

**BOROUGH OF OCEAN GATE  
COUNTY OF OCEAN, NEW JERSEY**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
WITH REPORT OF AUDIT  
YEAR ENDED DECEMBER 31, 2022**

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COUNTY OF OCEAN  
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**BOROUGH OF OCEAN GATE**

**COUNTY OF OCEAN**

**PART I**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

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

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the Borough Council  
Borough of Ocean Gate  
County of Ocean, New Jersey

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying comparative balance sheets - regulatory basis of the various funds of the Borough of Ocean Gate, ("Borough"), County of Ocean, State of New Jersey, as of December 31, 2022, the related statement of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

The financial statements of the Borough of Ocean Gate as of and for the year ended December 31, 2021, were audited by other auditors whose report dated October 13, 2022, expressed an unmodified opinion on those statements.

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

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

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

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

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements prescribed by the Division. 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 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division 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 judgement made by a reasonable user based on the financial statements.

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

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



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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents, are fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

*Charles J. Fallon CPA, RMA*

Charles J. Fallon  
Certified Public Accountant  
Registered Municipal Accountant #506

*Fallon & Company LLP*

FALLON & COMPANY LLP  
Hazlet, New Jersey  
December 28, 2023

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

To the Honorable Mayor and  
Members of the Borough Council  
Borough of Ocean Gate  
County of Ocean, New Jersey

We have audited, 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 the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), the financial statements - regulatory basis, as listed in the accompanying table of contents, of the Borough of Ocean Gate, County of Ocean, State of New Jersey ("Borough"), 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 December 28, 2023. Our report disclosed that, as described in Note 1 to the financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the Division, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

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

### Purpose of this Report

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

*Charles J. Fallon CPA, RMA*

Charles J. Fallon  
Certified Public Accountant  
Registered Municipal Accountant #506

*Fallon & Company LLP*  
FALLON & COMPANY LLP  
Hazlet, New Jersey  
December 28, 2023

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

CURRENT FUND  
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

<b>ASSETS</b>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Cash	A-4	\$ 1,188,836.61	\$ 1,174,040.61
Cash - Change Fund	A	<u>400.00</u>	<u>400.00</u>
		<u>1,189,236.61</u>	<u>1,174,440.61</u>
Due from County - CARES Act	A-24	<u>20,253.58</u>	<u>64,785.12</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	129,470.31	191,639.30
Tax Title Liens Receivable	A-7	1,969.56	1,616.37
Revenue Accounts Receivable	A-10	987.70	1,363.94
Regional School Tax Advanced	A-14	9,370.21	14,524.21
Interfund - Federal and State Grant Fund	A-17	<u>53,946.21</u>	<u>173,981.02</u>
		<u>195,743.99</u>	<u>383,124.84</u>
Deferred Charges:			
Overexpenditure	A	<u>97.15</u>	<u>97.15</u>
		<u>1,405,331.33</u>	<u>1,622,447.72</u>
Federal and State Grant Fund:			
Grants Receivable	A-21	<u>782,426.67</u>	<u>878,252.07</u>
Total Assets		<u>\$ 2,187,758.00</u>	<u>\$ 2,500,699.79</u>

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

CURRENT FUND  
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

<b>LIABILITIES, RESERVES AND FUND BALANCE</b>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Appropriation Reserves	A-3/A-11	\$ 106,640.70	\$ 164,045.60
Due to State - P.L. 1971 C.20	A-5	1,193.83	2,322.60
Tax Overpayments	A-8	3,272.32	5,265.79
Prepaid Taxes	A-9	94,717.80	79,233.32
County Taxes Payable	A-12	6,959.88	20,439.16
Local School District Tax Payable	A-13	243,793.97	234,772.93
Reserve for Encumbrances	A-15	33,639.99	41,902.39
Accounts Payable	A-16	6,175.04	4,302.97
Interfunds Payable	A-17	95,380.46	
Due to State Agencies	A-18	1,090.00	902.00
Reserve for American Recovery Plan Grant	A-19		106,500.25
Reserve for Municipal Relief Fund	A-4	7,493.93	
		600,357.92	659,687.01
Reserve for Receivables and Other Assets	A	195,743.99	383,124.84
Fund Balance	A-1	609,229.42	579,635.87
		804,973.41	962,760.71
		1,405,331.33	1,622,447.72
Federal and State Grant Fund:			
Interfund - Current Fund	A-20	53,946.21	173,981.02
Appropriated Reserves	A-22	689,607.85	670,732.65
Reserve for Encumbrances	A-22	250.00	3,666.22
Unappropriated Reserves	A-23	38,622.61	29,872.18
		782,426.67	878,252.07
Total Liabilities, Reserves and Fund Balance		\$ 2,187,758.00	\$ 2,500,699.79

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

CURRENT FUND  
 COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE  
 REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 400,000.00	\$ 200,000.00
Miscellaneous Revenue Anticipated	A-2	1,067,743.89	1,485,542.07
Receipts from Delinquent Taxes	A-2	191,580.17	213,617.05
Receipts from Current Taxes	A-2	6,218,050.93	5,842,113.90
Non-Budget Revenues	A-2	34,992.01	14,526.36
Other Credits to Income:			
Animal Control Statutory Excess	A-4	260.81	
Tax Overpayments Canceled	A-8	185.88	
Unexpended Balance of Appropriation Reserves	A-11	128,472.88	212,760.90
Cancel 2021 Year End County Taxes	A-12	10,219.58	
Regional School Tax Returned	A-14	5,154.00	
Interfunds Returned	A-17	120,034.81	1.07
Total Revenue		8,176,694.96	7,968,561.35
Expenditures:			
Budget Appropriations Within Caps:			
Operations:			
Salaries and Wages	A-3	1,608,390.83	1,358,183.34
Other Expenses	A-3	1,024,553.56	1,101,175.23
Deferred Charges and Statutory Expenditures	A-3	372,514.75	301,271.43
Budget Appropriations Excluded from Caps:			
Operations:			
Salaries and Wages	A-3	18,000.00	18,000.00
Other Expenses	A-3	146,651.99	370,508.72
Capital Improvements	A-3	60,000.00	25,000.00
Municipal Debt Service	A-3	349,725.01	326,565.11
		3,579,836.14	3,500,703.83

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

CURRENT FUND  
 COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE  
 REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Prior Year Deductions Disallowed	A-5	\$ 500.00	
County Taxes	A-12	1,122,565.27	\$ 1,051,954.27
Local District School Tax	A-13	1,986,391.00	1,961,494.00
Regional District School Tax	A-14	1,057,809.00	1,052,431.00
Regional District School Tax Advanced	A-14		14,524.21
Interfunds Advanced	A-17		44,327.67
		<hr/>	<hr/>
Total Expenditures		7,747,101.41	7,625,434.98
		<hr/>	<hr/>
Excess/(Deficit) in Revenue		429,593.55	343,126.37
Add:			
Expenditures Included Above Which are by Statute Deferred Charges to Budgets of Succeeding Year:			
Overexpenditure of Appropriations	A-1		97.15
		<hr/>	<hr/>
Statutory Excess to Fund Balance		429,593.55	343,223.52
Fund Balance January 1	A	579,635.87	436,412.35
		<hr/>	<hr/>
		1,009,229.42	779,635.87
Decreased by:			
Utilized as Anticipated Revenue	A-1/A-2	400,000.00	200,000.00
		<hr/>	<hr/>
Fund Balance December 31	A	\$ 609,229.42	\$ 579,635.87
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2022

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 400,000.00	\$ 400,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-10	5,188.00	5,188.00	
Fees and Permits	A-10	37,000.00	35,270.00	\$ (1,730.00)
Fines and Costs:				
Municipal Court	A-10	9,425.00	26,174.32	16,749.32
Interest and Costs on Taxes	A-10	34,800.00	44,648.84	9,848.84
Interest on Investments and Deposits	A-10	700.00	697.68	(2.32)
Beach Revenues	A-10	97,500.00	97,126.00	(374.00)
Parking Lot Fees	A-10	16,750.00	21,020.00	4,270.00
Consolidated Municipal Property Tax Relief Aid	A-10	2,393.00	2,393.00	
Energy Receipts Tax	A-10	141,267.99	141,268.00	0.01
Uniform Construction Code Fees	A-10	27,910.00	27,124.00	(786.00)
Beach and Boardwalk Operations	A-10	18,000.00	18,000.00	
Utility Operating Surplus of Prior Year	A-10	317,100.00	317,100.00	
Cable T.V. - Franchise Fee	A-10	8,662.08	8,662.08	
Cell Tower Lease	A-10	34,800.00	34,800.00	

The accompanying notes are an integral part of this statement.



**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2022

		<u>Anticipated</u>		
	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
ProChamps Foreclosed Homes	A-10	\$ 7,200.00	\$ 7,080.00	\$ (120.00)
Reserve for Payment of Debt	A-10	44,444.83	44,444.83	
School Resource Officer Reimbursement	A-10	17,000.00	14,950.00	(2,050.00)
Senior/Veteran Administration Fee	A-10	375.00	315.00	(60.00)
American Rescue Plan - General Government Services	A-10	175,000.00	175,000.00	
Municipal Alliance on Alcoholism and Drug Abuse - State	A-21	3,569.74	3,569.74	
Municipal Alliance on Alcoholism and Drug Abuse - Youth Leader Gran	A-21	4,854.67	4,854.67	
Body Armor Grant	A-21	972.07	972.07	
Recycling Tonnage Grant	A-21	3,009.24	3,009.24	
Alcohol Education and Rehabilitation Fund (Unappropriated Reserve)	A-21	534.77	534.77	
NJ State Police Grants (Unappropriated Reserve)	A-21	10,945.00	10,945.00	
Cops in Shops (Unappropriated Reserve)	A-21	3,520.00	3,520.00	
Recycling Tonnage Grant (Unappropriated Reserve)	A-21	2,872.41	2,872.41	
Drive Sober or Get Pulled Over (Unappropriated Reserve)	A-21	6,000.00	6,000.00	
Click it or Ticket (Unappropriated Reserve)	A-21	6,000.00	6,000.00	
Clean Communities (Unappropriated Reserve)	A-21	4,204.24	4,204.24	
<b>Total Miscellaneous Revenues</b>	<b>A-1</b>	<b><u>1,041,998.04</u></b>	<b><u>1,067,743.89</u></b>	<b><u>25,745.85</u></b>

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**

For the Year Ended December 31, 2022

	<u>Ref.</u>	<u>Anticipated</u> <u>Budget</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Receipts from Delinquent Taxes	A-1/A-2	\$ 187,400.00	\$ 191,580.17	\$ 4,180.17
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-6	2,146,955.15	2,244,296.47	97,341.32
Total Amount to be Raised by Taxes	A-2	2,146,955.15	2,244,296.47	97,341.32
Non-Budget Revenues	A-1/A-2		34,992.01	34,992.01
Total		\$ 3,776,353.19	\$ 3,938,612.54	\$ 162,259.35
	<u>Ref.</u>	A-3		

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2022

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	A-1/A-6	\$ 6,218,050.93
Allocated to School and County Taxes	A-6	4,166,765.27

Balance for Support of Municipal Budget Appropriations		2,051,285.66
---	--	--------------

Add:

Reserve for Uncollected Taxes	A-3	193,010.81
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Amount for Support of Municipal Budget Appropriations	A-2	\$ 2,244,296.47
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	A-6	\$ 191,580.17
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	A-2	\$ 191,580.17
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The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2022

Analysis of Non-Budget Revenues:

Towing Licenses	\$	1,320.00
Police Reports		333.00
Adrian Hall Rental		1,250.00
Ocean Gate Yacht Club Land Rental		400.00
Restitution		1,800.00
Tax Maps		100.00
Borough Adm Fees of Off-Duty Police Employment		875.00
Scrap Metal		1,150.60
Proceeds from Ocean County Prosecutors Office		8,735.28
Buy a Board Receipts		5,000.00
County Polling Place Reimbursement		200.00
Cell Phone Reimbursements		532.00
Sale of Borough Property		250.00
Reimbursement of Police Overtime		4,138.05
Sale of Water Meters		1,375.00
Homestead Admin		85.20
Prior Year Group Insurance Premium Reimbursement		4,159.58
Recreation Program Reimbursements		1,250.00
Miscellaneous		2,038.30
	A-2/A-4	\$ 34,992.01

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Canceled</u>
Operations Within CAPS					
General Government Functions:					
Administrative & Executive					
Other Expenses	\$ 22,450.00	\$ 22,450.00	\$ 22,060.68	\$ 389.32	
Mayor and Council					
Salaries and Wages	13,461.56	13,461.56	13,461.56		
Other Expenses	500.00	822.99	822.99		
Council					
Salaries and Wages	12,000.00	9,230.43	9,230.43		
Municipal Clerk					
Salaries and Wages	59,874.00	62,459.52	62,459.52		
Other Expenses	9,125.00	7,018.59	3,884.60	3,133.99	
Financial Administration (Treasury)					
Salaries and Wages	16,790.00	15,876.98	15,876.98		
Other Expenses	6,366.00	6,428.03	6,428.03		
Audit Services					
Other Expenses	4,000.00	10,833.33	10,833.33		
Revenue Administration					
Salaries and Wages	18,076.00	22,655.45	22,655.04		0.41
Other Expenses	4,375.00	4,944.45	4,944.45		
Tax Assessment Administration					
Salaries and Wages	15,030.00	15,163.14	15,163.14		
Other Expenses	1,300.00	1,300.00	719.94	580.06	
Legal Services (Legal Dept.)					
Other Expenses	40,000.00	43,249.65	43,249.65		
Engineering Services					
Other Expenses	40,000.00	40,000.00	37,039.55	2,960.45	

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Canceled</u>
Planning Board					
Salaries and Wages	\$ 3,554.00	\$ 3,554.00	\$ 3,344.86	\$ 209.14	
Other Expenses	2,000.00	2,521.37	2,521.37		
Insurance					
Liability Insurance	26,000.00	51,557.32	51,557.32		
Workers Compensation Insurance	10,000.00	3,000.00		3,000.00	
Employee Group Insurance	344,600.00	361,436.67	352,203.04	9,233.63	
Unemployment Insurance	500.00	500.00	261.86	238.14	
Public Safety Functions:					
Police Department					
Salaries and Wages	1,083,590.00	1,083,590.00	1,059,377.10	24,212.90	
ARA Funds - Salaries & Wages	175,000.00	175,000.00	175,000.00		
Other Expenses	49,100.00	53,435.82	53,435.82		
Office of Emergency Management					
Other Expenses	400.00	400.00		400.00	
Fire Department					
Other Expenses	32,500.00	32,500.00	32,156.36	343.64	
Municipal Prosecutor's Office					
Salaries and Wages	5,000.00	6,000.00	6,000.00		
Public Works Functions:					
Streets and Roads Maintenance					
Salaries and Wages	9,744.00	9,744.00	8,178.78	1,565.22	
Other Expenses	14,500.00	4,500.00	1,887.25	2,612.75	
Beachfront Maintenance					
Salaries and Wages	9,744.00	9,744.00	9,744.00		
Other Expenses	23,500.00	14,500.00	11,813.06	2,686.94	
Solid Waste Collection					
Salaries and Wages	9,744.00	9,744.00	8,336.48	1,407.52	

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Canceled</u>
Building and Grounds					
Salaries and Wages	\$ 9,744.00	\$ 9,744.00	\$ 9,195.31	\$ 548.69	
Other Expenses	139,000.00	79,510.00	48,650.26	30,859.74	
Recreation:					
Recreation Services and Programs					
Other Expenses	7,000.00	7,000.00	2,753.38	4,246.62	
Beach Patrol					
Salaries and Wages	32,000.00	37,488.38	37,488.38		
Other Expenses	6,800.00	6,800.00	5,622.76	1,177.24	
Municipal Court					
Salaries and Wages	35,000.00	42,614.37	42,614.37		
Other Expenses	3,500.00	3,500.00	2,894.43	605.57	
Public Defender (P.L. 1997, c.256)					
Salaries and Wages	5,000.00	5,000.00		5,000.00	
State Uniform Construction Code:					
Construction Official					
Salaries and Wages	88,325.00	77,321.00	77,320.99	0.01	
Other Expenses	6,900.00	4,900.00	2,355.79	2,544.21	
Uniform Fire Sub-Code Official					
Other Expenses	771.00	771.00	771.00		
Contribution-Providenance House (NJSA 40:23-8.17)					
Other Expenses	1,000.00	1,000.00	560.00	440.00	
Utility Expenses and Bulk Purchases:					
Electricity	8,333.00	8,872.19	8,872.19		
Street Lighting	20,000.00	10,000.00	3,186.71	6,813.29	
Telephone	5,666.00	7,995.21	7,995.21		
Natural Gas (Natural and Propane)	6,667.00	15,315.32	15,315.32		
Petroleum Products	2,500.00	13,991.71	13,991.71		

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Canceled</u>
Landfill/Solid Waste Disposal Costs:					
Landfill/Solid Waste Disposal Costs	\$ 195,000.00	\$ 203,499.91	\$ 203,499.91		
Total Operations Within CAPS	<u>2,636,029.56</u>	<u>2,632,944.39</u>	<u>2,527,734.91</u>	\$ 105,209.48	
Detail:					
Salaries and Wages	1,601,676.56	1,608,390.83	1,575,446.94	32,943.89	
Other Expenses	<u>1,034,353.00</u>	<u>1,024,553.56</u>	<u>952,287.97</u>	<u>72,265.59</u>	
Statutory Expenditures Within CAPS					
Statutory Expenditures:					
Public Employees' Retirement System	20,016.00	20,016.00	20,016.00		
Social Security System (O.A.S.I.)	125,000.00	125,507.75	125,507.75		
Police and Firemen's Retirement System	<u>226,991.00</u>	<u>226,991.00</u>	<u>226,991.00</u>		
Statutory Expenditures					
Statutory Expenditures Within CAPS	<u>372,007.00</u>	<u>372,514.75</u>	<u>372,514.75</u>		
Total Appropriations Within CAPS	<u>3,008,036.56</u>	<u>3,005,459.14</u>	<u>2,900,249.66</u>	<u>105,209.48</u>	
Operations Excluded from CAPS					
Interlocal Municipal Service Agreements					
Financial Services - Township of Berkeley					
Other Expenses	55,000.00	55,000.00	55,000.00		
Business Administrator Services - Township of Berkeley					
Other Expenses	20,000.00	20,000.00	20,000.00		
Public Works Department - Township of Berkeley					
Other Expenses	1,000.00	1,000.00	168.78	831.22	
Animal Control Services					
Other Expenses	4,000.00	4,179.10	4,179.10		

The accompanying notes are an integral part of this statement.



**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Canceled</u>
Code Enforcement Services					
Other Expenses	\$ 6,200.00	\$ 6,200.00	\$ 5,600.00	\$ 600.00	
Gas and Diesel					
Other Expenses	10,500.00	12,898.32	12,898.32		
Beach Patrol					
Salaries & Wages	18,000.00	18,000.00	18,000.00		
Public and Private Programs Offset by Revenues:					
Municipal Alliance on Alcoholism and Drug Abuse					
State Share	3,569.74	3,569.74	3,569.74		
Local Share	892.43	892.43	892.43		
Municipal Alliance Youth Leader Grant					
Other Expenses	4,854.67	4,854.67	4,854.67		
Clean Communities Program					
Other Expenses	4,204.24	4,204.24	4,204.24		
Recycling Tonnage Grant					
Other Expenses	3,009.24	3,009.24	3,009.24		
Alcohol Education and Rehabilitation Fund					
Other Expenses	534.77	534.77	534.77		
NJ State Police Grants (Unappropriated Reserve)					
Other Expenses	10,945.00	10,945.00	10,945.00		
Cops in Shops (Unappropriated Reserve)					
Other Expenses	3,520.00	3,520.00	3,520.00		
Recycling Tonnage Grant (Unappropriated Reserve)					
Other Expenses	2,872.41	2,872.41	2,872.41		
Drive Sober or Get Pulled Over (Unappropriated Reserve)					
Other Expenses	6,000.00	6,000.00	6,000.00		
Click it or Ticket (Unappropriated Reserve)					
Other Expenses	6,000.00	6,000.00	6,000.00		

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

For the Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Canceled</u>
Body Armor					
Other Expenses	\$ 972.07	\$ 972.07	\$ 972.07		
Total Operations - Excluded from CAPS	<u>162,074.57</u>	<u>164,651.99</u>	<u>163,220.77</u>	\$ 1,431.22	
Detail:					
Salaries and Wages	18,000.00	18,000.00	18,000.00		
Other Expenses	<u>144,074.57</u>	<u>146,651.99</u>	<u>145,220.77</u>	1,431.22	
Capital Improvements Excluded from CAPS					
Capital Improvement Fund	<u>60,000.00</u>	<u>60,000.00</u>	<u>60,000.00</u>		
Total Capital Improvements Excluded from CAPS	<u>60,000.00</u>	<u>60,000.00</u>	<u>60,000.00</u>		
Municipal Debt Service Excluded from CAPS					
Payment of Bond Principal	265,000.00	265,000.00	265,000.00		
Payment of Bond Anticipation Notes and Capital Notes	<u>88,231.25</u>	<u>88,231.25</u>	<u>84,725.01</u>		\$ 3,506.24
Total Municipal Debt Service Excluded from CAPS	<u>353,231.25</u>	<u>353,231.25</u>	<u>349,725.01</u>		3,506.24
Total General Appropriations Excluded from CAPS	<u>575,305.82</u>	<u>577,883.24</u>	<u>572,945.78</u>	1,431.22	3,506.24
Subtotal General Appropriations	3,583,342.38	3,583,342.38	3,473,195.44	106,640.70	3,506.24
Reserve for Uncollected Taxes	<u>193,010.81</u>	<u>193,010.81</u>	<u>193,010.81</u>		
Total General Appropriations	<u>\$ 3,776,353.19</u>	<u>\$ 3,776,353.19</u>	<u>\$ 3,666,206.25</u>	<u>\$ 106,640.70</u>	<u>\$ 3,506.24</u>
Ref.	A-3	A-3	A-3	A	

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2022

	<u>Ref.</u>	<u>Budget After Modification</u>
Budget	A-2/A-3	\$ <u>3,776,353.19</u>
		<u>Paid or Charged</u>
Reserve for Uncollected Taxes	A-2	\$ 193,010.81
Disbursements	A-4	3,392,180.88
Reserve for Encumbrances	A-15	33,639.99
Appropriated Reserves for Federal and State Grants	A-17	<u>47,374.57</u>
	A-3	<u>\$ 3,666,206.25</u>

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

TRUST FUND  
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>			
Animal Control Trust Fund:			
Cash	B-1	\$ 2,131.81	\$ 1,848.41
Trust Other Fund:			
Cash	B-1	225,794.62	126,434.39
Off-Duty Police Employment Receivable	B-6	7.58	
Interfund - Water Operating Fund	B-1	99.38	
		225,901.58	126,434.39
Total Assets		\$ 228,033.39	\$ 128,282.80
<b>LIABILITIES AND RESERVES</b>			
Animal Control Trust Fund:			
Reserve for Animal Control	B-2	\$ 1,865.60	\$ 1,848.41
Due to State	B-3	5.40	
Interfund - Water Utility Operating Fund	B-5	260.81	
		2,131.81	1,848.41
Trust Other Fund:			
Various Reserves	B-4	225,901.58	126,434.39
Total Liabilities and Reserves		\$ 228,033.39	\$ 128,282.80

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

GENERAL CAPITAL FUND  
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

<b>ASSETS</b>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Cash	C-2/C-3	\$ 178,739.13	\$ 180,029.91
Grants Receivable	C-4	427,740.15	80,215.15
Deferred Charges to Future Taxation:			
Funded	C-5	2,735,000.00	3,000,000.00
Unfunded	C-6	<u>1,939,507.50</u>	<u>761,501.50</u>
		<u>\$ 5,280,986.78</u>	<u>\$ 4,021,746.56</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>  			
Improvement Authorizations:			
Funded	C-7	\$ 10,834.24	\$ 14,212.64
Unfunded	C-7	1,184,311.71	577,922.20
Reserve for Encumbrances	C-7	1,032,892.79	109,663.68
General Serial Bonds	C-8	2,735,000.00	3,000,000.00
Capital Improvement Fund	C-9	3,601.31	5,601.31
Various Reserves	C-10	12,644.00	57,088.83
Interfund - Water Utility Operating Fund	C-11	144,444.83	100,000.00
Fund Balance	C-1	<u>157,257.90</u>	<u>157,257.90</u>
		<u>\$ 5,280,986.78</u>	<u>\$ 4,021,746.56</u>

There were bonds and notes authorized but not issued on December 31, 2022 of \$1,939,507.50, Exhibit C-12.

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance, December 31, 2022 and 2021	C	<u>\$ 157,257.90</u>

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

WATER UTILITY FUND  
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b><u>Operating Fund</u></b>			
Cash	D-4	\$ 200,637.92	\$ 503,762.97
Interfunds Receivable	D-22	<u>244,873.14</u>	<u>100,000.00</u>
		<u>445,511.06</u>	<u>603,762.97</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	285,231.87	68,546.89
Utility Liens Receivable	D-7	<u>400.00</u>	<u>400.00</u>
		<u>285,631.87</u>	<u>68,946.89</u>
Total Operating Fund		<u>731,142.93</u>	<u>672,709.86</u>
<b><u>Capital Fund</u></b>			
Cash	D-4/D-5	41,983.89	42,278.89
New Jersey Environmental Infrastructure Receivable	D	230,709.00	230,709.00
Fixed Capital	D-9	1,318,587.55	1,418,587.55
Fixed Capital Authorized and Uncompleted	D-10	<u>2,800,000.00</u>	<u>2,700,000.00</u>
Total Capital Fund		<u>4,391,280.44</u>	<u>4,391,575.44</u>
Total Assets		<u>\$ 5,122,423.37</u>	<u>\$ 5,064,285.30</u>

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

WATER UTILITY FUND  
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b><u>Operating Fund</u></b>			
Appropriation Reserves	D-3/D-11	\$ 8,500.51	\$ 19,569.75
Reserve for Encumbrances	D-12	10,947.42	6,104.35
Customer Overpayments	D-13	942.00	1,720.45
Interfunds Payable	D-22	99.38	
Accrued Interest Payable	D-14	7,483.39	8,324.84
Accounts Payable	D-8	510.00	510.00
		28,482.70	36,229.39
Reserve for Receivable	D	285,631.87	68,946.89
Fund Balance	D-1	417,028.36	567,533.58
		731,142.93	672,709.86
<b><u>Capital Fund</u></b>			
Serial Bonds	D-15	365,000.00	380,000.00
New Jersey Environmental Infrastructure Loans Payable	D-16	500,919.75	603,906.04
USDA Loans Payable	D-17	61,362.16	73,515.40
Improvement Authorizations:			
Funded	D-18	26,169.13	26,464.13
Unfunded	D-18	556,102.66	556,102.66
Capital Improvement Fund	D-19	347,650.00	347,650.00
Reserve for Amortization	D-20	1,255,951.93	1,328,134.61
Deferred Reserve for Amortization	D-21	1,278,124.81	1,075,802.60
		4,391,280.44	4,391,575.44
Total Capital Fund		4,391,280.44	4,391,575.44
Total Liabilities, Reserves and Fund Balance		\$ 5,122,423.37	\$ 5,064,285.30

There were bonds and notes authorized but not issued on December 31, 2022 of \$657,228.90 (Exh. D-23)

The accompanying notes are an integral part of this statement.



**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND  
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE  
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Revenue and Other Income Realized:			
Water Rents	D-2	\$ 554,885.02	\$ 495,339.77
Miscellaneous Revenue Anticipated	D-2	8,077.48	5,348.39
Other Credits to Income:			
Miscellaneous Revenue Not Anticipated	D-2	1,790.08	1,775.94
Unexpended Balance of Appropriation Reserves	D-11	18,432.94	
		<hr/>	<hr/>
Total Revenue		583,185.52	502,464.10
		<hr/>	<hr/>
Expenditures:			
Operating	D-3	305,000.00	303,560.81
Debt Service	D-3	84,272.74	70,041.52
Statutory Expenditures	D-3	27,318.00	18,870.00
		<hr/>	<hr/>
		416,590.74	392,472.33
Appropriated in 2022 Current Fund Budget	D-4	317,100.00	405,250.00
		<hr/>	<hr/>
Total Expenditures		733,690.74	797,722.33
		<hr/>	<hr/>
Excess/(Deficit) in Revenue		(150,505.22)	(295,258.23)
Fund Balance January 1	D	567,533.58	862,791.81
		<hr/>	<hr/>
Fund Balance December 31	D	\$ 417,028.36	\$ 567,533.58
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2022

	<u>Ref.</u>	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Water Rent	D-1/D-2	\$ 424,004.86	\$ 554,885.02	\$ 130,880.16
Miscellaneous Revenue Anticipated	D-1/D-4	5,300.00	8,077.48	2,777.48
Miscellaneous Revenue Not Anticipated	D-1/D-2	<u>                    </u>	<u>1,790.08</u>	<u>1,790.08</u>
		<u>\$ 429,304.86</u>	<u>\$ 564,752.58</u>	<u>\$ 135,447.72</u>
	<u>Ref.</u>			
		D-3		
 <u>Analysis of Miscellaneous Revenue Not Anticipated</u>				
Interest on Delinquent Water Rents				
Connection Fees				
Interest on Investments			\$ 237.74	
Water Shut Off Fee			631.09	
Other			<u>921.25</u>	
	D-1/D-2/D-4		<u>\$ 1,790.08</u>	
 <u>Analysis of Rents</u>				
Water Rents Collected	D-6		\$ 553,164.57	
Overpayments Applied	D-6		<u>1,720.45</u>	
	D-2		<u>\$ 554,885.02</u>	

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2022

	Appropriated		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 95,000.00	\$ 95,000.00	\$ 95,000.00		
Other Expenses	210,000.00	210,000.00	201,499.49	\$ 8,500.51	
Debt Service:					
Payment of Bond Principal	15,000.00	15,000.00	15,000.00		
Interest on Bonds	9,971.66	9,971.66	9,971.66		
USDA Principal & Interest	15,829.01	15,829.01	15,239.83		\$ 589.18
NJEIT - Principal & Interest	56,186.19	56,186.19	44,061.25		12,124.94
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	20,018.00	20,018.00	20,018.00		
Social Security System (O.A.S.I.)	7,300.00	7,300.00	7,300.00		
	<u>\$ 429,304.86</u>	<u>\$ 429,304.86</u>	<u>\$ 408,090.23</u>	<u>\$ 8,500.51</u>	<u>\$ 12,714.12</u>
	<u>Ref.</u>	D-2	D-2	D-3	D/D-1
Cash Disbursed			\$ 380,331.60		
Reserve for Encumbrances			10,947.42		
Accrued Interest Payable			16,811.21		
			<u>\$ 408,090.23</u>		

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

SEWER UTILITY FUND  
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b><u>Operating Fund</u></b>			
Cash	E-4	\$ 147,862.64	\$ 158,716.54
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-6	34,024.89	46,238.84
Utility Liens Receivable	E-7	700.00	700.00
		34,724.89	46,938.84
Total Operating Fund		182,587.53	205,655.38
<b><u>Capital Fund</u></b>			
Cash	E-4/E-5	77,308.69	77,308.69
Fixed Capital	E-8	3,296,034.29	3,296,034.29
Fixed Capital Authorized and Uncompleted	E-9	500,000.00	500,000.00
		3,873,342.98	3,873,342.98
Total Capital Fund		3,873,342.98	3,873,342.98
Total Assets		\$ 4,055,930.51	\$ 4,078,998.36

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

SEWER UTILITY FUND  
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b><u>Operating Fund</u></b>			
Appropriation Reserves	E-3/E-10	\$ 9,529.57	\$ 30,389.24
Reserve for Encumbrances	E-11		392.53
Customer Overpayments	E-12	6,434.89	24,356.88
Accrued Interest Payable	E-13	789.03	894.59
Accounts Payable	E-14	300.00	300.00
Interfund - Water Utility Operating Fund	E-4	159.38	
		17,212.87	56,333.24
Reserve for Receivable	E	34,724.89	46,938.84
Fund Balance	E-1	130,649.77	102,383.30
		182,587.53	205,655.38
<b><u>Capital Fund</u></b>			
New Jersey Environmental Infrastructure Loans Payable			
Trust Loans	E-15	55,000.00	60,000.00
Fund Loan	E-15	51,446.50	60,315.25
Improvement Authorizations:			
Funded	E-16	46,212.14	46,212.14
Unfunded	E-16	226,677.55	226,677.55
Capital Improvement Fund	E-17	67,500.00	67,500.00
Reserve for Amortization	E-18	3,189,587.79	3,410,138.04
Deferred Reserve for Amortization	E-19	236,919.00	2,500.00
		3,873,342.98	3,873,342.98
Total Capital Fund		3,873,342.98	3,873,342.98
Total Liabilities, Reserves and Fund Balance		\$ 4,055,930.51	\$ 4,078,998.36

There were bonds and notes authorized but not issued on December 31, 2022 of \$263,081.00 (Exh. E-20)

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND  
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE  
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Revenue and Other Income Realized:			
Surplus Anticipated	E-2	\$ 22,605.51	\$ 127,120.33
Sewer Rents	E-2	503,081.40	484,605.69
Miscellaneous Revenue Anticipated	E-2	8,371.45	6,448.29
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-10	29,065.59	53,185.07
		<hr/>	<hr/>
Total Revenue		563,123.95	671,359.38
		<hr/>	<hr/>
Expenditures:			
Operating	E-3	471,000.00	491,490.00
Debt Service	E-3	15,033.97	96,871.80
Statutory Expenditures	E-3	26,218.00	18,555.00
		<hr/>	<hr/>
Total Expenditures		512,251.97	606,916.80
		<hr/>	<hr/>
Excess/(Deficit) in Revenue		50,871.98	64,442.58
		<hr/>	<hr/>
Fund Balance January 1	E	102,383.30	165,061.05
		153,255.28	229,503.63
Decreased by:			
Utilization as Anticipated Revenue	E-1	22,605.51	127,120.33
		<hr/>	<hr/>
Fund Balance December 31	E	<u>\$ 130,649.77</u>	<u>\$ 102,383.30</u>

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND  
 STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2022

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	E-1	\$ 22,605.51	\$ 22,605.51	
Sewer Rent	E-1/E-2	484,600.00	503,081.40	\$ 18,481.40
Miscellaneous Revenue Anticipated	E-1/E-2	<u>6,000.00</u>	<u>8,371.45</u>	<u>2,371.45</u>
		<u>\$ 513,205.51</u>	<u>\$ 534,058.36</u>	<u>\$ 20,852.85</u>
	<u>Ref.</u>			
		E-3		
<u>Analysis of Miscellaneous Revenue Anticipated</u>				
Interest and Costs on Delinquent Sewer Rents			\$ 6,349.32	
Interest on Deposits			164.44	
Miscellaneous			<u>1,857.69</u>	
	E-1/E-2/E-4		<u>\$ 8,371.45</u>	
<u>Analysis of Rents</u>				
Sewer Rents Collected	E-6		\$ 478,724.52	
Overpayments Applied	E-6		<u>24,356.88</u>	
	E-2		<u>\$ 503,081.40</u>	

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY  
 SEWER UTILITY OPERATING FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2022

	Appropriated		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 80,000.00	\$ 80,000.00	\$ 79,208.25	\$ 791.75	
Other Expenses	140,000.00	140,000.00	131,790.64	8,209.36	
Sewerage Treatment Costs	251,000.00	251,000.00	250,523.01	476.99	
Debt Service:					
NJEIT Principal & Interest	15,987.51	15,987.51	15,033.97		\$ 953.54
Deferred Charges and Statutory Expenditures					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	20,018.00	20,018.00	20,018.00		
Social Security System (O.A.S.I.)	6,200.00	6,200.00	6,148.53	51.47	
	<u>\$ 513,205.51</u>	<u>\$ 513,205.51</u>	<u>\$ 502,722.40</u>	<u>\$ 9,529.57</u>	<u>\$ 953.54</u>
<u>Ref.</u>	E-2	E-2	E-1/E-3	E	
Cash Disbursed	E-4		\$ 501,557.18		
Accrued Interest Payable	E-13		1,165.22		
	E-3		<u>\$ 502,722.40</u>		

The accompanying notes are an integral part of this statement.



**TOWNSHIP OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

PAYROLL FUND  
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash	\$ 63,560.93	\$ 40,772.28
	<u>\$ 63,560.93</u>	<u>\$ 40,772.28</u>
<b>LIABILITIES</b>		
Interfund - Water Operating Utility Fund	\$ 4,627.66	
Pensions Payable	43,477.13	
Payroll Liabilities	<u>15,456.14</u>	<u>\$ 40,772.28</u>
	<u>\$ 63,560.93</u>	<u>\$ 40,772.28</u>

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

GENERAL FIXED ASSET ACCOUNT GROUP  
 COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS  
 REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
General Fixed Assets:			
Land	G-1	\$ 1,817,867.62	\$ 1,817,867.62
Buildings and Improvements	G-1	2,573,681.58	2,573,681.58
Machinery, Equipment and Vehicles	G-1	<u>1,626,661.12</u>	<u>1,448,244.12</u>
		<u>\$ 6,018,210.32</u>	<u>\$ 5,839,793.32</u>
 Investments in General Fixed Assets	 G-1	 <u>\$ 6,018,210.32</u>	 <u>\$ 5,839,793.32</u>

The accompanying notes are an integral part of this statement.

**BOROUGH OF OCEAN GATE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDING DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF ACCOUNTING POLICIES**

This report includes the financial statements of the Borough of Ocean Gate (“Borough”), within the County of Ocean, in the State of New Jersey, and reflects the activities of the municipality which is under the control of the Mayor and Borough Council. The financial statements of the Ocean Gate School District Board of Education and the Central Regional High School District Board of Education are reported separately based on management’s interpretation of Governmental Accounting Standards Board (“GASB”) Standard No. 61.

**A. Reporting Entity**

The Governmental Accounting Standards Board (“GASB”) has established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division of Local Government Services, Department of Community Affairs, State of New Jersey (“Division”) requires the financial statements of the Borough of Ocean Gate (“Borough”) to be reported separately.

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

The financial statements of the Borough include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough do not include the operations of other organizations, inasmuch as their activities are administered by separate boards.

**B. Basis of Presentation and Basis of Accounting**

The financial statements are presented on the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary exhibits. This practice differs from GAAP.

The accounting principles and practices prescribed for municipalities by the Division differ in certain aspects from GAAP applicable to local governmental units. The more significant differences are as follows:

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

**Fund Accounting** - A fund is a self-balancing set of accounts. The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF ACCOUNTING POLICIES (continued)**

**B. Basis of Presentation and Basis of Accounting (continued)**

**Fund Accounting (continued)** - and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial activities through the following separate funds which differ from the fund structure required by accounting principles generally accepted in the United States of America:

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

Grant Fund - accounts for receipts and disbursements of Federal and State grants.

Animal Control Trust Fund - animal license revenues and expenditures.

Trust Other Fund - records the receipts, custodianship and disbursement of monies in accordance with the purpose for which each reserve was established.

General Capital Fund - records the receipt and disbursement of funds for the acquisition of general infrastructure and other capital facilities, other than those acquired through the Current Fund. General bonds and notes payable are recorded in this fund offset by deferred charges to future taxation.

Water Utility Operating and Capital Funds - account for the operations and acquisitions of capital facilities of the municipality-owned water utility. Bonds and notes payable of the Utility Fund are recorded in the Utility Capital Fund.

Sewer Utility Operating and Capital Funds - account for the operation and acquisition of capital facilities of the municipally-owned sewer utility. Bonds and notes payable of the Utility Fund are recorded in the Utility Capital Fund.

Payroll Fund - receipts and disbursements to account for the payroll and payroll tax liabilities of the Borough. Amounts are received from the Current, Water Utility and Sewer Utility operating funds.

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

Budgets and Budgetary Accounting - The Borough of Ocean Gate must adopt an annual budget in accordance with N.J.S.A. 40A:4-4 et al. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulated 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.

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF ACCOUNTING POLICIES (continued)**

**B. Basis of Presentation and Basis of Accounting (continued)**

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

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

**C. Cash, Cash Equivalents and Investments**

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 the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The Borough of Ocean Gate is required to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (the Act). The Act was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act. Public funds are defined as the funds of any government unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of 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 in the collateral pool, is available to pay the full amount of their deposits to the governmental units. 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.

The Borough considers highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

**D. Inventories of Supplies**

The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The inventories have offsetting reserve amounts. The Borough currently has no inventory.

**E. Property Taxes and Other Revenues**

Property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts. Property taxes are payable quarterly on the first day of February, May, August and November.

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF ACCOUNTING POLICIES (continued)**

**F. Grant Revenues and Expenditures**

Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they are earned and the expenditures to be recognized when the liability is incurred.

**G. Property Acquired for Taxes**

Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at its market value.

**H. Interfunds**

Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Revenue is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

**I. Deferred Charges**

The regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets.

In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2022 is set forth in Note 11.

**J. Appropriation Reserves**

Appropriation Reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF ACCOUNTING POLICIES (continued)**

**K. Expenditures**

Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

**L. Encumbrances**

Contractual orders at December 31 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

**M. Compensated Absences**

Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

**N. Reserve for Sale of Municipal Assets**

Cash proceeds from the sale of Borough owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds would be reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

**O. Capital Leases**

Capital Leases are not recorded at the lesser of the fair value of the leased property or the present value of the minimum lease payments. GAAP requires an amount equal to the lesser of the fair value of the leased property or the present value of the minimum lease payments to be recorded in General Fixed Assets Account Group and the long-term obligation be recorded as part of a General Long-Term Debt Account Group.

**P. 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 asset reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The 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 June 30, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF ACCOUNTING POLICIES (continued)**

**P. General Fixed Assets (continued)**

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 asset group of accounts, reflecting the activity for the fiscal 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 include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

**Q. Fixed Assets - Utility**

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

**R. Comparative Data**

Comparative total data for the various funds for the prior year has been presented in the accompanying Balance Sheets and Statements of Operations and Changes in Fund Balance in order to provide an understating of changes in the Borough’s financial position. However, Comparative Statements of Revenues and Statements of Expenditures have not been presented since this inclusion would make the statements unduly complex and difficult to read.

**S. Impact of Recently Issued Accounting Principles**

Recently Issued Accounting Pronouncements

There were not recently issued accounting pronouncements adopted by the Borough in 2022.



**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Deposits**

At December 31, 2022, the Borough's deposits had a carrying amount of \$2,126,856.24.

**Custodial Credit Risk Related to Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (the Act). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by the Act. However, the Act should not be relied on to protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds that may pass to the municipality upon 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 balances of \$2,199,682.38 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 250,000.00
Insured by GUDPA	1,706,148.80
Uninsured and Uncollateralized	<u>243,533.58</u>
Total	\$ <u>2,199,682.38</u>

**NOTE 3 INVESTMENTS**

The Borough had no investments as of December 31, 2022.

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 4 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 calendar years:

Comparative Schedule of Tax Rates

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate (Per \$100 Assessed Valuation)	\$ 2.781	\$ 2.662	\$ 2.683
Apportionment of Tax Rate			
Municipality	0.947	0.857	0.847
County	0.492	0.460	0.462
Local School	0.876	0.875	0.882
Regional School	0.466	0.470	0.492

Net Valuation Table

2022	\$ 226,814,315.00		
2021		\$ 224,249,320.00	
2020			\$ 220,163,874.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2022	\$ 6,347,866.46	\$ 6,218,050.93	97.95%
2021	6,028,673.53	5,842,113.90	96.90%
2020	6,010,163.73	5,797,325.86	96.45%

Delinquent Taxes and Tax Title Liens

<u>Year Ended December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2022	\$ 1,969.56	\$ 129,470.31	\$ 131,439.87	2.07%
2021	1,616.37	191,639.30	193,255.67	3.21%
2020	7,472.89	212,793.22	220,266.11	3.66%

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 4 PROPERTY TAXES (continued)**

The following comparison is made of the number of tax title liens receivable on December 31st of the last three (3) years.

<u>Tax Year</u>	<u>Number of Liens</u>
2022	2
2021	2
2020	2

**NOTE 5 UTILITY SERVICE CHARGES**

The following is a three-year comparison of water utility service charges (rents) for the current and previous two years:

<u>Year</u>	<u>Levy</u>	<u>Prior Year Delinquent</u>	<u>Cash Collections</u>
2022	\$ 771,570.00	\$ 68,546.89	\$ 554,885.02
2021	510,940.00	52,946.66	495,339.77
2020	509,584.15	62,061.88	518,699.37

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

<u>Year</u>	<u>Levy</u>	<u>Prior Year Delinquent</u>	<u>Cash Collections</u>
2022	\$ 486,100.00	\$ 46,238.84	\$ 503,081.40
2021	483,699.14	47,145.39	484,065.69
2020	479,160.34	48,789.99	480,804.94

**NOTE 6 BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

At December 31, 2022, the Borough had authorized but not issued bonds and notes as follows:

General Capital Fund Bonds and Notes	\$1,939,507.50
Water Utility Capital Fund Bonds and Notes	657,228.90
Sewer Utility Capital Fund Bonds and Notes	263,081.00

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 7 LONG TERM DEBT**

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The terms of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

The Borough's long-term debt is summarized as follows:

General Serial Bonds

\$2,611,000.00 2003 General Obligation Bonds due in an installment of \$175,000.00 in March 2023, interest rate of 4.125%.	\$175,000.00
\$2,655,000.00 2021 General Obligations Bonds due in annual installments ranging from \$95,000.00 to \$190,000.00 through January 2036, interest rates ranging from 2.000% to 4.000%.	<u>2,560,000.00</u>
	<u>\$2,735,000.00</u>

Water Utility Bonds

\$380,000.00 2021 Water Utility Bonds due in annual installments ranging from \$15,000.00 to \$30,000.00 through April 2036, interest rates ranging from 2.000% to 4.000%.	<u>\$365,000.00</u>
	<u>\$365,000.00</u>

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 7 LONG TERM DEBT (continued)**

Annual debt service for principal and interest over the next five years and five-year increments thereafter for bonded debt issued and outstanding are as follows:

Bonds Payable

Year	General Capital Fund		
	Principal	Interest	Total
2023	\$ 270,000.00	\$ 73,809.38	\$ 343,809.38
2024	190,000.00	64,500.00	254,500.00
2025	190,000.00	56,900.00	246,900.00
2026	190,000.00	49,300.00	239,300.00
2027	190,000.00	41,700.00	231,700.00
2028-2032	950,000.00	124,900.00	1,074,900.00
2033-2036	755,000.00	30,050.00	785,050.00
	<u>\$ 2,735,000.00</u>	<u>\$ 441,159.38</u>	<u>\$ 3,176,159.38</u>

Year	Water Utility Capital Fund		
	Principal	Interest	Total
2023	\$ 15,000.00	\$ 9,500.00	\$ 24,500.00
2024	20,000.00	8,800.00	28,800.00
2025	20,000.00	8,000.00	28,000.00
2026	20,000.00	7,200.00	27,200.00
2027	25,000.00	6,300.00	31,300.00
2028-2032	145,000.00	19,700.00	164,700.00
2033-2036	120,000.00	5,100.00	125,100.00
	<u>\$ 365,000.00</u>	<u>\$ 64,600.00</u>	<u>\$ 429,600.00</u>

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 7 LONG TERM DEBT (continued)**

Loans Payable

Water Capital Fund Loans Payable

During 1987, the Borough was awarded a loan of \$270,000.00 from the United States Department of Agriculture. The loan is due in semi-annual installments ranging from \$6,413.94 to \$7,839.00 through February 2027, interest rate of 5.000%. \$ 61,362.16

On February 10, 2010, the Borough entered into loan agreements funded by the New Jersey Environmental Infrastructure Trust in the amount of \$419,913.00. \$110,640.00 was funded by a trust loan with interest rates ranging from 2.750% to 4.160%. The trust loan is due in annual installments ranging from \$1,852.52 to \$7,661.74 through 2029. The remaining \$309,273.00 was funded by a fund loan with 0.000% interest. The fund loan is due in semi-annual installments of \$1,821.52 and \$3,643.17 through 2029. 86,439.31

On March 10, 2010, the Borough entered into loan agreements funded by the New Jersey Environmental Infrastructure Trust in the amount of \$219,239.00. \$111,769.00 was funded by a trust loan with interest rates ranging from 2.530% to 3.990%. The trust loan is due in annual installments ranging from \$6,159.25 to \$7,421.14 through 2029. The remaining \$107,470.00 was funded by a fund loan with 0.000% interest. The fund loan is due in semi-annual installments of \$5,522.73 and \$11,045.46 through 2029. 160,147.75

On December 22, 2016, the Borough entered into loan agreements funded by the New Jersey Environmental Infrastructure Trust in the amount of \$748,706.00. \$185,000.00 was funded by a trust loan with interest rates ranging from 3.000% to 5.000%. The trust loan is due in annual installments ranging from \$5,000.00 to \$10,000.00 through 2046. The remaining \$563,706.00 was funded by a fund loan with 0.000% interest. The fund loan is due in semi-annual installments of \$2,111.25 and \$4,222.51 through 2046. 254,332.69

\$ 562,281.91

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 7 LONG-TERM DEBT (continued)**

Loans Payable (continued)

Sewer Utility Fund Loan Payable

On May 21, 2014, the Borough entered into loan agreements funded by the New Jersey Environmental Infrastructure Trust in the amount of \$188,309.00. \$60,000.00 was funded by a trust loan with interest rates ranging from 3.000% to 5.000%. The trust loan is due in annual installments of \$5,000.00 through 2033. The remaining \$128,309.00 was funded by a fund loan with 0.000% interest. The fund loan is due in semi-annual installments of \$2,956.25 and \$5,912.50 through 2028.

\$ 106,446.50

Annual debt service for principal and interest over the next five years and five-year increments thereafter for loans issued and outstanding is as follows:

Water Utility Capital Fund Loans Payable			
Year	Principal	Interest	Total
2023	\$ 58,477.99	\$ 26,933.88	\$ 85,411.87
2024	59,554.52	25,947.40	85,501.92
2025	60,693.47	24,913.37	85,606.84
2026	61,896.61	23,830.05	85,726.66
2027	53,865.74	22,731.22	76,596.96
2028-2032	126,779.22	60,765.64	187,544.86
2033-2037	56,668.80	31,112.55	87,781.35
2038-2042	81,668.80	27,612.55	109,281.35
2043-2046	2,676.76	18,490.49	21,167.25
	\$ 562,281.91	\$ 262,337.15	\$ 824,619.06

Sewer Utility Capital Fund Loans Payable			
Year	Principal	Interest	Total
2023	\$ 13,868.75	\$ 1,868.76	\$ 15,737.51
2024	13,868.75	1,618.76	15,487.51
2025	13,868.75	1,368.76	15,237.51
2026	13,868.75	1,218.76	15,087.51
2027	13,868.75	1,068.76	14,937.51
2028-2032	33,869.00	3,093.80	36,962.80
2033	3,233.75	162.50	3,396.25
	\$ 106,446.50	\$ 10,400.10	\$ 116,846.60

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 7 LONG-TERM DEBT (continued)**

Changes in Outstanding Debt

Transactions for the year ended December 31, 2022 are summarized as follows:

	Balance December 31, 2021	Deductions	Balance December 31, 2022
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>General Capital Fund</u>			
Serial Bonds	\$ 3,000,000.00	\$ 265,000.00	\$ 2,735,000.00
<u>Water Capital Fund</u>			
Serial Bonds	380,000.00	15,000.00	365,000.00
Loans Payable	677,421.44	115,139.53	562,281.91
	<u>1,057,421.44</u>	<u>130,139.53</u>	<u>927,281.91</u>
<u>Sewer Capital Fund</u>			
Loans Payable	120,315.25	13,868.75	106,446.50
Total	<u>\$ 4,177,736.69</u>	<u>\$ 409,008.28</u>	<u>\$ 3,768,728.41</u>

**NOTE 8 SHORT-TERM DEBT**

There is no short-term debt.

**NOTE 9 SUMMARY OF MUNICIPAL DEBT**

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

	Year 2022	Year 2021	Year 2020
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Issued			
General Bonds and Notes	\$ 2,735,000.00	\$ 3,000,000.00	\$ 2,926,551.00
Water Utility Bonds, Notes and Loans	927,281.91	1,057,421.44	1,139,141.23
Sewer Utility Loans	106,446.50	120,315.25	214,502.32
	<u>3,768,728.41</u>	<u>4,177,736.69</u>	<u>4,280,194.55</u>
Total Debt Issued			





**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 9 SUMMARY OF MUNICIPAL DEBT (continued)**

Summary of Statutory Debt Condition – Annual Debt Statement (continued)

Net Debt \$4,661,863.50 divided by the Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$295,392,079.67 equals 1.578%.

Borrowing Power under N.J.S.A. 40A:2-6 amended

3-1/2 % Equalized Valuation Basis Municipal		\$ 10,338,722.79
Net Debt		4,661,863.50
		\$ 5,676,859.29

Calculation of “Self-liquidating purpose” – Water Utility per N.J.S. 40A:2-45

Cash Receipts From Fees, Rents or Other		
Charges for the Year		\$ 564,752.28
Deductions:		
Operating and Maintenance Costs	\$ 332,318.00	
Debt Service	84,272.74	
Total Deductions		416,590.74
Excess Revenue		\$ 148,161.54

Calculation of “Self-liquidating purpose” – Sewer Utility per N.J.S. 40A:2-45

Cash Receipts From Fees, Rents or Other		
Charges for the Year		\$ 534,058.36
Deductions:		
Operating and Maintenance Costs	\$ 497,218.00	
Debt Service	15,033.97	
Total Deductions		512,251.97
Excess Revenue		\$ 21,806.39

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 10 DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED**

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

**NOTE 11 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

As noted in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2022, there were deferred charges as follows.

	Balance December 31, 2022	2023 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Overexpenditure of Appropriations	\$ 97.15	\$ 97.15	\$ -
	\$ 97.15	\$ 97.15	\$ -

**NOTE 12 TAXES COLLECTED IN ADVANCE**

Taxes collected in advance set forth as cash liabilities in the financial statements, are as follows:

	Balance	
	2022	2021
Prepaid Taxes	\$ 94,717.80	\$ 79,233.32

**NOTE 13 ASSESSMENT AND COLLECTION OF PROPERTY TAXES**

New Jersey statutes require that taxable valuation of real property be prepared by the Borough Tax Assessor as of October 1st in each year and filed with the County Board of Taxation (“Board”) by January 10th of the following year. Upon the filing of certified adopted budgets by the Borough, Local School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 20th, with a completed duplicate of the tax rolls to be delivered to the Borough Tax Collector (“Collector”) on or before June 3rd. Tax bills are prepared then mailed by the Collector of the Borough annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year.

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 13 ASSESSMENT AND COLLECTION OF PROPERTY TAXES (continued)**

In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The N.J. Statutes allow a grace period of 10 days for each payment period and the Borough granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent as of the eleventh day of the eleventh month of the fiscal year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

**NOTE 14 REGIONAL AND LOCAL DISTRICT SCHOOL TAXES**

Regional High School District Taxes and Local District School Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991 C. 63 provides that any municipality that levies school taxes on a school year basis may defer from the municipal purposes tax levy 50% (fifty percent) of the levy. The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. At year end taxes due consisted of the following:

	Regional High School District School Tax		Local District School Tax	
	Balance December 31		Balance December 31	
	2022	2021	2022	2021
Balance of Tax	\$ 429,674.71	\$ 429,674.71	\$ 344,652.49	\$ 335,631.45
Deferred	429,674.71	429,674.71	100,858.52	100,858.52
Tax Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,793.97</u>	<u>\$ 234,772.93</u>

**NOTE 15 FUND BALANCES APPROPRIATED**

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

Year	Current Fund	
	Balance	Utilized In
	December 31	Budget of
2022	\$ 609,229.42	\$ 400,000.00
2021	579,635.87	400,000.00
2020	436,412.35	200,000.00

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 15 FUND BALANCES APPROPRIATED (continued)**

Water Utility Fund		
Year	Balance December 31	Utilized In Budget of Succeeding Year
2022	\$ 417,028.36	\$ -
2021	567,533.58	-
2020	862,791.81	-
Sewer Utility Fund		
Year	Balance December 31	Utilized In Budget of Succeeding Year
2022	\$ 130,649.77	\$ 65,875.51
2021	102,383.30	22,605.51
2020	165,061.05	127,120.33

**NOTE 16 PENSION PLANS**

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

**General Information About the Plan**

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:

[www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml)

Vesting and Benefit Provisions - 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:

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

Service retirement benefits of 1/55th 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

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 16 PENSION PLANS (continued)**

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

**General Information About the Plan (continued)**

benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more 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 schedule of employer allocations and the schedule of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS, 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.

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 2022, the State's pension contribution was more 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. 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 contributions to the PERS were \$60,041.

Net Pension Liability - At December 31, 2022, the Borough reported a liability of \$715,530. as the Borough's proportionate share of the PERS net pension liability. 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,

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 16 PENSION PLANS (continued)**

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

**General Information About the Plan (continued)**

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 0.0047611985% which was a decrease of .000366559% from its proportion measured as of June 30, 2021.

Pension Expense - At December 31, 2022, the Borough's proportionate share of the PERS pension benefit, calculated by the plan as of the June 30, 2022 measurement date is \$1,131,816. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1.

Deferred Outflows and Deferred Inflows of Resources, and Pension Expense - At December 31, 2022 the State reported deferred outflows of resources and deferred inflows from resources attributable to the Borough from the following sources:

Deferred Outflows and Deferred Inflows of Resources, and Pension Expense (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 5,186	\$ 4,573
Changes in Assumptions	2,226	107,592
Net Difference between Projected and Actual Earnings on Pension Plan Investments	29,739	
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>259,415</u>	<u>133,364</u>
	<u>\$ 296,566</u>	<u>\$ 245,529</u>

The Borough will amortize the above sources of deferred outflows and inflows related to the PERS over the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan with the exception of net differences between projected and actual earnings on pension plan investments which will be amortized over 5 years. The average of the expected remaining service lives of all employees are 5.04, 5.13, 5.16, 5.21, 5.63 and 5.48 for the years 2022, 2021, 2020, 2019, 2018 and 2017 respectively.

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 16 PENSION PLANS (continued)**

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

**General Information About the Plan (continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions that would be recognized in future periods if the Borough was on a GAAP basis of accounting, is as follows:

Year Ending Dec. 31,	PERS
2023	\$ (114,447)
2024	(20,460)
2025	40,975
2026	32,838
2027	(34)
	<u>\$ (61,128)</u>

**Actuarial Assumptions** - The total pension liability for the June 30, 2022 measurement date was determined by using an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	2.00% - 6.00%
Investment Rate of Return	7.00%

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

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



**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 16 PENSION PLANS (continued)**

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

**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:

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

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

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 16 PENSION PLANS (continued)**

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

**Long-term Expected Rate of Return (continued)**

**Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 923,100</u>	<u>\$ 718,530</u>	<u>\$ 544,432</u>

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 16 PENSION PLANS (continued)**

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

**Required Supplementary Pension Information** – In accordance with GASB 68, the following information is also presented for the PERS Pension Plan. These schedules are presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**Schedule of the Borough's Proportionate Share of the Net Pension Liability (Last 9 Years) (unaudited)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Township's proportion of the net liability	0.0023282795%	0.0033603503%	0.0040951807%	0.0053375824%	0.0040004950%	0.0031692020%	0.0032003304%	0.0051277575%	0.0047611985%
Township's proportionate share of the net pension liability	\$ 335,922	\$ 181,861	\$ 131,747	\$ 343,165	\$ 567,091	\$ 574,133	\$ 477,258	\$ 547,814	\$ 245,529
Township's covered-employee payroll	247,050	274,285	300,837	280,157	214,417	240,329	374,400	355,941	301,993
	<u>\$ 582,972</u>	<u>\$ 456,146</u>	<u>\$ 432,584</u>	<u>\$ 623,322</u>	<u>\$ 781,508</u>	<u>\$ 814,462</u>	<u>\$ 851,658</u>	<u>\$ 903,755</u>	<u>\$ 547,522</u>
Township's proportionate share of the net pension liability as a percentage of its covered-employee payroll	135.97%	66.30%	43.79%	122.49%	264.48%	238.89%	127.47%	153.91%	81.30%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.34%	62.91%

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 16 PENSION PLANS (continued)**

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

**Required Supplementary Pension Information (continued)**

**Schedule of the Borough's Proportionate Share of the Net Pension Liability (Last 9 Years) (unaudited)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 19,610	\$ 28,890	\$ 36,381	\$ 49,447	\$ 39,792	\$ 30,827	\$ 35,010	\$ 60,052	\$ 60,041
Contributions in Relation to the contractually Required Contribution	19,610	28,890	36,381	49,447	39,792	30,827	35,010	60,052	60,041
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's covered-employee payroll	\$ 247,050	\$ 274,285	\$ 300,837	\$ 280,157	\$ 214,417	\$ 240,329	\$ 374,400	\$ 355,941	\$ 301,993
Contribution as a percentage of covered-employee payroll	7.94%	10.53%	12.09%	17.65%	18.56%	12.83%	9.35%	16.87%	19.88%

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 16 PENSION PLANS (continued)**

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

**General Information About the Plan**

**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 (“Division). For additional information about PFRS, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at:

[www.state.nj.us/treasury/pension/annual-reports.shtml](http://www.state.nj.us/treasury/pension/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 schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. 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.

**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 2022, the State contributed an amount less than the actuarially determined amount.

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 16 PENSION PLANS (continued)**

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

**Contributions (continued)**

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 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 contributions to PFRS were \$302,769. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

**Net Pension Liability** - At December 31, 2022, the Borough's proportionate share of the PFRS net pension liability is valued to be 2,664,713. 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 0.0232800100%, which was an increase of 0.0038035664% from its proportion measured as of June 30, 2021.

**Pension Expense** - At December 31, 2022, the Borough's proportionate share of the PFRS pension benefit, calculated by the plan as of the June 30, 2022 measurement date is \$151,905. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1.

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 16 PENSION PLANS (continued)**

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

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2022, the Borough had deferred outflows of resources and deferred inflows of resources related to the PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 120,612	\$ 163,250
Changes in Assumptions	7,303	335,435
Net Difference between Projected and Actual Earnings on Pension Plan Investments	244,009	
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	1,073,135	(167,302)
	\$ 1,445,059	\$ 331,383

The Borough will amortize the above sources of deferred outflows and inflows related to PFRS over the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan with the exception of net differences between projected and actual earnings on pension plan investments which will be amortized over 6 years. The average of the expected remaining service lives of all employees are 6.22, 6.17, 5.90, 5.92, 5.73 and 5.59 for the years 2022, 2021, 2020, 2019, 2018 and 2017 amounts respectively.

The following is a summary of the pension expense, deferred outflows of resources and deferred inflows of resources related to the PFRS that would be recognized in future periods if the Borough was on GAAP basis of accounting:

Year Ending Dec. 31,	PFRS
2022	\$ (4,638,254)
2023	(3,447,069)
2024	(3,013,830)
2025	(2,965,371)
2026	(262,915)
2027	(44,695)
	\$(14,372,134)

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 16 PENSION PLANS (continued)**

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

**Actuarial Assumptions** - The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The actuarial valuations used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wate	3.25
Salary Increases:	
Through	All future years 3.25 - 15.25% based on years of service
Investment Rate of Return	7.00%

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

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, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.



**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 16 PENSION PLANS (continued)**

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

**Long-Term Expected Rate of Return (continued)**

Best estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2021 are summarized in the following table:

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the 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 rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 16 PENSION PLANS (continued)**

**Special Funding Situation (continued)**

The State's proportionate share of the PFRS net pension liability attributable to the Borough is \$474,241 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 0.02332801400%, which was an increase of 0.0038039477% 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	\$	2,664,713
State of New Jersey's Proportionate Share of the Net Pension Liability Attributable to the Borough		474,241
		\$ 3,138,954

**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 as of June 30, 2022, 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%).

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 3,656,274	\$ 2,664,713	\$ 1,839,234
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	650,710	474,241	327,330
	\$ 4,306,984	\$ 3,138,954	\$ 2,166,564

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

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 16 PENSION PLANS (continued)**

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

**Required Supplementary Pension Information** – In accordance with GASB 68, the following information is also presented for the PERS Pension Plan. These schedules are presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**Schedule of the Borough's Proportionate Share of the Net Pension Liability (Last 9 Years) (unaudited)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Township's proportion of the net liability	0.0135762530%	0.0126748961%	0.0156793371%	0.0160884780%	0.0115106947%	0.0162646340%	0.0159625539%	0.0194764436%	0.2328001000%
Township's proportionate share of the net pension liability	\$ 1,707,767	\$ 2,111,196	\$ 2,995,154	\$ 2,483,750	\$ 1,557,587	\$ 2,071,430	\$ 2,062,572	\$ 1,423,563	\$ 2,664,713
State's proportionate share of net pension liability associated with the Township	183,898	185,145	251,519	278,201	211,572	327,083	320,102	400,377	474,241
	<u>\$ 1,891,665</u>	<u>\$ 2,296,341</u>	<u>\$ 3,246,673</u>	<u>\$ 2,761,951</u>	<u>\$ 1,769,159</u>	<u>\$ 2,398,513</u>	<u>\$ 2,382,674</u>	<u>\$ 1,823,940</u>	<u>\$ 3,138,954</u>
Township's covered-employee payroll	\$ 489,185.00	\$ 546,154.00	\$ 569,716.00	\$ 441,531.00	\$ 559,470.00	\$ 595,375.00	\$ 698,638.00	\$ 846,502.00	\$ 1,022,892.00
Township's proportionate share of the net pension liability as a percentage of its covered-employee payroll	349.10%	386.56%	525.73%	562.53%	278.40%	347.92%	295.23%	168.17%	260.51%
Plan fiduciary net position as a percentage of the total pension liability	62.41%	56.31%	52.01%	58.60%	62.48%	65.00%	63.52%	77.26%	68.33%

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 16 PENSION PLANS (continued)**

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

**Schedule of the Borough's Proportionate Share of the Net Pension Liability (Last 9 Years) (unaudited)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 104,275	\$ 103,028	\$ 127,840	\$ 142,386	\$ 112,534	\$ 170,976	\$ 178,329	\$ 226,991	\$ 302,769
Contributions in Relation to the Contractually Required Contribution	<u>104,275</u>	<u>103,028</u>	<u>127,840</u>	<u>142,386</u>	<u>112,534</u>	<u>170,976</u>	<u>178,329</u>	<u>226,991</u>	<u>302,769</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Municipality's covered-employee payroll	\$ 489,185.00	\$ 546,154.00	\$ 569,716.00	\$ 441,531.00	\$ 559,470.00	\$ 595,375.00	\$ 698,638.00	\$ 846,502.00	\$ 1,022,892.00
Contribution as a percentage of covered-employee payroll	21.32%	18.86%	22.44%	32.25%	20.11%	28.72%	25.53%	26.82%	29.60%

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 17 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”)**

**General Information About the Plan**

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

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

**Special Funding Situation** - Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 17 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (continued)**

**General Information About the Plan**

managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities’ total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

**OPEB Liabilities, Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources:**

**Net OPEB Liability** - At December 31, 2022, the Borough reported a liability of \$3,191,806 as the Borough’s proportionate share of Net OPEB liability. The Net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the Net OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The Borough’s proportion measured as of June 30, 2022, was 0.019764% which was a decrease of .001079% from its proportion measured as of June 30, 2021.

**OPEB Expense** - At December 31, 2022, the Borough’s proportionate share of the (benefit) expense, calculated by the plan as of the June 30, 2022 measurement date is \$234,278. This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1.

**Deferred Outflows and Deferred Inflows of Resources, and OPEB Expense** - At December 31, 2022 the State reported deferred outflows of resources and deferred inflows from resources attributable to the Borough from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 164,828	\$ 591,625
Changes in Assumptions	425,960	1,089,302
Net Differences between Projected and Actual Investment Earnings	840	
Changes in Proportion	<u>1,895,565</u>	<u>540,283</u>
	<u>\$ 2,487,193</u>	<u>\$ 2,221,210</u>

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 17 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (continued)**

The Borough will amortize the above sources of deferred outflows and inflows related to the OPEB over the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan with the exception of net differences between projected and actual earnings on OPEB plan investments which will be amortized over 5 years. The average of the expected remaining service lives of all employees is 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 for the 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB that would be recognized in future periods if the Borough was on a GAAP basis of accounting, is as follows:

**OPEB Liabilities, Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources (continued):**

Year Ending December 31,	OPEB
2023	\$ (20,833)
2024	(20,920)
2025	67,166
2026	93,633
2027	184,338
2028-2030	(37,401)
	\$ 265,983

**Actuarial Assumptions** - The total OPEB 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 OPEB liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Salary Increases\*:

Public Employees’ Retirement System (PERS)	
Rate for all years	2.75% to 6.55% based on years of service
Police and Firemen’s Retirement System (PFRS)	
Rate or all future years	3.25% - 16.25% Based on years of service

\* Salary increases are based on years of service within the respective plan

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

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

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 17 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (continued)**

***Discount Rate***

The discount rate for June 30, 2022 was 3.54%. 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 Borough’s proportionate share of the net OPEB liability as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 3,699,946</u>	<u>\$ 3,191,806</u>	<u>\$ 2,782,960</u>

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

The following presents the Boroughs proportionate share of the net OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease (2.58%)</u>	<u>Healthcare Cost Trend Rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 2,707,705</u>	<u>\$ 3,191,806</u>	<u>\$ 3,811,803</u>

**OPEB plan fiduciary net position**

Detailed information about the OPEB plan’s fiduciary net position is available in a report issued separately by the New Jersey Division of Pensions and Benefits.



**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 17 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (continued)**

**Schedule of the Borough’s Proportionate Share of the Net OPEB Liability (Last 7 Plan Fiscal Years)**

	2016	2017	2018	2019	2020	2021	2022
Borough's proportion of the net OPEB liability	0.012640%	0.010485%	0.010622%	0.008942%	0.012476%	0.020843%	0.019764%
Borough's proportionate share of the net OPEB liability	\$ 2,745,088	\$ 2,140,595	\$ 1,664,108	\$ 1,211,290	\$ 2,239,019	\$ 3,751,694	\$ 3,191,806
State's proportionate share of the net OPEB liability associated with the Borough	-	2,186,722	2,186,714	2,038,880	2,473,276	237,628	410,424
	<u>\$ 2,745,088</u>	<u>\$ 4,327,317</u>	<u>\$ 3,850,822</u>	<u>\$ 3,250,170</u>	<u>\$ 4,712,295</u>	<u>\$ 3,989,322</u>	<u>\$ 3,602,230</u>
Borough's covered-employee payroll	\$ 870,553.00	\$ 721,531.00	\$ 773,887.00	\$ 835,704.00	\$ 1,073,038.00	\$ 1,202,443.00	\$ 1,324,885.00
Borough's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	315.33%	296.67%	215.03%	144.94%	208.66%	312.01%	240.91%
Plan fiduciary net position as a percentage of the total OPEB liability	0.69%	1.03%	1.97%	1.98%	0.91%	0.28%	-0.36%

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 17 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (continued)**

**Special Funding Situation**

Township's Proportionate Share of New OPEB Liability	\$	3,191,806.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Attributable to the Township		-
	<b>\$</b>	<b>3,191,806.00</b>

**NOTE 18 INTERFUND BALANCES**

The composition of interfund balances as of December 31, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
Current Fund	Federal and State Grant Fund	\$ 53,946.21
Trust Other Fund	Water Utility Operating Fund	99.38
Water Utility Operating Fund	Current Fund	95,380.46
Water Utility Operating Fund	Animal Control Trust Fund	260.81
Water Utility Operating Fund	General Capital Fund	144,444.83
Water Utility Operating Fund	Payroll Fund	4,627.66
Water Utility Operating Fund	Sewer Utility Operating Fund	159.38
		<b>\$ 298,918.73</b>

**NOTE 19 FIXED ASSETS**

Fixed asset and fixed capital activity for the year ended December 31, 2022:

	Balance December 31, 2021	Additions	Deductions	Balance December 31, 2022
Land	\$ 1,817,867.62			\$ 1,817,867.62
Buildings and Improvements	2,573,681.58			2,573,681.58
Machinery, Equipment and Vehicles	1,448,244.12	\$ 201,137.00	\$ 22,720.00	1,626,661.12
	<b>\$ 5,839,793.32</b>	<b>\$ 201,137.00</b>	<b>\$ 22,720.00</b>	<b>\$ 6,018,210.32</b>

**BOROUGH OF OCEAN GATE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDING DECEMBER 31, 2022**

**NOTE 20 RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Borough is a member of the Statewide Insurance Fund (the “Fund”). The Fund is both an insured and self-administered group of public entities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen’s compensation. The Fund will be self-sustaining through member premiums. There were no settlements in excess of insurance coverage in 2022, 2021 and 2020.

**NOTE 21 CONTINGENCIES**

A. Accrued Sick and Vacation Unaudited

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 and sick pay. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation would approximate \$159,389.44 at December 31, 2022. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

B. Litigation

The Borough is involved in legal and administrative proceedings and claims of various types. While any litigation contains an element of uncertainty, Borough Officials, based upon the opinion of the Borough Counsel, presently believe that the outcome of each such proceeding or claim which is pending or known to be threatened, or all of them combined, will not have a material or adverse effect on the Borough’s financial position or adversely affect the Borough’s ability to levy, collect, and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

C. Federal and State Grants

The Borough receives financial assistance from the U.S. government and the State of New Jersey 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 payment to the grantor agency. As of December 31, 2022, the Borough estimates that no material liabilities will result from such audits.

**NOTE 22 SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events occurring after December 31, 2022 through the date of December 28, 2023, which is the date the financial statements were available to be issued.

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN**  
**SUPPLEMENTARY DATA**  
**YEAR ENDED DECEMBER 31, 2022**

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

CURRENT FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance, December 31, 2021	A		\$ 1,174,040.61
Increased by Receipts:			
Non-Budget Revenues	A-2	\$ 34,992.01	
State of New Jersey (Ch. 20, P.L. 1971)	A-5	15,750.00	
Taxes Receivable	A-6	6,310,223.05	
Tax Overpayments	A-8	5,324.82	
Prepaid Taxes	A-9	92,196.55	
Revenue Accounts Receivable	A-10	932,099.14	
Interfunds	A-17	246,438.43	
Due to State Agencies	A-18	1,983.00	
Due from County - CARES Act	A-24	44,531.54	
Animal Control Statutory Excess	A-1	260.81	
Reserve for Municipal Relief Fund	A	7,493.93	
		<hr/>	7,691,293.28
			<hr/> 8,865,333.89
Decreased by Disbursements:			
2022 Budget Appropriations	A-3	3,392,180.88	
Tax Overpayments	A-8	1,815.20	
Appropriation Reserves	A-11	74,277.11	
County Taxes Payable	A-12	1,125,824.97	
Local School District Tax	A-13	1,977,369.96	
Regional School District Tax	A-14	1,052,655.00	
Accounts Payable	A-16	1,325.93	
Interfunds	A-17	31,915.59	
Due to State Agencies	A-18	1,795.00	
Americvan Rescue Plan	A-19	17,337.64	
		<hr/>	7,676,497.28
			<hr/> 7,676,497.28
Balance, December 31, 2022	A		<u><u>\$ 1,188,836.61</u></u>

**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND  
SCHEDULE OF DUE (FROM)/TO STATE - P.L. 1971, C. 20

	<u>Ref.</u>		
Balance, December 31, 2021	A		\$ 2,322.60
Increased by:			
Received from State of New Jersey	A-4	\$ 15,750.00	
Deductions Disallowed by Collector - Prior Taxes	A-1/A-6	<u>500.00</u>	
			<u>16,250.00</u>
			18,572.60
Decreased by:			
Deductions per Tax Duplicate:			
Senior Citizens		3,000.00	
Veterans		14,000.00	
Deductions Allowed by Collector - 2022		<u>750.00</u>	
		17,750.00	
Less: Deductions Disallowed by Collector - 2022		<u>371.23</u>	
	A-6		<u>17,378.77</u>
Balance, December 31, 2022	A		<u><u>\$ 1,193.83</u></u>

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

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

Year	Balance	2022 Levy	Collections		P.L. 1971	Tax	Transfer	Canceled,	Balance
	December 31, 2021		2021	2022	Senior Citizens and Veterans	Overpayments Applied	to Tax Title Lien	Remitted or Abated	December 31, 2022
2018 and Prior	\$ 551.16							\$ 551.16	
2019	1,440.25			\$ 1,440.25					
2020	3,399.36			3,399.36					
2021	186,248.53			186,740.56	\$ (500.00)				\$ 7.97
	<u>191,639.30</u>			<u>191,580.17</u>	<u>(500.00)</u>			<u>551.16</u>	<u>7.97</u>
2022		\$ 6,347,866.46	\$ 79,233.32	6,118,642.88	17,378.77	\$ 2,795.96	\$ 353.19		129,462.34
	<u>\$ 191,639.30</u>	<u>\$ 6,347,866.46</u>	<u>\$ 79,233.32</u>	<u>\$ 6,310,223.05</u>	<u>\$ 16,878.77</u>	<u>\$ 2,795.96</u>	<u>\$ 353.19</u>	<u>\$ 551.16</u>	<u>\$ 129,470.31</u>
<u>Ref.</u>	A	A-6	A-2/A-9	A-2/A-4	A-2/A-5	A-2/A-8	A-7		A
<u>Analysis of 2022 Property Tax Levy</u>			<u>Ref.</u>						
Tax Yield:									
General Purpose Tax						\$ 6,307,706.66			
Added and Omitted Tax						39,354.98			
6% Penalty						<u>804.82</u>			
			A-6					<u>\$ 6,347,866.46</u>	
Tax Levy:									
Local District School Tax			A-13	\$ 1,986,391.00					
Regional District School Tax			A-14	<u>1,057,809.00</u>					
					\$ 3,044,200.00				
County Taxes:									
County Tax			A-12	939,334.65					
County Library Tax			A-12	92,449.39					
County Open Space Tax			A-12	35,005.00					
County Health Tax			A-12	48,816.35					
Due County for Added and Omitted Taxes			A-12	<u>6,959.88</u>					
Total County Taxes					<u>1,122,565.27</u>				
			A-2			<u>4,166,765.27</u>			
Local Tax for Municipal Purposes			A-2		2,146,955.15				
Add: Additional Tax Levied					<u>34,146.04</u>				
						<u>2,181,101.19</u>			
			A-6					<u>\$ 6,347,866.46</u>	

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

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

	<u>Ref.</u>	
Balance, December 31, 2021	A	\$ 1,616.37
Increased by:		
Transfer from Taxes Receivable	A-6	<u>353.19</u>
Balance, December 31, 2022	A	<u><u>\$ 1,969.56</u></u>



**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

CURRENT FUND  
 SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>		
Balance, December 31, 2021	A		\$ 5,265.79
Increased by:			
Receipts	A-4		5,324.82
			<u>10,590.61</u>
Decreased by:			
Applied to Taxes Receivable	A-6	\$ 2,795.96	
Applied to Prepaid Taxes	A-9	2,521.25	
Refunds	A-4	1,815.20	
Canceled	A-1	<u>185.88</u>	
			<u>7,318.29</u>
Balance, December 31, 2022	A		<u><u>\$ 3,272.32</u></u>

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF PREPAID TAXES**

	<u>Ref.</u>		
Balance, December 31, 2021	A		\$ 79,233.32
Increased by:			
Collections, 2023 Taxes	A-4	\$ 92,196.55	
Transfer from Tax Overpayments	A-8	<u>2,521.25</u>	
			<u>94,717.80</u>
			173,951.12
Decreased by:			
Applied to Taxes Receivable	A-6		<u>79,233.32</u>
Balance, December 31, 2022	A		<u><u>\$ 94,717.80</u></u>

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	Balance December 31, 2021	Accrued in 2022	Collected	Balance December 31, 2022
Licenses:					
Alcoholic Beverages	A-2		\$ 5,188.00	\$ 5,188.00	
Fees and Permits	A-2		35,270.00	35,270.00	
Municipal Court:					
Fines and Costs	A-2	\$ 1,363.94	25,798.08	26,174.32	\$ 987.70
Other Revenue:					
Interest and Costs on Taxes	A-2		44,648.84	44,648.84	
Interest on Investments and Deposits	A-2		697.68	697.68	
Beach Revenues	A-2		97,126.00	97,126.00	
Parking Lot Fees	A-2		21,020.00	21,020.00	
Consolidated Municipal Property Tax Relief Aid	A-2		2,393.00	2,393.00	
Energy Receipts Tax	A-2		141,268.00	141,268.00	
Uniform Construction Code Fees	A-2		27,124.00	27,124.00	
Beach and Boardwalk Operations	A-2		18,000.00	18,000.00	
Utility Operating Surplus of Prior Year	A-2		317,100.00	317,100.00	
Cable T.V. - Franchise Fee	A-2		8,662.08	8,662.08	
Cell Tower Lease	A-2		34,800.00	34,800.00	
ProChamps Foreclosed Homes	A-2		7,080.00	7,080.00	
Reserve for Payment of Debt	A-2		44,444.83	44,444.83	
School Resource Officer Reimbursement	A-2		14,950.00	14,950.00	
Senior/Veteran Administration Fee	A-2		315.00	315.00	
American Rescue Plan - General Government Services	A-2		175,000.00	175,000.00	
		<u>\$ 1,363.94</u>	<u>\$ 1,020,885.51</u>	<u>\$ 1,021,261.75</u>	<u>\$ 987.70</u>
	<u>Ref.</u>	A		A-10	A
Cash Receipts	A-4			\$ 932,099.14	
Reserve for American Rescue Plan	A-19			<u>89,162.61</u>	
	A-10			<u>\$ 1,021,261.75</u>	

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF APPROPRIATION RESERVES

	Balance December 31, <u>2021</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<u>Operations Within CAPS</u>					
General Government Functions:					
Administrative & Executive					
Other Expenses	\$ 399.89	\$ 950.66	\$ 1,350.55	\$ 1,161.73	\$ 188.82
Council					
Salaries and Wages	2,000.00		2,000.00	2,000.00	
Municipal Clerk					
Other Expenses	35.80		35.80		35.80
Financial Administration (Treasury)					
Other Expenses		883.00	883.00	883.00	
Revenue Administration					
Other Expenses		105.00	105.00	105.00	
Tax Assessment Administration					
Salaries and Wages	0.12		0.12		0.12
Other Expenses	139.37		139.37		139.37
Legal Services (Legal Dept.)					
Other Expenses	42,109.64		42,109.64	11,864.59	30,245.05
Engineering Services					
Other Expenses	4,230.90	2,999.50	7,230.40	2,999.50	4,230.90
Planning Board					
Salaries and Wages	0.74		0.74		0.74
Other Expenses	562.75		562.75		562.75
Insurance					
Employee Group Insurance	14,431.26		14,431.26		14,431.26
Unemployment Insurance	500.00		500.00		500.00
Public Safety Functions:					
Police Department					
Other Expenses	25,828.09	7,650.17	33,478.26	6,349.21	27,129.05

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF APPROPRIATION RESERVES

	Balance December 31, <u>2021</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Office of Emergency Management					
Other Expenses	\$ 400.00		\$ 400.00		\$ 400.00
Fire Department					
Other Expenses	7.70	\$ 10,053.85	10,061.55	\$ 9,844.93	216.62
Public Works Functions:					
Streets and Roads Maintenance					
Salaries and Wages	1,084.30		1,084.30		1,084.30
Other Expenses	6,976.35		6,976.35	1,942.85	5,033.50
Beachfront Maintenance					
Salaries and Wages	1,084.36		1,084.36		1,084.36
Other Expenses	3,400.58	1,891.36	5,291.94	3,028.09	2,263.85
Solid Waste Collection					
Salaries and Wages	1,084.36		1,084.36		1,084.36
Building and Grounds					
Other Expenses	14,039.64	15,510.64	29,550.28	22,236.04	7,314.24
Recreation:					
Beach Patrol					
Other Expenses	721.13		721.13	8.98	712.15
Municipal Court					
Salaries and Wages	6,636.16		6,636.16		6,636.16
Other Expenses	1,203.70	3.40	1,207.10	103.40	1,103.70
Public Defender (P.L. 1997, c.256)					
Salaries and Wages	1,000.00	500.00	1,500.00	500.00	1,000.00
Contribution-Providence House (NJSA 40:23-8.17)					
Other Expenses	580.00		580.00	140.00	440.00
Utility Expenses and Bulk Purchases:					
Street Lighting	17,810.28		17,810.28		17,810.28
Petroleum Products	823.60	206.91	1,030.51	206.91	823.60

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF APPROPRIATION RESERVES

	Balance December 31, <u>2021</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Landfill/Solid Waste Disposal Costs:					
Landfill/Solid Waste Disposal Costs					
Other Expenses	\$ 10,682.64		\$ 10,682.64	\$ 10,682.64	
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Amamo McGann - 7/23/19	170.00		170.00		\$ 170.00
Statutory Expenditures:					
Social Security System (O.A.S.I.)	282.78		282.78		282.78
Operations Excluded from CAPS					
Interlocal Municipal Service Agreements					
Code Enforcement Services					
Other Expenses	680.00		680.00	520.00	160.00
Gas and Diesel					
Other Expenses	<u>5,139.46</u>	\$ <u>1,147.90</u>	<u>6,287.36</u>	<u>2,898.24</u>	<u>3,389.12</u>
	<u>\$ 164,045.60</u>	\$ <u>41,902.39</u>	\$ <u>205,947.99</u>	\$ <u>77,475.11</u>	\$ <u>128,472.88</u>
<u>Ref.</u>	A	A-15		A-11	A-1
Cash Disbursed	A-4			\$ 74,277.11	
Accounts Payable	A-16			<u>3,198.00</u>	
	A-11			<u>\$ 77,475.11</u>	

**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2021	A		\$ 20,439.16
Increased by:			
County Tax	A-6	\$ 939,334.65	
County Library Tax	A-6	92,449.39	
County Open Space Tax	A-6	35,005.00	
County Health Tax	A-6	48,816.35	
Due County for Added and Omitted Taxes	A-6	<u>6,959.88</u>	
	A-1		<u>1,122,565.27</u>
			<u>1,143,004.43</u>
Decreased by:			
Payments	A-4	1,125,824.97	
Cancel Prior Year Balance	A-1	<u>10,219.58</u>	
			<u>1,136,044.55</u>
Balance, December 31, 2022	A		<u><u>\$ 6,959.88</u></u>

Exhibit A-13

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2021:			
School Tax Payable	A	\$ 234,772.93	
School Tax Deferred		<u>100,858.52</u>	
			\$ 335,631.45
Increased by:			
Levy - School Year July 1, 2022 to June 30, 2023	A-6		<u>1,986,391.00</u>
			<u>2,322,022.45</u>
Decreased by:			
Payments	A-4		<u>1,977,369.96</u>
Balance December 31, 2022:			
School Tax Payable	A	243,793.97	
School Tax Deferred		<u>100,858.52</u>	
			<u><u>\$ 344,652.49</u></u>
<u>2022 Liability for Local School District Taxes:</u>			
Tax Paid	A-13		\$ 1,977,369.96
Taxes Payable December 31, 2022	A		<u>243,793.97</u>
			<u>2,221,163.93</u>
Less: Taxes Payable December 31, 2021	A		<u>234,772.93</u>
Amount Charged to 2022 Operations	A-1		<u><u>\$ 1,986,391.00</u></u>

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF REGIONAL SCHOOL DISTRICT TAX PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2021:			
School Tax Payable	A	\$ (14,524.21)	
School Tax Deferred		<u>429,674.71</u>	
			\$ 415,150.50
Increased by:			
Levy - School Year July 1, 2022 to June 30, 2023	A-6		<u>1,057,809.00</u>
			1,472,959.50
Decreased by:			
Payments	A-4		<u>1,052,655.00</u>
Balance December 31, 2022:			
School Tax Payable	A	(9,370.21)	
School Tax Deferred		<u>429,674.71</u>	
			<u>\$ 420,304.50</u>
 <u>2022 Liability for Local School District Taxes:</u>			
Tax Paid	A-14		\$ 1,052,655.00
Taxes Payable December 31, 2022	A		<u>(9,370.21)</u>
			1,043,284.79
Less: Taxes Payable December 31, 2021	A		<u>(14,524.21)</u>
Amount Charged to 2022 Operations	A-1		<u>\$ 1,057,809.00</u>



**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

CURRENT FUND  
 SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2021	A	\$ 41,902.39
Increased by:		
Current Appropriations Charged	A-3	33,639.99
		<hr/> 75,542.38
Decreased by:		
Transferred to Appropriation Reserves	A-11	41,902.39
		<hr/> 41,902.39
Balance, December 31, 2022	A	<hr/> <u>\$ 33,639.99</u>

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF ACCOUNTS PAYABLE**

	<u>Ref.</u>	
Balance, December 31, 2021	A	\$ 4,302.97
Increased by:		
Charged to Appropriation Reserves	A-11	3,198.00
		<u>7,500.97</u>
Decreased by:		
Disbursements	A-4	1,325.93
		<u>1,325.93</u>
Balance, December 31, 2022	A	<u><u>\$ 6,175.04</u></u>

**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND  
SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)

	<u>Ref.</u>	<u>Total</u> <u>(MEMO ONLY)</u>	<u>Federal and</u> <u>State Grant</u> <u>Fund</u>	<u>Water</u> <u>Operating</u> <u>Fund</u>
Balance, December 31, 2021				
Interfunds Receivable	A	\$ 173,981.02	\$ 173,981.02	
Increased by:				
2022 Anticipated Grant Revenue	A-2	46,482.14	46,482.14	
Cash Disbursements	A-4	31,915.59	31,915.59	
		<u>78,397.73</u>	<u>78,397.73</u>	
		<u>252,378.75</u>	<u>252,378.75</u>	
Decreased by:				
2022 Grant Budget Appropriations	A-3	47,374.57	47,374.57	
Cash Receipts	A-4	246,438.43	151,057.97	\$ 95,380.46
		<u>293,813.00</u>	<u>198,432.54</u>	<u>95,380.46</u>
Balance, December 31, 2022				
Interfunds Receivable	A	<u>\$ 53,946.21</u>	<u>\$ 53,946.21</u>	
Interfunds Payable	A	<u>\$ (95,380.46)</u>		<u>\$ (95,380.46)</u>
 <u>Analysis of Net Charge/(Credit) to Operations</u>				
Interfunds Accounts Receivable:				
Balance, December 31, 2022	Above	\$ 53,946.21		
Balance, December 31, 2021	Above	<u>173,981.02</u>		
Net Charge/(Credit) to Operations	A-1	<u>\$ (120,034.81)</u>		

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF DUE TO STATE AGENCIES

	Balance December 31, <u>2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2022</u>
Due to State:				
Vital Statistics - Marriage Licenses	\$ 125.00	\$ 200.00	\$ 275.00	\$ 50.00
Training Fees	<u>777.00</u>	<u>1,783.00</u>	<u>1,520.00</u>	<u>1,040.00</u>
	<u>\$ 902.00</u>	<u>\$ 1,983.00</u>	<u>\$ 1,795.00</u>	<u>\$ 1,090.00</u>
	A	A-4	A-4	A

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF RESERVE FOR AMERICAN RESCUE PLAN GRANT**

	<u>Ref.</u>		
Balance, December 31, 2021	A		\$ 106,500.25
Decreased by:			
Disbursements	A-4	\$ 17,337.64	
2022 Current Fund Revenue	A-10	<u>89,162.61</u>	
			<u>106,500.25</u>
Balance, December 31, 2022	A		<u><u>\$ -</u></u>

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF DUE TO/(FROM) CURRENT FUND

	<u>Ref.</u>		
Balance, December 31, 2021	A		\$ 173,981.02
Increased by:			
2022 Anticipated Revenue	A-21	\$ 46,482.14	
Grant Expenditures in the Current Fund	A-22	<u>31,915.59</u>	
			<u>78,397.73</u>
			<u>252,378.75</u>
Decreased by:			
Deposits in Current Fund:			
Grants Receivable	A-21	112,435.36	
Unappropriated Reserves	A-23	38,622.61	
2022 Budget Appropriations	A-22	<u>47,374.57</u>	
			<u>198,432.54</u>
Balance, December 31, 2022	A		<u><u>\$ 53,946.21</u></u>

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	Balance December 31, <u>2021</u>	2022 Anticipated <u>Revenue</u>	<u>Cash</u> <u>Received</u>	Transferred From Grants <u>Unappropriated</u>	Balance December 31, <u>2022</u>
<b>Federal</b>					
US Department of Justice:					
Bulletproof Vest Partnership Grant	\$ 2,380.32				\$ 2,380.32
US Department of Housing and Urban Development:					
Community Development Block Grant - Sidewalk and Curb Project	31,759.88				31,759.88
US Department of Transportation:					
National Highway Traffic Safety Administration:					
NJ Department of Law and Public Safety:					
Division of Alcohol and Beverage Control:					
COPS in Shops		\$ 3,520.00		\$ 3,520.00	
Division of Highway Traffic Safety:					
Click It or Ticket		6,000.00		6,000.00	
Drive Sober or Get Pulled Over		6,000.00		6,000.00	
Drive Sober or Get Pulled Over	5,500.00				5,500.00
US Department of Homeland Security:					
Federal Emergency Management Agency (FEMA)					
Passed Through - NJ Department of Law and Public Safety:					
NJ State Police Office of Emergency Management					
Pre-Disaster Mitigation - Competitive Grant (PDMC)					
NJ OEM - Hazard Mitigation Grant Program					
FY 2021 Federal Emergency Management Assistance	9,500.00				9,500.00
Total Federal Grants	<u>49,140.20</u>	<u>15,520.00</u>	<u>\$ -</u>	<u>15,520.00</u>	<u>49,140.20</u>
<b>State</b>					
NJ Department of Law and Public Safety:					
Division of Criminal Justice:					
Body Armor Replacement Fund		972.07	972.07		

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	Balance December 31, <u>2021</u>	2022 Anticipated <u>Revenue</u>	<u>Cash</u> <u>Received</u>	Transferred From Grants <u>Unappropriated</u>	Balance December 31, <u>2022</u>
NJ Department of Health and Senior Services: Alcohol Education Rehabilitation and Enforcement Fund (AEREF)		\$ 534.77		\$ 534.77	
NJ Department of Environmental Protection: Clean Communities Program		4,204.24	\$ 4,204.24		
2018 Recycling Tonnage Grant		2,872.41		2,872.41	
2019 Recycling Tonnage Grant		3,009.24	3,009.24		
NJ Department of Transportation: Monmouth Ave	\$ 375,707.66				\$ 375,707.66
Asbury Ave	45,982.94				45,982.94
Ocean Gate Sidewalk & Curb Project	92,250.43				92,250.43
FY21 Arvene Ave & Stone Harbor	235,100.00		100,695.83		134,404.17
Governor's Council on Alcoholism and Drug Abuse Municipal Alliance on Alcoholism and Drug Abuse DMHAS 2022		4,854.67			4,854.67
Municipal Alliance on Alcoholism and Drug Abuse (DEDR) 2022		3,569.74			3,569.74
Municipal Alliance on Alcoholism and Drug Abuse (DEDR)	14,405.00		3,553.98		10,851.02
Municipal Alliance on Alcoholism and Drug Abuse (DEDR)	29,089.00				29,089.00
Municipal Alliance on Alcoholism and Drug Abuse (DEDR)	34,179.74				34,179.74
Total State Grants	<u>826,714.77</u>	<u>20,017.14</u>	<u>112,435.36</u>	<u>3,407.18</u>	<u>730,889.37</u>
<b>Local</b> 966 Reimbursement Program	2,397.10				2,397.10
New Jersey State Police Grant		10,945.00		10,945.00	
Total Local Funds	<u>2,397.10</u>	<u>10,945.00</u>	<u>-</u>	<u>10,945.00</u>	<u>2,397.10</u>
	<u>\$ 878,252.07</u>	<u>\$ 46,482.14</u>	<u>\$ 112,435.36</u>	<u>\$ 29,872.18</u>	<u>\$ 782,426.67</u>
<u>Ref.</u>	A	A-2/A-20	A-20	A-23	A



**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

<u>Grant</u>	Balance December 31, <u>2021</u>	Transfer from 2022 Budget <u>Appropriation</u>	Transfer from Reserve for <u>Encumbrances</u>	<u>Paid</u>	Reserve for <u>Encumbrances</u>	Balance December 31, <u>2022</u>
<b>Federal</b>						
US Department of Housing and Urban Development Community Development Block Grant - Handicapped Access Improvement - Narragansett Ave	\$ 32,958.00		\$ 1,320.00	\$ 5,284.00		\$ 28,994.00
US Department of Justice: 2021 Bulletproof Vest Partnership Grant	780.32			780.32		
US Department of Transportation: National Highway Traffic Safety Administration: NJ Department of Law and Public Safety: Alcohol and Beverage Control: COPS in Shops - 2021		\$ 3,520.00				3,520.00
COPS in Shops - 2020	3,520.00					3,520.00
COPS in Shops - 2022	2,640.00					2,640.00
Division of Highway Traffic Safety: Drive Sober or Get Pulled Over		6,000.00				6,000.00
Drive Sober or Get Pulled Over	3,740.00					3,740.00
Click It or Ticket		6,000.00				6,000.00
US Department of Homeland Security: Federal Emergency Management Agency (FEMA) Passed Through - NJ Department of Law and Public Safety: NJ State Police Office of Emergency Management Hazardous Material Emergency Planning Grant	49.31			49.31		
Pre-Disaster Mitigation - Competitive Grant (PDMC) FY Federal Emergency Management Assistance	4,068.05					4,068.05
<b>Total Federal Grants</b>	<u>47,755.68</u>	<u>15,520.00</u>	<u>1,320.00</u>	<u>6,113.63</u>	<u>\$ -</u>	<u>58,482.05</u>
<b>State</b>						
NJ Department of Law and Public Safety: Division of Criminal Justice: Body Armor Replacement Fund - N.J. - 2020	395.38			395.38		-
Body Armor Replacement Fund - N.J. - 2021	1,175.21			304.86		870.35
Body Armor Replacement Fund - N.J.		972.07				972.07

**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

<u>Grant</u>	Balance December 31, <u>2021</u>	Transfer from 2022 Budget <u>Appropriation</u>	Transfer from Reserve for <u>Encumbrances</u>	<u>Paid</u>	Reserve for <u>Encumbrances</u>	Balance December 31, <u>2022</u>
NJ Department of Health and Senior Services:						
Alcohol Education Rehabilitation and Enforcement Fund (AEREF)- 2022		\$ 534.77				\$ 534.77
Alcohol Education Rehabilitation and Enforcement Fund (AEREF)	\$ 3,674.00					3,674.00
NJ Department of Environmental Protection:						
Clean Communities	10,171.43			\$ 6,145.80		4,025.63
Clean Communities - 2022		4,204.24				4,204.24
2019 - Recycling Tonnage Grant		3,009.24		3,009.24		
2018 - Recycling Tonnage Grant		2,872.41		2,872.41		
2017 - Recycling Tonnage Grant	2,204.67		\$ 1,000.00	3,204.67		
Hazardous Discharge Site Remediation	64.27					64.27
NJ Department of Transportation:						
Monmouth Ave	363,486.47					363,486.47
Asbury Ave	69,822.22					69,822.22
Ocean Gate Sidewalk & Curb Project	7,521.61					7,521.61
FY21 Arvene Ave & Stone Harbor	63,186.32		1,096.22	3,254.15		61,028.39
Governor's Council on Alcoholism and Drug Abuse						
Municipal Alliance on Alcoholism and Drug Abuse (DEDR) - Youth Leader Grant		4,854.67				4,854.67
Municipal Alliance on Alcoholism and Drug Abuse (DEDR) - 2022 Grant		3,569.74		1,693.50	\$ 250.00	1,626.24
Municipal Alliance on Alcoholism and Drug Abuse (DEDR) - 2022 Matching		892.43				892.43
Municipal Alliance on Alcoholism and Drug Abuse (DEDR) - 2021 Grant	1,876.24			500.00		1,376.24
Municipal Alliance on Alcoholism and Drug Abuse (DEDR) - 2021 Matching	892.43					892.43
Municipal Alliance on Alcoholism and Drug Abuse (DEDR) - Prior Years	27,318.07		250.00	4,053.98		23,514.09
Municipal Alliance on Alcoholism and Drug Abuse (DEDR) - Prior Years Matching	7,802.25					7,802.25
Municipal Alliance on Alcoholism and Drug Abuse (DEDR) 2020 Grant	12,424.00					12,424.00
Municipal Alliance on Alcoholism and Drug Abuse (DEDR) 2020 Matching	3,901.25					3,901.25
Municipal Alliance on Alcoholism and Drug Abuse (DEDR) 2019 Grant	15,605.00					15,605.00
Municipal Alliance on Alcoholism and Drug Abuse (DEDR) 2019 Matching	3,901.25					3,901.25
Municipal Alliance on Alcoholism and Drug Abuse (DEDR) 2018 Grant	1,805.83					1,805.83
Municipal Alliance on Alcoholism and Drug Abuse (DEDR) 2018 Matching						
<b>Total State Grants</b>	<u>597,227.90</u>	<u>20,909.57</u>	<u>2,346.22</u>	<u>25,433.99</u>	<u>250.00</u>	<u>594,799.70</u>

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

<u>Grant</u>	Balance December 31, <u>2021</u>	Transfer from 2022 Budget <u>Appropriation</u>	Transfer from Reserve for <u>Encumbrances</u>	<u>Paid</u>	Reserve for <u>Encumbrances</u>	Balance December 31, <u>2022</u>
<b>Local Funds</b>						
966 Reimbursement Program	\$ 1,427.50					\$ 1,427.50
Ocean County Recycling Grant - County Share	6,725.37			\$ 367.97		6,357.40
Ocean County Recycling Grant - Local Share	6,725.38					6,725.38
New Jersey State Police Grant	<u>10,870.82</u>	\$ 10,945.00				<u>21,815.82</u>
 Total Local Funds	 <u>25,749.07</u>	 <u>10,945.00</u>	 \$ -	 <u>367.97</u>	 \$ -	 <u>36,326.10</u>
 Total Grants	 <u>\$ 670,732.65</u>	 <u>\$ 47,374.57</u>	 <u>\$ 3,666.22</u>	 <u>\$ 31,915.59</u>	 <u>\$ 250.00</u>	 <u>\$ 689,607.85</u>
	<u>Ref.</u> A	A-3/A-20	A	A-20	A	A

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF UNAPPROPRIATED RESERVES

<u>Grant</u>	Balance December 31, <u>2021</u>	Cash <u>Receipts</u>	Transferred to Grants <u>Receivable</u>	Balance December 31, <u>2022</u>
Alcohol Education and Rehabilitation Fund	\$ 534.77		\$ 534.77	
NJ State Police Grants	10,945.00		10,945.00	
Cops in Shops	3,520.00	\$ 1,440.00	3,520.00	\$ 1,440.00
Recycling Tonnage	2,872.41	2,267.70	2,872.41	2,267.70
Drive Sober or Get Pulled Over	6,000.00	6,000.00	6,000.00	6,000.00
Click it or Ticket	6,000.00		6,000.00	
Body Armor Replacement Fund		1,252.04		1,252.04
Distracted Driving		7,000.00		7,000.00
American Rescue Plan		20,662.87		20,662.87
	<u>\$ 29,872.18</u>	<u>\$ 38,622.61</u>	<u>\$ 29,872.18</u>	<u>\$ 38,622.61</u>
<u>Ref.</u>	A	A-20	A-21	A

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

CURRENT FUND

SCHEDULE OF CORONAVIRUS AID RELIEF AND ECONOMIC SECURITY ACT RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2021	A	\$ 64,785.12
Decreased by:		
Cash Receipts	A-4	44,531.54
Balance, December 31, 2022	A	\$ 20,253.58

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

TRUST FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Trust Other Fund</u>
Balance, December 31, 2021	B	\$ 1,848.41	\$ 126,434.39
Increased by Receipts:			
Reserve for Animal Control			
Trust Fund Expenditures	B-2	\$ 838.00	
Due to State of New Jersey	B-3	117.00	
Various Reserves	B-4		\$ 152,098.66
Off-Duty Police Employment			
Receivable	B-6	<u>          </u>	<u>21,270.00</u>
		955.00	173,368.66
		<u>2,803.41</u>	<u>299,803.05</u>
Decreased by Disbursements:			
Reserve for Animal Control			
Trust Fund Expenditures	B-2	560.00	
Due to State of New Jersey	B-3	111.60	
Various Reserves	B-4		57,645.30
Interfund - Water Operating Fund	B		99.38
Off-Duty Police Employment			
Receivable	B-6	<u>          </u>	<u>16,263.75</u>
		671.60	74,008.43
Balance, December 31, 2022	B	<u>\$ 2,131.81</u>	<u>\$ 225,794.62</u>

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

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

	<u>Ref.</u>		
Balance, December 31, 2021	B		\$ 1,848.41
Increased by:			
Animal License Fees Collected	B-1		<u>838.00</u>
			2,686.41
Decreased by:			
Dog Fund Expenditures	B-1	\$ 560.00	
Statutory Excess	B-5	<u>260.81</u>	
			<u>820.81</u>
Balance, December 31, 2022	B		<u><u>\$ 1,865.60</u></u>

License and Penalty Fees Collected:

<u>Year</u>	<u>Amount</u>
2020	\$ 873.80
2021	<u>991.80</u>
	<u><u>\$ 1,865.60</u></u>

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

**ANIMAL CONTROL TRUST FUND**  
**SCHEDULE OF DUE TO/(FROM) STATE OF NEW JERSEY**

	<u>Ref.</u>	
Balance, December 31, 2021	B	\$ -
Increased by:		
Receipts	B-1	117.00
		<hr/> 117.00
Decreased by:		
Disbursements	B-1	111.60
		<hr/> 111.60
Balance, December 31, 2022	B	<hr/> <u>\$ 5.40</u>



**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

TRUST OTHER FUND  
SCHEDULE OF VARIOUS RESERVES

	Balance December 31, <u>2021</u>	<u>Increased by</u>	<u>Decreased by</u>	Balance December 31, <u>2022</u>	
Recreation Trust	\$ 21,137.01	\$ 5,385.00	\$ 3,383.40	\$ 23,138.61	
Boardwalk Improvements	4,056.69	500.00	119.00	4,437.69	
Developers Escrow	20,670.90	4,825.00	8,791.96	16,703.94	
Jason Marles Memorial	2,479.26	1.20		2,480.46	
Municipal Alliance	3,755.31	1.69		3,757.00	
Off-Duty Police Employment POAA	(5,013.83) 760.74	5,013.83	178.88	581.86	
Reserve - Tax Sale Premium	41,400.00	121,800.00	17,900.00	145,300.00	
Public Defender	4,798.80	154.00		4,952.80	
Recreation Building	1,884.00			1,884.00	
Security Deposits	10,500.00			10,500.00	
Third Party Tax Lien	1,725.33	16,867.93	17,671.63	921.63	
Law Enforcement Trust	18,280.18	2,563.84	9,600.43	11,243.59	
	<u>\$ 126,434.39</u>	<u>\$ 157,112.49</u>	<u>\$ 57,645.30</u>	<u>\$ 225,901.58</u>	
	<u>Ref.</u>	B	B-4	B-1	B
Cash Receipts	B-1		\$ 152,098.66		
Transfers	B-6		<u>5,013.83</u>		
	B-4		<u>\$ 157,112.49</u>		

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

**ANIMAL CONTROL TRUST FUND**  
**SCHEDULE OF INTERFUND WITH WATER UTILITY OPERATING FUND**

	<u>Ref.</u>	
Balance, December 31, 2021	B	\$ -
Increased By:		
Cash Disbursements	B-2	260.81
Balance, December 31, 2022	B	\$ 260.81

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

TRUST OTHER FUND  
 SCHEDULE OF OFF-DUTY POLICE EMPLOMENT RECEIVABLE

	<u>Ref.</u>		
Balance, December 31, 2021	B		\$ -
Increased By:			
Cash disbursements	B-1	\$ 16,263.75	
Adjustments	B-4	<u>5,013.83</u>	
			<u>21,277.58</u>
			21,277.58
Decreased By:			
Cash Receipts	B-1		<u>21,270.00</u>
Balance, December 31, 2022	B		<u><u>\$ 7.58</u></u>

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND  
 SCHEDULE OF CASH AND INVESTMENTS

	<u>Ref.</u>		
Balance, December 31, 2021	C		\$ 180,029.91
Increased by Receipts:			
Due to Water Operating	C-11	\$ 144,444.83	
Capital Improvement Fund	C-9	<u>60,000.00</u>	
			<u>204,444.83</u>
			384,474.74
Decreased by Disbursed:			
Reserve for Debt Service	C-10	44,444.83	
Due from Water Operating	C-11	100,000.00	
Improvement Authorizations	C-7	<u>61,290.78</u>	
			<u>205,735.61</u>
Balance, December 31, 2022	C		<u><u>\$ 178,739.13</u></u>

**BOROUGH OF OCEAN GATE**

COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND  
ANALYSIS OF GENERAL CAPITAL CASH

	Balance December 31, <u>2022</u>
Grants Receivable	\$ (427,740.15)
Capital Improvement Fund	3,601.31
Reserve for Encumbrances	1,032,892.79
Interfund with Water Utility	144,444.83
Various Reserves	12,644.00
Fund Balance	157,257.90

<u>Ordinance Number</u>	<u>Improvement Description</u>	
451-01	Construction of New Municipal Building	9,214.14
576-13	Various Capital Improvements	(33.00)
624-19	Various Capital Improvements	1,620.10
634-20	General Capital Improvements	(105,734.50)
649-21	Various Capital Improvements	(94,950.55)
660-22	Various Capital Improvements and Other Related Expenses	(554,477.74)
		<u>\$ 178,739.13</u>

C

**TOWNSHIP OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND  
 SCHEDULE OF GRANTS RECEIVABLE

<u>Ordinance Number</u>	<u>Grant Description</u>	Balance December 31, <u>2021</u>	2022 Grant <u>Awards</u>	Balance December 31, <u>2022</u>
634-20	New Jersey Department of Transportation	\$ 80,215.15		\$ 80,215.15
660-22	New Jersey Department of Transportation		\$ 347,525.00	347,525.00
		<u>\$ 80,215.15</u>	<u>\$ 347,525.00</u>	<u>\$ 427,740.15</u>
		<u>Ref.</u>	<u>C</u>	<u>C-7</u>
				<u>C</u>

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

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

	<u>Ref.</u>	
Balance, December 31, 2021	C	\$ 3,000,000.00
Decreased by:		
Principal Paid on Bonds	C-8	<u>265,000.00</u>
Balance, December 31, 2022	C	<u><u>\$ 2,735,000.00</u></u>

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

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

Ordinance Number	Improvement Description	Balance December 31, 2021	2022 Authorizations	Balance December 31, 2022	Analysis of Balance, December 31, 2022	
					Unexpended Improvement Authorizations	Expenditures
576-13	Various Capital Improvements	\$ 33.00		\$ 33.00		\$ 33.00
624-19	Various Capital Improvements	500.00		500.00	\$ 500.00	
634-20	General Capital Improvements	154,726.50		154,726.50	48,992.00	105,734.50
649-21	Various Capital Improvements	606,242.00		606,242.00	511,291.45	94,950.55
660-22	Various Capital Improvements and Related Expenses		\$ 1,178,006.00	1,178,006.00	623,528.26	554,477.74
		<u>\$ 761,501.50</u>	<u>\$ 1,178,006.00</u>	<u>\$ 1,939,507.50</u>	<u>\$ 1,184,311.71</u>	<u>\$ 755,195.79</u>
	<u>Ref.</u>	C	C-12	C	C-7	C-3



**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Balance December 31, 2021		Increased by		Decreased by		Balance December 31, 2022	
		Funded	Unfunded	2022 Authorizations	Prior Year Encumbrances	Expended	Reserve for Encumbrances	Funded	Unfunded
451-01	Construction of New Municipal Building	\$ 9,214.14						\$ 9,214.14	
624-19	Various Capital Improvements	4,998.50	\$ 500.00		\$ 1,636.33	\$ 1,293.29	\$ 3,721.44	1,620.10	\$ 500.00
634-20	General Capital Improvements		48,992.00						48,992.00
649-21	Various Capital Improvements		528,430.20		108,027.35	21,410.75	103,755.35		511,291.45
660-22	Various Capital Improvements and Other Related Expenses			\$ 1,587,531.00		38,586.74	925,416.00		623,528.26
		<u>\$ 14,212.64</u>	<u>\$ 577,922.20</u>	<u>\$ 1,587,531.00</u>	<u>\$ 109,663.68</u>	<u>\$ 61,290.78</u>	<u>\$ 1,032,892.79</u>	<u>\$ 10,834.24</u>	<u>\$ 1,184,311.71</u>
	<u>Ref.</u>	C	C	C-7	C	C-2	C	C	C/C-6
Deferred Charges to Future Taxation - Unfunded	C-12			\$ 1,178,006.00					
Capital Improvement Fund	C-9			62,000.00					
Grant Receivable	C-4			<u>347,525.00</u>					
	C-7			<u>\$ 1,587,531.00</u>					

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

GENERAL CAPITAL FUND  
 SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance December 31, 2021	Decreased	Balance December 31, 2022
			Outstanding	December 31, 2021				
General Improvements	03/01/03	\$ 2,611,000.00	03/01/23	\$ 175,000.00	4.125%	\$ 345,000.00	\$ 170,000.00	\$ 175,000.00
General Improvements	04/27/21	2,655,000.00	04/15/23	95,000.00	4.000%			
			04/15/24	190,000.00	4.000%			
			04/15/25	190,000.00	4.000%			
			04/15/26	190,000.00	4.000%			
			04/15/27	190,000.00	4.000%			
			04/15/28	190,000.00	4.000%			
			04/15/29	190,000.00	2.000%			
			04/15/30	190,000.00	2.000%			
			04/15/31	190,000.00	2.000%			
			04/15/32	190,000.00	2.000%			
			04/15/33	190,000.00	2.000%			
			04/15/34	190,000.00	2.000%			
			04/15/35	190,000.00	2.000%			
			01/15/36	185,000.00	2.000%			
						<u>2,655,000.00</u>	<u>95,000.00</u>	<u>2,560,000.00</u>
						<u>\$ 3,000,000.00</u>	<u>\$ 265,000.00</u>	<u>\$ 2,735,000.00</u>
					<u>Ref.</u>	C	C-5	C

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

GENERAL CAPITAL FUND  
 SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2021	C	\$ 5,601.31
Increased by:		
2022 Budget Appropriation	C-2	60,000.00
		<u>65,601.31</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-7	62,000.00
		<u>62,000.00</u>
Balance, December 31, 2022	C	<u><u>\$ 3,601.31</u></u>

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF VARIOUS RESERVES

	Balance December 31, <u>2021</u>	<u>Decreased</u>	Balance December 31, <u>2022</u>
Reserve for:			
Reserve for Donations	\$ 10,645.00		\$ 10,645.00
Reserve for Debt Service	44,444.83	\$ 44,444.83	
Reserve for Capital Projects	<u>1,999.00</u>	<u>                    </u>	<u>1,999.00</u>
	<u>\$ 57,088.83</u>	<u>\$ 44,444.83</u>	<u>\$ 12,644.00</u>
<u>Ref.</u>	C	C-2	C

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND  
 SCHEDULE OF INTERFUND - WATER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance, December 31, 2021	C	\$ 100,000.00
Increased by:		
Cash received	C-2	144,444.83
		<u>244,444.83</u>
Decreased by:		
Cash disbursed	C-2	100,000.00
		<u>100,000.00</u>
Balance, December 31, 2022	C	<u><u>\$ 144,444.83</u></u>



**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2021	D	\$ 503,762.97	\$ 42,278.89
Increased by Receipts:			
Miscellaneous Revenue Anticipated	D-2	\$ 8,077.48	
Miscellaneous Revenue Not Anticipated	D-2	1,790.08	
Consumer Accounts Receivable	D-6	553,164.57	
Customer Overpayments	D-13	942.00	
Interfunds	D-22	<u>100,099.38</u>	
		<u>664,073.51</u>	
		1,167,836.48	<u>42,278.89</u>
Decreased by Disbursements:			
2022 Appropriations	D-3	380,331.60	
Appropriation Reserves	D-11	7,241.16	
Accrued Interest	D-14	17,652.66	
Appropriated in 2022 Current Fund Budget	D-1	317,100.00	
Improvement Authorizations	D-18		\$ 295.00
Interfunds	D-22	<u>244,873.14</u>	
		<u>967,198.56</u>	<u>295.00</u>
Balance, December 31, 2022	D	<u>\$ 200,637.92</u>	<u>\$ 41,983.89</u>

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

WATER UTILITY CAPITAL FUND  
ANALYSIS OF WATER UTILITY CAPITAL CASH

			Balance December 31, <u>2022</u>
Capital Improvement Fund		\$	347,650.00
NJEIT Proceeds Receivable			(230,709.00)
<u>Ordinance Number</u>	<u>Improvement Description</u>		
83-257/83-266	Improvements to Water Utility System, Improvements to Water Supply and Distribution System		(152.01)
86-285	General Improvements		(1,121.45)
93-366	General Improvements to the Water Utility System		(6,418.79)
09-539	Rehabilitation of the East Arverne Avenue Elevated Storage Tank		(68,099.56)
09-540	Construction and Installation of One or More Municipal Wind Turbine Electrical Generating Stations		(25,334.43)
12-568	Repair, Replacement, Reconstruction of Certain Portions of the Borough Water Treatment System, Delivery System, Values and Fire Hydrants		161.12
15-598	Water Infrastructure Improvements and Other Related Expenses		<u>26,008.01</u>
		\$	<u><u>41,983.89</u></u>
		<u>Ref.</u>	D



**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND  
 SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>		
Balance, December 31, 2021	D		\$ 68,546.89
Increased by:			
Water Rents Levied			<u>771,570.00</u>
			840,116.89
Decreased by:			
Collections	D-2/D-4	\$ 553,164.57	
Overpayments Applied	D-2/D-13	<u>1,720.45</u>	
			<u>554,885.02</u>
Balance, December 31, 2022	D		<u><u>\$ 285,231.87</u></u>

**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER LIENS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2022 and 2021	D	\$ <u>400.00</u>

**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND  
SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2022 and 2021	D	<u>\$ 510.00</u>

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL**

	<u>Ref.</u>	
Balance, December 31, 2021	D	\$ 1,418,587.55
Decreased by:		
Transfer to Fixed Capital Authorized and Uncompleted	D-10	<u>100,000.00</u>
Balance, December 31, 2022	D	<u><u>\$ 1,318,587.55</u></u>

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND  
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Description	Ordinance		Balance December 31, <u>2021</u>	Transfer from Fixed Capital	Balance December 31, <u>2022</u>
		Date	Amount			
93-366	General Improvements to the Water Utility System	05-25-93	\$ 100,000.00		\$ 100,000.00	\$ 100,000.00
09-539	Rehabilitation of the East Arverne Avenue Elevated Storage Tank	05-24-09	550,000.00	\$ 550,000.00		550,000.00
09-540	Construction and Installation of One or More Municipal Wind Turbine Electrical Generating Stations	05-24-09	550,000.00	550,000.00		550,000.00
12-568	Repair, Replacement, Reconstruction of Certain Portions of the Borough Water Treatment System, Delivery System, Values and Fire Hydrants	11-20-12	450,000.00	450,000.00		450,000.00
15-598	Water Infrastructure Improvements and Other Related Expenses	11-10-15	1,150,000.00	<u>1,150,000.00</u>	<u>                    </u>	<u>1,150,000.00</u>
				<u>\$ 2,700,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 2,800,000.00</u>
			<u>Ref.</u>	D	D-9	D

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND  
 SCHEDULE OF APPROPRIATION RESERVES

	Balance December 31, <u>2021</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 3,870.64		\$ 3,870.64		\$ 3,870.64
Other Expenses	3,841.21	\$ 6,104.35	9,945.56	\$ 7,241.16	2,704.40
Statutory Expenditures:					
Contribution to:					
PERS Contribution	11,670.00		11,670.00		11,670.00
Social Security System	187.90		187.90		187.90
	<u>\$ 19,569.75</u>	<u>\$ 6,104.35</u>	<u>\$ 25,674.10</u>	<u>\$ 7,241.16</u>	<u>\$ 18,432.94</u>
<u>Ref.</u>	D	D-12		D-4	D-1

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

WATER UTILITY OPERATING FUND  
 SCHEDULE OF RESERVE FOR WATER OPERATING ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2021	D	\$ 6,104.35
Increased by:		
Transferred from Budget Appropriations	D-3	10,947.42
		<u>17,051.77</u>
Decreased by:		
Transferred to Appropriation Reserves	D-11	6,104.35
		<u>6,104.35</u>
Balance, December 31, 2022	D	<u><u>\$ 10,947.42</u></u>

Exhibit D-13

SCHEDULE OF CUSTOMER OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2021	D	\$ 1,720.45
Increased by:		
Cash Received	D-4	942.00
		<u>2,662.45</u>
Decreased by:		
Applied to Consumer Accounts Receivable	D-6	1,720.45
		<u>1,720.45</u>
Balance, December 31, 2022	D	<u><u>\$ 942.00</u></u>

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

**WATER UTILITY OPERATING FUND**  
**SCHEDULE OF ACCRUED INTEREST PAYABLE**

	<u>Ref.</u>	
Balance, December 31, 2021	D	\$ 8,324.84
Increased by:		
Budget Appropriations	D-3	16,811.21
		25,136.05
Decreased by:		
Interest Paid	D-4	17,652.66
		17,652.66
Balance, December 31, 2022	D	\$ 7,483.39

Ref. D-14

Analysis of Accrued Interest December 31, 2022

Principal Outstanding December 31, <u>2022</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
\$ 365,000.00	Various	10/16/22	12/31/22	75 Days	\$ 2,031.94
Loans Payable:					
\$ 500,919.75	Various	08/01/2022	12/31/22	150 Days	4,317.95
61,362.16	Various	08/19/2022	12/31/22	132 Days	1,133.50
					5,451.45
					\$ 7,483.39

Ref. D-14



**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND  
 SCHEDULE OF WATER UTILITY SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2022</u>		<u>Interest Rate</u>	<u>Balance December 31, 2021</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2022</u>					
Water System Improvements	04-15-21	\$ 380,000.00	04-15-23	\$ 15,000.00	4.000%								
			04-15-24	20,000.00	4.000%								
			04-15-25	20,000.00	4.000%								
			04-15-26	20,000.00	4.000%								
			04-15-27	25,000.00	4.000%								
			04-15-28	25,000.00	4.000%								
			04-15-29	30,000.00	2.000%								
			04-15-30	30,000.00	2.000%								
			04-15-31	30,000.00	2.000%								
			04-15-32	30,000.00	2.000%								
			04-15-33	30,000.00	2.000%								
			04-15-34	30,000.00	2.000%								
			04-15-35	30,000.00	2.000%								
			04-15-36	30,000.00	2.000%								
											\$ 380,000.00	\$ 15,000.00	\$ 365,000.00
											\$ 380,000.00	\$ 15,000.00	\$ 365,000.00
										<u>Ref.</u>	D	D-21	D

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

**WATER UTILITY CAPITAL FUND**

**SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE**

	<u>Ref.</u>		
Balance, December 31, 2021	D		\$ 603,906.04
Decreased by:			
Paid by Budget Appropriation	D-21	\$ 40,308.29	
Defeased	D-21	<u>62,678.00</u>	
			<u>102,986.29</u>
Balance, December 31, 2022	D		<u><u>\$ 500,919.75</u></u>

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF UNITED STATES DEPARTMENT OF AGRICULTURE LOAN PAYABLE**

	<u>Ref.</u>	
Balance, December 31, 2021	D	\$ 73,515.40
Decreased by:		
Paid by Budget Appropriation	D-20	<u>12,153.24</u>
Balance, December 31, 2022	D	<u><u>\$ 61,362.16</u></u>

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2021		Decreased by	Balance December 31, 2022	
		Date	Amount	Funded	Unfunded	Paid	Funded	Unfunded
93-366	General Improvements to the Water Utility System	05-25-93	\$ 100,000.00		\$ 5,235.66			\$ 5,235.66
09-539	Rehabilitation of the East Arverne Avenue Elevated Storage Tank	05-24-09	550,000.00		61,987.43			61,987.43
09-540	Construction and Installation of One or More Municipal Wind Turbine Electrical Generating Stations	05-24-09	550,000.00		90,486.57			90,486.57
12-568	Repair, Replacement, Reconstruction of Certain Portions of the Borough Water Treatment System, Delivery System, Valve and Fire Hydrants	11-20-12	450,000.00	\$ 161.12			\$ 161.12	
15-598	Water Infrastructure Improvements and Other Related Expenses	11-10-15	1,150,000.00	26,303.01	398,393.00	\$ 295.00	26,008.01	398,393.00
				<u>\$ 26,464.13</u>	<u>\$ 556,102.66</u>	<u>\$ 295.00</u>	<u>\$ 26,169.13</u>	<u>\$ 556,102.66</u>
			<u>Ref.</u>	D	D	D-4	D	D

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

WATER UTILITY CAPITAL FUND  
 SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2022 and 2021	D	\$ <u>347,650.00</u>

Exhibit D-20

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance, December 31, 2021	D	\$ 1,328,134.61
Increased by:		
USDA Loan Paid by Operating Budget	D-17	12,153.24
		<u>1,340,287.85</u>
Decreased by:		
Transfer to Deferred Reserve for Amortization	D-21	84,335.92
		<u>84,335.92</u>
Balance, December 31, 2022	D	\$ <u>1,255,951.93</u>

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND  
 SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Improvement Description	Ordinance Date	Balance December 31, 2021	Increased by:			Transfer from Reserve for Amortization	Balance December 31, 2022
				Serial Bonds Paid	Loans Paid	Loans Defeased		
93-366	General Improvements to the Water Utility System	05-25-93					\$ 88,345.55	\$ 88,345.55
09-539	Rehabilitation of East Arverne Avenue Elevated Storage Tank	05-24-09	\$ 237,243.81		\$ 22,521.45			259,765.26
09-540	Construction and Installation of One or More Municipal Wind Turbine Electrical Generating Stations	05-24-09	336,286.61		11,453.08			347,739.69
12-568	Repair, Replacement, Reconstruction of Certain Portions of the Borough Water Treatment System, Delivery System, Valve and Fire Hydrants	11-20-12	70,000.00	\$ 15,000.00				85,000.00
15-598	Water Infrastructure Improvements and Other Related Expenses	11-10-15	<u>432,272.18</u>		<u>6,333.76</u>	<u>\$ 62,678.00</u>	<u>(4,009.63)</u>	<u>497,274.31</u>
			<u>\$ 1,075,802.60</u>	<u>\$ 15,000.00</u>	<u>\$ 40,308.29</u>	<u>\$ 62,678.00</u>	<u>\$ 84,335.92</u>	<u>\$ 1,278,124.81</u>
			D	D-15	D-16	D-16	D-20	D

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND  
 SCHEDULE OF INTERFUND RECEIVABLE/(PAYABLE)

	<u>Ref.</u>	<u>Total (Memo Only)</u>	<u>Current Fund</u>	<u>Animal Control Trust Fund</u>	<u>Payroll Fund</u>	<u>General Capital Fund</u>	<u>Sewer Utility Operating Fund</u>	<u>Trust Other Fund</u>
Balance, December 31, 2021								
Interfunds Receivable	D	\$ 100,000.00				\$ 100,000.00		
Increased by:								
Cash Disbursements	D-4	<u>244,873.14</u>	<u>\$ 95,380.46</u>	<u>\$ 260.81</u>	<u>\$ 4,627.66</u>	<u>144,444.83</u>	<u>\$ 159.38</u>	<u>                    </u>
		344,873.14	95,380.46	260.81	4,627.66	244,444.83	159.38	
Decreased by:								
Cash Receipts	D-4	<u>100,099.38</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>100,000.00</u>	<u>                    </u>	<u>\$ 99.38</u>
Balance, December 31, 2022								
Interfunds Receivable	D	<u>\$ 244,873.14</u>	<u>\$ 95,380.46</u>	<u>\$ 260.81</u>	<u>\$ 4,627.66</u>	<u>\$ 144,444.83</u>	<u>\$ 159.38</u>	<u>                    </u>
Interfunds Payable	D	<u>\$ (99.38)</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>\$ (99.38)</u>

**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2022 and 2021</u>
83-257/83-266	Improvements to Water Utility System, Improvements to Water Supply and Distribution System	\$ 152.01
86-285	General Improvements	1,121.45
93-366	General Improvements to the Water Utility System	11,654.45
09-539	Rehabilitation of the East Arverne Avenue Elevated Storage Tank	130,086.99
09-540	Construction and Installation of One or More Municipal Wind Turbine Electrical Generating Stations	115,821.00
15-598	Water Infrastructure Improvements	<u>398,393.00</u>
		<u>\$ 657,228.90</u>
		<u>Ref. (Footnote D)</u>



**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2021	E	\$ 158,716.54	\$ 77,308.69
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	E-2	\$ 8,371.45	
Consumer Accounts Receivable	E-6	478,724.52	
Sewer Rent Overpayments	E-12	6,434.89	
Interfund - Water Utility Operating Fund	E	<u>159.38</u>	
		<u>493,690.24</u>	
		652,406.78	<u>77,308.69</u>
Decreased by Disbursements:			
2022 Appropriations	E-3	501,557.18	
Appropriation Reserves	E-10	1,716.18	
Accrued Interest Payable	E-13	<u>1,270.78</u>	
		<u>504,544.14</u>	
Balance, December 31, 2022	E	<u>\$ 147,862.64</u>	<u>\$ 77,308.69</u>

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**ANALYSIS OF SEWER UTILITY CAPITAL CASH**

		Balance December 31, <u>2022</u>
Capital Improvement Fund		\$ 67,500.00
<u>Ordinance Number</u>	<u>Improvement Description</u>	
09-538	Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project	46,212.14
13-572	Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project	<u>(36,403.45)</u>
		<u>\$ 77,308.69</u>
		<u>Ref.</u> E

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND  
 SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>		
Balance, December 31, 2021	E		\$ 46,238.84
Increased by:			
Sewer Rents Levied		\$ 486,100.00	
Balance Adjustment		<u>4,767.45</u>	
			<u>490,867.45</u>
			537,106.29
Decreased by:			
Collections	E-2/E-4	478,724.52	
Overpayments Applied	E-2/E-11	<u>24,356.88</u>	
			<u>503,081.40</u>
Balance, December 31, 2022	E		<u><u>\$ 34,024.89</u></u>

**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER LIENS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2022 and 2021	E	<u>\$ 700.00</u>

**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance, December 31, 2022 and 2021	E	<u>\$ 3,296,034.29</u>

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance</u>
		<u>Date</u>	<u>Amount</u>	<u>December 31, 2022 and 2021</u>
09-538	Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project Correction Project	05-24-09	\$ 450,000.00	\$ 450,000.00
13-572	Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project	02-27-13	50,000.00	<u>50,000.00</u>
				<u>\$ 500,000.00</u>
			<u>Ref.</u>	E

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND  
 SCHEDULE OF APPROPRIATION RESERVES

	Balance December 31, <u>2021</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 16,302.28		\$ 16,302.28		\$ 16,302.28
Other Expenses	1,323.65	\$ 392.53	1,716.18	\$ 1,716.18	
Statutory Expenditures:					
Contribution to:					
PERS Contribution	11,670.00		11,670.00		11,670.00
Social Security System	1,093.31		1,093.31		1,093.31
	<u>\$ 30,389.24</u>	<u>\$ 392.53</u>	<u>\$ 30,781.77</u>	<u>\$ 1,716.18</u>	<u>\$ 29,065.59</u>
<u>Ref.</u>	E	E-11		E-4	E-1

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF RESERVE FOR SEWER OPERATING ENCUMBRANCES**

	<u>Ref.</u>	
Balance, December 31, 2021	E	\$ 392.53
Decreased by:		
Transferred to Appropriation Reserves	E-10	<u>392.53</u>
Balance, December 31, 2022	E	<u><u>\$ -</u></u>

Exhibit E-12

**SCHEDULE OF CUSTOMER OVERPAYMENTS**

	<u>Ref.</u>	
Balance, December 31, 2021	E	\$ 24,356.88
Increased by:		
Cash Received	E-4	<u>6,434.89</u>
		30,791.77
Decreased by:		
Applied to Consumer Accounts Receivable	E-6	<u>24,356.88</u>
Balance, December 31, 2022	E	<u><u>\$ 6,434.89</u></u>



**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF ACCRUED INTEREST PAYABLE**

	<u>Ref.</u>	
Balance, December 31, 2021	E	\$ 894.59
Increased by:		
Budget Appropriations	E-3	1,165.22
		<u>2,059.81</u>
Decreased by:		
Interest Paid	E-4	1,270.78
		<u>1,270.78</u>
Balance, December 31, 2022	E	<u>\$ 789.03</u>

Ref. E-13

Analysis of Accrued Interest December 31, 2022

Principal Outstanding December 31, 2022	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Loans Payable:					
\$ 106,446.50	Various	08/01/22	12/31/22	150 Days	<u>\$ 789.03</u>

Ref. E-13

**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2022 and 2021	D	<u>\$ 300.00</u>

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**

**SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE**

	<u>Ref.</u>	
Balance, December 31, 2021	E	\$ 120,315.25
Decreased by:		
Paid by Budget Appropriation	E-18	<u>13,868.75</u>
Balance, December 31, 2022	E	<u>\$ 106,446.50</u>
	E-15	
Trust Loan	E	\$ 55,000.00
Fund Loan	E	<u>51,446.50</u>
	E-15	<u>\$ 106,446.50</u>

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance December 31, 2022 and 2021</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>
09-538	Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project	05-24-09	\$ 450,000.00	\$ 46,212.14	\$ 215,581.00
13-572	Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project	02-27-13	50,000.00		11,096.55
				<u>\$ 46,212.14</u>	<u>\$ 226,677.55</u>
			<u>Ref.</u>	E	E

**BOROUGH OF OCEAN GATE**  
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2022 and 2021	E	<u>\$ 67,500.00</u>

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance, December 31, 2021	E	\$ 3,410,138.04
Increased by:		
NJEIT Loan Paid by Operating Budget	E-15	13,868.75
		<u>3,424,006.79</u>
Decreased by:		
Transfer to Deferred Reserve for Amortization	E-19	234,419.00
		<u>234,419.00</u>
Balance, December 31, 2022	E	<u><u>\$ 3,189,587.79</u></u>

**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	Balance December 31, <u>2021</u>	Increased by: <u>Ttransfer from</u> Reserve for <u>Amortization</u>	Balance December 31, <u>2022</u>
09-538	Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project	06-22-09		\$ 234,419.00	\$ 234,419.00
13-572	Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project	06-11-12	<u>\$ 2,500.00</u>		<u>2,500.00</u>
			<u>\$ 2,500.00</u>	<u>\$ 234,419.00</u>	<u>\$ 236,919.00</u>
			E	E-18	E

**BOROUGH OF OCEAN GATE**  
 COUNTY OF OCEAN, NEW JERSEY

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2022 and 2021</u>
09-539	Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project	\$ 215,581.00
13-572	Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project	<u>47,500.00</u>
		<u>\$ 263,081.00</u>
		<u>Ref.</u> (Footnote D)



**BOROUGH OF OCEAN GATE**  
**COUNTY OF OCEAN, NEW JERSEY**

GENERAL FIXED ASSET ACCOUNT GROUP  
 SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
General Fixed Assets:				
Land	\$ 1,817,867.62			\$ 1,817,867.62
Buildings and Improvements	2,573,681.58			2,573,681.58
Machinery, Equipment and Vehicles	<u>1,448,244.12</u>	<u>\$ 201,137.00</u>	<u>\$ 22,720.00</u>	<u>1,626,661.12</u>
	<u><u>\$ 5,839,793.32</u></u>	<u><u>\$ 201,137.00</u></u>	<u><u>\$ 22,720.00</u></u>	<u><u>\$ 6,018,210.32</u></u>
<u>Ref.</u>	G			G

**BOROUGH OF OCEAN GATE**

**COUNTY OF OCEAN**

**PART II**

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

**BOROUGH OF OCEAN GATE  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Schedule of Financial Statement Findings**

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

**None**

**BOROUGH OF OCEAN GATE  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

**Finding 2021-001:**

**Condition**

There is a lack of segregation of duties in the receipts process regarding non-tradition revenues. These revenue sources include parking meter revenues and proceeds from the sale of capital assets.

**Current Status**

The condition has been resolved.

**Finding 2021-002:**

**Condition**

Certain capital assets were taken from the Borough and sold without prior authorization or approval by Borough Council.

**Current Status**

The condition has been resolved.

**Findings 2021-003:**

**Condition**

The Borough's Current Fund Statement of Expenditures reflects an over-expenditure.

**Current Status**

The condition has been resolved.

## GENERAL COMMENTS

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

N.J.S. 40A:11-4 states, “Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law”.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Borough Counsel’s opinion should be sought before a commitment is made.

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

Two (2) used ambulances  
Curbs and sidewalks on Narragansette Avenue

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.

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

Our examination of expenditures did not reveal individual payments in excess of the bid threshold “for the provision or performance of any goods or services” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

### Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S. 40A:11-6.1

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

### Collection of Interest on Delinquent Taxes and Assessments

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

The Governing Body, on January 1, 2022, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

**GENERAL COMMENTS (continued)**

Collection of Interest on Delinquent Taxes and Assessments (continued)

*NOW THEREFORE, BE IT RESOLVED, that the Tax Collector is hereby authorized and directed to charge eight (8%) percent per annum on any amount in excess of the first \$1,500.00 of taxes becoming delinquent after due date and eighteen (18%) percent per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after the due date, subject to any abatement of discount for the late payment of taxes as provided by law; and, if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31<sup>st</sup> of the tax year, an additional penalty of six (6%) shall be charged against the delinquency.*

*BE IT FURTHER RESOLVED, effective January 1, 2022, there will be a ten (10) day grace period for quarterly tax payments made by cash, check or money order.*

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

## **OTHER COMMENTS AND RECOMMENDATIONS**

### Financial Administration

#### **FINDING 2022-001: Fixed Assets**

The Borough does not maintain subsidiary ledgers for Land and Buildings and Improvements.

#### **Recommendation:**

The Borough should maintain a detailed listing of Land and Buildings and Improvements.

#### **FINDING 2022-002: Interfunds**

Interfunds receivable and payable are reflected on the various balance sheets of funds at December 31, 2022.

#### **Recommendation:**

The Borough should make certain interfunds balances are transferred prior to year-end, to the extent possible. In addition, transfers between funds should be conducted with more care so as to not create significant interfunds unnecessarily.

#### **FINDING 2022-003: Current Fund**

The Borough does not have a detailed list of municipal tax title liens.

#### **Recommendation:**

That a detailed list of municipal tax title liens be maintained and reconciled to the general ledger.

#### **FINDING 2022-004: Current Fund**

The tax overpayment balance does not agree to the general ledger or detailed list of tax overpayments.

#### **Recommendation:**

The Tax Collector should investigate tax overpayments records to determine the correct balance

### **Status of Prior Years' Audit Recommendations**

A review was performed on all prior years' recommendations. Corrective action was taken on all prior year recommendations.

### **Corrective Action**

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services, a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the governing body and submitted within 60 days from the date the audit is received.

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>Name</u>	<u>Title</u>
Dave Kendrick	Mayor (05/24/22 – 12/31/22)
Paul J. Kennedy	Mayor (resigned 05/13/22)
David Kendrick	Council President (01/01/22 – 12/31/22)
Bruce Cox	Council Member (06/22/22 – 12/31/22)
Joella Nicastro	Council Member
Laura Padham-Iaria	Council Member (01/01/22 – 12/14/22)
James Fry	Council Member (12/14/22 – 12/31/22)
Mark Haug	Council Member
Robert Livingston	Council Member
Mildred Sheppard	Council Member
James Gluck	Attorney
Kammie Verdolina	Tax Collector/Water and Sewer Utility Collector (03/1/22 -)
Elizabeth Barger	Tax Collector/Water and Sewer Utility Collector (01/01/22 – 02/28/22)
Ileana Vazquez-Gallipoli	Municipal Clerk
Jesse Camporeale	Court Administrator (03/01/22 – 12/31/2022)
Linda Applegate	Court Administrator (01/01/22 – 02/28/22)
Stacey Kerr	Judge

All employees are covered by a dishonesty Public Employees’ Blanket Bond in the amount of \$50,000.00, written by Monmouth Municipal Joint Insurance Fund. In addition, there are blanket bonds for secondary coverage with the Municipal Excess Liability Joint Insurance Fund in the amount of \$950,000.00 for Public Employees.



Appreciation

We express our appreciation for the assistance and courtesies rendered by the Borough Officials and Employees during the course of the audit.

Respectfully submitted,

*Charles J. Fallon CPA, RMA*

Charles J. Fallon  
Registered Municipal Accountant #506

For the Firm  
FALLON & COMPANY LLP