        | Infrastructure Improvements                                        | 10/22/19 | 900,000.00          | 625,686.51                      |                                             | 376,943.15                   | 248,743.36                      |
| 2019-22                        | Water Meter Project                                                | 10/22/19 | 2,400,000.00        | 1,471,889.88                    |                                             | 90,220.59                    | 1,381,669.29                    |
| 2019-26                        | Water Plant Replacement                                            | 12/26/19 | 9,500,000.00        | 883,373.01                      |                                             | 365,481.90                   | 517,891.11                      |
| 2019-27a                       | 8th and 9th Water                                                  | 12/26/19 | 3,813,150.00        | 366,882.48                      |                                             | 38,124.72                    | 328,757.76                      |
| 2019-27b                       | 8th and 9th Sewer                                                  | 12/26/19 | 4,436,850.00        | 427,020.91                      |                                             | 44,489.70                    | 382,531.21                      |
| 2020-14                        | 8th and 9th DOT                                                    | 08/11/20 | 3,000,000.00        | 2,636,327.52                    |                                             | 6,692.50                     | 2,629,635.02                    |
| 2020-18                        | 15th Street Pump Station                                           | 09/22/20 | 150,000.00          | 148,747.25                      |                                             | 10,380.75                    | 138,366.50                      |
| 2021-12                        | 20th and Shore Avenue Infrastructure Upgrades                      | 08/24/21 | 850,000.00          |                                 | 850,000.00                                  |                              | 850,000.00                      |
|                                |                                                                    |          |                     | \$ 8,792,161.29                 | \$ 850,000.00                               | \$ 1,069,485.24              | \$ 8,572,676.05                 |

REF.

D

D-20

D-14

D

BOROUGH OF SHIP BOTTOM

WATER - SEWER UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS

| REF.                                          | TOTAL<br>(MEMO ONLY) | CURRENT<br>FUND | GENERAL<br>CAPITAL<br>FUND | WATER - SEWER<br>OPERATING<br>FUND |
|-----------------------------------------------|----------------------|-----------------|----------------------------|------------------------------------|
|                                               |                      |                 |                            |                                    |
| D                                             | \$ (544,821.49)      | \$              | \$                         | \$ (544,821.49)                    |
| Balance December 31, 2020 - Due From/(Due To) |                      |                 |                            |                                    |
| Decreased by:                                 |                      |                 |                            |                                    |
| Receipts                                      |                      |                 |                            |                                    |
| D-5                                           | 8,459,831.08         | 3,000,000.00    | 3,590,000.00               | 1,869,831.08                       |
|                                               | (9,004,652.57)       | (3,000,000.00)  | (3,590,000.00)             | (2,414,652.57)                     |
| Decreased/Increased by:                       |                      |                 |                            |                                    |
| Disbursements                                 |                      |                 |                            |                                    |
| D-5                                           | 6,977,940.45         | 3,000,000.00    | 2,620,995.12               | 1,356,945.33                       |
| D                                             | \$ (2,026,712.12)    | \$              | \$ (969,004.88)            | \$ (1,057,707.24)                  |
| Balance December 31, 2021 - Due From/(Due To) |                      |                 |                            |                                    |



BOROUGH OF SHIP BOTTOM

WATER - SEWER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

| DATE OR<br>ORDINANCE<br>NUMBER | IMPROVEMENT DESCRIPTION                          | DATE OF<br>ISSUE<br>NOTE | DATE OF<br>ISSUE | DATE OF<br>MATURITY | INTEREST<br>RATE | BALANCE<br>DECEMBER<br>31, 2020 | INCREASED              | DECREASED               | BALANCE<br>DECEMBER<br>31, 2021 |
|--------------------------------|--------------------------------------------------|--------------------------|------------------|---------------------|------------------|---------------------------------|------------------------|-------------------------|---------------------------------|
| 12/26/19                       | Water Plant Replacement                          | 09/25/20                 | 09/25/20         | 09/24/21            | 1.25%            | \$ 9,500,000.00                 | \$                     | \$ 9,500,000.00         | \$                              |
| 12/26/19                       | 8th and 9th Water                                | 09/25/20                 | 09/25/20         | 09/24/21            | 1.25%            | 1,848,800.00                    |                        | 1,848,800.00            |                                 |
| 12/26/19                       | 8th and 9th Sewer                                | 09/25/20                 | 09/25/20         | 09/24/21            | 1.25%            | 2,151,200.00                    |                        | 2,151,200.00            |                                 |
| 2016-20                        | Various Water Utility Improvements               | 10/20/21                 | 10/20/21         | 10/20/22            | 1.50%            |                                 | 305,000.00             |                         | 305,000.00                      |
| 2016-21                        | Various Sewer Utility Improvements               | 10/20/21                 | 10/20/21         | 10/20/22            | 1.50%            |                                 | 350,000.00             |                         | 350,000.00                      |
| 2019-21                        | Infrastructure Improvements                      | 10/20/21                 | 10/20/21         | 10/20/22            | 1.50%            |                                 | 615,000.00             |                         | 615,000.00                      |
| 2019-22                        | Water Meter Project                              | 10/20/21                 | 10/20/21         | 10/20/22            | 1.50%            |                                 | 470,000.00             |                         | 470,000.00                      |
| 2021-12                        | 20th and Shore Avenue<br>Infrastructure Upgrades | 10/20/21                 | 10/20/21         | 10/20/22            | 1.50%            |                                 | 850,000.00             |                         | 850,000.00                      |
|                                |                                                  |                          |                  |                     |                  | <u>\$ 13,500,000.00</u>         | <u>\$ 2,590,000.00</u> | <u>\$ 13,500,000.00</u> | <u>\$ 2,590,000.00</u>          |
|                                |                                                  |                          |                  |                     | REF.             | D                               | D-5                    | D-5                     | D                               |

BOROUGH OF SHIP BOTTOM  
WATER - SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NEW JERSEY INFRASTRUCTURE LOANS PAYABLE

| PURPOSE                                                         | DATE OF<br>ISSUE | MATURITIES OF LOANS<br>OUTSTANDING |        | INTEREST<br>RATE | BALANCE<br>DECEMBER<br>31, 2020 | DECREASED            | BALANCE<br>DECEMBER<br>31, 2021 |
|-----------------------------------------------------------------|------------------|------------------------------------|--------|------------------|---------------------------------|----------------------|---------------------------------|
|                                                                 |                  | DECEMBER<br>DATE                   | AMOUNT |                  |                                 |                      |                                 |
| New Jersey Environmental<br>Infrastructure Trust - 2008A (CW)   | 06/20/08         | See D-19 - Sheet 2                 |        | Various          | \$ 184,675.91                   | \$ 27,249.91         | \$ 157,426.00                   |
| New Jersey Environmental<br>Infrastructure Trust - 2008A (DW)   | 06/20/08         | See D-19 - Sheet 3                 |        | Various          | 452,080.11                      | 54,387.95            | 397,692.16                      |
| New Jersey Environmental<br>Infrastructure Trust - 2020A-1 (CW) | 05/13/20         | See D-19 - Sheet 4                 |        | Various          | 2,693,238.73                    | 131,749.40           | 2,561,489.33                    |
| New Jersey Environmental<br>Infrastructure Trust - 2020A-1 (DW) | 05/13/20         | See D-19 - Sheet 5                 |        | Various          | 1,940,246.92                    | 91,065.62            | 1,849,181.30                    |
|                                                                 |                  |                                    |        |                  | <u>\$ 5,270,241.67</u>          | <u>\$ 304,452.88</u> | <u>\$ 4,965,788.79</u>          |
|                                                                 |                  | REF.                               |        |                  | D                               | D-22                 | D                               |

BOROUGH OF SHIP BOTTOM

WATER - SEWER UTILITY CAPITAL FUND

MATURITY SCHEDULE \$531,966 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST - 2008A (CW)

| <u>DUE</u>   | <u>LOAN</u><br><u>BALANCE</u> | <u>PRINCIPAL</u>     | <u>INTEREST</u>     | <u>PAYMENT</u>       |
|--------------|-------------------------------|----------------------|---------------------|----------------------|
| 02/01/22     | \$ 157,426.00                 | \$ 1,960.22          | \$ 2,765.00         | \$ 4,725.22          |
| 08/01/22     | 155,465.78                    | 23,803.33            | 2,765.00            | 26,568.33            |
| 02/01/23     | 131,662.45                    | 1,717.03             | 2,440.00            | 4,157.03             |
| 08/01/23     | 129,945.42                    | 23,560.14            | 2,440.00            | 26,000.14            |
| 02/01/24     | 106,385.28                    | 1,473.85             | 2,115.00            | 3,588.85             |
| 08/01/24     | 104,911.43                    | 31,264.66            | 2,115.00            | 33,379.66            |
| 02/01/25     | 73,646.77                     | 1,179.08             | 1,665.00            | 2,844.08             |
| 08/01/25     | 72,467.69                     | 18,467.69            | 1,665.00            | 20,132.69            |
| 02/01/26     | 54,000.00                     |                      | 1,215.00            | 1,215.00             |
| 08/01/26     | 54,000.00                     | 18,000.00            | 1,215.00            | 19,215.00            |
| 02/01/27     | 36,000.00                     |                      | 810.00              | 810.00               |
| 08/01/27     | 36,000.00                     | 18,000.00            | 810.00              | 18,810.00            |
| 02/01/28     | 18,000.00                     |                      | 405.00              | 405.00               |
| 08/01/28     | 18,000.00                     | 18,000.00            | 405.00              | 18,405.00            |
| <u>TOTAL</u> |                               | \$ <u>157,426.00</u> | \$ <u>22,830.00</u> | \$ <u>180,256.00</u> |

BOROUGH OF SHIP BOTTOM

WATER - SEWER UTILITY CAPITAL FUND

MATURITY SCHEDULE \$1,121,068 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST - 2008A (DW)

| <u>DUE</u>   | <u>LOAN</u><br><u>BALANCE</u> | <u>PRINCIPAL</u>     | <u>INTEREST</u>     | <u>PAYMENT</u>       |
|--------------|-------------------------------|----------------------|---------------------|----------------------|
| 02/01/22     | \$ 397,692.16                 | \$ 4,220.43          | \$ 5,885.00         | \$ 10,105.43         |
| 08/01/22     | 393,471.73                    | 57,172.97            | 5,885.00            | 63,057.97            |
| 02/01/23     | 336,298.76                    | 3,644.24             | 5,085.00            | 8,729.24             |
| 08/01/23     | 332,654.52                    | 56,596.78            | 5,085.00            | 61,681.78            |
| 02/01/24     | 276,057.74                    | 3,068.04             | 4,285.00            | 7,353.04             |
| 08/01/24     | 272,989.70                    | 55,020.58            | 4,285.00            | 59,305.58            |
| 02/01/25     | 217,969.12                    | 2,544.23             | 3,510.00            | 6,054.23             |
| 08/01/25     | 215,424.89                    | 62,489.99            | 3,510.00            | 65,999.99            |
| 02/01/26     | 152,934.90                    | 1,945.59             | 2,610.00            | 4,555.59             |
| 08/01/26     | 150,989.31                    | 61,891.34            | 2,610.00            | 64,501.34            |
| 02/01/27     | 89,097.97                     | 1,346.94             | 1,800.00            | 3,146.94             |
| 08/01/27     | 87,751.03                     | 47,751.03            | 1,800.00            | 49,551.03            |
| 02/01/28     | 40,000.00                     |                      | 900.00              | 900.00               |
| 08/01/28     | 40,000.00                     | 40,000.00            | 900.00              | 40,900.00            |
| <u>TOTAL</u> |                               | \$ <u>397,692.16</u> | \$ <u>48,150.00</u> | \$ <u>445,842.16</u> |



BOROUGH OF SHIP BOTTOM

WATER - SEWER UTILITY CAPITAL FUND

MATURITY SCHEDULE \$2,764,405 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST - 2020A-1 (CW)

| <u>DUE</u>   | <u>LOAN<br/>BALANCE</u> | <u>PRINCIPAL</u>       | <u>INTEREST</u>      | <u>PAYMENT</u>         |
|--------------|-------------------------|------------------------|----------------------|------------------------|
| 02/01/22     | \$ 2,561,489.33         | \$ 35,583.13           | \$ 11,456.25         | \$ 47,039.38           |
| 08/01/22     | 2,525,906.20            | 96,166.27              | 11,456.25            | 107,622.52             |
| 02/01/23     | 2,429,739.93            | 35,583.13              | 10,831.25            | 46,414.38              |
| 08/01/23     | 2,394,156.80            | 96,166.27              | 10,831.25            | 106,997.52             |
| 02/01/24     | 2,297,990.53            | 35,583.13              | 10,206.25            | 45,789.38              |
| 08/01/24     | 2,262,407.40            | 96,166.27              | 10,206.25            | 106,372.52             |
| 02/01/25     | 2,166,241.13            | 35,583.13              | 9,581.25             | 45,164.38              |
| 08/01/25     | 2,130,658.00            | 101,166.27             | 9,581.25             | 110,747.52             |
| 02/01/26     | 2,029,491.73            | 35,583.13              | 8,831.25             | 44,414.38              |
| 08/01/26     | 1,993,908.60            | 101,166.27             | 8,831.25             | 109,997.52             |
| 02/01/27     | 1,892,742.33            | 35,583.13              | 8,081.25             | 43,664.38              |
| 08/01/27     | 1,857,159.20            | 101,166.27             | 8,081.25             | 109,247.52             |
| 02/01/28     | 1,755,992.93            | 35,583.13              | 7,331.25             | 42,914.38              |
| 08/01/28     | 1,720,409.80            | 101,166.27             | 7,331.25             | 108,497.52             |
| 02/01/29     | 1,619,243.53            | 35,583.13              | 6,581.25             | 42,164.38              |
| 08/01/29     | 1,583,660.40            | 106,166.27             | 6,581.25             | 112,747.52             |
| 02/01/30     | 1,477,494.13            | 35,583.13              | 5,706.25             | 41,289.38              |
| 08/01/30     | 1,441,911.00            | 106,166.27             | 5,706.25             | 111,872.52             |
| 02/01/31     | 1,335,744.73            | 35,583.13              | 4,831.25             | 40,414.38              |
| 08/01/31     | 1,300,161.60            | 106,166.27             | 4,831.25             | 110,997.52             |
| 02/01/32     | 1,193,995.33            | 35,583.13              | 4,131.25             | 39,714.38              |
| 08/01/32     | 1,158,412.20            | 111,166.27             | 4,131.25             | 115,297.52             |
| 02/01/33     | 1,047,245.93            | 35,583.13              | 3,706.25             | 39,289.38              |
| 08/01/33     | 1,011,662.80            | 111,166.27             | 3,706.25             | 114,872.52             |
| 02/01/34     | 900,496.53              | 35,583.13              | 3,256.25             | 38,839.38              |
| 08/01/34     | 864,913.40              | 111,166.27             | 3,256.25             | 114,422.52             |
| 02/01/35     | 753,747.13              | 35,583.13              | 2,781.25             | 38,364.38              |
| 08/01/35     | 718,164.00              | 111,166.27             | 2,781.25             | 113,947.52             |
| 02/01/36     | 606,997.73              | 35,583.13              | 2,306.25             | 37,889.38              |
| 08/01/36     | 571,414.60              | 116,166.27             | 2,306.25             | 118,472.52             |
| 02/01/37     | 455,248.33              | 35,583.13              | 1,743.75             | 37,326.88              |
| 08/01/37     | 419,665.20              | 116,166.27             | 1,743.75             | 117,910.02             |
| 02/01/38     | 303,498.93              | 35,583.13              | 1,181.25             | 36,764.38              |
| 08/01/38     | 267,915.80              | 116,166.27             | 1,181.25             | 117,347.52             |
| 02/01/39     | 151,749.53              | 35,583.13              | 590.63               | 36,173.76              |
| 08/01/39     | 116,166.40              | 116,166.40             | 590.63               | 116,757.03             |
| <u>TOTAL</u> |                         | \$ <u>2,561,489.33</u> | \$ <u>206,268.76</u> | \$ <u>2,767,758.09</u> |

BOROUGH OF SHIP BOTTOM

WATER - SEWER UTILITY CAPITAL FUND

MATURITY SCHEDULE \$1,987,624 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST - 2020A-1 (DW)

| <u>DUE</u>   | <u>LOAN<br/>BALANCE</u> | <u>PRINCIPAL</u>       | <u>INTEREST</u>      | <u>PAYMENT</u>         |
|--------------|-------------------------|------------------------|----------------------|------------------------|
| 02/01/22     | \$ 1,849,181.30         | \$ 23,688.54           | \$ 10,221.88         | \$ 33,910.42           |
| 08/01/22     | 1,825,492.76            | 67,377.08              | 10,221.88            | 77,598.96              |
| 02/01/23     | 1,758,115.68            | 23,688.54              | 9,721.88             | 33,410.42              |
| 08/01/23     | 1,734,427.14            | 72,377.08              | 9,721.88             | 82,098.96              |
| 02/01/24     | 1,662,050.06            | 23,688.54              | 9,096.88             | 32,785.42              |
| 08/01/24     | 1,638,361.52            | 72,377.08              | 9,096.88             | 81,473.96              |
| 02/01/25     | 1,565,984.44            | 23,688.54              | 8,471.88             | 32,160.42              |
| 08/01/25     | 1,542,295.90            | 72,377.08              | 8,471.88             | 80,848.96              |
| 02/01/26     | 1,469,918.82            | 23,688.54              | 7,846.88             | 31,535.42              |
| 08/01/26     | 1,446,230.28            | 72,377.08              | 7,846.88             | 80,223.96              |
| 02/01/27     | 1,373,853.20            | 23,688.54              | 7,221.88             | 30,910.42              |
| 08/01/27     | 1,350,164.66            | 72,377.08              | 7,221.88             | 79,598.96              |
| 02/01/28     | 1,277,787.58            | 23,688.54              | 6,596.88             | 30,285.42              |
| 08/01/28     | 1,254,099.04            | 77,377.08              | 6,596.88             | 83,973.96              |
| 02/01/29     | 1,176,721.96            | 23,688.54              | 5,846.88             | 29,535.42              |
| 08/01/29     | 1,153,033.42            | 77,377.08              | 5,846.88             | 83,223.96              |
| 02/01/30     | 1,075,656.34            | 23,688.54              | 5,096.88             | 28,785.42              |
| 08/01/30     | 1,051,967.80            | 77,377.08              | 5,096.88             | 82,473.96              |
| 02/01/31     | 974,590.72              | 23,688.54              | 4,346.88             | 28,035.42              |
| 08/01/31     | 950,902.18              | 82,377.08              | 4,346.88             | 86,723.96              |
| 02/01/32     | 868,525.10              | 23,688.54              | 3,646.88             | 27,335.42              |
| 08/01/32     | 844,836.56              | 82,377.08              | 3,646.88             | 86,023.96              |
| 02/01/33     | 762,459.48              | 23,688.54              | 3,275.00             | 26,963.54              |
| 08/01/33     | 738,770.94              | 82,377.08              | 3,275.00             | 85,652.08              |
| 02/01/34     | 656,393.86              | 23,688.54              | 2,881.25             | 26,569.79              |
| 08/01/34     | 632,705.32              | 82,377.08              | 2,881.25             | 85,258.33              |
| 02/01/35     | 550,328.24              | 23,688.54              | 2,465.63             | 26,154.17              |
| 08/01/35     | 526,639.70              | 82,377.08              | 2,465.63             | 84,842.71              |
| 02/01/36     | 444,262.62              | 23,688.54              | 2,050.00             | 25,738.54              |
| 08/01/36     | 420,574.08              | 87,377.08              | 2,050.00             | 89,427.08              |
| 02/01/37     | 333,197.00              | 23,688.54              | 1,550.00             | 25,238.54              |
| 08/01/37     | 309,508.46              | 87,377.08              | 1,550.00             | 88,927.08              |
| 02/01/38     | 222,131.38              | 23,688.54              | 1,050.00             | 24,738.54              |
| 08/01/38     | 198,442.84              | 87,377.08              | 1,050.00             | 88,427.08              |
| 02/01/39     | 111,065.76              | 23,688.54              | 525.00               | 24,213.54              |
| 08/01/39     | 87,377.22               | 87,377.22              | 525.00               | 87,902.22              |
| <u>TOTAL</u> |                         | <u>\$ 1,849,181.30</u> | <u>\$ 183,825.12</u> | <u>\$ 2,033,006.42</u> |

BOROUGH OF SHIP BOTTOM  
WATER - SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| DATE OR<br>ORDINANCE<br>NUMBER | IMPROVEMENT DESCRIPTION                                                           | DATE     | ORDINANCE<br>AMOUNT | BALANCE<br>DECEMBER<br>31, 2020 |                 | 2021<br>AUTHORIZATIONS | PAID OR<br>CHARGED | BALANCE<br>DECEMBER<br>31, 2021 |                 |
|--------------------------------|-----------------------------------------------------------------------------------|----------|---------------------|---------------------------------|-----------------|------------------------|--------------------|---------------------------------|-----------------|
|                                |                                                                                   |          |                     | FUNDED                          | UNFUNDED        |                        |                    | FUNDED                          | UNFUNDED        |
| 2013-04                        | General Improvements:<br>Water Utility Improvements and Other<br>Related Expenses | 03/26/13 | \$ 302,000.00       | \$ 12,076.44                    | \$              | \$                     | \$                 | 12,076.44                       | \$              |
| 2015-13                        | Water Utility Improvements and Other<br>Related Expenses                          | 06/23/15 | 338,000.00          | 161,622.49                      |                 |                        |                    | 161,622.49                      |                 |
| 2015-15                        | Water and Sewer Utility Improvements<br>and Other Related Expenses                | 08/25/15 | 563,500.00          | 73,505.34                       |                 |                        | (189.35)           | 73,694.69                       | 630,792.86      |
| 2016-20                        | Various Water Utility Improvements                                                | 08/23/16 | 3,500,000.00        |                                 | 703,831.25      |                        | 73,038.39          |                                 | 1,216,895.32    |
| 2016-21                        | Various Sewer Utility Improvements                                                | 08/23/16 | 4,400,000.00        |                                 | 1,281,198.21    |                        | 64,302.89          |                                 | 248,743.35      |
| 2019-21                        | Infrastructure Improvements                                                       | 10/22/19 | 900,000.00          |                                 | 625,686.51      |                        | 376,943.15         |                                 | 1,381,669.29    |
| 2019-22                        | Water Meter Project                                                               | 10/22/19 | 2,400,000.00        |                                 | 1,471,889.88    |                        | 90,220.59          |                                 | 517,891.11      |
| 2019-26                        | Water Plant Replacement                                                           | 12/26/19 | 9,500,000.00        |                                 | 883,373.01      |                        | 365,481.90         |                                 | 328,757.76      |
| 2019-27a                       | 8th and 9th Water                                                                 | 12/26/19 | 3,813,150.00        |                                 | 366,882.48      |                        | 38,124.72          |                                 | 382,531.21      |
| 2019-27b                       | 8th and 9th Sewer                                                                 | 12/26/19 | 4,436,850.00        |                                 | 427,020.91      |                        | 44,489.70          |                                 | 138,366.50      |
| 2020-14                        | 8th and 9th DOT                                                                   | 08/11/20 | 3,000,000.00        |                                 |                 |                        | 6,692.50           | 2,629,635.02                    |                 |
| 2020-18                        | 15th Street Pump Station                                                          | 09/22/20 | 150,000.00          |                                 | 148,747.25      |                        | 10,380.75          |                                 | 850,000.00      |
| 2021-12                        | 20th and Shore Avenue Infrastructure Upgrades                                     | 08/24/21 | 850,000.00          |                                 |                 | 850,000.00             |                    |                                 |                 |
|                                |                                                                                   |          |                     | \$ 2,883,531.79                 | \$ 5,908,629.50 | \$                     | \$ 1,069,485.24    | \$ 2,877,028.64                 | \$ 5,695,647.41 |
|                                |                                                                                   |          |                     | D                               | D               | D-15                   | D                  | D                               | D               |
|                                | Disbursements                                                                     | REF.     |                     |                                 |                 |                        |                    |                                 |                 |
|                                | Reserve for Encumbrances                                                          | D-5      |                     |                                 |                 |                        | \$ 13,124,058.58   |                                 |                 |
|                                | Reserve for Encumbrances                                                          | D-13     |                     |                                 |                 |                        | 2,128,561.83       |                                 |                 |
|                                |                                                                                   | D-13     |                     |                                 |                 |                        | (14,183,135.17)    |                                 |                 |
|                                |                                                                                   |          |                     |                                 |                 |                        | \$ 1,069,485.24    |                                 |                 |

"D-21"

BOROUGH OF SHIP BOTTOM

WATER - SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

|                           | <u>REF.</u> |                             |
|---------------------------|-------------|-----------------------------|
| Balance December 31, 2020 | D           | \$ 222,558.93               |
| Increased by:             |             |                             |
| 2021 Budget Appropriation | D-5         | <u>150,000.00</u>           |
| Balance December 31, 2021 | D           | <u><u>\$ 372,558.93</u></u> |

"D-22"

SCHEDULE OF RESERVE FOR AMORTIZATION

|                                        | <u>REF.</u> |                                |
|----------------------------------------|-------------|--------------------------------|
| Balance, December 31, 2020             | D           | \$ 11,055,588.12               |
| Increased by:                          |             |                                |
| Serial Bonds Paid by Operating Budget  | D-17        | \$ 130,000.00                  |
| NJ EIT Loans Paid by Operating Budget  | D-19        | 304,452.88                     |
| From Deferred Reserve for Amortization | D-23        | <u>6,503.15</u>                |
|                                        |             | <u>440,956.03</u>              |
| Balance, December 31, 2021             | D           | <u><u>\$ 11,496,544.15</u></u> |

BOROUGH OF SHIP BOTTOM

WATER - SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

| <u>DATE OR<br/>ORDINANCE<br/>NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u>                                     | <u>DATE OF<br/>ORDINANCE</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2020</u> | <u>FROM/(TO)<br/>RESERVE FOR<br/>AMORTIZATION<br/>FIXED CAPITAL</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2021</u> |
|-----------------------------------------|--------------------------------------------------------------------|------------------------------|------------------------------------------|---------------------------------------------------------------------|------------------------------------------|
| 2013-04                                 | Water Utility Improvements and Other<br>Related Expenses           | 03/26/13                     | \$ 12,076.44                             | \$                                                                  | 12,076.44                                |
| 2015-13                                 | Water Utility Improvements and Other<br>Related Expenses           | 06/23/15                     | 161,622.49                               |                                                                     | 161,622.49                               |
| 2015-15                                 | Water and Sewer Utility Improvements<br>and Other Related Expenses | 08/25/15                     | 73,505.34                                | 189.35                                                              | 73,694.69                                |
| 2020-14                                 | 8th and 9th DOT                                                    | 08/11/20                     | 2,636,327.52                             | (6,692.50)                                                          | 2,629,635.02                             |
|                                         |                                                                    |                              | <u>\$ 2,883,531.79</u>                   | <u>\$ (6,503.15)</u>                                                | <u>\$ 2,877,028.64</u>                   |
|                                         | <u>REF.</u>                                                        |                              | D                                        | D-22                                                                | D                                        |

BOROUGH OF SHIP BOTTOM  
WATER - SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED  
BUT NOT ISSUED

| <u>DATE OR<br/>ORDINANCE<br/>NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u>     | <u>BALANCE<br/>DECEMBER<br/>31, 2021</u> |
|-----------------------------------------|------------------------------------|------------------------------------------|
| 2016-20                                 | Various Water Utility Improvements | \$ 634,970.00                            |
| 2016-21                                 | Various Sewer Utility Improvements | 1,217,286.00                             |
| 2019-21                                 | Infrastructure Improvements        | 285,000.00                               |
| 2019-22                                 | Water Meter Project                | 1,227,436.00                             |
| 2019-26                                 | Water Plant Replacement            | 1,405,185.00                             |
| 2019-27a                                | 8th and 9th Water                  | 796,744.00                               |
| 2019-27b                                | 8th and 9th Sewer                  | 4,436,850.00                             |
| 2020-18                                 | 15th Street Pump Station           | 150,000.00                               |
|                                         |                                    | <u>\$ 10,153,471.00</u>                  |
|                                         | <u>REF.</u>                        | D                                        |

BOROUGH SHIP BOTTOM

PART II

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO MAJOR STATE  
FINANCIAL ASSISTANCE PROGRAMS AND  
INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY  
NEW JERSEY OMB CIRCULAR 15-08

SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



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

The Honorable Mayor and Members  
of the Borough Council  
Borough of Ship Bottom  
County of Ocean  
Ship Bottom, New Jersey 08008

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account groups of the Borough of Ship Bottom, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated September 30, 2022. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Ship Bottom 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, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

***Internal Control Over Financial Reporting***

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



## SUPLEE, CLOONEY & COMPANY

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 Borough of Ship Bottom'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.

### ***Compliance and Other Matters***

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

### ***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 Borough of Ship Bottom'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 Borough of Ship Bottom's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

September 30, 2022



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO MAJOR  
STATE FINANCIAL ASSISTANCE PROGRAMS AND  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
NEW JERSEY OMB CIRCULAR 15-08**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Ship Bottom  
County of Ocean  
Ship Bottom, New Jersey 08008

***Report on Compliance for Each Major State Program***

***Opinion on Each Major State Program***

We have audited Borough of Ship Bottom, County of Ocean, State of New Jersey (the "Borough") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of The Borough's major State programs for the year ended December 31, 2021. The Borough's major 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 Borough 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 State programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major 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; and the audit requirements of New Jersey OMB Circular 15-08. Our responsibilities under those standards and New Jersey OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough 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 State program. Our audit does not provide a legal determination of the Borough'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 the Borough's 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 Borough'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*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough'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, but not for the purpose of expressing an opinion on the effectiveness of the Borough'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.

## SUPLEE, CLOONEY & COMPANY

### **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 State program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 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 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 the New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

September 30, 2022

**BOROUGH OF SHIP BOTTOM**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FISCAL YEAR ENDED DECEMBER 31, 2021**

| STATE GRANTOR/PROGRAM TITLE                                           | STATE ACCOUNT NUMBER       | GRANT PERIOD |            | GRANT AMOUNT | RECEIVED FISCAL YEAR 2021 | EXPENDITURES FISCAL YEAR 2021 | CUMULATIVE EXPENDITURES DECEMBER 31, 2021 |
|-----------------------------------------------------------------------|----------------------------|--------------|------------|--------------|---------------------------|-------------------------------|-------------------------------------------|
|                                                                       |                            | FROM         | TO         |              |                           |                               |                                           |
| <b>Department of Environmental Protection:</b>                        |                            |              |            |              |                           |                               |                                           |
| <b>Coastal Communities Program:</b>                                   |                            |              |            |              |                           |                               |                                           |
| 2016                                                                  | 765-042-4900-004-178910    | 01/01/16     | Completion | 11,333.84    | \$                        | \$                            | 11,333.84                                 |
| 2017                                                                  | 765-042-4900-004-178910    | 01/01/17     | Completion | 9,628.81     |                           | 7,516.84                      | 930.72                                    |
| 2018                                                                  | 765-042-4900-004-178910    | 01/01/18     | Completion | 9,211.92     |                           | 930.72                        |                                           |
| 2019                                                                  | 765-042-4900-004-178910    | 01/01/19     | Completion | 10,280.76    |                           |                               |                                           |
| 2020                                                                  | 765-042-4900-004-178910    | 01/01/20     | Completion | 9,270.00     |                           |                               |                                           |
| 2021                                                                  | 765-042-4900-004-178910    | 01/01/21     | Completion | 9,867.62     | 9,867.62                  |                               |                                           |
| <b>Capitalization Grants for Drinking Water State Revolving Fund:</b> |                            |              |            |              |                           |                               |                                           |
| Water Treatment Plant Reconstruction                                  | 1528001-003                | 01/01/20     | Completion | 9,405,940.00 | 8,094,815.00              | 8,094,815.00                  |                                           |
| Water Meter Project                                                   | 1528001-003 (CLP)          | 01/01/20     | Completion | 2,400,000.00 |                           |                               | 120,231.00                                |
| Water Main Replacement Project                                        | 1528001-004                | 01/01/21     | Completion | 3,626,732.00 | 3,016,406.00              | 3,016,406.00                  |                                           |
| Residential Water Meter Project                                       | S340311-04                 | 01/01/21     | Completion | 1,827,837.00 | 582,333.00                | 582,333.00                    | 663,285.00                                |
| <b>Recycling Tonnage Grant:</b>                                       |                            |              |            |              |                           |                               |                                           |
| 2014                                                                  | 100-042-4910-224-238490    | 01/01/14     | Completion | 8,153.36     |                           | 484.79                        | 8,153.36                                  |
| 2015                                                                  | 100-042-4910-224-238490    | 01/01/15     | Completion | 3,902.52     |                           | 3,902.52                      | 3,902.52                                  |
| 2016                                                                  | 100-042-4910-224-238490    | 01/01/16     | Completion | 3,946.29     |                           | 3,946.29                      | 3,946.29                                  |
| 2017                                                                  | 100-042-4910-224-238490    | 01/01/17     | Completion | 7,473.76     |                           | 7,473.76                      | 7,473.76                                  |
| 2018                                                                  | 100-042-4910-224-238490    | 01/01/18     | Completion | 8,732.55     |                           | 8,732.55                      | 8,732.55                                  |
| 2019                                                                  | 100-042-4910-224-238490    | 01/01/19     | Completion | 6,732.26     |                           | 6,732.26                      | 6,732.26                                  |
| 2020                                                                  | 100-042-4910-224-238490    | 01/01/20     | Completion | 6,376.15     | 6,376.15                  |                               |                                           |
| 2021                                                                  | 100-042-4910-224-238490    | 01/01/21     | Completion |              | 11,709,797.77             | 11,739,273.73                 | 11,969,942.30                             |
| <b>Total Department of Environmental Protection</b>                   |                            |              |            |              |                           |                               |                                           |
| <b>Department of Law and Public Safety:</b>                           |                            |              |            |              |                           |                               |                                           |
| <b>Drunk Driving Enforcement Fund:</b>                                |                            |              |            |              |                           |                               |                                           |
| Prior                                                                 | 100-078-6400-001-YYYY-xxxx | Prior Years  | Completion | 1,075.65     |                           |                               |                                           |
| 2013                                                                  | 100-078-6400-001-YYYY-xxxx | 01/01/13     | Completion | 6,964.03     |                           |                               |                                           |
| 2014                                                                  | 100-078-6400-001-YYYY-xxxx | 01/01/14     | Completion | 4,734.61     |                           |                               |                                           |
| 2015                                                                  | 100-078-6400-001-YYYY-xxxx | 01/01/15     | Completion | 1,100.00     |                           |                               |                                           |
| 2016                                                                  | 100-078-6400-001-YYYY-xxxx | 01/01/16     | Completion | 823.00       |                           |                               |                                           |
| 2017                                                                  | 100-078-6400-001-YYYY-xxxx | 01/01/17     | Completion | 100.00       |                           |                               |                                           |
| 2018                                                                  | 100-078-6400-001-YYYY-xxxx | 01/01/18     | Completion | 24,853.95    |                           |                               |                                           |
| 2019                                                                  | 100-078-6400-001-YYYY-xxxx | 01/01/19     | Completion | 360.00       | 360.00                    |                               |                                           |
| 2020                                                                  | 100-078-6400-001-YYYY-xxxx | 01/01/20     | Completion | 360.00       | 360.00                    |                               |                                           |
| 2021                                                                  | 100-078-6400-001-YYYY-xxxx | 01/01/21     | Completion |              |                           |                               |                                           |
| <b>Body Armor Replacement Fund:</b>                                   |                            |              |            |              |                           |                               |                                           |
| 2018                                                                  | 718-066-1020-001-090160    | 01/01/18     | Completion | 1,383.80     |                           | 1,307.49                      | 1,383.80                                  |
| 2019                                                                  | 718-066-1020-001-090160    | 01/01/19     | Completion | 1,500.89     |                           | 831.91                        | 831.91                                    |
| 2020                                                                  | 718-066-1020-001-090160    | 01/01/20     | Completion | 1,423.28     |                           |                               |                                           |
| 2021                                                                  | 718-066-1020-001-090160    | 01/01/21     | Completion | 1,175.21     | 1,175.21                  |                               |                                           |
| <b>Total Department of Law and Public Safety</b>                      |                            |              |            |              |                           | 2,139.40                      | 2,215.71                                  |
| <b>Department of Community Affairs:</b>                               |                            |              |            |              |                           |                               |                                           |
| <b>Alcohol Education and Rehabilitation Fund:</b>                     |                            |              |            |              |                           |                               |                                           |
| Prior                                                                 | 760-098-9735-001-060000    | Prior Years  | Completion | 2,831.06     |                           |                               |                                           |
| 2012                                                                  | 760-098-9735-001-060000    | 01/01/13     | Completion | 1,025.30     |                           |                               |                                           |
| 2013                                                                  | 760-098-9735-001-060000    | 01/01/14     | Completion | 1,055.49     |                           |                               |                                           |
| 2014                                                                  | 760-098-9735-001-060000    | 01/01/14     | Completion | 1,595.16     |                           |                               |                                           |
| 2016                                                                  | 760-098-9735-001-060000    | 01/01/16     | Completion | 846.04       |                           |                               |                                           |
| 2018                                                                  | 760-098-9735-001-060000    | 01/01/18     | Completion | 292.93       |                           |                               |                                           |
| <b>Total Department of Community Affairs</b>                          |                            |              |            |              |                           |                               | 2,225.00                                  |
| <b>Department of Transportation:</b>                                  |                            |              |            |              |                           |                               |                                           |
| <b>Highway Planning and Construction:</b>                             |                            |              |            |              |                           |                               |                                           |
| Pass Through the State of New Jersey                                  |                            |              |            |              |                           |                               |                                           |
| 14th, 15th & 16th Streets DOT - 2018                                  | 480-078-6320-XXX-XXXXXXX   | 01/01/18     | Completion | 350,000.00   |                           | 15,443.09                     | 238,563.17                                |
| 6th & Bay Terrace DOT - 2019                                          | 480-078-6320-XXX-XXXXXXX   | 01/01/19     | Completion | 292,897.00   |                           | 235,716.18                    | 276,055.42                                |
| 20th Street DOT - 2020                                                | 480-078-6320-XXX-XXXXXXX   | 01/01/20     | Completion | 375,000.00   |                           | 182,890.10                    | 191,374.48                                |
| 8th & 9th DOT - 2020                                                  | 480-078-6320-XXX-XXXXXXX   | 01/01/20     | Completion | 3,000,000.00 |                           | 7,692.50                      | 370,364.96                                |
| 10th and Shore Avenue Improvements                                    | 480-078-6320-XXX-XXXXXXX   | 01/01/21     | Completion | 423,180.00   |                           | 441,741.87                    | 1,076,358.05                              |
| <b>Total Department of Transportation</b>                             |                            |              |            |              |                           |                               | 13,046,741.06                             |
| <b>Total State Assistance</b>                                         |                            |              |            | \$           | 11,711,692.98             | \$                            | 12,177,155.00                             |

The accompanying notes to the schedule of expenditures of state financial assistance are an integral part of this schedule.

BOROUGH OF SHIP BOTTOM

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2021

NOTE 1. GENERAL

The accompanying schedule of expenditures of state financial assistance presents the activity of all state financial awards of the Borough of Ship Bottom, County of Ocean, New Jersey. All state financial awards received directly from state agencies are included on the Schedule of Expenditures of State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance is presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related state financial reports.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's regulatory basis financial statements. These amounts are reported in either the Grant Fund, General Capital Fund or Water/Sewer Utility Capital Fund. Reconciliations of revenues and expenses are presented on the following page.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS (CONTINUED)

Revenues:

|                     | <u>State</u>            |
|---------------------|-------------------------|
| Grant Fund          | \$ 18,138.98            |
| Water/Sewer Utility |                         |
| Capital Fund        | <u>11,693,554.00</u>    |
|                     | <u>\$ 11,711,692.98</u> |

Expenditures:

|                      | <u>State</u>            |
|----------------------|-------------------------|
| Grant Fund           | \$ 41,859.13            |
| General Capital Fund | 441,741.87              |
| Water/Sewer Utility  |                         |
| Capital Fund         | <u>11,693,554.00</u>    |
|                      | <u>\$ 12,177,155.00</u> |

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedule.

BOROUGH OF SHIP BOTTOM  
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**Section I - Summary of Auditor's Results**

**Financial Statements**

- (1) Type of Auditor's Report Issued: Unmodified
- (2) Internal Control Over Financial Reporting:
- (a) Material weaknesses identified? No
- (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (3) Noncompliance material to the financial statements noted during the audit? No

**Federal Programs(s)**

Not Applicable

**State Program(s)**

- (1) Internal Control Over Major State Programs:
- (a) Material weaknesses identified? No
- (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor's Report issued on compliance for major State program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08 and listed in Section III of this schedule? No

- (4) Identification of Major State Program(s):

| <u>Program</u>                    | <u>Grant Number</u> | <u>Grant Period</u> | <u>Type</u> | <u>Award Amount</u> | <u>Amount Expended in 2021</u> |
|-----------------------------------|---------------------|---------------------|-------------|---------------------|--------------------------------|
| Environmental Protection Projects | Various             | 2014-21             | A           | \$17,665,418.84     | \$11,733,273.73                |

- (5) Program Threshold Determination:

Type A State Program Threshold >= \$750,000.00  
Type B State Program Threshold < \$750,000.00

- (6) Auditee qualified as a low-risk auditee under NJ OMB Circular 15-08? Yes



BOROUGH OF SHIP BOTTOM  
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**Section II - Financial Statement Audit - Reported Findings Under Government Auditing Standards**

**Internal Control Findings**

None Reported.

**Compliance Findings**

None Reported

**Section III - Findings and Questioned Costs Relative to Major State Programs**

State Programs – None Reported

**Status of Prior Year Audit Findings** - Not Applicable

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BOROUGH OF SHIP BOTTOM

PART III

STATISTICAL DATA

OFFICIALS IN OFFICE AND SURETY BONDS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGES IN FUND BALANCE - CURRENT FUND

|                                          | YEAR 2021              |                | YEAR 2020              |                |
|------------------------------------------|------------------------|----------------|------------------------|----------------|
|                                          | AMOUNT                 | %              | AMOUNT                 | %              |
| <u>REVENUE AND OTHER INCOME REALIZED</u> |                        |                |                        |                |
| Fund Balance Utilized                    | \$ 1,766,422.00        | 8.67%          | \$ 1,490,000.00        | 7.90%          |
| Miscellaneous-From Other Than Local      |                        |                |                        |                |
| Property Tax Levies                      | 3,560,509.64           | 17.48%         | 2,706,579.05           | 14.35%         |
| Collection of Delinquent Taxes and       |                        |                |                        |                |
| Tax Title Liens                          | 190,360.69             | 0.92%          | 141,155.92             | 0.75%          |
| Collection of Current Tax Levy           | <u>14,849,975.72</u>   | <u>72.91%</u>  | <u>14,528,991.40</u>   | <u>77.01%</u>  |
| <u>TOTAL INCOME</u>                      | <u>20,367,268.05</u>   | <u>100.00%</u> | <u>18,866,726.37</u>   | <u>100.00%</u> |
| <u>EXPENDITURES</u>                      |                        |                |                        |                |
| Budget Expenditures:                     |                        |                |                        |                |
| Municipal Purposes                       | 8,245,094.01           | 45.91%         | 7,719,508.83           | 44.12%         |
| County Taxes                             | 5,967,479.23           | 33.23%         | 5,903,839.35           | 33.74%         |
| Local District School Taxes              | 678,289.00             | 3.78%          | 684,458.00             | 3.91%          |
| Regional School District Taxes           | 3,066,995.00           | 17.08%         | 3,097,513.00           | 17.70%         |
| Other Expenditures                       | <u>1,692.25</u>        | <u>0.02%</u>   | <u>90,290.99</u>       | <u>0.53%</u>   |
| <u>TOTAL EXPENDITURES</u>                | <u>17,959,549.49</u>   | <u>100.00%</u> | <u>17,495,610.17</u>   | <u>100.00%</u> |
| Excess in Revenue                        | 2,407,718.56           |                | 1,371,116.20           |                |
| Adjustment Before Fund Balance:          |                        |                |                        |                |
| Expenditures Included Above Which        |                        |                |                        |                |
| Are by Statute, Deferred Charges to      |                        |                |                        |                |
| Budgets of Succeeding Years              |                        |                | 135,058.29             |                |
| Statutory Excess in Fund Balance         | <u>2,407,718.56</u>    |                | <u>1,506,174.49</u>    |                |
| Fund Balance, January 1                  | <u>3,829,764.84</u>    |                | <u>3,813,590.35</u>    |                |
|                                          | <u>6,237,483.40</u>    |                | <u>5,319,764.84</u>    |                |
| Less: Utilization as Anticipated Revenue | <u>1,766,422.00</u>    |                | <u>1,490,000.00</u>    |                |
| Fund Balance, December 31                | <u>\$ 4,471,061.40</u> |                | <u>\$ 3,829,764.84</u> |                |

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGES IN FUND BALANCE - WATER - SEWER UTILITY FUND

|                                                   | <u>YEAR 2021</u>       |                | <u>YEAR 2020</u>       |                |
|---------------------------------------------------|------------------------|----------------|------------------------|----------------|
|                                                   | <u>AMOUNT</u>          | <u>%</u>       | <u>AMOUNT</u>          | <u>%</u>       |
| <u>REVENUE AND OTHER INCOME REALIZED</u>          |                        |                |                        |                |
| Fund Balance Utilized                             | \$ 275,000.00          | 9.11%          | \$ 39,000.00           | 1.54%          |
| Collection of Water - Sewer Rents                 | 1,821,300.81           | 60.32%         | 1,752,473.58           | 69.33%         |
| Miscellaneous - Other Than Water -<br>Sewer Rents | <u>922,987.81</u>      | <u>30.57%</u>  | <u>736,116.68</u>      | <u>29.12%</u>  |
| <u>TOTAL INCOME</u>                               | <u>3,019,288.62</u>    | <u>100.00%</u> | <u>2,527,590.26</u>    | <u>100.00%</u> |
| <u>EXPENDITURES</u>                               |                        |                |                        |                |
| Budget Expenditures:                              |                        |                |                        |                |
| Operating                                         | 1,241,225.00           | 56.83%         | 1,241,225.00           | 64.49%         |
| Capital Improvements                              | 150,000.00             | 6.87%          | 150,000.00             | 7.79%          |
| Debt Service                                      | 749,906.40             | 34.33%         | 482,342.44             | 25.06%         |
| Deferred Charges and Statutory<br>Expenditures    | <u>39,500.00</u>       | <u>1.81%</u>   | <u>50,423.10</u>       | <u>2.62%</u>   |
| Other Expenditures                                | <u>3,650.00</u>        | <u>0.17%</u>   | <u>769.15</u>          | <u>0.00%</u>   |
| <u>TOTAL EXPENDITURES</u>                         | <u>2,184,281.40</u>    | <u>100.00%</u> | <u>1,924,759.69</u>    | <u>100.00%</u> |
| Excess in Revenue                                 | 835,007.22             |                | 602,830.57             |                |
| Fund Balance, January 1                           | <u>1,649,825.40</u>    |                | <u>1,085,994.83</u>    |                |
|                                                   | <u>2,484,832.62</u>    |                | <u>1,688,825.40</u>    |                |
| Less: Utilization as Anticipated Revenue          | <u>275,000.00</u>      |                | <u>39,000.00</u>       |                |
| Fund Balance, December 31                         | <u>\$ 2,209,832.62</u> |                | <u>\$ 1,649,825.40</u> |                |

## COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

|                          | <u>2021</u>     | <u>2020</u>     | <u>2019</u>     |
|--------------------------|-----------------|-----------------|-----------------|
| Tax Rate                 | \$ <u>1.054</u> | \$ <u>1.057</u> | \$ <u>1.058</u> |
| Appointment of Tax Rate: |                 |                 |                 |
| Municipal                | .365            | .359            | .354            |
| County                   | .422            | .424            | .416            |
| Local School             | .048            | .049            | .048            |
| Regional School          | .219            | .225            | .240            |

### Assessed Valuation:

|           |                            |                            |                            |
|-----------|----------------------------|----------------------------|----------------------------|
| Year 2021 | \$ <u>1,400,601,499.00</u> |                            |                            |
| Year 2020 |                            | \$ <u>1,377,958,499.00</u> |                            |
| Year 2019 |                            |                            | \$ <u>1,339,129,651.00</u> |

## COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

| <u>YEAR</u> | <u>TAX LEVY</u> | <u>CURRENTLY</u>            |                                         |
|-------------|-----------------|-----------------------------|-----------------------------------------|
|             |                 | <u>CASH<br/>COLLECTIONS</u> | <u>PERCENTAGE<br/>OF<br/>COLLECTION</u> |
| 2021        | \$14,901,952.66 | \$14,849,975.72             | 99.65%                                  |
| 2020        | 14,722,921.21   | 14,528,991.40               | 98.68%                                  |
| 2019        | 14,410,654.94   | 14,257,944.14               | 98.94%                                  |

### DELINQUENT TAXES AND TAX TITLE LIENS

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

| <u>DECEMBER<br/>31, YEAR</u> | <u>AMOUNT OF<br/>TAX TITLE<br/>LIENS</u> | <u>AMOUNT OF<br/>DELINQUENT<br/>TAXES</u> | <u>TOTAL<br/>DELINQUENT</u> | <u>PERCENTAGE<br/>OF TAX<br/>LEVY</u> |
|------------------------------|------------------------------------------|-------------------------------------------|-----------------------------|---------------------------------------|
| 2021                         | \$                                       | \$47,868.34                               | \$47,868.34                 | 0.32%                                 |
| 2020                         |                                          | 190,360.69                                | 190,360.69                  | 1.29%                                 |
| 2019                         |                                          | 141,705.02                                | 141,705.02                  | 0.98%                                 |

### PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31<sup>st</sup> on the basis of the last assessed valuation of such properties was as follows:

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|---------------|
| 2021        | \$75,700.00   |
| 2020        | 75,700.00     |
| 2019        | 82,610.00     |

### COMPARISON OF WATER UTILITY LEVIES

| <u>YEAR</u> | <u>LEVY</u> | <u>CASH<br/>COLLECTION</u> |
|-------------|-------------|----------------------------|
| 2021        | \$787,277   | \$784,772*                 |
| 2020        | 780,630     | 746,132*                   |
| 2019        | 782,314     | 778,781*                   |

### COMPARISON OF SEWER UTILITY LEVIES

| <u>YEAR</u> | <u>LEVY</u>  | <u>CASH<br/>COLLECTION</u> |
|-------------|--------------|----------------------------|
| 2021        | \$ 1,045,194 | \$ 1,036,529*              |
| 2020        | 1,058,406    | 1,006,342*                 |
| 2019        | 1,056,172    | 1,042,337*                 |

\* Includes collection of prior year's levies

COMPARATIVE SCHEDULE OF FUND BALANCES

|                                    | <u>YEAR</u> | <u>BALANCE</u><br><u>DECEMBER 31</u> | <u>UTILIZED IN BUDGET</u><br><u>OF SUCCEEDING</u><br><u>YEAR</u> |
|------------------------------------|-------------|--------------------------------------|------------------------------------------------------------------|
| Current Fund                       | 2021        | \$ 4,471,061.40                      | \$ 2,065,584.00                                                  |
|                                    | 2020        | 3,829,764.84                         | 1,766,422.00                                                     |
|                                    | 2019        | 3,813,590.35                         | 1,455,000.00                                                     |
|                                    | 2018        | 3,579,920.38                         | 1,522,800.00                                                     |
|                                    | 2017        | 3,660,840.17                         | 1,732,450.00                                                     |
| Water-Sewer Utility Operating Fund | 2021        | \$ 2,209,832.62                      | \$ 0.00                                                          |
|                                    | 2020        | 1,649,825.40                         | 275,000.00                                                       |
|                                    | 2019        | 1,085,994.83                         | 39,000.00                                                        |
|                                    | 2018        | 191,065.91                           | 90,158.00                                                        |
|                                    | 2017        | 165,608.39                           | 160,900.00                                                       |

EQUALIZED VALUATIONS – REAL PROPERTY

| <u>YEAR</u> | <u>AMOUNT</u>       |
|-------------|---------------------|
| 2021        | \$ 1,558,699,405.00 |
| 2020        | 1,465,749,451.00    |
| 2019        | 1,410,055,418.00    |



## OFFICIALS IN OFFICE AND SURETY BONDS

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

| <u>NAME</u>               | <u>TITLE</u>                     | <u>AMOUNT<br/>OF BOND</u> | <u>NAME OF<br/>SURETY</u> |
|---------------------------|----------------------------------|---------------------------|---------------------------|
| William Huelsenbeck       | Mayor                            | *                         |                           |
| Edward English            | Council President                | *                         |                           |
| Robert J. Butkus          | Councilman                       | *                         |                           |
| David Hartman             | Councilman                       | *                         |                           |
| Peter Rossi Sr.           | Councilman                       | *                         |                           |
| Tom Tallon                | Councilman                       | *                         |                           |
| Joseph Valyo              | Councilman                       | *                         |                           |
| Kristy DeBoer             | Borough Clerk                    |                           |                           |
|                           | Registrar of Vital Statistics    |                           |                           |
|                           | Assessment Search Officer        | *                         |                           |
| Kathleen Flanagan         | Chief Financial Officer          | 1,000,000.00              | MEL/JIF                   |
| Dawn Annarumma            | Tax Collector/Tax Search Officer | 1,000,000.00              | MEL/JIF                   |
| Dawn Annarumma            | Water - Sewer Collector          | 1,000,000.00              | MEL/JIF                   |
| Daniel F. Sahin           | Municipal Court Judge            | 1,000,000.00              | MEL/JIF                   |
| Karen M Garcia            | Municipal Court Administrator    | 1,000,000.00              | MEL/JIF                   |
| Christopher J. Connors    | Attorney                         |                           |                           |
| Owen, Little & Associates | Engineer                         |                           |                           |

\*Borough employees, other than the Chief Financial Officer, Tax/Utility Collectors, Judge and Court Administrator, were covered by blanket bonds of the Municipal Excess Liability and Joint Insurance Funds for a total amount of \$1,000,000.00.

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COMMENTS AND RECOMMENDATIONS

## GENERAL COMMENTS

### CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S.A. 40A:11-4

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate, the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 Ch. 198 (40A:11-3), except by contract or agreement.

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500.00 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent. The Borough has a Qualified Purchasing Agent. The Borough has elected to operate using a bid threshold of \$44,000.00.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the \$44,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute the Borough Counsel's opinion should be sought before a commitment is made.

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

- Emergency Water/Sewer Repair Projects
- Emergency Generator
- Road Reconstruction/Improvement Projects
- Bulkhead Replacement

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

Our examination of expenditures did not reveal any individual payments or contracts or agreements in excess of \$44,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-4

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

- Appraisal Services
- Attorney
- Auditor
- Bond Counsel
- Engineer
- Engineering - Construction Project
- Financial Advisor

## GENERAL COMMENTS (CONTINUED)

Labor Counsel  
Municipal Prosecutor  
Public Defender  
Special Legal Counsel

## CHANGE ORDERS PURSUANT TO N.J.A.C. 5:30-11.9 ET SEQ.

None

## CONTRACTS OR AGREEMENTS NOT REQUIRED TO BE ADVERTISED ADVERTISED PER N.J.S.A. 40A:11-6.1

N.J.S.A. 40A:11-6.1 states "For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c.198 (C.40A11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor."

We conducted a compliance review of the procedures and policies for securing quotations for purchases referred to above which indicated that the procedures were implemented to ensure statutory compliance and that quotes had been solicited as required by the statute.

## COLLECTION OF INTEREST ON DELINQUENT TAXES AND WATER-SEWER RENTS

The Statutes provide the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes, assessments or water-sewer rents on or before the date when they would become delinquent.

The governing body on January 5, 2021 adopted the following resolution authorizing interest to be charged on delinquent taxes, assessments and water-sewer rents:

"BE IT RESOLVED that the governing body of the Borough of Ship Bottom set the rate of interest to be charged on delinquent taxes, assessments and water-sewer accounts at 8% per annum on the first \$ 1,500 of the delinquency and 18% per annum on any amount in excess of \$ 1,500 and 6% to be collected against a delinquency in excess of \$10,000 on properties that fail to pay the delinquency prior to the end of the calendar year. A 10-day grace period shall be permitted as provided by N.J.S.A. 54:4-67."

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

## GENERAL COMMENTS (CONTINUED)

### DELINQUENT TAXES AND TAX TITLE LIENS

The following is a comparison of the number of tax title liens receivable on December 31<sup>st</sup> of the last three years:

| <u>YEAR</u> | <u>NUMBER OF LIENS</u> |
|-------------|------------------------|
| 2021        | 0                      |
| 2020        | 0                      |
| 2019        | 0                      |

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

### VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

| <u>TYPE</u>                                 | <u>NUMBER MAILED</u> |
|---------------------------------------------|----------------------|
| Payment of 2021 Taxes                       | 50                   |
| Payment of 2021 Water - Sewer Utility Rents | 25                   |
| Delinquent Taxes                            | 25                   |
| Delinquent Water - Sewer Utility Rents      | 10                   |

The results of the test are not yet known, but a separate report will be issued if any irregularities are developed. For those verification notices which were not returned by taxpayers, we examined subsequent cash collections as an alternative procedure where possible.

### MISCELLANEOUS

All sums of outstanding checks, reflected in cash reconciliations herein, are in agreement with the records of the Chief Financial Officer, as well as with independent lists made part of this audit.

A report summarizing collections of Dog License Fees and remittance of State Registration Fees has been prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Borough Clerk.

Individual payments of the Local, Regional and/or Consolidated School District Taxes by the municipality were confirmed as received by the Secretaries of the Boards of Education for the year 2021.

#### GENERAL COMMENTS (CONTINUED)

In our verification of expenditures, no attempt was made to establish proof of rendition, character or extent of services nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from individual employee salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination. Remittances to authorized agencies, however, were ascertained.

A summary or synopsis of this report was prepared for publication and filed with the Borough Clerk.

#### FOLLOW-UP OF PRIOR YEAR FINDINGS

In accordance with Government Auditing Standards, our procedures included a review of all prior year audit findings.

There were no prior year findings

#### CURRENT YEAR FINDINGS

None

## RECOMMENDATIONS

None



