

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY**

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



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COUNTY OF MONMOUTH, NEW JERSEY  
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**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

\*\*\*\*\*







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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Borough Council  
Borough of Neptune City  
Neptune City, New Jersey

### Opinions

We have audited the accompanying financial statements of the various funds and account group of the Borough of Neptune City, which comprise the statements of assets, liabilities, reserves and fund balance – regulatory basis as of December 31, 2022, and the related statements of operations and changes in fund balance – regulatory basis for the year then ended and the statements of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2022, and the related notes to the financial statements.

### Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance – regulatory basis of the Borough of Neptune City, as of December 31, 2022, and the results of its operations and changes in fund balance – regulatory basis for the year then ended and the statements of revenues – regulatory basis, statements of expenditures – regulatory basis for the year ended December 31, 2022, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, 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 Borough of Neptune City, as of December 31, 2022, or the results of its operations and changes in fund balance for the year then ended.

### Basis for Opinions

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey 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.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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(s) 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 of Neptune City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Neptune City's ability to continue as a going concern for a reasonable period of time.

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

## **Prior Period Financial Statements**

The financial statements as of December 31, 2021, were audited by other auditors whose report dated August 29, 2022, expressed an adverse opinion on U.S. Generally Accepted Accounting Principles and an unmodified opinion on the regulatory basis of accounting.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2023, on our consideration of the Borough of Neptune City'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 of Neptune City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Neptune City's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 483

Lakewood, New Jersey  
September 28, 2023

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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**

Honorable Mayor and Members  
of the Borough Council  
Borough of Neptune City  
Neptune City, New Jersey

We have audited, in accordance with the 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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Borough of Neptune City, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements, and have issued our report thereon dated September 28, 2023. Our report indicated that the Borough’s financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Report on Internal Control Over Financial Reporting**

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

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

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

## **Report on 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **Purpose of this Report**

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison  
Certified Public Accountant  
Register Municipal Accountant  
RMA No. 483

Lakewood, New Jersey  
September 28, 2023

**BASIC FINANCIAL STATEMENTS**

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**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

<u>Assets</u>	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Cash and Investments - Treasurer	A-4	\$ 4,320,466.01	\$ 4,723,995.69
Change Fund and Petty Cash Fund	A	945.00	945.00
		<u>4,321,411.01</u>	<u>4,724,940.69</u>
Notes Receivable: General Capital	C-6	<u>1,015,297.33</u>	<u>923,502.95</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	433,691.33	361,263.02
Tax Title Liens	A-6	6,600.40	308.19
Property Acquired for Taxes			
Assessed Valuation	A-7	29,300.00	29,300.00
Revenue Accounts Receivable	A-8	4,511.52	5,177.80
Due from Employees	A	2,325.28	3,187.50
		<u>476,428.53</u>	<u>399,236.51</u>
Total Operating Fund		<u>5,813,136.87</u>	<u>6,047,680.15</u>
State and Federal Grant Fund:			
Grants Receivable	A-18	197,018.49	199,156.99
Due from Current Fund	A	571,448.14	282,415.60
Total Grant Fund		<u>768,466.63</u>	<u>481,572.59</u>
Total Assets		<u>\$ 6,581,603.50</u>	<u>\$ 6,529,252.74</u>

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

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Appropriation Reserves	A-3	\$ 322,978.66	\$ 314,322.76
Accounts Payable	A-9	164,876.80	104,876.80
Encumbrances Payable	A-10	61,436.72	150,019.25
Interfund:			
Federal and State Grant	A	571,448.14	282,415.60
Public Assistance	E	31,489.58	31,489.58
Prepaid Taxes	A-13	167,402.99	230,518.46
Tax Overpayments	A-14	29,786.83	30,185.01
County Taxes Payable	A-16	5,436.65	2,985.86
Local School Taxes Payable	A-17	2,117,136.86	2,048,285.88
Due To State of New Jersey:			
Marriage License Fees	A-12	250.00	200.00
Chap. 20 P.L. 1971	A-11	2,369.24	369.24
Training Fees	A-12	1,222.00	1,443.00
Reserve for:			
Superstorm Sandy	A-15	-	2,917.78
Prepaid Revenue	A-15	5,870.00	1,000.00
Cannabis Licenses	A-15	40,000.00	-
Municipal Relief	A-15	24,927.36	-
Active Shooter Program	A-15	8,673.62	42,841.63
Donations	A-15	-	689.47
Master Plan	A-15	-	11,100.00
Off Duty Police	A-15	-	927.50
		<u>3,555,305.45</u>	<u>3,256,587.82</u>
Reserve for Receivables	A	476,428.53	399,236.51
Fund Balance	A-1	<u>1,781,402.89</u>	<u>2,391,855.82</u>
Total Operating Fund		<u>5,813,136.87</u>	<u>6,047,680.15</u>
State and Federal Grant Fund:			
Encumbrances Payable	A-19	29,713.00	2,891.21
Due to Grantor	A	1,344.01	1,344.01
Reserve for Grants:			
Appropriated	A-19	235,334.59	227,888.78
Unappropriated	A-20	<u>502,075.03</u>	<u>249,448.59</u>
Total Grant Fund		<u>768,466.63</u>	<u>481,572.59</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 6,581,603.50</u>	<u>\$ 6,529,252.74</u>

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

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 1,490,000.00	\$ 1,262,600.00
Miscellaneous Revenues Anticipated	1,117,660.60	1,121,320.13
Receipts From Delinquent Taxes	347,123.30	363,264.76
Receipts From Current Taxes	14,713,343.93	14,499,624.38
Non-Budget Revenue	171,869.83	237,683.83
Other Credit To Income:		
Unexpended Balance of Appropriation Reserves	237,834.33	245,847.71
Cancel Reserved Balances	15,634.75	139,963.72
Other Income	-	360.00
	<hr/>	<hr/>
Total Revenue	18,093,466.74	17,870,664.53
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	3,450,450.00	3,324,660.00
Other Expenses	2,471,768.00	2,259,915.00
Deferred Charges and Statutory Expenditures	914,155.00	860,993.00
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	120,000.00	120,000.00
Other Expenses	417,821.99	350,954.92
Municipal Debt Service	310,750.39	360,000.00
Local District School Tax	7,584,284.00	7,446,582.00
County Taxes Payable	1,940,772.01	1,939,282.55
Refund of Prior Year Revenue	1,093.00	637.50
Prior Year Tax Appeal Granted	-	128.30
Reserve for Due to from Employees	2,325.28	2,959.50
Active Shooter Program Adjustment	-	21,248.27
Prior Year Deductions Disallowed	500.00	389.05
	<hr/>	<hr/>
Total Expenditures	17,213,919.67	16,687,750.09
Excess/(Deficit) in Revenue	879,547.07	1,182,914.44
Fund Balance, January 1	2,391,855.82	2,471,541.38
	<hr/>	<hr/>
	3,271,402.89	3,654,455.82
Decreased By:		
Utilized as Anticipated Revenue	1,490,000.00	1,262,600.00
	<hr/>	<hr/>
Fund Balance, December 31	\$ 1,781,402.89	\$ 2,391,855.82
	<hr/>	<hr/>

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

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Budget</u>	<u>Budget Amendments</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 1,490,000.00	\$ -	\$ 1,490,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	9,000.00	-	9,190.00	190.00
Other	13,000.00	-	13,347.50	347.50
Fines and Costs:				
Municipal Court	90,000.00	-	78,973.08	(11,026.92)
Interest and Costs on Taxes	76,000.00	-	74,575.78	(1,424.22)
Trailer Park Licenses	13,200.00	-	14,400.00	1,200.00
Payment in Lieu of Taxes	60,000.00	-	60,000.00	-
Certificates of Occupancy	11,500.00	-	12,364.00	864.00
Fire Prevention Bureau - Permits	10,000.00	-	14,059.00	4,059.00
Community Center Fees	5,000.00	-	31,332.00	26,332.00
Energy Receipts Tax (P.L. 1997, Chaps. 162 & 167)	477,866.00	-	477,866.00	-
Uniform Construction Code Fees	50,000.00	-	83,976.00	33,976.00
Active Shooter Program	13,000.00	-	13,000.00	-
Public and Private Revenues Offset with Appropriations:				
Safe and Secure Communities Program	32,400.00	-	32,400.00	-
Recycling Tonnage Grant	25,320.35	-	25,320.35	-
Body Armor Grant	1,153.64	-	1,153.64	-
Body Worn Cameras	-	24,456.00	24,456.00	-
Private Donation for Speed Monitor	3,549.00	-	3,549.00	-
Other Special Items:				
Uniform Fire Safety Act	8,000.00	-	12,458.88	4,458.88
Cable TV Fees	75,200.00	-	75,239.37	39.37
Utility Operating Surplus of Prior Year	60,000.00	-	60,000.00	-
Total Miscellaneous Revenues	<u>1,034,188.99</u>	<u>24,456.00</u>	<u>1,117,660.60</u>	<u>59,015.61</u>
Receipts From Delinquent Taxes	<u>340,000.00</u>	<u>-</u>	<u>347,123.30</u>	<u>7,123.30</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>5,577,450.36</u>	<u>-</u>	<u>5,967,437.89</u>	<u>389,987.53</u>
Budget Totals	8,441,639.35	24,456.00	8,922,221.79	456,126.44
Non-Budget Revenue	<u>-</u>	<u>-</u>	<u>171,869.83</u>	<u>171,869.83</u>
	<u>\$ 8,441,639.35</u>	<u>\$ 24,456.00</u>	<u>\$ 9,094,091.62</u>	<u>\$ 627,996.27</u>

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

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue From Collections	\$ 14,713,343.93
Allocated To School and County Taxes	<u>9,525,056.01</u>

Balance for Support of Municipal Budget

Appropriations	5,188,287.92
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Add:

Reserve for Uncollected Taxes	<u>779,149.97</u>
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Amount for Support of Municipal Budget

Appropriations	<u>\$ 5,967,437.89</u>
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Receipts From Delinquent Taxes:

Delinquent Tax Collections	<u>\$ 347,123.30</u>
----------------------------	----------------------

\$ 347,123.30

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

Abandoned Property Registration	\$ 500.00
Board Of Health	1,158.00
Bounced Check Fee	20.00
Cancel Dated Checks	8,040.30
Code Violations	2,050.00
DMV Inspection Fees	1,000.00
Duplicate Bill Fees	465.00
Interest on Deposit	70,566.09
Joint Insurance Fund Dividend	18,982.00
Land Use Board Fees	9,408.08
Library Fines	686.00
Other	679.55
Police Special Duty Fee	28,875.00
Property Owner List	170.00
Recycling Fees	1,035.00
Reimbursed Trash Collection	4,095.81
Rental Fees	5,900.00
Street Opening Permits	7,250.00
Truck Rentals	200.00
Vending Machine	3,684.00
Community Centre Registration Fees	900.00
Senior Citizen Administration Fee	800.00
Kayak Rentals	5,200.00
Report Fees	<u>205.00</u>

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

\$ 171,869.83

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations				Paid or Charged	Encumbered	Reserved
	Original Budget	Chapter 159	Budget After Modifications				
General Appropriations							
Operations - Within "CAPS"							
GENERAL GOVERNMENT							
Administrator's Office							
Salaries and Wages	\$ 26,400.00	\$ -	\$ 21,400.00	\$ 20,886.04	\$ -	\$ 513.96	
Other Expenses	16,400.00	-	16,400.00	15,140.57	832.19	427.24	
Mayor and Council							
Salaries and Wages	41,800.00	-	41,800.00	41,733.32	-	66.68	
Other Expenses	2,750.00	-	2,750.00	1,784.17	-	965.83	
Municipal Clerk's Office							
Salaries and Wages	15,850.00	-	20,950.00	20,946.63	-	3.37	
Other Expenses	20,350.00	-	13,250.00	12,344.17	-	905.83	
Municipal Clerk - Shared Service							
Other Expenses	31,500.00	-	31,500.00	31,409.19	-	90.81	
Financial Administration							
Salaries and Wages	41,700.00	-	43,300.00	43,291.82	-	8.18	
Other Expenses	500.00	-	1,000.00	958.96	29.95	11.09	
Audit Services							
Other Expenses	12,500.00	-	8,500.00	8,500.00	-	-	
Central Postage							
Other Expenses	10,000.00	-	10,000.00	7,531.07	411.65	2,057.28	
Collection of Taxes							
Salaries and Wages	60,000.00	-	52,000.00	51,380.33	-	619.67	
Other Expenses	4,200.00	-	4,200.00	2,110.38	-	2,089.62	
Assessment of Taxes							
Salaries and Wages	25,800.00	-	25,800.00	25,780.26	-	19.74	
Other Expenses	28,418.00	-	28,418.00	16,737.50	-	11,680.50	
Legal Services							
Other Expenses	40,000.00	-	40,000.00	38,760.14	-	1,239.86	
Engineering Services and Costs							
Other Expenses	25,000.00	-	25,000.00	20,234.50	-	4,765.50	
Information Technology							
Other Expenses	62,000.00	-	60,500.00	54,983.23	-	5,516.77	
LAND USE ADMINISTRATION							
Land Use Board							
Salaries and Wages	12,200.00	-	13,800.00	13,642.54	-	157.46	
Other Expenses	10,000.00	-	5,000.00	4,030.60	-	969.40	

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

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations				Paid or Charged	Encumbered	Reserved
	Original Budget	Chapter 159	Budget After Modifications				
<b>CODE ENFORCEMENT</b>							
Code Enforcement Office							
Salaries and Wages	24,200.00	-	24,200.00	24,120.47	-	79.53	
Other Expenses	500.00	-	500.00	45.00	-	455.00	
<b>INSURANCE</b>							
General Liability	85,800.00	-	87,800.00	87,209.52	-	590.48	
Worker's Compensation	104,900.00	-	104,900.00	104,808.64	-	91.36	
Employees Group Insurance	865,000.00	-	865,000.00	864,870.29	-	129.71	
Health Benefit Waiver	11,000.00	-	11,000.00	10,200.00	-	800.00	
<b>PUBLIC SAFETY FUNCTIONS</b>							
<b>Police</b>							
Crossing Guards							
Salaries and Wages	30,000.00	-	31,000.00	30,826.50	-	173.50	
Clerical							
Salaries and Wages	75,600.00	-	76,800.00	76,705.52	-	94.48	
Officers							
Salaries and Wages	1,930,000.00	-	2,030,000.00	2,029,537.68	-	462.32	
Other Expenses	145,900.00	-	122,400.00	92,026.83	15,331.18	15,041.99	
First Aid Organization							
Aid to Volunteer Ambulance Company	8,800.00	-	8,800.00	8,800.00	-	-	
Fire Department							
Other Expenses	36,750.00	-	36,750.00	21,014.51	15,662.27	73.22	
Fire Prevention Bureau							
Salaries and Wages	13,500.00	-	13,500.00	13,495.05	-	4.95	
Other Expenses	3,000.00	-	3,000.00	477.63	308.75	2,213.62	
Fire Hydrants							
Other Expenses	45,000.00	-	45,000.00	43,403.97	-	1,596.03	
Emergency Management							
Other Expenses	9,500.00	-	7,500.00	6,944.41	-	555.59	
Municipal Prosecutor							
Salaries and Wages	37,500.00	-	37,500.00	37,124.64	-	375.36	
<b>PUBLIC WORKS FUNCTIONS</b>							
Road Repair and Maintenance							
Salaries and Wages	585,000.00	-	605,000.00	604,865.96	-	134.04	
Other Expenses	36,100.00	-	21,100.00	8,594.68	12,421.25	84.07	
Other Public Works Functions							
Traffic Lights	8,000.00	-	8,000.00	2,729.79	230.05	5,040.16	
Solid Waste Collection							
Salaries and Wages	21,500.00	-	6,500.00	6,289.31	-	210.69	
Other Expenses	521,000.00	-	521,000.00	431,706.50	1,566.68	87,726.82	

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

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations			Paid or Charged	Encumbered	Reserved
	Original Budget	Chapter 159	Budget After Modifications			
Public Buildings and Grounds						
Salaries and Wages	31,450.00	-	23,450.00	23,449.65	-	0.35
Other Expenses	45,000.00	-	49,000.00	45,327.36	3,660.64	12.00
Maintenance of Borough Vehicles						
Other Expenses	65,000.00	-	55,000.00	39,570.05	3,751.39	11,678.56
<b>HEALTH AND HUMAN SERVICES</b>						
Animal Control						
Other Expenses	14,000.00	-	14,000.00	10,915.40	-	3,084.60
<b>PARK AND RECREATION FUNCTIONS</b>						
Parks and Playgrounds						
Other Expenses	14,500.00	-	7,500.00	6,145.75	278.72	1,075.53
Community Center						
Salaries and Wages	118,000.00	-	103,000.00	102,989.52	-	10.48
Other Expenses	18,950.00	-	10,950.00	7,743.15	1,000.00	2,206.85
<b>EDUCATION</b>						
Expenses in Participation in County Library						
Salaries and Wages	50,200.00	-	40,200.00	40,190.94	-	9.06
Other Expenses	3,750.00	-	3,750.00	1,647.96	36.92	2,065.12
<b>MUNICIPAL COURT</b>						
Municipal Court						
Salaries and Wages	167,000.00	-	167,000.00	166,958.70	-	41.30
Other Expenses	5,800.00	-	5,800.00	2,117.51	437.70	3,244.79
Public Defender						
Salaries and Wages	9,450.00	-	9,450.00	9,400.08	-	49.92
<b>UNIFORM CONSTRUCTION CODE</b>						
State Uniform Construction Code						
Construction Official						
Salaries and Wages	31,500.00	-	31,500.00	31,410.83	-	89.17
Other Expenses	1,300.00	-	1,300.00	534.57	-	765.43
Sub-Code Officials						
Building Inspectors						
Salaries and Wages	35,300.00	-	32,300.00	32,075.17	-	224.83
Other Expenses	500.00	-	500.00	-	-	500.00

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



**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations				Paid or Charged	Encumbered	Reserved
	Original Budget	Chapter 159	Budget After Modifications				
<b>UNCLASSIFIED</b>							
Utilities:							
Electricity	20,000.00	-	20,000.00	19,124.08	445.90	430.02	
Street Lighting	34,000.00	-	34,000.00	29,161.12	2,748.14	2,090.74	
Telephone	28,000.00	-	32,000.00	29,509.70	2,031.34	458.96	
Water	6,500.00	-	6,500.00	5,715.31	-	784.69	
Natural Gas	16,000.00	-	22,100.00	22,093.92	-	6.08	
Gasoline and Fuel Oil	54,000.00	-	54,000.00	51,968.67	-	2,031.33	
Condo Services	60,000.00	-	60,000.00	-	-	60,000.00	
Celebration of Public Events	6,000.00	-	6,000.00	3,383.37	252.00	2,364.63	
Contingent	100.00	-	100.00	-	-	100.00	
<b>Total Operations - Within "CAPS"</b>	<b>5,922,218.00</b>	<b>-</b>	<b>5,922,218.00</b>	<b>5,619,415.13</b>	<b>61,436.72</b>	<b>241,366.15</b>	
Detail:							
Salaries and Wages	3,383,950.00	-	3,450,450.00	3,447,100.96	-	3,349.04	
Other Expenses	2,538,268.00	-	2,471,768.00	2,172,314.17	61,436.72	238,017.11	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"							
Prior Year Bills - Neptune Twp. EMS	9,954.00	-	9,954.00	9,954.00	-	-	
Statutory Expenditures: Contribution To:							
Public Employees' Retirement System	175,962.00	-	175,962.00	175,962.00	-	-	
Social Security System (O.A.S.I.)	150,000.00	-	150,000.00	141,351.07	-	8,648.93	
Police and Firemen's Retirement System of N.J.	576,239.00	-	576,239.00	576,239.00	-	-	
Defined Contribution Retirement Program (DCRP)	2,000.00	-	2,000.00	403.67	-	1,596.33	
<b>Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"</b>	<b>914,155.00</b>	<b>-</b>	<b>914,155.00</b>	<b>903,909.74</b>	<b>-</b>	<b>10,245.26</b>	
<b>Total General Appropriations for Municipal Purposes - Within "CAPS"</b>	<b>6,836,373.00</b>	<b>-</b>	<b>6,836,373.00</b>	<b>6,523,324.87</b>	<b>61,436.72</b>	<b>251,611.41</b>	
General Appropriations for Municipal Purposes - Excluded from "CAPS"							

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

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations			Paid or Charged	Encumbered	Reserved
	Original Budget	Chapter 159	Budget After Modifications			
Length of Service Award Program ("LOSAP")	30,000.00	-	30,000.00	9,700.00	-	20,300.00
	30,000.00	-	30,000.00	9,700.00	-	20,300.00
Shared Service Agreements						
Active Shooter						
Other Expenses	13,000.00	-	13,000.00	13,000.00	-	-
RECIPIENTS:						
Borough of Bay Head	36,455.00	-	36,455.00	35,690.00	-	765.00
Other Expenses						
County of Monmouth	147,228.00	-	147,228.00	147,228.00	-	-
Police Dispatch - 911 System						
Township of Neptune						
Reverse 911	2,800.00	-	2,800.00	2,800.00	-	-
Recycling	45,000.00	-	45,000.00	-	-	45,000.00
Shared Service - Neptune Twp. EMS	70,000.00	-	70,000.00	69,697.75	-	302.25
Bradley Beach						
Other Expenses	13,860.00	-	13,860.00	13,860.00	-	-
	328,343.00	-	328,343.00	282,275.75	-	46,067.25
Total Interlocal Municipal Service Agreements						
	328,343.00	-	328,343.00	282,275.75	-	46,067.25
Public and Private Programs Offset by Revenues:						
Matching Funds for Grants	5,000.00	-	5,000.00	-	-	5,000.00
Recycling Tonnage Grant	25,320.35	-	25,320.35	25,320.35	-	-
Private Donation for Speed Monitor	3,549.00	-	3,549.00	3,549.00	-	-
Safe and Secure Communities Program	120,000.00	-	120,000.00	120,000.00	-	-
Body Armor	1,153.64	-	1,153.64	1,153.64	-	-
Body Worn Camera Grants	-	24,456.00	24,456.00	24,456.00	-	-
	155,022.99	24,456.00	179,478.99	174,478.99	-	5,000.00
Total Public and Private Programs Offset by Revenues						
	155,022.99	24,456.00	179,478.99	174,478.99	-	5,000.00
Total Operations - Excluded from "CAPS"	513,365.99	24,456.00	537,821.99	466,454.74	-	71,367.25
Detail:						
Salaries and Wages	120,000.00	-	120,000.00	120,000.00	-	-
Other Expenses	393,365.99	-	417,821.99	346,454.74	-	71,367.25
Note Principal	237,153.89	-	237,153.89	237,153.89	-	-
Lease Payments - Principal & Interests	75,596.50	-	75,596.50	73,596.50	-	-
	312,750.39	-	312,750.39	310,750.39	-	-
Total Municipal Debt Service - Excluded From "CAPS"						
	312,750.39	-	312,750.39	310,750.39	-	-

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

BOROUGH OF NEPTUNE CITY  
 COUNTY OF MONMOUTH, NEW JERSEY  
 CURRENT FUND  
 STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Appropriations			Paid or Charged	Encumbered	Reserved
	Original Budget	Chapter 159	Budget After Modifications			
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	826,116.38	24,456.00	850,572.38	777,205.13	-	71,367.25
Subtotal General Appropriations	7,662,489.38	24,456.00	7,686,945.38	7,300,530.00	61,436.72	322,978.66
Reserve for Uncollected Taxes	779,149.97	-	779,149.97	779,149.97	-	-
Total General Appropriations	\$ 8,441,639.35	\$ 24,456.00	\$ 8,466,095.35	\$ 8,079,679.97	\$ 61,436.72	\$ 322,978.66

Adopted Budget Chapter 159	\$ 8,441,639.35	24,456.00	\$ 8,466,095.35
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Reserve for Uncollected Taxes	\$ 779,149.97
Cash Disbursements	7,126,051.01
Reserve for Grants-Appropriated	174,478.99
	\$ 8,079,679.97

**BOROUGH OF NEPTUNE CITY**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**TRUST FUND**  
**STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2022 AND 2021**

<u>Assets</u>	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Animal Control Fund:			
Cash	B-1	\$ 10.20	\$ 3,255.20
Other Trust Funds:			
Cash	B-1	1,505,353.35	1,352,259.78
		<u>1,505,353.35</u>	<u>1,352,259.78</u>
Length of Service Award Program Fund ("LOSAP"):			
Investments - Trustee	B-5	401,777.92	541,436.86
Total Assets		<u>\$ 1,907,141.47</u>	<u>\$ 1,896,951.84</u>
<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Animal Control Trust Fund:			
Due To:			
State of New Jersey	B-3	\$ 10.20	\$ 20.40
Reserve for Animal Control Expenditures	B-2	-	3,234.80
		<u>10.20</u>	<u>3,255.20</u>
Other Trust Funds:			
Reserve for Various Trust Activities	B-4	1,505,353.35	1,352,259.78
		<u>1,505,353.35</u>	<u>1,352,259.78</u>
Length of Service Award Program Fund ("LOSAP"):			
Reserve for Funds Held by Trustee	B-5	401,777.92	541,436.86
Total Liabilities and Reserves		<u>\$ 1,907,141.47</u>	<u>\$ 1,896,951.84</u>

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

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

<u>Assets</u>	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Cash and Investments	C-2/C-3	\$ 211,752.98	\$ 102,529.69
Grants Receivable	C-4	800,820.00	1,330,684.25
Leased Assets under Capital Lease		542,000.00	589,000.00
Deferred Charges To Future Taxation:			
Unfunded	C-5	<u>1,260,152.71</u>	<u>1,456,646.56</u>
Total Assets		<u>\$ 2,814,725.69</u>	<u>\$ 3,478,860.50</u>
<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Bond Anticipation Notes	C-6	\$ 1,015,297.33	\$ 923,502.95
Improvement Authorizations:			
Funded	C-7	506,867.33	867,830.57
Unfunded	C-7	283,440.97	665,299.96
Reserve for:			
Capital Improvement Fund	C-8	258,765.94	296,515.94
Encumbrances Payable	C-7	204,500.94	133,917.58
Lease Obligation Payable	C-9	542,000.00	589,000.00
Fund Balance	C-1	<u>3,853.18</u>	<u>2,793.50</u>
Total Liabilities and Reserves		<u>\$ 2,814,725.69</u>	<u>\$ 3,478,860.50</u>

There were bonds and notes authorized but not issued on December 31, 2022 of \$257,596.57 and on December 31, 2021 of \$533,143.61.

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

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
STATEMENT OF CAPITAL FUND BALANCE-  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		<u>\$ 2,793.50</u>
Increased By:		
Cancel Authorizations	<u>\$ 1,059.68</u>	<u>1,059.68</u>
Balance, December 31, 2022		<u><u>\$ 3,853.18</u></u>

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

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

<u>Assets</u>	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Operating Fund:			
Cash and Investments	D-4	\$ 412,257.29	\$ 499,634.44
Receivables With Offsetting			
Reserves:			
Consumer Accounts Receivable	D-6	167,174.17	148,882.50
Total Operating Fund		<u>579,431.46</u>	<u>648,516.94</u>
Capital Fund:			
Cash and Investments	D-4/D-5	618,129.80	629,771.80
Fixed Capital	D-11	1,772,488.06	1,772,488.06
Fixed Capital Authorized and Uncompleted	D-12	<u>300,000.00</u>	<u>300,000.00</u>
Total Capital Fund		<u>2,690,617.86</u>	<u>2,702,259.86</u>
Total Assets		<u>\$ 3,270,049.32</u>	<u>\$ 3,350,776.80</u>

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

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

<u>Liabilities, Reserves and Fund Balances</u>	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Operating Fund:			
Appropriation Reserves	D-3	\$ 20,292.56	\$ 35,835.53
Prepaid Sewer rents	D-8	81,178.70	77,210.80
Encumbrances Payable	D-10	<u>34,047.69</u>	<u>32,559.75</u>
		<u>135,518.95</u>	<u>145,606.08</u>
Reserve for Receivables	D	167,174.17	148,882.50
Fund Balance	D-1	<u>276,738.34</u>	<u>354,028.36</u>
Total Operating Fund		<u>579,431.46</u>	<u>648,516.94</u>
Capital Fund:			
Improvement Authorization:			
Funded	D-13	226,373.76	238,015.76
Reserve for:			
Reserve for Amortization	D-15	1,772,488.06	1,772,488.06
Deferred Reserve for Amortization	D-16	300,000.00	300,000.00
Capital Improvement Fund	D-14	<u>391,756.04</u>	<u>391,756.04</u>
Total Capital Fund		<u>2,690,617.86</u>	<u>2,702,259.86</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 3,270,049.32</u>	<u>\$ 3,350,776.80</u>

There were bonds and notes authorized but not issued on December 31, 2022 and on December 31, 2021 of \$0.

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



**BOROUGH OF NEPTUNE CITY**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**SEWER UTILITY OPERATING FUND**  
**STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Revenue and Other Income Realized:		
Fund Balance Anticipated	\$ 120,000.00	\$ 100,000.00
Miscellaneous Revenues Anticipated	1,219,108.33	1,235,334.11
Miscellaneous Revenues Not Anticipated	36,423.11	19,711.47
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	<u>37,178.54</u>	<u>129,311.98</u>
 Total Revenue	 <u>1,412,709.98</u>	 <u>1,484,357.56</u>
 Expenditures:		
Operating	1,271,505.00	1,156,300.00
Capital Improvements	-	100,000.00
Statutory Expenditures	<u>38,495.00</u>	<u>33,700.00</u>
 Total Expenditures	 <u>1,310,000.00</u>	 <u>1,290,000.00</u>
 Excess/(Deficit) in Revenue	 102,709.98	 194,357.56
 Statutory Excess in Revenue	 <u>102,709.98</u>	 <u>194,357.56</u>
 Fund Balance, January 1	 <u>354,028.36</u>	 <u>319,670.80</u>
	456,738.34	514,028.36
Decreased By:		
Utilized by Current Fund Budget	60,000.00	60,000.00
Utilized as Anticipated Revenue	<u>120,000.00</u>	<u>100,000.00</u>
 Fund Balance, December 31	 <u><u>\$ 276,738.34</u></u>	 <u><u>\$ 354,028.36</u></u>

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

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY OPERATING FUND -  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	\$ 120,000.00	\$ 120,000.00	\$ -
Sewer Rents	1,190,000.00	1,219,108.33	29,108.33
Miscellaneous Revenue	<u>-</u>	<u>36,423.11</u>	<u>36,423.11</u>
	<u>\$ 1,310,000.00</u>	<u>\$ 1,375,531.44</u>	<u>\$ 65,531.44</u>
Sewer Rents:			
Collections		\$ 1,141,897.53	
Prepayments Applied		<u>77,210.80</u>	
		<u>\$ 1,219,108.33</u>	
Miscellaneous:			
Miscellaneous Revenue		\$ 938.42	
Penalty & Costs on Tax Sale		1,560.00	
Interest on Tax Sale		1,397.13	
Interest on Delinquent Sewer Rents		16,110.56	
Interest on Investments		<u>16,417.00</u>	
		<u>\$ 36,423.11</u>	

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

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY OPERATING FUND -  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
Operating:					
Salaries and Wages	\$ 185,000.00	\$ 185,000.00	\$ 184,946.59	\$ -	\$ 53.41
Other Expenses	450,511.00	450,511.00	396,285.05	34,047.69	20,178.26
Neptune Township Sewerage Authority	635,994.00	635,994.00	635,994.00	-	-
Total Operating	<u>1,271,505.00</u>	<u>1,271,505.00</u>	<u>1,217,225.64</u>	<u>34,047.69</u>	<u>20,231.67</u>
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	23,995.00	23,995.00	23,995.00	-	-
Social Security System (O.A.S.I.)	14,500.00	14,500.00	14,439.11	-	60.89
Total Statutory Expenditures	<u>38,495.00</u>	<u>38,495.00</u>	<u>38,434.11</u>	<u>-</u>	<u>60.89</u>
Total Sewer Utility Appropriations	<u>\$ 1,310,000.00</u>	<u>\$ 1,310,000.00</u>	<u>\$ 1,255,659.75</u>	<u>\$ 34,047.69</u>	<u>\$ 20,292.56</u>

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

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
PUBLIC ASSISTANCE FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

<u>Assets</u>	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Interfund - Current Fund	E-1	\$ 31,489.58	\$ 31,489.58
Total Assets		<u>\$ 31,489.58</u>	<u>\$ 31,489.58</u>
 <u>Liabilities, Reserves and Fund Balances</u>			
Reserve for Public Assistance		\$ 31,489.58	\$ 31,489.58
Total Liabilities, Reserves and Fund Balances		<u>\$ 31,489.58</u>	<u>\$ 31,489.58</u>

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

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

<u>Assets</u>	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Land	F-1	\$ 2,866,600.00	\$ 2,866,600.00
Buildings and Building Improvements	F-1	2,131,300.00	2,131,300.00
Machinery and Equipment	F-1	<u>3,799,869.43</u>	<u>3,743,906.60</u>
Total Assets		<u>\$ 8,797,769.43</u>	<u>\$ 8,741,806.60</u>
<u>Liabilities</u>	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Investment in Fixed Assets	F-1	<u>\$ 8,797,769.43</u>	<u>\$ 8,741,806.60</u>
Total Liabilities		<u>\$ 8,797,769.43</u>	<u>\$ 8,741,806.60</u>

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

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**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 1. Summary of Significant Accounting Policies**

**Description of Financial Reporting Entity**

The Borough of Neptune City, County of Monmouth, New Jersey (“Borough”) is governed by the Borough form of government, with a mayor and a 6-member Borough Council. The financial statements of the Borough include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Borough, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

**Component Units** - GASB Statement 14, as amended by GASB Statements 39, 61, 80, 90, and 97, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Borough are not presented in accordance with GAAP (as discussed below). Therefore, the Borough had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61, 80, 90, and 97.

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

In accordance with the “Requirements”, the Borough accounts for its financial transactions through the use of separate funds, which are described as follows:

**Current Fund** – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

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

**Sewer Utility Operating and Capital Funds** – These funds account for utility operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the utility to the general public be financed through user fees. Operations relating to the acquisition of capital facilities for utility purposes are recorded in the Utility Capital Fund.

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Public Assistance Fund** – These funds account for receipt and disbursements of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes.

**General Fixed Asset Account Group** – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Borough.

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

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

**Cash, Cash Equivalents and Investments** - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost with the exception of LOSAP investments which are reported at fair value. Therefore, unrealized gains or losses on investments have not been recorded.

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

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

**BOROUGH OF NEPTUNE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 1. Summary of Significant Accounting Policies (continued):**

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

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

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

**General Fixed Assets** – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

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

**Utility Fixed Assets** – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent the cost of the utility fixed assets reduced by the outstanding balances of bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Foreclosed property** – Foreclosed Property or “Property Acquired for Taxes” is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Borough to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of

foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

**Fund Balance** – Fund Balance included in the Current and Utility Operating Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

**Revenues** – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Borough’s budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance 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 revenues when received.

**Utility Revenues** – Utility charges are levied semi-annually based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Boroughs utility operating fund.

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

**County Taxes** – The municipality is responsible for levying, collecting and remitting County taxes for the County of Monmouth. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10<sup>th</sup> of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> of the following year.

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the Borough of Neptune City School District. Operations are charged for the full amount required to be raised from taxation to operate the local and regional school district July 1 to June 30.

**BOROUGH OF NEPTUNE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Deferred School Taxes** – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

**Reserve for Uncollected Taxes** – The inclusion of the “Reserve for Uncollected Taxes” appropriation in the Borough’s annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

**Expenditures** – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided on the accrual basis.

**Appropriation Reserves** – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31<sup>st</sup> of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

**Long-Term Debt** - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and Utility Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

**Compensated Absences** – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

**Subsequent Events** – The Borough has evaluated subsequent events through the date the financial statements were made available to be issued.

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Recent Accounting Pronouncements** – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The following GASB pronouncement effective for the current year did have a significant impact on the Borough's financial statements.

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*.
- Statement No. 93, *Replacement of Interbank Offered Rates*.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*. Requirements of this pronouncement related to paragraphs 4 and 5 were implemented in the prior year.

Management has determined that the implementation of these Statements did not have a significant impact on the Borough's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

The following accounting pronouncements will become effective in future reporting periods:

- Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.
- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.
- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Management has not yet determined the potential impact these Statements will have on the Borough's financial statements.

**Note 2. Deposits and Investments**

The Borough is governed by the deposit and investment limitations of New Jersey state law.

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 2. Deposits and Investments (continued):**

**Deposits**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Borough’s deposits may not be returned. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2022, the Borough’s bank balance of \$7,692,284.54 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 5,697,944.05
Uninsured and Uncollateralized	1,994,340.49
	\$ 7,692,284.54

**Investments**

Under the regulatory basis of accounting, investments are measured at cost in the Borough’s financial statements. However, had the financial statements been prepared in accordance with generally accepted accounting principles (GAAP), investments would be reported at fair value (except for fully benefit-responsive investment contracts, which would be reported at contract value). Contract value is the relevant measure for the portion of the Length of Service Awards Program (LOSAP) Plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the LOSAP Plan.

Investments at Fair Value – The fair value measurements of investments are required to be reported based on the hierarchy established by GAAP. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available. As of December 31, 2022, the Borough had no investments held at Level 2 or 3.

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 2. Deposits and Investments (continued):**

Following is a description of the valuation methodologies used for investments measured at fair value.

*Bond Anticipation Notes:* Valued at the market value of the Notes held by the Borough at year-end.

*Mutual Funds:* Valued at quoted market prices which represent the net asset value (“NAV”) shares held by the Borough at year-end.

The Borough’s fair value, hierarchy level and maturities of its investments at December 31, 2022 was as followed:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2022</u>		<u>Investment Maturities (in Years)</u>
		<u>Level 1</u>	<u>Total</u>	<u>Less Than 1 Year</u>
Bond Anticipation Notes	\$ 1,015,297.33	\$ 1,015,297.33	\$ 1,015,297.33	\$ 1,015,297.33
Mutual Funds	364,807.52	364,807.52	364,807.52	364,807.52
	<u>\$ 1,380,104.85</u>	<u>\$ 1,380,104.85</u>	<u>\$ 1,380,104.85</u>	<u>\$ 1,380,104.85</u>
<u>Fund</u>				
Capital Fund	\$ 1,015,297.33	\$ 1,015,297.33	\$ 1,015,297.33	\$ 1,015,297.33
Trust Fund - LOSAP (Fair Value)	364,807.52	364,807.52	364,807.52	364,807.52
	<u>\$ 1,380,104.85</u>	<u>\$ 1,380,104.85</u>	<u>\$ 1,380,104.85</u>	<u>\$ 1,380,104.85</u>

Investments at Contract Value - The Borough held a fully benefit-responsive investment contract with the Lincoln Financial Group (Lincoln) totaling \$36,970.40 as of December 31, 2022. Lincoln maintains the contributions in the group fixed annuity contract (fixed account). The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contract held by the Borough is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the LOSAP Plan. The Borough’s ability to receive amounts due in accordance with the fully benefit-responsive investment contract is dependent on the contract issuer’s ability to meet its financial obligations. The fixed account continues in-force until they are terminated by Lincoln or the LOSAP Plan and do not define a maturity date.

No events are probable of occurring that might limit the ability of the LOSAP Plan to transact at contract value with the contract issuer and also limit the ability of the LOSAP Plan to transact at contract value with participants. This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value.



**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 2. Deposits and Investments (continued):**

The total Trust Fund LOSAP value held by the Borough at December 31, 2022 was as follows:

	<u>12/31/2022</u>
Fixed Account Investment Contract	\$ 36,970.40
Trust Fund - LOSAP (Fair Value)	\$ 364,807.52
Trust Fund - LOSAP (Contract Value)	<u>36,970.40</u>
Total Trust Fund - LOSAP	<u>\$ 401,777.92</u>

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Borough will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough has no investment policy to limit exposure to custodial credit risk.

Interest rate risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A; 5-15.1, the Borough’s investment policies place no limit in the amount the Borough may invest in any one issuer. More than 5% of the Borough’s investments are in bond anticipation notes and mutual funds and these investments represent 100% of the Borough’s total investments.

**Note 3. Property Taxes**

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 3. Property Taxes (continued):**

**Comparison Schedule of Tax Rates**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>\$ 2.039</u>	<u>\$ 2.188</u>	<u>\$ 2.291</u>
Apportionment of Tax Rate:			
Municipal	0.774	0.804	0.851
County General	0.241	0.286	0.299
Local School	1.024	1.098	1.141

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2022	\$ 740,648,300.00
2021	677,923,700.00
2020	640,359,500.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2022	\$ 15,144,130.00	\$ 14,713,343.93	97.15%
2021	14,855,813.55	14,499,624.38	97.60%
2020	14,711,788.65	14,357,178.68	97.58%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2022	\$ 6,600.40	\$ 433,691.33	\$ 440,291.73	2.91%
2021	308.19	361,263.02	361,571.21	2.43%
2020	13,670.19	361,416.97	375,087.16	2.55%

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 4. Property Acquired By Tax Title Lien Liquidation**

The value of properties acquired by liquidation of tax title liens based on the last assessed valuation of such properties as of December 31, was as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 29,300.00
2021	29,300.00
2020	29,300.00

**Note 5. Sewer Utility Service Charges**

The following is a three-year comparison of Sewer utility charges (rents) and collections for the current and previous two years.

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2022	\$ 148,882.50	\$ 1,237,400.00	\$ 1,386,282.50	\$ 1,219,108.33	87.94%
2021	147,761.95	1,236,454.66	1,384,216.61	1,235,334.11	89.24%
2020	158,994.80	1,238,040.08	1,397,034.88	1,249,272.93	89.42%

**Note 6. Fund Balances Appropriated**

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b>Current Fund:</b>			
2022	\$ 1,781,402.89	\$ 880,000.00	49.40%
2021	2,391,855.82	1,490,000.00	62.29%
2020	2,471,541.38	1,262,600.00	51.09%
<b>Sewer Operating Fund:</b>			
2022	\$ 276,738.34	\$ 120,000.00	43.36%
2021	354,028.36	120,000.00	33.90%
2020	319,670.80	100,000.00	31.28%

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 7. Disaggregated Receivable and Payable Balances**

There are no significant components of receivable and payable balances reported in the financial statements.

**Note 8. Interfund Receivables, Payables and Transfers**

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

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ -	\$ 602,937.72
State and Federal Grant Fund	571,448.14	-
Public Assistance Fund	31,489.58	-
	\$ 602,937.72	\$ 602,937.72

The interfund receivables and payables above predominantly resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

**Note 9. Fixed Assets**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2022.

	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2022</u>
Land	\$ 2,866,600.00	\$ -	\$ -	\$ 2,866,600.00
Buildings and Buildings Improvement	2,131,300.00	-	-	2,131,300.00
Machinery & Equipment	3,743,906.60	55,962.83	-	3,799,869.43
	\$ 8,741,806.60	\$ 55,962.83	\$ -	\$ 8,797,769.43

**Note 10. Pension Obligations**

**A. Public Employees' Retirement System (PERS)**

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 10. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

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

The following represents the membership tiers for PERS:

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

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

**Basis of Presentation** - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - 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 insurance benefits is based on actual claims paid. For the fiscal year 2021, 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. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 10. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2022, the Borough's contractually required contribution to PERS plan was \$217,997.

**Components of Net Pension Liability** - At December 31, 2022, the Borough's proportionate share of the PERS net pension liability was \$2,608,842. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Borough's proportion measured as of June 30, 2022, was 0.0172869705% which was an increase of 0.0002129179% from its proportion measured as of June 30, 2021.

**Balances at December 31, 2022 and December 31, 2021**

	<u>12/31/2022</u>	<u>12/30/2021</u>
	June 30, 2022	June 30, 2021
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 383,888	\$ 381,164
Deferred Inflows of Resources	428,703	1,336,604
Net Pension Liability	2,608,842	2,022,677
Borough's portion of the Plan's total Net Pension Liability	0.01729%	0.01707%

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2022, the Borough's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2022 measurement date is \$(106,464). This expense/(credit) is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$217,997 to the plan in 2022.

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 10. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

At December 31, 2022, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 18,829	\$ 16,605
Changes of Assumptions	8,083	390,647
Net Difference between Projected and Actual Earnings on Pension Plan Investments	107,978	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>248,998</u>	<u>21,451</u>
	<u>\$ 383,888</u>	<u>\$ 428,703</u>

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 10. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

The Borough will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.00
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	-	5.00
June 30, 2022	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04



**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 10. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ (178,275)
2024	(68,501)
2025	(10,092)
2026	166,809
2027	<u>45,244</u>
	<u>\$ (44,815)</u>

**Special Funding Situation** – Under N.J.S.A. 43:15A-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, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the Borough as of December 31, 2022. At December 31, 2022, the State's proportionate share of the PERS expense, associated with the Borough, calculated by the plan as of the June 30, 2021 measurement date was \$5,489.

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

**Inflation:**

Price	2.75%
Wage	3.25%

**Salary Increases:**

2.75 - 6.55%  
Based on Years of Service

Investment Rate of Return 7.00%

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 10. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

Mortality Rate Table

PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
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Period of Actuarial Experience

Study upon which Actuarial

Assumptions were Based

July 1, 2018 - June 30, 2021

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

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

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 10. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**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 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 were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 10. Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
Borough's Proportionate Share of the Net Pension Liability	\$ 3,379,982	\$ 2,608,842	\$ 1,993,468

**B. Police and Firemen's Retirement System (PFRS)**

**Plan Description** – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010.
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

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

**Basis of Presentation** - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 10. Pension Obligations (continued)**

**B. Police and Firemen’s Retirement System (PFRS) (continued)**

**Contributions** - 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. For fiscal year 2021, the State contributed an amount less than the actuarially determined amount. The Local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2022, the Borough’s contractually required contributions to PFRS plan was \$659,786.

**Net Pension Liability and Pension Expense** - At December 31, 2022 the Borough’s proportionate share of the PFRS net pension liability was \$5,806,871. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The Borough’s proportion of the net pension liability was based on the Borough’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2022. The Borough’s proportion measured as of June 30, 2022, was 0.0507311800%, which was a decrease of 0.0001608234% from its proportion measured as of June 30, 2021.

**Balances at December 31, 2022 and December 31, 2021**

	<u>12/31/2022</u>	<u>12/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Deferred Outflows of Resources	\$ 1,108,210	\$ 293,440
Deferred Inflows of Resources	1,327,948	3,430,568
Net Pension Liability	5,806,871	3,613,855
Borough's portion of the Plan's total net pension Liability	0.05073%	0.04944%

**Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources** – At December 31, 2022, the Borough’s proportionate share of the PFRS expense/(credit), calculated by the plan as of the June 30, 2022 measurement date was \$(64,465). This expense/(credit) is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$659,786 to the plan in 2022.

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 10. Pension Obligations (continued)**

**B. Police and Firemen's Retirement System (PFRS) (continued)**

At December 31, 2022, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 262,835	\$ 355,750
Changes of Assumptions	15,914	730,970
Net Difference between Projected and Actual Earnings on Pension Plan Investments	531,739	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contribution:	<u>297,722</u>	<u>241,228</u>
	<u>\$ 1,108,210</u>	<u>\$ 1,327,948</u>

The Borough will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.59	-
June 30, 2018	5.73	-
June 30, 2019	-	5.92
June 30, 2020	5.90	-
June 30, 2021	-	6.17
June 30, 2022	6.22	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90
June 30, 2022	-	6.22

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 10. Pension Obligations (continued)**

**B. Police and Firemen’s Retirement System (PFRS) (continued)**

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.00
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	-	5.00
June 30, 2022	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73
June 30, 2019	5.92	5.92
June 30, 2020	5.90	5.90
June 30, 2021	6.17	6.17
June 30, 2022	6.22	6.22

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

<u>Year Ending</u>	<u>Amount</u>
2023	\$ (279,137)
2024	(174,308)
2025	(165,512)
2026	380,630
2027	14,858
Thereafter	<u>3,731</u>
	<u>\$ (219,738)</u>

**Special Funding Situation** – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 10. Pension Obligations (continued)**

**B. Police and Firemen's Retirement System (PFRS) (continued)**

legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Borough is \$1,033,453 as of December 31, 2022. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The State's proportion of the net pension liability associated with the Borough 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 members, actuarially determined. The State's proportion measured as of June 30, 2022 was 0.05073124%, which was an increase of 0.0012883705% from its proportion measured as of June 30, 2021, which is the same proportion as the Borough's. At December 31, 2022, the Borough's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 5,806,871
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>1,033,453</u>
	<u>\$ 6,840,324</u>

At December 31, 2022, the State's proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2022 measurement date was \$119,233.

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All future years
	3.25 - 16.25%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PFRS	PubS-2010 amount-weighted mortality table using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021



**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 10. Pension Obligations (continued)**

**B. Police and Firemen’s Retirement System (PFRS) (continued)**

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

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

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 10. Pension Obligations (continued)**

**B. Police and Firemen’s Retirement System (PFRS) (continued)**

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 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 were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
Borough's Proportionate Share of the Net Pension Liability	\$ 7,967,654	\$ 5,806,871	\$ 17,552,093
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	1,418,009	1,033,453	3,123,759
	\$ 9,385,663	\$ 6,840,324	\$ 20,675,852

**Related Party Investments** - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

**Note 11. Postemployment Benefits Other Than Pensions**

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for other postemployment benefit obligations for the year ended June 30, 2022. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2021.

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. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits’ (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 11. Postemployment Benefits Other Than Pensions (continued):**

**General Information about the OPEB Plan**

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.

**Basis of Presentation**

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Allocation Methodology**

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2021 were \$3,872,142,278 and \$14,177,910,609, respectively.

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 11. Postemployment Benefits Other Than Pensions (continued):**

The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2020 through June 30, 2021. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

**Net OPEB Liability**

The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. 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:

Inflation Rate	2.16%
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Initial Fiscal Year Applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%
Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
PERS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

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

**OPEB Obligation and OPEB (benefit) Expense** - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Borough's as of June 30, 2021 was \$9,038,410. The Borough's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2021, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the OPEB Obligation associated with the Borough was based on projection of the State's long-term contributions to the OPEB plan associated with the Borough relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2021, the State proportionate share of the OPEB Obligation attributable to the Borough was 0.050213999%, which was an increase of 0.015665001% from its proportion measured as of June 30, 2020.

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 11. Postemployment Benefits Other Than Pensions (continued):**

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$394,568 for the State's proportionate share of the OPEB (benefit) expense attributable to the Borough. This OPEB (benefit) expense was based on the OPEB plans June 30, 2021 measurement date.

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

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

*Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after eight years.

*Discount Rate*

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

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

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

	<u>At 1% Decrease (1.16%)</u>	<u>At Discount Rate (2.16%)</u>	<u>At 1% Increase (3.16%)</u>
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Borough	\$ 10,636,474.87	\$ 9,038,410.00	\$ 7,771,909.23
State of New Jersey's Total Nonemployer OPEB Liability	21,182,289,882.00	17,999,781,235.00	15,477,574,697.00

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 11. Postemployment Benefits Other Than Pensions (continued):**

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

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Borough	\$ 7,541,077.98	\$ 9,038,410.00	\$ 10,992,242.88
State of New Jersey's Total Nonemployer OPEB Liability	15,017,879,689.00	17,999,781,235.00	21,890,793,528.00

**Additional Information** – The following is a summary of the collective balances of the local group at June 30, 2021:

**Collective Balances at December 31, 2022 and December 31, 2021**

	<u>12/31/2022</u>	<u>12/31/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 3,001,822,350.00	\$ 3,168,345,589.00
Collective Deferred Inflows of Resources	6,947,492,748.00	7,333,043,620.00
Collective Net OPEB Liability	17,999,781,235.00	17,946,612,946.00
Borough's Portion	0.050214%	0.034549%

The collective amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2022	\$ (1,074,753,405.00)
2023	(1,076,167,210.00)
2024	(1,077,459,075.00)
2025	(769,416,743.00)
2026	(129,344,414.00)
Thereafter	<u>181,470,449.00</u>
	<u>\$ (3,945,670,398.00)</u>

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 11. Postemployment Benefits Other Than Pensions (continued):**

*Changes in Proportion*

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Plan Membership**

At June 30, 2020, the Program membership consisted of the following:

	June 30, 2020
Active Plan Members	64,243
Retirees Currently Receiving Benefit	32,624
Total Plan Members	96,867

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

Service Cost	\$ 846,075,674.00
Interest on the Total OPEB Liability	413,837,061.00
Change of Benefit Terms	2,029,119.00
Differences Between Expected and Actual Experience	(1,196,197,410.00)
Changes of Assumptions	339,165,715.00
Contributions From the Employer	(325,097,477.00)
Contributions From Non-Employer Contributing Entity	(37,777,433.00)
Net Investment Income	(201,343.00)
Administrative Expense	11,334,383.00
Net Change in Total OPEB Liability	53,168,289.00
Total OPEB Liability (Beginning)	17,946,612,946.00
Total OPEB Liability (Ending)	\$ 17,999,781,235.00

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 12. Municipal Debt**

The following schedule represents the Borough's summary of debt, as filed in the Borough's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Debt Issued:</b>			
General:			
Bonds, Notes and Loans	\$ 1,015,297.33	\$ 923,502.95	\$ 1,033,596.49
Total Debt Issued	1,015,297.33	923,502.95	1,033,596.49
<b>Debt Authorized but not issued:</b>			
General:			
Bonds, Notes and Loans	257,596.57	144,765.53	621,875.74
Total Authorized But Not Issued	257,596.57	533,143.61	621,875.74
<b>Total Gross Debt</b>	\$ 1,272,893.90	\$ 1,456,646.56	\$ 1,655,472.23
<b>Deductions:</b>			
General	12,741.19	-	-
<b>Total Net Debt</b>	\$ 1,260,152.71	\$ 1,456,646.56	\$ 1,655,472.23

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 3,025,000.00	\$ 3,025,000.00	\$ -
General Debt	1,272,893.90	12,741.19	1,260,152.71
	\$ 4,297,893.90	\$ 3,037,741.19	\$ 1,260,152.71

Net Debt \$1,260,152.71 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$754,910,976.00, equals 0.167%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2022 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 26,421,884.16
Net Debt	1,260,152.71
Remaining Borrowing Power	\$ 25,161,731.45



**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 12. Municipal Debt (continued):**

Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year		\$ 1,375,531.44
Deductions:		
Operating and Maintenance Costs	\$ 1,310,000.00	
Total Deductions		<u>1,310,000.00</u>
Excess/(Deficit) in Revenue		<u>\$ 65,531.44</u>

**General Debt**

**A. Serial Bonds Payable**

As of December 31, 2022, the Borough had no serial bonds outstanding.

**B. Bond Anticipation Notes Payable – Short Term Debt**

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2022:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2022</u>
Bond Anticipation Notes-Variou	12/28/2021	12/26/2023	0%	\$ 917,214.58
Bond Anticipation Notes-Variou	12/27/2022	12/26/2023	0%	<u>98,082.75</u>
				<u><u>1,015,297.33</u></u>

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

**C. Bonds and Notes Authorized But Not Issued**

The Borough had bonds and notes authorized but not issued in the General Capital Fund at December 31, 2022 in the amount of \$257,596.57.

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 12. Municipal Debt (continued):**

**Summary of Principal Debt**

A summary of the changes in long-term and short-term debt of the Borough is as follows:

	Balance December 31, <u>2021</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2022</u>	Balance Due Within <u>One Year</u>
General Capital:					
Bond Anticipation Notes	\$ 923,502.95	\$ 1,015,297.33	\$ 923,502.95	\$ 1,015,297.33	\$ 1,015,297.33
Authorized but Not Issued	533,143.61	80,750.00	356,297.04	257,596.57	-
	<u>\$ 1,456,646.56</u>	<u>\$ 1,096,047.33</u>	<u>\$ 1,279,799.99</u>	<u>\$ 1,272,893.90</u>	<u>\$ 1,015,297.33</u>

**Note 13. Deferred School Taxes**

School taxes have been raised and the liability deferred by statutes. The balance of unpaid local and regional school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

<u>Local Taxes</u>	<u>Balance, December 31,</u>	
	<u>2022</u>	<u>2021</u>
Total Balance of Local Tax	\$ 3,792,136.86	\$ 3,723,285.88
Deferred Taxes	<u>1,675,000.00</u>	<u>1,675,000.00</u>
Local Tax Payable	<u>\$ 2,117,136.86</u>	<u>\$ 2,048,285.88</u>

**Note 14. Deferred Compensation Salary Account**

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

**Note 15. Accrued Sick, Vacation and Compensation Time**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation, sick pay and compensation time. The Borough permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$604,554.38 at December 31, 2022.

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 15. Accrued Sick, Vacation and Compensation Time**

The Borough has established a Trust Fund in accordance with NJSA 40A:4-39 to set aside funds for future payments of compensated absences. As of December 31, 2022, the Borough has reserved in the Other Trust Fund \$314,728.72 to fund compensated absences in accordance with NJSA 40A:4-39.

**Note 16. Contingencies**

Grantor Agencies

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2022 the Borough estimates that no material liabilities will result from such audits.

Litigation

The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2022.

**Note 17. Length of Service Awards Program**

The Borough's length of service awards program ("LOSAP") is reported in the Borough's trust fund Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

The tax deferred income benefits for the active volunteer firefighters and emergency medical personnel serving the residents of the Borough come from contributions made solely by the governing body of the Borough, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**Contributions** - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Borough elected to contribute \$1,150.00 for the year ended December 31, 2022 per eligible volunteer,

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 17. Length of Service Awards Program (continued):**

into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2022, the Borough contributed a total of \$8,550.00 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

**Participant Accounts** - Each participant's account is credited with the Borough's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Borough has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. Such funds, although subject to the claims of the Borough's creditors until distributed as benefit payments, are not available for funding the operations of the Borough. The funds may also be used to pay the administrative fees charged by the Plan Administrator. VALIC, Inc. ("Plan Administrator"), an approved Length of Service Awards Program provider, is the administrator of the Plan. The Borough's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

**Vesting** - Benefits, plus actual earnings thereon, are one hundred percent (100%) vested after five (5) years of service.

**Payment of Benefits** - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2022 payouts of \$45,424.45 were made to vested participants.

**Forfeited Accounts** – During the year ended December 31, 2022, no accounts were forfeited.

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

**Note 18. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2022 and September 28, 2023, the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. Based upon this evaluation, Management has determined that the following item(s) require disclosure in the financial statements:

- On April 24, 2023, a Bond Ordinance providing for various capital improvements appropriating \$93,000 therefor and authorizing the issuance of \$88,350 bonds or notes to finance a portion of the costs thereof, was adopted by the Governing body.
- On May 22, 2023, a Bond Ordinance providing for the acquisition of a recycling truck and appropriating \$50,000 and authorizing the issuance of \$47,500 bonds or notes to finance a portion of the costs thereof, was adopted by the Governing body.

**BOROUGH OF NEPTUNE CITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 18. Subsequent Events (continued)**

- On July 24, 2023, a Bond Ordinance providing for ADA Improvements Phase 4, appropriating \$260,000 and authorizing the issuance of \$83,615 bonds or notes to finance a portion of the costs thereof, was adopted by the Governing Body.
- On August 28, 2023, a Bond Ordinance providing for the 2022 Roadway Improvement Program, appropriating \$305,000 and authorizing the issuance of \$61,167 bonds or notes financing the costs thereof, was adopted by the Governing Body.
- On August 28, 2023, a Bond Ordinance providing for acquisition of Police Vehicles, appropriating \$210,000 and authorizing the issuance of \$199,500 bonds or notes financing the costs thereof, was adopted by the Governing Body.

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**SUPPLEMENTARY STATEMENTS**

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**CURRENT FUND**

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**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF CASH AND INVESTMENTS - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2022**

		Current Fund
Balance, December 31, 2021		\$ 4,723,995.69
Increased By Receipts:		
Non-Budget Revenues	\$ 171,869.83	
State of New Jersey - Senior Citizens' and Veterans' Deductions	40,000.00	
Property Taxes Receivable	14,791,448.77	
Tax Overpayments	6,104.48	
Revenue Accounts Receivable	1,030,781.61	
Due To/From:		
State of N.J.	5,523.00	
Notes Receivable: General Capital Fund	923,502.95	
Prepaid Taxes	155,853.93	
Interfund	3,245.99	
Various Reserves	228,367.36	
Grants:		
Grants Receivable	89,017.49	
Unappropriated Reserves	252,626.44	
		17,698,341.85
		22,422,337.54
Decreased By Disbursements:		
2022 Budget Appropriations	7,126,051.01	
2021 Appropriation Reserves	166,507.68	
Notes Receivable: General Capital Fund	1,015,297.33	
Local School Taxes	7,515,433.02	
County Taxes	1,938,321.22	
Tax Overpayments	524.87	
Due to State of N.J.	5,694.00	
Refund of Prior Year Revenue	1,093.00	
Various Reserves	192,738.01	
Grants - Appropriated	140,211.39	
		18,101,871.53
Balance, December 31, 2022		\$ 4,320,466.01



**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 308.19
Increased By:		
Transfer from Taxes Receivable	\$ 6,104.48	
Interest and Cost of Tax Sale	<u>187.73</u>	
		<u>6,292.21</u>
Balance, December 31, 2022		<u><u>\$ 6,600.40</u></u>

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2022 & 2021

\$ 29,300.00

**BOROUGH OF NEPTUNE CITY**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2021</u>	Accrued in <u>2022</u>	<u>Collections</u>	Balance December 31, <u>2022</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 9,190.00	\$ 9,190.00	\$ -
Other	-	13,347.50	13,347.50	-
Fines and Costs:				
Municipal Court	5,177.80	78,306.80	78,973.08	4,511.52
Interest and Costs on Taxes	-	74,575.78	74,575.78	-
Trailer Park Licenses	-	14,400.00	14,400.00	-
Payment in Lieu of Taxes	-	60,000.00	60,000.00	-
Certificates of Occupancy	-	12,364.00	12,364.00	-
Fire Prevention Bureau - Permits	-	14,059.00	14,059.00	-
Community Center Fees	-	31,332.00	31,332.00	-
Energy Receipts Tax (P.L. 1997, Chaps. 162 & 167)	-	477,866.00	477,866.00	-
Active Shooter Program	-	13,000.00	13,000.00	-
Uniform Construction Code Fees	-	83,976.00	83,976.00	-
Other Special Items:				
Uniform Fire Safety Act	-	12,458.88	12,458.88	-
Cable TV Fees	-	75,239.37	75,239.37	-
Leased Property - Cingular Wireless	-	60,000.00	60,000.00	-
	<u>\$ 5,177.80</u>	<u>\$ 1,030,115.33</u>	<u>\$ 1,030,781.61</u>	<u>\$ 4,511.52</u>

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance, December 31, <u>2021</u>	Transfer from <u>Encumbrances</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
<b>GENERAL GOVERNMENT</b>					
Administrator's Office					
Salaries and Wages	\$ 983.22	\$ -	\$ 983.22	\$ -	\$ 983.22
Other Expenses	1,902.38	800.65	2,703.03	2,111.43	591.60
Mayor and Council					
Salaries and Wages	185.81	-	185.81	-	185.81
Other Expenses	14.80	-	14.80	-	14.80
Municipal Clerk's Office					
Other Expenses	6,637.37	1,068.45	7,705.82	827.45	6,878.37
Financial Administration					
Salaries and Wages	95.64	-	95.64	-	95.64
Other Expenses	389.84	-	389.84	-	389.84
Central Postage					
Other Expenses	2,453.31	-	453.31	442.04	11.27
Collection of Taxes					
Other Expenses	1,115.18	-	1,115.18	900.00	215.18
Assessment of Taxes					
Salaries and Wages	1,057.60	-	1,057.60	-	1,057.60
Other Expenses	13,155.99	-	16,455.99	16,356.00	99.99
Legal Services					
Other Expenses	5,736.90	-	5,736.90	2,421.20	3,315.70
Engineering Services and Costs					
Other Expenses	-	9,738.00	9,738.00	9,732.00	6.00
Information Technology					
Other Expenses	3,859.09	725.94	4,585.03	3,641.51	943.52
Planner					
Other Expenses	3,000.00	-	-	-	-
<b>LAND USE ADMINISTRATION</b>					
Land Use Board					
Salaries and Wages	8.82	-	8.82	-	8.82
Other Expenses	1,981.84	350.00	2,331.84	782.25	1,549.59
<b>CODE ENFORCEMENT</b>					
Code Enforcement Office					
Salaries and Wages	2.35	-	2.35	-	2.35
Other Expenses	385.77	-	385.77	-	385.77
<b>INSURANCE</b>					
Employees Group Insurance	16,450.06	-	8,650.06	6,079.90	2,570.16
Health Benefit Waiver	1,266.67	-	1,266.67	-	1,266.67
<b>PUBLIC SAFETY FUNCTIONS</b>					
Police					
Crossing Guards					
Salaries and Wages	2,396.00	-	2,396.00	-	2,396.00
Clerical					
Salaries and Wages	156.94	-	156.94	-	156.94
Officers					
Salaries and Wages	6,544.33	-	6,544.33	(3,600.00)	10,144.33
Other Expenses	13,482.12	55,218.09	68,700.21	20,274.20	48,426.01
Fire					
Fire Hydrant Service	12,511.12	-	12,511.12	-	12,511.12
Other Expenses	2,666.61	20,613.51	23,280.12	21,832.37	1,447.75
Fire Prevention Bureau					
Other Expenses	79.16	127.31	206.47	127.31	79.16
Emergency Management					
Other Expenses	2,913.90	-	2,913.90	-	2,913.90
Municipal Prosecutor					
Salaries and Wages	9,378.87	-	9,378.87	-	9,378.87



**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance, December 31, <u>2021</u>	Transfer from <u>Encumbrances</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
<b>PUBLIC WORKS FUNCTIONS</b>					
Road Repair and Maintenance					
Salaries and Wages	2,997.83	-	2,997.83	-	2,997.83
Other Expenses	1,879.71	13,369.10	15,248.81	6,997.68	8,251.13
Other Public Works Functions					
Traffic Lights	5,751.40	-	5,751.40	243.89	5,507.51
Solid Waste Collection					
Salaries and Wages	18.61	-	18.61	-	18.61
Other Expenses	9,671.72	1,656.76	15,628.48	15,526.66	101.82
Public Buildings and Grounds					
Salaries and Wages	816.17	-	816.17	-	816.17
Other Expenses	38.99	2,761.01	4,300.00	3,550.90	749.10
Maintenance of Borough Vehicles					
Other Expenses	4,620.00	5,655.75	10,275.75	3,044.23	7,231.52
<b>HEALTH AND HUMAN SERVICES</b>					
Animal Control					
Other Expenses	-	872.33	872.33	-	872.33
<b>PARK AND RECREATION FUNCTIONS</b>					
Parks and Playgrounds					
Other Expenses	1,897.68	6,850.00	8,747.68	7,640.20	1,107.48
Community Center					
Salaries and Wages	18,429.03	-	18,429.03	-	18,429.03
Other Expenses	11,653.56	82.45	11,736.01	347.73	11,388.28
Celebration of Public Events					
Other Expenses	1,842.07	-	1,842.07	99.98	1,742.09
<b>EDUCATION</b>					
Expenses in Participation in County Library					
Salaries and Wages	3,305.09	-	3,305.09	-	3,305.09
Other Expenses	3,158.39	82.45	3,240.84	82.45	3,158.39
<b>MUNICIPAL COURT</b>					
Municipal Court					
Salaries and Wages	1,841.50	-	1,841.50	-	1,841.50
Other Expenses	4,980.97	-	4,980.97	22.10	4,958.87
Public Defender					
Salaries and Wages	3,554.46	-	3,554.46	-	3,554.46
<b>UNIFORM CONSTRUCTION CODE</b>					
State Uniform Construction Code					
Construction Official					
Salaries and Wages	846.42	-	846.42	-	846.42
Other Expenses	850.15	257.45	1,107.60	82.45	1,025.15
Sub-Code Officials					
Building Inspectors					
Salaries and Wages	46.23	-	46.23	-	46.23
Other Expenses	500.00	-	500.00	-	500.00
<b>UNCLASSIFIED</b>					
Utilities:					
Electricity	5,481.12	-	5,481.12	5,481.12	-
Street Lighting	6,116.31	-	6,116.31	2,724.25	3,392.06
Telephone	298.74	-	298.74	298.74	-
Water	-	-	400.00	367.81	32.19
Gasoline and Fuel Oil	70.02	5,600.00	6,170.02	6,125.19	44.83
Condo Services	60,000.00	-	60,000.00	60,000.00	-
Contingent	100.00	-	100.00	-	100.00
Total Operations - Within "CAPS"	<u>261,577.86</u>	<u>125,829.25</u>	<u>387,407.11</u>	<u>194,563.04</u>	<u>192,844.07</u>

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance, December 31, <u>2021</u>	Transfer from <u>Encumbrances</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Detail:					
Salaries and Wages	52,664.92	-	52,664.92	(3,600.00)	56,264.92
Other Expenses	<u>208,912.94</u>	<u>125,829.25</u>	<u>334,742.19</u>	<u>198,163.04</u>	<u>136,579.15</u>
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	1,238.85	-	1,238.85	-	1,238.85
Police and Firemen's Retirement System of N.J.	300.00	-	300.00	-	300.00
Defined Contribution Retirement Program (DCRP)	<u>1,576.29</u>	<u>-</u>	<u>1,576.29</u>	<u>-</u>	<u>1,576.29</u>
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	<u>3,115.14</u>	<u>-</u>	<u>3,115.14</u>	<u>-</u>	<u>3,115.14</u>
Total General Appropriations for Municipal Purposes - Within "CAPS"	<u>264,693.00</u>	<u>125,829.25</u>	<u>390,522.25</u>	<u>194,563.04</u>	<u>195,959.21</u>
Length of Service Award Program ("LOSAP")	<u>30,000.00</u>	<u>-</u>	<u>30,000.00</u>	<u>-</u>	<u>30,000.00</u>
Total Other Operations - Excluded from "CAPS"	<u>30,000.00</u>	<u>-</u>	<u>30,000.00</u>	<u>-</u>	<u>30,000.00</u>
Shared Service Agreements RECIPIENTS					
Borough of Bay Head					
Financial Administration	752.00	-	752.00	-	752.00
County of Monmouth					
Police Dispatch - 911 System	30.00	-	30.00	-	30.00
Township of Neptune					
Emergency Service	5,037.76	-	7,837.76	7,754.64	83.12
Recycling	<u>8,810.00</u>	<u>24,190.00</u>	<u>33,000.00</u>	<u>24,190.00</u>	<u>8,810.00</u>
Total Interlocal Municipal Service Agreements	<u>14,629.76</u>	<u>24,190.00</u>	<u>41,619.76</u>	<u>31,944.64</u>	<u>9,675.12</u>
Public and Private Programs Offset by Revenues:					
Matching Funds for Grants	<u>5,000.00</u>	<u>-</u>	<u>5,000.00</u>	<u>-</u>	<u>5,000.00</u>
Total Public and Private Programs Offset by Revenues	<u>5,000.00</u>	<u>-</u>	<u>5,000.00</u>	<u>-</u>	<u>5,000.00</u>
Total Operations - Excluded from "CAPS"	<u>49,629.76</u>	<u>24,190.00</u>	<u>73,819.76</u>	<u>31,944.64</u>	<u>41,875.12</u>
Detail:					
Other Expenses	<u>49,629.76</u>	<u>24,190.00</u>	<u>73,819.76</u>	<u>31,944.64</u>	<u>41,875.12</u>
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	<u>49,629.76</u>	<u>24,190.00</u>	<u>73,819.76</u>	<u>31,944.64</u>	<u>41,875.12</u>
Subtotal General Appropriations	<u>314,322.76</u>	<u>150,019.25</u>	<u>464,342.01</u>	<u>226,507.68</u>	<u>237,834.33</u>
Total General Appropriations	<u>\$ 314,322.76</u>	<u>\$ 150,019.25</u>	<u>\$ 464,342.01</u>	<u>\$ 226,507.68</u>	<u>\$ 237,834.33</u>
			Disbursements	166,507.68	
			Accounts Payable	<u>60,000.00</u>	
				<u>\$ 226,507.68</u>	

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 150,019.25
Increased By:	
Transferred From Appropriation	61,436.72
	211,455.97
Decreased By:	
Transferred To Appropriation Reserves	150,019.25
Balance, December 31, 2022	\$ 61,436.72

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE FROM STATE OF NEW JERSEY -  
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ (369.24)
Increased By:		
Senior Citizens' Deductions per Tax Billings	\$ 6,250.00	
Veterans' Deductions per Tax Billings	32,000.00	
Prior Year Deductions Allowed by Tax Collector	<u>250.00</u>	
		<u>38,500.00</u>
Decreased By:		
Cash Received From State of New Jersey	40,000.00	38,130.76
Prior Year Deductions Disallowed by Tax Collector	<u>500.00</u>	
		<u>40,500.00</u>
Balance, December 31, 2022		<u><u>\$ (2,369.24)</u></u>

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE TO STATE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2021</u>	Cash <u>Receipts</u>	<u>Decreased</u>	Balance December 31, <u>2022</u>
Marriage Licenses	\$ 200.00	\$ 382.00	\$ 332.00	\$ 250.00
Construction Fees	<u>1,443.00</u>	<u>5,141.00</u>	<u>5,362.00</u>	<u>1,222.00</u>
	<u>\$ 1,643.00</u>	<u>\$ 5,523.00</u>	<u>\$ 5,694.00</u>	<u>\$ 1,472.00</u>

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 230,518.46
Increased By:		
Collection of 2021 Taxes	155,853.93	
Applied from Taxes Receivable	<u>11,549.06</u>	
		<u>167,402.99</u>
Decreased By:		
Applied To Taxes Receivable		<u>397,921.45</u>
		<u>230,518.46</u>
Balance, December 31, 2022		<u><u>\$ 167,402.99</u></u>

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF PROPERTY TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 30,185.01
Increased By:		
Transferred from Taxes		<u>6,104.48</u>
		36,289.49
Decreased By:		
Cash Disbursements	524.87	
Adjustment	<u>5,977.79</u>	
		<u>6,502.66</u>
Balance, December 31, 2022		<u><u>\$ 29,786.83</u></u>

**BOROUGH OF NEPTUNE CITY  
 COUNTY OF MONMOUTH, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF VARIOUS RESERVES  
 FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2021</u>	<u>Increased</u>	<u>Cancelled</u>	<u>Decrease</u>	Balance December 31, <u>2022 and 2021</u>
<u>Reserve for:</u>					
Superstorm Sandy	\$ 2,917.78	\$ -	\$ 2,917.78	\$ -	\$ -
Reserve for Donation	689.47	-	689.47	-	-
Reserve for Cannabis Licemse	-	40,000.00	-	-	40,000.00
Master Plan	11,100.00	-	11,100.00	-	-
Municipal Relief	-	24,927.36	-	-	24,927.36
Active Shooter	42,841.63	8,000.00	-	42,168.01	8,673.62
Off Duty Police	927.50	149,570.00	927.50	149,570.00	-
Prepaid Revenue	1,000.00	5,870.00	-	1,000.00	5,870.00
	<u>\$ 59,476.38</u>	<u>\$ 228,367.36</u>	<u>\$ 15,634.75</u>	<u>\$ 192,738.01</u>	<u>\$ 79,470.98</u>



**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 2,985.86
Increased By:		
2022 Tax Levy:		
County Tax	\$ 1,579,440.89	
County Library Tax	118,704.15	
County Open Space Fund Tax	204,647.01	
County Health Tax	32,543.31	
Due County for Added and Omitted Taxes	5,436.65	
		1,940,772.01
		1,943,757.87
Decreased By:		
Cash Disbursements		1,938,321.22
Balance, December 31, 2022		\$ 5,436.65

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2021		
School Tax Payable	\$ 2,048,285.88	
School Tax Deferred	<u>1,675,000.00</u>	
		\$ 3,723,285.88
Increased by:		
Levy - School Year July 1, 2022 to June 30, 2023		<u>7,584,284.00</u>
		11,307,569.88
Decreased by:		
Payments		<u>7,515,433.02</u>
Balance December 31, 2022		
School Tax Payable	2,117,136.86	
School Tax Deferred	<u>1,675,000.00</u>	
		<u><u>\$ 3,792,136.86</u></u>
2022 Liability for Local District School Tax:		
Tax Paid		\$ 7,515,433.02
Tax Payable December 31, 2022		<u>2,117,136.86</u>
		9,632,569.88
Less: Tax Payable December 31, 2021		<u>2,048,285.88</u>
Amount Charged to 2021 Operations		<u><u>\$ 7,584,284.00</u></u>

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2021</u>	Budget Revenue Realized	Received	Balance December 31, <u>2022</u>
State Programs				
Safe and Secure Grant	\$ -	\$ 32,400.00	\$ 32,400.00	\$ -
Body Armor Grant	-	1,153.64	1,153.64	-
Body Worn Camera	-	24,456.00	24,456.00	-
Hazardous Discharge Remediation	173,584.00	-	-	173,584.00
Recycling Tonnage Grant	-	25,320.35	25,320.35	-
Municipal Alliance Grant	-	-	-	-
Bullet Proof Vest	3,572.99	-	2,138.50	1,434.49
Recycling Stimulus	10,000.00	-	-	10,000.00
Federal Programs				
FEMA - Emergency Management Performance	12,000.00	-	-	12,000.00
Local Grants				
Private Donation for Speed Monitor	-	3,549.00	3,549.00	-
	<u>\$ 199,156.99</u>	<u>\$ 86,878.99</u>	<u>\$ 89,017.49</u>	<u>\$ 197,018.49</u>

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
GRANT FUND  
SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2021</u>	Transferred from 2022 <u>Budgets</u>	Transferred from Encumbrances <u>Payable</u>	<u>Expended</u>	Balance December 31, <u>2022</u>
Federal Grants:					
FEMA - Emergency Management Performance	\$ 2,546.63	\$ -	\$ -	\$ -	\$ 2,546.63
Cooperative Forestry Assistance	2,260.00	-	-	-	2,260.00
State Grants:					
Safe & Secure	-	120,000.00	-	120,000.00	-
Drunk Driving Enforcement Fund	3,572.99	-	-	2,566.20	1,006.79
Alcohol Education and Rehabilitation	2,427.14	-	-	-	2,427.14
Body Armor	755.81	1,153.64	-	855.40	1,054.05
Hazardous Discharge Site Remediation	162,487.74	-	-	-	162,487.74
Clean Communities	30,213.59	-	2,091.21	7,072.91	25,231.89
Body Worn Cameras	-	24,456.00	-	24,456.00	-
Recycling Tonnage Grant	12,689.13	25,320.35	800.00	10,699.88	28,109.60
Drunk Driving Enforcement Fund	10,935.75	-	-	725.00	10,210.75
Local Grants					
Private Donation for Speed Monitor	-	3,549.00	-	3,549.00	-
	<u>\$ 227,888.78</u>	<u>\$ 174,478.99</u>	<u>\$ 2,891.21</u>	<u>\$ 169,924.39</u>	<u>\$ 235,334.59</u>
2022 Budget Appropriations - Federal & State		\$ 146,473.99			
2022 Budget Appropriations - Local		3,549.00			
Chapter 159s		<u>24,456.00</u>			
		<u>\$ 174,478.99</u>			
			Cash Disbursements	\$ 140,211.39	
			Encumbrances Payable	<u>29,713.00</u>	
				<u>\$ 169,924.39</u>	

**BOROUGH OF NEPTUNE CITY**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**GRANT FUND**  
**SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2021</u>	Cash <u>Received</u>	Balance December 31, <u>2022</u>
Drunk Driving Enforcement Fund	\$ 2,806.25	\$ -	\$ 2,806.25
American Rescue Plan Act	240,528.34	240,528.34	481,056.68
Body Worn Cameras	6,114.00	-	6,114.00
Clean Communities	-	10,631.19	10,631.19
Body Armor	-	1,466.91	1,466.91
	<u>\$ 249,448.59</u>	<u>\$ 252,626.44</u>	<u>\$ 502,075.03</u>

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**TRUST FUND**

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**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST FUND  
SCHEDULE OF CASH  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Animal Control <u>Fund</u>	Other <u>Trust Funds</u>
Balance, December 31, 2021	\$ 3,255.20	\$ 1,352,259.78
Increased By Receipts:		
Due To State of New Jersey	465.60	-
Dog License Fees	3,740.20	-
Due to Current Fund	7,496.33	-
Various Reserves	-	771,254.42
	<u>11,702.13</u>	<u>771,254.42</u>
	<u>14,957.33</u>	<u>2,123,514.20</u>
Decreased By Disbursements:		
N.J. State Department of Health	475.80	-
Dog License Expenditures	6,975.00	-
Due to Current Fund	7,496.33	-
Various Reserves	-	618,160.85
	<u>14,947.13</u>	<u>618,160.85</u>
Balance, December 31, 2022	<u>\$ 10.20</u>	<u>\$ 1,505,353.35</u>

**BOROUGH OF NEPTUNE CITY  
 COUNTY OF MONMOUTH, NEW JERSEY  
 ANIMAL CONTROL TRUST FUND  
 SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES  
 FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 3,234.80
Increased By:		
License Fees Collected		3,740.20
		6,975.00
Decreased By:		
Expenditures Per R.S. 4:19-15.11		6,975.00
Balance, December 31, 2022		\$ -

<u>License Fees Collected</u>	
2021	\$ 3,401.60
2020	4,022.20
	\$ 7,423.80

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 20.40
Increased By:	
State Registration Fees	<u>465.60</u>
	486.00
Decreased By:	
Disbursed To State	<u>475.80</u>
Balance, December 31, 2022	<u><u>\$ 10.20</u></u>

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST - OTHER FUND  
SCHEDULE OF RESERVE FOR VARIOUS TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2021</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2022</u>
Deferred Sick Leave (NJSA 11:24A-3) (Accumulated Sick Leave)	\$ 314,728.72	\$ -	\$ -	\$ 314,728.72
Developers Escrow Fund (NJSA 40:55D-53.1):				
Developer's Escrow	35,190.25	56,483.75	42,676.25	48,997.75
Emergency Management Costs of Hazardous Materials (P.L. 1991, C.85)	8,183.87	902.50	5,827.65	3,258.72
Recycling Program (P.L. 1981 C. 278) (Environmental Trust)	25,266.05	541.00	-	25,807.05
Parking Offenses Adjudication Act (P.L. 1989, C.137)	244.32	63.40	-	307.72
Recreation Trust Fund P.L. 1999 C.292 & NJS 40:48-2.56:				
Recreation Commission	19,170.78	4,026.68	4,818.78	18,378.68
Community Center Rentals	2,050.00	4,000.00	2,750.00	3,300.00
Park Rentals	550.00	5,050.00	5,000.00	600.00
Storm Recovery Trust Fund (P.L. 2013, C.271)	140,001.93	-	20,665.23	119,336.70
Uniform Fire Safety Act Penalty Monies (NJSA 52:27D-192)	2,191.09	-	-	2,191.09
Tax Sale Deposits	-	47,792.80	47,792.80	-
Third Party Lien Redemption	-	196,037.11	196,037.11	-
Housing Rehabilitation Trust	160,261.47	-	-	160,261.47
Truck Rental	100.00	2,112.94	1,428.53	784.41
Marriage License Fees	-	25.00	25.00	-
Law Enforcement	7,060.36	3,858.77	-	10,919.13
Law Enforcement - Undesignated	910.00	-	-	910.00
Premiums on Tax Sale	537,000.00	442,300.00	286,482.00	692,818.00
Public Defender	15,762.42	1,655.00	-	17,417.42
Unemployment Trust	83,588.52	6,405.47	4,657.50	85,336.49
	<u>\$ 1,352,259.78</u>	<u>\$ 771,254.42</u>	<u>\$ 618,160.85</u>	<u>\$ 1,505,353.35</u>
		Cash Receipts		
		<u>\$ 771,254.42</u>		
		<u>\$ 771,254.42</u>		

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")  
SCHEDULE OF MISCELLANEOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 541,436.86
Increased By:		
Borough Contributions		8,550.00
		549,986.86
Decreased By:		
Withdrawals	46,724.45	
Loss on Investments	101,484.49	
		148,208.94
Balance, December 31, 2022		\$ 401,777.92

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**GENERAL CAPITAL FUND**

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**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH AND INVESTMENTS - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 102,529.69
Increased By:		
Grants Receivable	\$ 518,123.25	
Bond Anticipation Notes	<u>1,015,297.33</u>	
		<u>1,533,420.58</u>
		1,635,950.27
Decreased By:		
Bond Anticipation Notes	686,349.06	
Improvement Authorizations	<u>737,848.23</u>	
		<u>1,424,197.29</u>
Balance, December 31, 2022		<u><u>\$ 211,752.98</u></u>

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH  
FOR THE YEAR ENDED DECEMBER 31, 2022**

		Balance December 31, <u>2022</u>
Capital Improvement Fund		\$ 258,765.94
Grant Receivable		(800,820.00)
Reserve for Encumbrances		204,500.94
Fund Balance		3,853.18
Excess Bond Anticipation Notes		12,741.19
<u>Ordinance Number</u>	<u>Improvement Description</u>	
2018-02	Park Improvements	1,051.51
2018-06d	Police Equipment	2,631.00
2020-02c	Memorial Park Improvements	173.39
2020-05c	Police Equipment	6,484.42
2020-06a	Municipal Building Improvements	76,570.18
2020-06b	Recycling Truck	10,680.00
2020-06c	Fire Equipment	4,920.17
2021-03a	Adams Field - Grant	250,000.00
2021-08a	2021 Road Program - Grant	241,132.00
2022-13	Police Storage Trailer	5,395.01
2022-16	Fire Department Equipment	(66,325.95)
		\$ 211,752.98

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF STATE, FEDERAL, AND LOCAL GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Grant</u>	<u>Ordinance Number</u>	Balance December 31, <u>2021</u>	<u>Decreased</u>	Balance December 31, <u>2022</u>
Community Development Block Grant:				
	2017-02	\$ 11,083.00	\$ 11,083.00	\$ -
	2021-02	179,605.00	179,605.00	-
Monmouth County Open Space Grant:				
	2018-02	175,000.00	-	175,000.00
	2021-03	250,000.00	-	250,000.00
NJDOT Grant:				
	2020-02	262,761.25	158,327.25	104,434.00
	2021-07	211,103.00	-	211,103.00
	2021-08	241,132.00	180,849.00	60,283.00
		<u>\$ 1,330,684.25</u>	<u>\$ 529,864.25</u>	<u>\$ 800,820.00</u>
		Cash Received	\$ 518,123.25	
		Cancellation	<u>11,741.00</u>	
			<u>\$ 529,864.25</u>	

**BOROUGH OF NEPTUNE CITY**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

Ordinance Number	Improvement Description	Balance December 31, 2021	Current Year Authorizations	Payments of BAN's	Cancelled	Balance December 31, 2022	Bond Anticipation Notes	Excess Financing	Expenditures	Unexpended Improvement Authorizations
2010-07	Improvements to Memorial Park	\$ 21,516.49	\$ -	\$ 10,758.24	\$ -	\$ 10,758.25	\$ 10,758.25	\$ -	\$ -	\$ -
2017-02	Sidewalk Improvement	54,026.50	-	1,390.50	-	52,636.00	20,957.50	-	11,083.00	20,957.50
2017-03	Improvements to Union Ave	41,340.00	-	13,780.00	-	27,560.00	27,560.00	-	-	-
2017-10	Improvements to 3rd Avenue	62,025.51	-	12,770.00	23,715.51	25,540.00	25,540.00	-	-	-
2018-01/2019-05	Repairs to Windsor Ave	20,111.56	-	6,340.00	1,091.56	12,680.00	12,680.00	-	-	-
2018-02	Park Improvements	35,000.00	-	8,750.00	-	26,250.00	26,250.00	-	-	-
2018-07	Fuel Dispensing Equipment	2,147.50	-	-	2,147.50	-	-	-	-	-
2018-10	Purchase of Pick Up Truck	29,850.00	-	9,950.00	-	19,900.00	19,900.00	-	-	-
2019-03	Improvements to Steiner Avenue Pedestrian and ADA	32,224.00	-	10,740.00	12,745.19	8,738.81	21,480.00	(12,741.19)	-	-
2020-02a	Havthorne & Woodland Avenues	108,955.00	-	15,721.55	-	93,233.45	63,176.37	-	-	30,057.08
2020-02b	First Responder Park	114,000.00	-	28,500.00	-	85,500.00	85,500.00	-	-	-
2020-02c	Memorial park Improvements	105,600.00	-	26,400.00	-	79,200.00	79,200.00	-	-	-
2020-06a	Municipal Building Improvements	108,300.00	-	27,075.00	-	81,225.00	81,225.00	-	-	-
2020-06b	Recycling Truck	98,800.00	-	24,700.00	-	74,100.00	74,100.00	-	-	-
2020-06c	Fire Equipment	29,640.00	-	7,410.00	-	22,230.00	22,230.00	-	-	-
2021-02	Steiner Avenue Phase 3	245,395.00	-	8,243.20	-	237,151.80	200,235.26	-	-	36,916.54
2021-03	Adams Field	150,000.00	-	11,345.20	-	138,654.80	73,488.60	-	-	65,166.20
2021-07	2020 Road Program	38,897.00	-	7,779.40	-	31,117.60	31,117.60	-	-	-
2021-08	2021 Road Program	43,868.00	-	235.80	-	43,632.20	33,706.70	-	-	9,925.50
2021-10	Police Body Camera	85,000.00	-	-	-	85,000.00	82,397.25	-	-	3,102.75
2021-11	Fire Department Equipment	29,450.00	-	5,265.00	390.20	23,794.80	23,794.80	-	-	-
2022-16	Fire Department Equipment	-	80,750.00	-	-	80,750.00	-	-	66,325.95	14,424.05
		<u>\$ 1,456,646.56</u>	<u>\$ 80,750.00</u>	<u>\$ 237,153.89</u>	<u>\$ 40,089.96</u>	<u>\$ 1,260,152.71</u>	<u>\$ 1,015,297.33</u>	<u>\$ (12,741.19)</u>	<u>\$ 77,408.95</u>	<u>\$ 180,187.62</u>

Improvement Authorizations - Unfunded \$ 283,440.97  
Less: Unexpended Proceeds of Bond Anticipation Notes - Issued:  
2017-02 11,083.00  
2020-06a 76,570.18  
2020-06b 10,680.00  
2020-06c 4,920.17  
\$ 180,187.62



**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Ordinance Number	Improvement Description	Balance December 31, 2021		2022 Authorizations	Transferred From Encumbrances Payable	Expended	Transferred To Encumbrances Payable	Cancelled	Balance December 31, 2022	
		Funded	Unfunded						Funded	Unfunded
2017-02	Sidewalk Improvements	\$ 210,000.00	\$ 47,074.00	\$ -	\$ -	\$ 4,312.50	\$ -	\$ 11,083.00	\$ -	\$ 31,678.50
2017-10	Improvements to 3rd Ave	280,000.00	23,715.51	-	-	-	-	23,715.51	-	-
2018-01, 2019-05	Repairs to Windsor Avenue	270,000.00	1,177.06	-	-	-	-	1,177.06	-	-
2018-02	Park Improvements	218,750.00	1,851.51	-	-	800.00	-	-	1,051.51	-
2018-06a	Municipal Building Improvements	20,500.00	-	-	-	-	-	49.99	-	-
2018-06d	Police Equipment	3,800.00	2,631.00	-	-	-	-	-	2,631.00	-
2018-07	Fuel Dispensing Equipment	28,000.00	-	-	-	-	-	2,147.50	-	-
2019-03	Steiner Avenue Improvements	225,000.00	23,317.69	-	-	10,572.50	-	12,745.19	-	-
2019-04b	Community Centre Equipment	6,200.00	1,204.49	-	-	538.47	-	646.02	-	-
2020-02a	Hawthorne & Woodland Avenues	360,000.00	30,347.08	-	-	290.00	-	-	-	-
2020-02c	Memorial Park Improvements	332,000.00	753.39	-	-	580.00	-	-	173.39	30,057.08
2020-05a	Municipal building Improvements	26,000.00	278.17	-	-	-	-	278.17	-	-
2020-06	Police Equipment	14,700.00	6,484.42	-	4,062.78	-	-	-	6,484.42	-
2020-06a	Municipal Building Improvements	142,500.00	-	-	4,800.00	21,516.71	-	-	-	76,570.18
2020-06b	Recycling Truck	130,000.00	-	-	119,320.00	-	-	-	-	10,680.00
2020-06c	Fire Equipment	39,000.00	4,920.17	-	-	-	-	-	-	4,920.17
2021-02a	Steiner Avenue Phase 3 - Grant	179,605.00	-	-	-	178,947.00	-	658.00	-	-
2021-02b	Steiner Avenue Phase 3 - Local	245,395.00	204,179.00	-	-	167,262.46	-	-	-	36,916.54
2021-03a	Adams Field - Grant	150,000.00	-	-	-	-	-	-	250,000.00	-
2021-03b	Adams Field - Local	250,000.00	250,000.00	-	-	28,104.76	-	-	-	65,166.20
2021-07a	2020 Road Program - Grant	211,103.00	181,945.50	-	-	181,945.50	-	-	-	-
2021-07b	2020 Road Program - Local	38,897.00	-	-	-	-	-	-	-	-
2021-08a	2021 Road Program - Grant	241,132.00	241,132.00	-	-	-	-	-	241,132.00	-
2021-08b	2021 Road Program - Local	43,868.00	-	-	-	32,763.50	-	-	-	9,925.50
2021-10	Police Body Camera	90,000.00	4,500.00	-	-	86,897.25	-	-	-	-
2021-11	Fire Department Equipment	31,000.00	85,500.00	-	5,734.80	5,734.80	-	390.20	-	3,102.75
2022-08	Acquisition of Lawn Mower	13,500.00	-	13,500.00	-	13,500.00	-	-	-	-
2022-13	Police Storage Trailer	20,000.00	-	20,000.00	-	-	-	-	-	-
2022-16	Fire Department Equipment	85,000.00	-	85,000.00	-	-	-	-	5,395.01	14,424.05
		\$ 867,830.57	\$ 665,299.96	\$ 118,500.00	\$ 133,917.58	\$ 737,848.23	\$ 204,500.94	\$ 52,890.64	\$ 506,867.33	\$ 283,440.97

Capital Improvement Fund \$ 37,750.00  
Bond & Notes Authorized But Not Issued 80,750.00  
\$ 118,500.00

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 296,515.94
Decreased By:	
Appropriation to Finance	
Improvement Authorizations	<u>37,750.00</u>
Balance, December 31, 2022	<u><u>\$ 258,765.94</u></u>

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, 2021	Improvement Authorizations	BAN's Issued	Cancelled	Balance December 31, 2022
2017-02	Sidewalk Improvement	\$ 47,074.00	-	\$ 15,395.50	-	\$ 31,678.50
2017-10	Improvements to 3rd Avenue	23,715.51	-	-	23,715.51	-
2018-01, 2019-05	Repairs to Windsor Avenue	1,091.56	-	-	1,091.56	-
2018-07	Fuel Dispensing Equipment	2,147.50	-	-	2,147.50	-
2019-03	Improvements to Steiner Avenue Pedestrian and ADA	4.00	-	-	4.00	-
2020-02a	Hawthorne & Woodland Avenues	30,347.08	-	290.00	-	30,057.08
2021-02	Steiner Avenue Phase 3	204,179.00	-	167,262.46	-	36,916.54
2021-03	Adams Field	93,270.96	-	28,104.76	-	65,166.20
2021-08	2021 Road Program	42,689.00	-	32,763.50	-	9,925.50
2021-10	Police Body Camera	85,500.00	-	82,397.25	-	3,102.75
2021-11	Fire Department Equipment	3,125.00	-	2,734.80	390.20	-
2022-16	Fire Department Equipment	-	80,750.00	-	-	80,750.00
		<u>\$ 533,143.61</u>	<u>\$ 80,750.00</u>	<u>\$ 328,948.27</u>	<u>\$ 27,348.77</u>	<u>\$ 257,596.57</u>



**SEWER UTILITY FUND**

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**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY FUND  
SCHEDULE OF CASH AND INVESTMENTS - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Operating	Capital
Balance, December 31, 2021	\$ 499,634.44	\$ 629,771.80
Increased By Receipts:		
Consumer Accounts Receivable	\$ 1,141,897.53	-
Prepaid Rents	81,178.70	-
Miscellaneous Revenue	36,423.11	-
	1,259,499.34	-
Decreased By Disbursements:		
2022 Budget Appropriations	1,255,659.75	-
2021 Appropriation Reserves	31,216.74	-
Transfer to Current Fund - Prior Year Surplus Improvement Authorizations	60,000.00	-
	-	11,642.00
Balance, December 31, 2022	\$ 412,257.29	\$ 618,129.80

**BOROUGH OF NEPTUNE CITY  
 COUNTY OF MONMOUTH, NEW JERSEY  
 SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF ANALYSIS OF SEWER UTILITY CAPITAL CASH  
 FOR THE YEAR ENDED DECEMBER 31, 2022**

		Balance December 31, <u>2022</u>
Capital Improvement Fund		\$ 391,756.04
<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	
2016-04	Various Sewer Utility Improvements	<u>226,373.76</u>
		<u><u>\$ 618,129.80</u></u>

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 148,882.50
Increased By:		
Rents Levied		<u>1,237,400.00</u>
		1,386,282.50
Decreased By:		
Collections	\$ 1,141,897.53	
Prepaid Applied	<u>77,210.80</u>	
		<u>1,219,108.33</u>
Balance, December 31, 2022		<u><u>\$ 167,174.17</u></u>

**BOROUGH OF NEPTUNE CITY  
 COUNTY OF MONMOUTH, NEW JERSEY  
 SEWER UTILITY OPERATING FUND  
 SCHEDULE OF 2021 APPROPRIATION RESERVES  
 FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, 2021	Encumbrances	Balance After Modifications	Paid or Charged	Lapsed
Operating:					
Salaries and Wages	\$ 18,723.79	\$ -	\$ 16,823.79	\$ -	\$ 16,823.79
Other Expenses	12,101.59	32,559.75	46,561.34	31,216.74	15,344.60
Neptune Township Sewerage Authority	<u>4,827.00</u>	<u>-</u>	<u>4,827.00</u>	<u>-</u>	<u>4,827.00</u>
Total Operating	<u>35,652.38</u>	<u>32,559.75</u>	<u>68,212.13</u>	<u>31,216.74</u>	<u>36,995.39</u>
Statutory Expenditures:					
Social Security System (O.A.S.I.)	<u>183.15</u>	<u>-</u>	<u>183.15</u>	<u>-</u>	<u>183.15</u>
Total Statutory Expenditures	<u>183.15</u>	<u>-</u>	<u>183.15</u>	<u>-</u>	<u>183.15</u>
Total Sewer Utility Fund Appropriations	<u>\$ 35,835.53</u>	<u>\$ 32,559.75</u>	<u>\$ 68,395.28</u>	<u>\$ 31,216.74</u>	<u>\$ 37,178.54</u>

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF PREPAID RENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 77,210.80
Increased By:	
Cash Receipts	<u>81,178.70</u>
	158,389.50
Decreased By:	
Applied to Current Year Rents	<u>77,210.80</u>
Balance, December 31, 2022	<u><u>\$ 81,178.70</u></u>

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 32,559.75
Increased By:	
Transferred from Budget Appropriations	<u>34,047.69</u>
	66,607.44
Decreased By:	
Transferred to Appropriation Reserves	<u>32,559.75</u>
Balance, December 31, 2022	<u><u>\$ 34,047.69</u></u>



**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF FIXED CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2022 & 2021

\$ 1,772,488.06

**BOROUGH OF NEPTUNE CITY**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Improvement Description</u>	<u>Ordinance</u>	Balance December 31, <u>2021</u>	Balance December 31, <u>2022</u>
	<u>Number</u>	<u>Amount</u>	
Sewer Line Rehabilitation	2016-04	\$ 300,000.00	\$ 300,000.00
		<u>\$ 300,000.00</u>	<u>\$ 300,000.00</u>

**BOROUGH OF NEPTUNE CITY**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Amount</u>	<u>Balance, December 31, 2021 Funded</u>	<u>Expended</u>	<u>Balance, December 31, 2022 Funded</u>
2016-04	Sewer Line Rehabilitation	\$ 300,000.00	\$ 238,015.76	\$ 11,642.00	\$ 226,373.76
			\$ 238,015.76	\$ 11,642.00	\$ 226,373.76

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2022 & 2021

\$ 391,756.04

**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2022 & 2021

\$ 1,772,488.06

**BOROUGH OF NEPTUNE CITY**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance</u> <u>Amount</u>	Balance December 31, <u>2021</u>	Balance December 31, <u>2022</u>
2016-04	Sewer Line Rehabilitation	7/25/2016	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00
				<u>\$ 300,000.00</u>	<u>\$ 300,000.00</u>

**PUBLIC ASSISTANCE FUND**

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**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF INTERFUND - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2022 and 2021

\$ 31,489.58

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**GENERAL FIXED ASSETS ACCOUNT GROUP**

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**BOROUGH OF NEPTUNE CITY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
SCHEDULE OF GENERAL FIXED ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2021</u>	<u>Additions</u>	Balance December 31, <u>2022</u>
Land	\$ 2,866,600.00	\$ -	\$ 2,866,600.00
Buildings & Improvements	2,131,300.00	-	2,131,300.00
Machinery and Equipment	<u>3,743,906.60</u>	<u>55,962.83</u>	<u>3,799,869.43</u>
	<u>\$ 8,741,806.60</u>	<u>\$ 55,962.83</u>	<u>\$ 8,797,769.43</u>

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**BOROUGH OF NEPTUNE CITY**

**PART II**

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -  
GOVERNMENT AUDITING STANDARDS**

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

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**BOROUGH OF NEPTUNE CITY**  
**SCHEDULE OF FINANCIAL STATEMENT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**BOROUGH OF NEPTUNE CITY  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2022**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and New Jersey OMB's Circular 15-08.

**Financial Statement Findings**

No Prior Year Findings.

**Federal Awards**

N/A – No Federal Single Audit in prior year

**State Financial Assistance**

N/A – No State Single Audit in prior year.

**BOROUGH OF NEPTUNE CITY**

**PART III**

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2022:

<u>Name</u>	<u>Title</u>
Andrew Wardell	Mayor
Brian Thomas	Council President
Scott Dellett	Councilmember
Glen Kocsis	Councilmember
Pamela Renee	Councilmember
Danielle Pappas	Councilmember
Dana Farley	Councilmember
Albert Jardine	Borough Administrator
William E. Antonides Jr.	Chief Financial Officer
DiCorcia Williams	Borough Clerk
Jodi S. Howlett, Esq.	Borough Attorney
Kelly Hellwig	Court Administrator

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Honorable Mayor and Members  
of the Borough Council  
Borough of Neptune City  
Neptune City, New Jersey

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2022.

#### **GENERAL COMMENTS:**

##### **Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)**

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or 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 therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$44,000 for the year ended December 31, 2022.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the 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 violations existed.

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold “for the performance of any work, or the furnishing of any materials, supplies or labor” 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:11-6*.

## **Collection of Interest on Delinquent Taxes and Assessments**

*N.J.S.54:4-67*, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 2, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes:

*NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and*

*BE IT FURTHER RESOLVED, by the Council of the Borough of Neptune City, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and*

*BE IT FURTHER RESOLVED, by the Council of the Borough of Neptune City, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.*

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

### **OTHER COMMENTS (FINDINGS):**

None.

### **RECOMMENDATIONS:**

None.



## Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 483

Lakewood, New Jersey  
September 28, 2023