

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2023**

**CITY OF ABSECON
COUNTY OF ATLANTIC**

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COUNTY OF ATLANTIC**

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**CITY OF ABSECON
COUNTY OF ATLANTIC**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the various funds and account group of the City of Absecon, which comprise the statements of assets, liabilities, reserves and fund balance – regulatory basis as of December 31, 2023, and the related statements of operations and changes in fund balance – regulatory basis for the year then ended and the statements of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance – regulatory basis of the City of Absecon, as of December 31, 2023, and the results of its operations and changes in fund balance – regulatory basis for the year then ended and the statements of revenues – regulatory basis, statements of expenditures – regulatory basis for the year ended December 31, 2023, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Absecon, as of December 31, 2023, or the results of its operations and changes in fund balance for the year then ended.

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Absecon's basic financial statements. The accompanying supplemental schedules presented for the various funds and letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Prior Period Financial Statements

The financial statements as of December 31, 2022, were audited by other auditors whose report dated October 12, 2023, expressed an adverse opinion on U.S. Generally Accepted Accounting Principles and an unmodified opinion on the regulatory basis of accounting.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2024, on our consideration of the City of Absecon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Absecon's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Absecon's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Registered Municipal Accountant
RMA No. 581

Lakewood, New Jersey
May 1, 2024

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the City of Absecon, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Absecon's basic financial statements, and have issued our report thereon dated May 1, 2024. Our report indicated that the City of Absecon's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Registered Municipal Accountant
RMA No. 581

Lakewood, New Jersey
May 1, 2024

BASIC FINANCIAL STATEMENTS

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**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Operating Fund:			
Cash - Treasurer	A-4	\$ 6,972,465.39	\$ 8,227,707.35
Change Fund	A	650.00	600.00
Due To/From State of New Jersey - Seniors' and Veterans' Deductions	A-5	1,453.42	471.89
		<u>6,974,568.81</u>	<u>8,228,779.24</u>
Receivables With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	149,226.48	172,102.56
Tax Title Liens Receivable	A-7	159,913.94	150,246.73
Property Acquired for Taxes - Assessed Valuation	A	416,200.00	416,200.00
Due From:			
Grant Fund	A-18	81,560.52	-
		<u>806,900.94</u>	<u>738,549.29</u>
Total Operating Fund		<u>7,781,469.75</u>	<u>8,967,328.53</u>
Grant Fund:			
Grants Receivable	A-19	2,721,913.46	1,854,028.45
Interfund Receivable - Current Fund	A-18	-	449,982.95
Total Grant Fund		<u>2,721,913.46</u>	<u>2,304,011.40</u>
Total Assets		<u>\$ 10,503,383.21</u>	<u>\$ 11,271,339.93</u>

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

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	A-3, A-9	\$ 592,964.34	\$ 734,539.12
Encumbrances Payable	A-3, A-9	219,772.90	546,457.01
Prepaid Taxes	A-14	414,712.33	457,239.38
Tax Overpayments	A-15	18,352.19	18,352.19
Accounts Payable	A-13	54,255.30	-
County Taxes Payable	A-16	8,416.99	13,345.20
Local District School Tax Payable	A-17	2,583,111.03	2,582,411.53
Due To State of New Jersey -			
Marriage Licenses	A-10	400.00	-
Uniform Construction Code - State Training Fees	A-11	3,865.00	2,947.00
Interfunds Payable			
Grant	A-18	-	449,982.95
Reserve for:			
Municipal Relief	A-12	78,695.54	39,355.04
		<u>3,974,545.62</u>	<u>4,844,629.42</u>
Reserve for Receivables	A	806,900.94	738,549.29
Fund Balance	A-1	<u>3,000,023.19</u>	<u>3,384,149.82</u>
		<u>3,806,924.13</u>	<u>4,122,699.11</u>
Total Operating Fund		<u>7,781,469.75</u>	<u>8,967,328.53</u>
Grant Fund:			
Reserve for Grants:			
Unappropriated	A-20	2,291.67	463,387.74
Appropriated	A-21	2,527,152.91	1,777,528.46
Interfund Payable - Current Fund	A-18	81,560.52	-
Encumbrances Payable	A-22	<u>110,908.36</u>	<u>63,095.20</u>
Total Grant Fund		<u>2,721,913.46</u>	<u>2,304,011.40</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 10,503,383.21</u>	<u>\$ 11,271,339.93</u>

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

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 1,780,000.00	\$ 1,634,600.00
Miscellaneous Revenue Anticipated	3,235,401.41	3,204,522.93
Receipts From Delinquent Taxes	168,049.92	144,818.77
Receipts From Current Taxes	23,893,940.12	23,691,315.29
Non-Budget Revenue	118,372.79	379,755.73
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	618,876.00	708,171.40
Grant Appropriated Cancelled	-	185,562.52
Total Revenue	29,814,640.24	29,948,746.64
Expenditures:		
Budget Appropriations	11,663,427.79	11,599,488.05
County Taxes	4,246,067.57	4,055,158.83
Local District School Tax	12,419,294.00	12,417,895.00
Amount Due County for Added and Omitted Taxes	8,416.99	13,345.20
Grant Receivables Cancelled	-	105,915.89
Interfunds Advanced	81,560.52	-
Total Expenditures	28,418,766.87	28,191,802.97
Excess in Revenue	1,395,873.37	1,756,943.67
Fund Balance, January 1	3,384,149.82	3,261,806.15
	4,780,023.19	5,018,749.82
Decreased By:		
Utilized as Anticipated Revenue	1,780,000.00	1,634,600.00
Fund Balance, December 31	<u>\$ 3,000,023.19</u>	<u>\$ 3,384,149.82</u>

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

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budget</u>	Appropriated by <u>N.J.S.A. 40A:47-87</u>	<u>Realized</u>	Excess/ <u>(Deficit)</u>
Surplus Anticipated	\$ 1,780,000.00	\$ -	\$ 1,780,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	10,000.00	-	10,950.00	950.00
Other	15,000.00	-	15,973.00	973.00
Fees and Permits	38,000.00	-	47,806.37	9,806.37
Fines and Costs:				
Municipal Court	84,000.00	-	90,971.08	6,971.08
Interest and Costs on Taxes	40,000.00	-	46,931.37	6,931.37
Interest on Investments and Deposits	31,000.00	-	128,232.11	97,232.11
Cable Television Franchise Fees	37,741.72	-	37,741.72	-
Communications Tower Rental	110,000.00	-	114,380.96	4,380.96
Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)	754,465.00	-	759,680.01	5,215.01
Watershed Aid	3,337.00	-	3,337.00	-
Reserve for Municipal Relief Aid	39,355.04	-	39,355.04	-
Uniform Construction Code Fees	143,000.00	-	165,700.00	22,700.00
N.J. Transportation Trust Fund Authority Act	235,470.00	-	235,470.00	-
Recycling Tonnage Grant	12,240.49	-	12,240.49	-
Body Armor Fund	2,004.08	-	2,004.08	-
Pedestrian Safety Improvements	619,000.00	-	619,000.00	-
Drive Sober or Get Pulled Over	-	9,170.00	9,170.00	-
Lead Grant	-	7,500.00	7,500.00	-
Drunk Driving Enforcement Fund	-	14,088.36	14,088.36	-
Atlantic County Utilities Authority - Green Team Mini Grant	-	100.00	100.00	-
Bulletproof Vest Partnership Grant	-	4,000.00	4,000.00	-
Clean Communities Program	-	23,793.86	23,793.86	-
State of N.J. Shore Pedestrian Awareness Campaign	-	4,200.00	4,200.00	-
Click It or Ticket	-	7,000.00	7,000.00	-
Distracted Driving Statewide Crackdown Grant	-	3,500.00	3,500.00	-
Uniform Fire Safety Act	15,017.00	-	17,474.61	2,457.61
Occupancy Tax	272,000.00	-	250,158.86	(21,841.14)
Library Building Rent	31,250.00	-	31,250.00	-
Community Champions	16,000.00	-	8,100.00	(7,900.00)
PILOT - Conifer Realty	46,000.00	-	43,373.80	(2,626.20)
Redevelopment Zone Payments	20,000.00	-	20,535.03	535.03
American Rescue Plan	461,383.66	-	461,383.66	-
Total Miscellaneous Revenues	3,036,263.99	73,352.22	3,235,401.41	125,785.20
Receipts From Delinquent Taxes	160,000.00	-	168,049.92	8,049.92
Amount to be Raised by Taxes for Support of Municipal Budget	7,370,830.00	-	7,768,678.98	397,848.98
Budget Totals	12,347,093.99	73,352.22	12,952,130.31	531,684.10
Non-Budget Revenue	-	-	118,372.79	118,372.79
	\$ 12,347,093.99	\$ 73,352.22	\$ 13,070,503.10	\$ 650,056.89

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

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Analysis of Realized Revenue

Revenue From Collections	\$ 23,893,940.12
Allocated To:	
Local District School	\$ 12,419,294.00
County Taxes	<u>4,254,484.56</u>
	<u>16,673,778.56</u>
Balance for Support of Municipal Budget Purposes	7,220,161.56
Add: Appropriation Reserve for Uncollected Taxes	<u>548,517.42</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 7,768,678.98</u></u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:	
Sale of Municipal Land	\$ 1,000.00
Miscellaneous Reimbursements	4,816.91
Building Inspections	4,459.00
Auction Proceeds	5,117.00
Police Off-Duty Administrative Fees	36,330.00
Land Sale Reimbursement Costs	300.00
Senior and Veteran Administrative Fee	1,418.92
Miscellaneous	64,233.76
Recycling	197.20
Miscellaneous - Collector	<u>500.00</u>
	<u><u>\$ 118,372.79</u></u>

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

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
GENERAL GOVERNMENT						
Administration and Executive:						
Salaries and Wages	\$ 30,000.00	\$ 30,000.00	\$ 29,803.20	\$ -	\$ 196.80	\$ -
Other Expenses	30,000.00	30,000.00	4,828.42	12,000.00	13,171.58	-
Mayor & Council:						
Salaries and Wages	81,500.00	81,500.00	80,546.71	-	953.29	-
Other Expenses	3,000.00	3,000.00	2,465.05	-	534.95	-
Municipal Clerk:						
Salaries and Wages	104,000.00	104,000.00	100,762.17	-	3,237.83	-
Other Expenses	9,000.00	9,000.00	6,218.41	-	2,781.59	-
Elections:						
Other Expenses	14,000.00	14,000.00	9,659.49	-	4,340.51	-
Financial Administration:						
Salaries and Wages	90,000.00	90,000.00	88,655.96	-	1,344.04	-
Other Expenses	10,000.00	10,000.00	6,651.78	1,214.00	2,134.22	-
Audit Services:						
Other Expenses	27,500.00	27,500.00	27,500.00	-	-	-
Tax Collection Administration:						
Salaries and Wages	70,000.00	70,000.00	68,918.57	-	1,081.43	-
Other Expenses	7,000.00	7,000.00	4,643.18	-	2,356.82	-
Tax Assessment Administration:						
Salaries and Wages	56,000.00	56,000.00	55,261.65	-	738.35	-
Other Expenses	6,000.00	6,000.00	5,477.46	36.96	485.58	-

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

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
Information Technology:						
Salaries and Wages	72,000.00	72,000.00	62,322.25	-	9,677.75	-
Other Expenses	110,000.00	110,000.00	96,031.98	-	13,968.02	-
Legal Services:						
Other Expenses	150,000.00	150,000.00	79,990.77	-	70,009.23	-
Engineering Services:						
Other Expenses	150,000.00	150,000.00	36,612.25	2,000.00	111,387.75	-
Land Use Administration:						
Planning Board:						
Salaries and Wages	17,000.00	17,000.00	14,682.86	-	2,317.14	-
Other Expenses	6,000.00	6,000.00	587.40	-	5,412.60	-
Zoning Board:						
Salaries and Wages	6,000.00	6,000.00	4,992.17	-	1,007.83	-
Other Expenses	1,200.00	1,200.00	270.00	-	930.00	-
Insurance:						
General Liability Insurance	45,000.00	19,000.00	18,268.00	-	732.00	-
Worker's Compensation Insurance	303,772.00	303,772.00	303,772.00	-	-	-
Employee Group Insurance	665,600.00	665,600.00	609,852.46	844.00	54,903.54	-
Public Safety:						
Police:						
Salaries and Wages	2,805,000.00	2,805,000.00	2,785,848.77	-	19,151.23	-
Other Expenses	135,000.00	135,000.00	107,748.93	17,684.44	9,566.63	-
Office of Emergency Management:						
Salaries and Wages	4,000.00	4,000.00	4,000.00	-	-	-
Other Expenses	1,000.00	1,000.00	-	-	1,000.00	-

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
Fire Department:						
Other Expenses	70,000.00	70,000.00	49,478.36	19,962.86	558.78	-
Other Expenses - Hydrant Service	105,000.00	111,000.00	101,720.30	9,247.30	32.40	-
Municipal Prosecutor's Office:						
Other Expenses	27,000.00	27,000.00	23,750.00	1,800.00	1,450.00	-
Municipal Court:						
Salaries and Wages	126,000.00	126,000.00	124,116.12	-	1,883.88	-
Other Expenses	6,000.00	6,000.00	5,984.73	-	15.27	-
Public Defender:						
Other Expenses	7,200.00	7,200.00	6,600.00	600.00	-	-
Uniform Fire Safety Act:						
Salaries and Wages	14,000.00	14,000.00	12,692.22	-	1,307.78	-
Other Expenses	3,000.00	3,000.00	2,556.91	117.23	325.86	-
Public Works Functions:						
Public Works:						
Salaries and Wages	279,000.00	279,000.00	240,016.48	-	38,983.52	-
Other Expenses	215,000.00	225,000.00	217,657.76	1,829.34	5,512.90	-
Sanitation Trash Removal:						
Tipping Fees	641,700.00	641,700.00	563,539.84	57,083.10	21,077.06	-
Contractual	157,320.00	157,320.00	141,688.46	13,451.71	2,179.83	-
Vehicle Maintenance:						
Other Expenses	105,000.00	105,000.00	81,276.98	3,587.16	20,135.86	-
Street Lighting:						
Other Expenses	230,000.00	230,000.00	205,459.07	21,590.88	2,950.05	-
Health and Human Services:						
Animal Control Services:						
Other Expenses	8,400.00	8,400.00	7,700.00	700.00	-	-
Ambulance Service:						
Other Expenses	60,000.00	70,000.00	70,000.00	-	-	-

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

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriations</u>		<u>Paid or</u>	<u>Expended</u>		<u>Unexpended</u>
	<u>Original</u>	<u>Budget After</u>	<u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u>
	<u>Budget</u>	<u>Modifications</u>				<u>Canceled</u>
Parks and Recreation:						
Recreation:						
Salaries and Wages	6,000.00	6,000.00	6,000.00	-	-	-
Other Expenses	41,000.00	41,000.00	23,315.00	-	17,685.00	-
Public Events:						
Other Expenses	57,000.00	57,000.00	34,991.87	4,244.33	17,763.80	-
Uniform Construction Code - Appropriations						
Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):						
Code Enforcement and Construction:						
Salaries and Wages	145,000.00	145,000.00	131,178.31	-	13,821.69	-
Other Expenses	11,000.00	11,000.00	3,908.31	-	7,091.69	-
Unclassified:						
Utilities:						
Electricity	150,000.00	150,000.00	145,875.82	4,124.18	-	-
Water	35,000.00	35,000.00	28,074.29	1,092.88	5,832.83	-
Telephone	62,000.00	62,000.00	40,347.26	3,245.25	18,407.49	-
Natural Gas	40,000.00	40,000.00	38,632.39	-	1,367.61	-
Gasoline	74,520.00	74,520.00	51,380.66	5,865.62	17,273.72	-
Office Supplies/Maintenance:						
Other Expenses	55,000.00	55,000.00	45,186.65	349.35	9,464.00	-
Contingent	2,000.00	2,000.00	50.86	-	1,949.14	-
Total Operations - Within "CAPS"	7,742,712.00	7,742,712.00	7,019,550.54	182,670.59	540,490.87	-
Detail:						
Salaries and Wages	3,905,500.00	3,905,500.00	3,809,797.44	-	95,702.56	-
Other Expenses	3,837,212.00	3,837,212.00	3,209,753.10	182,670.59	444,788.31	-

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

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
Contribution To:						
Public Employees' Retirement System	186,592.00	186,592.00	186,592.00	-	-	-
Social Security System (O.A.S.I.)	305,000.00	305,000.00	283,068.73	-	21,931.27	-
Police & Firemen's Retirement System	776,907.00	776,907.00	776,907.00	-	-	-
Unemployment Insurance	15,000.00	15,000.00	13,335.10	-	1,664.90	-
Defined Contribution Retirement Program	8,000.00	8,000.00	5,442.80	-	2,557.20	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	1,291,499.00	1,291,499.00	1,265,345.63	-	26,153.37	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	9,034,211.00	9,034,211.00	8,284,896.17	182,670.59	566,644.24	-
Operations Excluded from "CAPS"						
Length of Service Awards Program (LOSAP)	26,000.00	26,000.00	-	602.31	25,397.69	-
Workers Compensation	31,228.00	31,228.00	31,228.00	-	-	-
Employee Group Health	94,400.00	94,400.00	94,400.00	-	-	-
Garbage and Trash Removal	48,300.00	48,300.00	48,300.00	-	-	-
Contractual Recycling	1,680.00	1,680.00	1,680.00	-	-	-
Gasoline	5,480.00	5,480.00	5,480.00	-	-	-
Public Employees' Retirement System	7,591.00	7,591.00	7,591.00	-	-	-
Police and Firemen's Retirement System of NJ	56,717.00	56,717.00	56,717.00	-	-	-
Shared Service Agreements:						
Township of Galloway - Dispatch Services	432,000.00	432,000.00	431,140.40	-	859.60	-
Total Other Operations - Excluded from "CAPS"	703,396.00	703,396.00	676,536.40	602.31	26,257.29	-

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

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
Public and Private Programs Offset By Revenues:						
Distracted Driving Statewide Crackdown Grant	-	3,500.00	3,500.00	-	-	-
Click It or Ticket	-	7,000.00	7,000.00	-	-	-
New Jersey Transportation Trust Fund Authority Act	235,470.00	235,470.00	235,470.00	-	-	-
Drive Sober or Get Pulled Over	-	9,170.00	9,170.00	-	-	-
Lead Grant	-	7,500.00	7,500.00	-	-	-
Drunk Driving Enforcement	-	14,088.36	14,088.36	-	-	-
Clean Communities Grant	-	23,793.86	23,793.86	-	-	-
Body Armor	2,004.08	2,004.08	2,004.08	-	-	-
Recycling Tonnage	12,240.49	12,240.49	12,240.49	-	-	-
Atlantic County Utilities Authority:						
Green Team Mini Grant	-	100.00	100.00	-	-	-
Bulletproof Vest Partnership Grant	-	4,000.00	4,000.00	-	-	-
State of N.J. Shore Pedestrian Awareness Campaign	-	4,200.00	4,200.00	-	-	-
Pedestrian Safety Improvements	619,000.00	619,000.00	619,000.00	-	-	-
Total Public and Private Programs Offset By Revenues	868,714.57	942,066.79	942,066.79	-	-	-
Total Operations - Excluded from "CAPS"	1,572,110.57	1,645,462.79	1,618,603.19	602.31	26,257.29	-
Detail:						
Other Expenses	1,572,110.57	1,645,462.79	1,618,603.19	602.31	26,257.29	-
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	57,250.00	57,250.00	57,250.00	-	-	-
City Hall Upgrades / Technology Improvements	70,000.00	70,000.00	34,371.36	-	-	35,628.64
Recreation Improvements	75,000.00	75,000.00	-	36,500.00	-	38,500.00
Public Safety - Fire Equipment & Improvements	60,000.00	60,000.00	59,937.19	-	62.81	-
Public Safety - Police Vehicles / Equipment	185,000.00	185,000.00	51,101.54	-	-	133,898.46
Total Capital Improvements - Excluded From "CAPS"	447,250.00	447,250.00	202,660.09	36,500.00	62.81	208,027.10

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

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	290,000.00	290,000.00	290,000.00	-	-	-
Interest on Bonds	284,845.00	284,845.00	284,843.78	-	-	1.22
Interest on Notes	170,160.00	170,160.00	169,687.32	-	-	472.68
Total Municipal Debt Service - Excluded From "CAPS"	745,005.00	745,005.00	744,531.10	-	-	473.90
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	2,764,365.57	2,837,717.79	2,565,794.38	37,102.31	26,320.10	208,501.00
Subtotal General Appropriations	11,798,576.57	11,871,928.79	10,850,690.55	219,772.90	592,964.34	208,501.00
Reserve for Uncollected Taxes	548,517.42	548,517.42	548,517.42	-	-	-
Total General Appropriations	\$ 12,347,093.99	\$ 12,420,446.21	\$ 11,399,207.97	\$ 219,772.90	\$ 592,964.34	\$ 208,501.00
Analysis of Paid or Charged:						
Cash Disbursements			\$ 9,908,623.76			
Reserve for:						
Uncollected Taxes			548,517.42			
Grants Appropriated			942,066.79			
			<u>\$ 11,399,207.97</u>			

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

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash	B-1	\$ 2,063.94	\$ 1,880.59
Total Animal Control Fund		<u>2,063.94</u>	<u>1,880.59</u>
Trust - Other Funds:			
Cash	B-1	827,660.02	789,398.73
Small Cities Revolving Loan Receivable	B-4	<u>105,048.20</u>	<u>129,608.20</u>
Total Trust - Other Fund		<u>932,708.22</u>	<u>919,006.93</u>
Length of Service Award Program Fund ("LOSAP"):			
Investments	B-7	<u>609,844.95</u>	<u>550,026.05</u>
Total LOSAP		<u>609,844.95</u>	<u>550,026.05</u>
Total Assets		<u>\$ 1,544,617.11</u>	<u>\$ 1,470,913.57</u>

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

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Animal Control Trust Fund:			
Due To:			
State - Registration Fees	B-2	\$ 29.40	\$ 27.00
Reserve for Animal Control Fund Expenditures	B-3	<u>2,034.54</u>	<u>1,853.59</u>
Total Animal Control Fund		<u>2,063.94</u>	<u>1,880.59</u>
Trust - Other Funds:			
Reserve for Small Cities Revolving Loan Fund	B-4	105,048.20	129,608.20
Reserve for Payroll Deductions Payable	B-5	885.58	33,259.01
Various Reserves	B-6	<u>826,774.44</u>	<u>756,139.72</u>
Total Trust - Other Fund		<u>932,708.22</u>	<u>919,006.93</u>
Length of Service Award Program Fund ("LOSAP"):			
Reserve for LOSAP	B-8	<u>609,844.95</u>	<u>550,026.05</u>
Total LOSAP		<u>609,844.95</u>	<u>550,026.05</u>
Total Liabilities, Reserves and Fund Balance		<u><u>\$ 1,544,617.11</u></u>	<u><u>\$ 1,470,913.57</u></u>

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

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Cash - Treasurer	C-2,C-3	\$ 2,372,478.72	\$ 1,624,905.21
Grants Receivable	C-4	320,000.00	320,000.00
Deferred Charges To Future Taxation:			
Funded	C-5	15,970,000.00	10,915,000.00
Unfunded	C-6	<u>-</u>	<u>4,254,000.00</u>
Total Assets		<u>\$ 18,662,478.72</u>	<u>\$ 17,113,905.21</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-7	\$ 15,970,000.00	\$ 10,915,000.00
Bond Anticipation Notes	C-10	-	4,254,000.00
Reserve for Encumbrances	C-8	619,325.88	327,132.44
Improvement Authorizations:			
Funded	C-8	1,825,607.58	20,720.28
Unfunded	C-8	-	1,542,852.82
Capital Improvement Fund	C-9	9,350.00	14,350.00
Fund Balance	C-1	<u>238,195.26</u>	<u>39,849.67</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 18,662,478.72</u>	<u>\$ 17,113,905.21</u>

There were no bonds and notes authorized but not issued on December 31, 2023 & 2022.

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 39,849.67
Increased By:	
Premium Collected on Serial Bonds	<u>198,345.59</u>
Balance, December 31, 2023	<u><u>\$ 238,195.26</u></u>

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

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Operating Fund:			
Cash - Treasurer	D-5	\$ 1,070,415.41	\$ 1,317,891.84
		<u>1,070,415.41</u>	<u>1,317,891.84</u>
Receivables With Full Reserves:			
Sewer Consumer Accounts Receivable	D-7	<u>47,378.93</u>	<u>51,107.84</u>
		<u>47,378.93</u>	<u>51,107.84</u>
Total Operating Fund		<u>1,117,794.34</u>	<u>1,368,999.68</u>
Capital Fund:			
Cash	D-5, D-6	29,917.40	29,917.40
Fixed Capital	D-8	<u>3,959,307.36</u>	<u>3,959,307.36</u>
Total Capital Fund		<u>3,989,224.76</u>	<u>3,989,224.76</u>
Total Assets		<u>\$ 5,107,019.10</u>	<u>\$ 5,358,224.44</u>

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

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves and Fund Balances</u>			
Operating Fund:			
Appropriation Reserves	D-4, D-9	\$ 103,809.65	\$ 65,642.98
Encumbrances Payable	D-4, D-9	45,906.83	6,715.62
Sewer Rent Overpayments	D-10	12,312.71	1,459.50
Prepaid Sewer Rents	D-11	421,769.51	415,173.26
		<u>583,798.70</u>	<u>488,991.36</u>
Reserve for Receivables	D	47,378.93	51,107.84
Fund Balance	D-1	<u>486,616.71</u>	<u>828,900.48</u>
Total Operating Fund		<u>1,117,794.34</u>	<u>1,368,999.68</u>
Capital Fund:			
Capital Improvement Fund	D-12	27,814.11	27,814.11
Reserve for Amortization	D-13	3,959,307.36	3,959,307.36
Fund Balance	D-2	<u>2,103.29</u>	<u>2,103.29</u>
Total Capital Fund		<u>3,989,224.76</u>	<u>3,989,224.76</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 5,107,019.10</u>	<u>\$ 5,358,224.44</u>

There were no bonds and notes authorized but not issued on December 31, 2023 and 2022.

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
SEWER UTILITY FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 419,000.00	\$ 365,000.00
Sewer Rents	1,759,121.58	1,819,559.83
Miscellaneous Revenue Anticipated	52,400.83	22,634.03
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>61,193.82</u>	<u>42,132.21</u>
Total Revenue	<u>2,291,716.23</u>	<u>2,249,326.07</u>
Expenditures:		
Operating	2,072,000.00	2,114,000.00
Capital Improvements	60,000.00	10,000.00
Deferred Charges and Statutory Expenditures	<u>83,000.00</u>	<u>76,000.00</u>
Total Expenditures	<u>2,215,000.00</u>	<u>2,200,000.00</u>
Excess in Revenue	76,716.23	49,326.07
Fund Balance, January 1	<u>828,900.48</u>	<u>1,144,574.41</u>
	905,616.71	1,193,900.48
Decreased By:		
Utilized as Anticipated Revenue	<u>419,000.00</u>	<u>365,000.00</u>
Fund Balance, December 31	<u><u>\$ 486,616.71</u></u>	<u><u>\$ 828,900.48</u></u>

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

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
SEWER UTILITY FUND
STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 & 2022

\$ 2,103.29

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
SEWER UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 419,000.00	\$ 419,000.00	\$ -
Sewer Rents	1,796,000.00	1,759,121.58	(36,878.42)
Miscellaneous Revenue Not Anticipated	-	52,400.83	52,400.83
	<u>\$ 2,215,000.00</u>	<u>\$ 2,230,522.41</u>	<u>\$ 15,522.41</u>

Analysis of Rents:

Cash Receipts	\$ 1,342,086.82
Prepaid Rents Applied	415,173.26
Overpayments Applied	<u>1,861.50</u>
	<u>\$ 1,759,121.58</u>

Miscellaneous:

Interest on Investments	\$ 11,765.30
Bad Check Fees	200.00
Sewer Lateral Fees	5,000.00
Interest on Delinquent Accounts	26,170.13
Miscellaneous Receipts	<u>9,265.40</u>
	<u>\$ 52,400.83</u>

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

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
SEWER UTILITY FUND
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Appropriations</u>		<u>Expended</u>			
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating:						
Salaries and Wages	\$ 400,000.00	\$ 400,000.00	\$ 398,366.59	\$ -	\$ 1,633.41	\$ -
Other Expenses	1,672,000.00	1,672,000.00	1,574,341.93	2,006.83	95,651.24	-
Total Operating	2,072,000.00	2,072,000.00	1,972,708.52	2,006.83	97,284.65	-
Capital Improvements:						
Capital Outlay	10,000.00	10,000.00	10,000.00	-	-	-
Telewise Sanitary Sewer	50,000.00	50,000.00	2,100.00	43,900.00	4,000.00	-
Total Capital Improvements	60,000.00	60,000.00	12,100.00	43,900.00	4,000.00	-
Statutory Expenditures:						
Contributions To:						
Public Employees' Retirement System	50,000.00	50,000.00	50,000.00	-	-	-
Social Security System (O.A.S.I.)	33,000.00	33,000.00	30,475.00	-	2,525.00	-
Total Statutory Expenditures	83,000.00	83,000.00	80,475.00	-	2,525.00	-
Total Water Utility Appropriations	\$ 2,215,000.00	\$ 2,215,000.00	\$ 2,065,283.52	\$ 45,906.83	\$ 103,809.65	\$ -

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

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Land & Land Improvements	G-1	\$ 30,401,300.00	\$ 29,834,789.50
Buildings & Improvements	G-1	12,173,575.69	12,173,575.69
Machinery, Vehicles & Equipment	G-1	<u>4,722,002.60</u>	<u>4,093,496.07</u>
Total Assets		<u>\$ 47,296,878.29</u>	<u>\$ 46,101,861.26</u>
<u>Fund Balance</u>			
Investment in Fixed Assets	G-1	<u>\$ 47,296,878.29</u>	<u>\$ 46,101,861.26</u>
Total Fund Balance		<u>\$ 47,296,878.29</u>	<u>\$ 46,101,861.26</u>

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

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**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The City of Absecon, County of Atlantic, New Jersey is governed by the Mayor-Council form of government, with a mayor and a 7-member City Council. Administrative responsibilities are assigned to the City Administrator. Policy is determined by Council and the Administrator is responsible for carrying out such policy.

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

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

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

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

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

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

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

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

CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

Foreclosed Property – Foreclosed Property or "Property Acquired for Taxes" is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the City to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

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

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 1. Summary of Significant Accounting Policies (continued)

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

Water/Sewer Utility Revenues – Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the City's Water/Sewer utility operating fund.

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

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

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

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

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

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

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2023:

- Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.
- Statement No. 99, *Omnibus 2022*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

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

Accounting Pronouncements Effective in Future Reporting Periods

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

- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.
- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.
- Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

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

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 2. Deposits and Investments

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

Deposits

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

As of December 31, 2023, the City's bank balance of \$11,593,769.41 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 11,077,102.38
Uninsured and Uncollateralized	<u>516,667.03</u>
	<u><u>\$ 11,593,769.41</u></u>

Investments

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

Investments at Fair Value – The fair value measurements of investments are required to be reported based on the hierarchy established by GAAP. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available. As of December 31, 2023, the City had no investments held at Level 2 or 3.

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 2. Deposits and Investments (continued)

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

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

Money Market Funds: Valued at the quoted NAV of shares held by the City at year-end.

Investment type	Carrying Value	Fair Value as of December 31, 2023		Investment Maturities (in Years)
		Level 1	Total	Less Than 1 Year
Money Markets	\$ 4,065.30	\$ 4,065.30	\$ 4,065.30	\$ 4,065.30
Mutual Funds	559,980.88	559,980.88	559,980.88	559,980.88
	<u>\$ 564,046.18</u>	<u>\$ 564,046.18</u>	<u>\$ 564,046.18</u>	<u>\$ 564,046.18</u>
Trust Fund - LOSAP	\$ 564,046.18	\$ 564,046.18	\$ 564,046.18	\$ 564,046.18
	<u>\$ 564,046.18</u>	<u>\$ 564,046.18</u>	<u>\$ 564,046.18</u>	<u>\$ 564,046.18</u>

Investments at Contract Value - The City held a fully benefit-responsive investment contract with the Lincoln Financial Group (Lincoln) totaling \$45,798.76 as of December 31, 2023. Lincoln maintains the contributions in the group fixed annuity contract (fixed account). The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contract held by the City is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the LOSAP Plan. The City’s ability to receive amounts due in accordance with the fully benefit-responsive investment contract is dependent on the contract issuer’s ability to meet its financial obligations. The fixed account continues in-force until they are terminated by Lincoln or the LOSAP Plan and do not define a maturity date. The City does not policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

No events are probable of occurring that might limit the ability of the LOSAP Plan to transact at contract value with the contract issuer and also limit the ability of the LOSAP Plan to transact at contract value with participants. This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. The total Trust Fund LOSAP value held by the City at December 31, 2023 was as follows:

Trust Fund - LOSAP (Fair Value)	\$ 564,046.18
Trust Fund - LOSAP (Contract Value)	<u>45,798.76</u>
Total Trust Fund - LOSAP	<u>\$ 609,844.94</u>

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

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 2. Deposits and Investments (continued)

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

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

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the City's investment policies place no limit in the amount the City may invest in any one issuer. More than 5% of the City's investments are in Money Markets and Fixed Asset Account Investments. These investments represent 100% of the City's total investments.

Note 3. Property Taxes

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

Comparison Schedule of Tax Rates

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	<u>\$ 3.323</u>	<u>\$ 3.306</u>	<u>\$ 3.296</u>
Apportionment of Tax Rate:			
Municipal	\$ 1.019	\$ 1.019	\$ 1.018
Municipal Library	-	-	0.033
County General	0.587	0.562	0.511
Local School	1.717	1.725	1.734

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2023	\$ 723,339,500.00
2022	720,397,500.00
2021	716,356,000.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2023	\$ 24,083,840.10	\$ 23,893,940.12	99.21%
2022	23,894,845.40	23,691,315.29	99.14%
2021	23,769,283.36	23,574,594.49	99.18%

CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 3. Property Taxes (continued)

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2023	\$ 159,913.94	\$ 149,226.48	\$ 309,140.42	1.29%
2022	150,246.73	172,102.56	322,349.29	1.35%
2021	135,991.69	148,186.06	284,177.75	1.20%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2023	32
2022	34
2021	35

Note 4. Property Acquired By Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous two years was as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 416,200.00
2022	416,200.00
2021	416,200.00

Note 5. Utility Service Charges

The following are three-year comparisons of utility charges (rents) and collections for the current and previous two years.

<u>Year</u>	<u>Beginning Balance</u>	<u>Water/Sewer Charges</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2023	\$ 51,107.84	\$ 1,755,392.67	\$ 1,806,500.51	\$ 1,759,121.58	97.37%
2022	41,948.33	1,828,719.34	1,870,667.67	1,819,559.83	97.26%
2021	62,922.19	1,815,307.21	1,878,229.40	1,836,281.07	97.76%

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 6. Fund Balances Appropriated

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2023	\$ 3,000,023.19	\$ 1,915,000.00	63.83%
2022	3,384,149.82	1,780,000.00	52.60%
2021	3,261,806.15	1,634,600.00	50.11%
Water/Sewer Utility Operating Fund:			
2023	\$ 486,616.71	\$ 250,000.00	51.38%
2022	828,900.48	419,000.00	50.55%
2021	1,144,574.41	365,000.00	31.89%

Note 7. Disaggregated Receivable and Payable Balances

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

Note 8. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2023:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 81,560.52	\$ -
State and Federal Grant Fund	-	81,560.52
	<u>\$ 81,560.52</u>	<u>\$ 81,560.52</u>

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

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 461,383.66	\$ 57,250.00
State and Federal Grant Fund	-	461,383.66
General Capital Fund	57,250.00	-
	<u>\$ 518,633.66</u>	<u>\$ 518,633.66</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Lease Receivable

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

Under the provisions of GASB 87, as of December 31, 2023, the balance of the lease's receivable is \$225,259.75. As a result of the regulatory basis of accounting previously described in note 1, such balance is not recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund.

The following is a summary of the lease as of December 31, 2023:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Library Building Lease	\$ 225,259.75	\$ 28,781.36	\$ 2,468.64

Under the provisions of GASB 87, for the year ended December 31, 2023, the City would have recognized \$28,781.36 in a reduction of lease receivable and \$2,468.64 in interest revenue related to the lease. In addition, \$28,781.36 would have been recognized as both lease revenue and a reduction in deferred inflows of resources related to the lease.

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 29,069.89	\$ 2,180.11	\$ 31,250.00
2025	29,361.32	1,888.68	31,250.00
2026	29,655.67	1,594.33	31,250.00
2027	29,952.97	1,297.03	31,250.00
2028	30,250.27	999.73	31,250.00
2029-2031	76,969.63	1,155.37	78,125.00
Total	<u>\$ 225,259.75</u>	<u>\$ 9,115.25</u>	<u>\$ 234,375.00</u>

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2023.

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	Balance December 31, <u>2023</u>
Land & Improvements	\$ 29,834,789.50	\$ 9,500.00	\$ -	\$ 557,010.50	\$ 30,401,300.00
Buildings & Improvements	12,173,575.69	-	-	-	12,173,575.69
Machinery, Vehicles & Equipment	4,093,496.07	75,866.17	(48,773.00)	601,413.36	4,722,002.60
	<u>\$ 46,101,861.26</u>	<u>\$ 85,366.17</u>	<u>\$ (48,773.00)</u>	<u>\$ 1,158,423.86</u>	<u>\$ 47,296,878.29</u>

Note 11. Pension Obligations

A. Public Employees' Retirement System (PERS)

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the Public Employees' Retirement System (PERS) for year ended June 30, 2023. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2022.

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

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

The following represents the membership tiers for PERS:

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

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

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 11. Pension Obligations (continued)

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2022, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. 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 City's contractually required contribution to PERS plan was \$244,183.

Components of Net Pension Liability - At December 31, 2022, the City's proportionate share of the PERS net pension liability was \$2,922,218. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on the City's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The City's proportion measured as of June 30, 2022, was 0.0193634973% which was an increase of 0.0000415893% from its proportion measured as of June 30, 2021.

Balances at December 31, 2022 and December 31, 2021

	<u>12/31/2022</u>	<u>12/30/2021</u>
	June 30, 2022	June 30, 2021
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 419,834	\$ 431,175
Deferred Inflows of Resources	483,591	1,497,512
Net Pension Liability	2,922,218	2,288,970
City's portion of the Plan's total Net Pension Liability	0.01936%	0.01932%

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 11. Pension Obligations (continued)

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

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - At December 31, 2022, the City's proportionate share of the PERS expense/(credit), calculated by the plan as of the June 30, 2022 measurement date is (\$125,148).

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 21,091	\$ 18,599
Changes of Assumptions	9,054	437,572
Net Difference between Projected and Actual Earnings on Pension Plan Investments	120,948	-
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions	<u>268,741</u>	<u>27,420</u>
	<u>\$ 419,834</u>	<u>\$ 483,591</u>

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ (202,401)
2025	(79,441)
2026	(14,015)
2027	184,134
2028	<u>47,966</u>
	<u>\$ (63,757)</u>

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 11. Pension Obligations (continued)

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

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation

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

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the City as of December 31, 2022. At December 31, 2022, the State's proportionate share of the PERS expense, associated with the City, calculated by the plan as of the June 30, 2022 measurement date was \$6,148.

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

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75 - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

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

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 11. Pension Obligations (continued)

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

for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

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

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

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

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 11. Pension Obligations (continued)

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's Proportionate Share of the Net Pension Liability	\$ 3,785,989	\$ 2,922,218	\$ 2,232,925

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

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the Police and Firemen's Retirement System (PFRS) for year ended June 30, 2023. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2022.

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

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

The following represents the membership tiers for PFRS:

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

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

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 11. Pension Obligations

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

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

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

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2022, the City's contractually required contributions to PFRS plan was \$833,624.

Net Pension Liability and Pension Expense - At December 31, 2022 the City's proportionate share of the PFRS net pension liability was \$7,336,844. 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 City's proportion of the net pension liability was based on the City's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The City's proportion measured as of June 30, 2022, was 0.06409764%, which was a decrease of 0.00030887941% from its proportion measured as of June 30, 2021.

Balances at December 31, 2022 and December 31, 2021

	<u>12/31/2022</u>	<u>12/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Deferred Outflows of Resources	\$ 1,513,407	\$ 822,327
Deferred Inflows of Resources	1,407,697	4,007,696
Net Pension Liability	7,336,844	4,707,570
City's portion of the Plan's total net pension Liability	0.06410%	0.06441%

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 11. Pension Obligations (continued)

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

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources – At December 31, 2022, the City's proportionate share of the PFRS expense/(credit), calculated by the plan as of the June 30, 2022 measurement date was \$171,972. This expense/(credit) is not recognized by the City because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the City contributed \$833,624 to the plan in 2022.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 332,085	\$ 449,481
Changes of Assumptions	20,107	923,564
Net Difference between Projected and Actual Earnings on Pension Plan Investments	671,839	-
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions	489,376	34,652
	<u>\$ 1,513,407</u>	<u>\$ 1,407,697</u>

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ (276,014)
2024	(143,565)
2025	(132,452)
2026	557,586
2027	95,442
Thereafter	4,713
	<u>\$ 105,710</u>

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 11. Pension Obligations (continued)

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

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 to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the City is \$1,305,743 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 City was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2022 was 0.06409777%, which was a decrease of 0.0003087494% from its proportion measured as of June 30, 2021, which is the same proportion as the City's. At December 31, 2022, the City's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

City's Proportionate Share of Net Pension Liability	\$ 7,336,844
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the City	1,305,743
	<u>\$ 8,642,587</u>

At December 31, 2022, the State's proportionate share of the PFRS expense, associated with the City, calculated by the plan as of the June 30, 2022 measurement date was \$150,648.

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

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 11. Pension Obligations (continued)

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

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

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

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

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

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 11. Pension Obligations (continued)

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

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

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

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

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 11. Pension Obligations (continued)

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's Proportionate Share of the Net Pension Liability	\$ 10,066,942	\$ 7,336,844	\$ 5,064,024
State of New Jersey's Proportionate Share of Net Pension Liability associated with the City	1,791,620	1,305,743	901,248
	<u>\$ 11,858,562</u>	<u>\$ 8,642,587</u>	<u>\$ 5,965,272</u>

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

Note 12. Postemployment Benefits Other Than Pensions

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the year ended June 30, 2023. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2022.

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 12. Postemployment Benefits Other Than Pensions (continued):

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

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

Basis of Presentation

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

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2022 were \$3,361,552,823 and \$12,729,372,321, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 12. Postemployment Benefits Other Than Pensions (continued):

Special Funding Situation

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

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

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each employer are provided as each employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under the special funding situation and include their proportionate share of the collective net OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

Additionally, the State's proportionate share of the OPEB liability attributable to the City is \$9,440,088 as of December 31, 2022. The OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The State's proportion of the OPEB liability associated with the City was based on a projection of the City's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2022 was 0.279805%, which was a decrease of 0.021729% from its proportion measured as of June 30, 2021, which is the same proportion as the City's. At December 31, 2022, the City's and the State of New Jersey's proportionate share of the OPEB liability were as follows:

State of New Jersey's	
Proportionate Share of OPEB Liability	
Associated with the City	\$ 9,440,088.00

At December 31, 2022, the State's proportionate share of the OPEB expense/(credit) and related revenue, associated with the City, calculated by the plan as of the June 30, 2022 measurement date was \$(1,548,373).

CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 13. Municipal Debt

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 15,970,000.00	\$ 15,169,000.00	\$ 14,075,750.00
Total Debt Issued	15,970,000.00	15,169,000.00	14,075,750.00
Total Gross Debt	<u>\$ 15,970,000.00</u>	<u>\$ 15,169,000.00</u>	<u>\$ 14,075,750.00</u>
Total Net Debt	<u>\$ 15,970,000.00</u>	<u>\$ 15,169,000.00</u>	<u>\$ 14,075,750.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General	\$ 15,970,000.00	\$ -	\$ 15,970,000.00
School Purposes	2,719,606.00	2,719,606.00	-
	<u>\$ 18,689,606.00</u>	<u>\$ 2,719,606.00</u>	<u>\$ 15,970,000.00</u>

Net Debt \$15,970,000.00 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$859,432,972.67 equals 1.858%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2023 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 33,206,823.86
Net Debt	<u>15,970,000.00</u>
Remaining Borrowing Power	<u>\$ 17,236,823.86</u>

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 13. Municipal Debt (continued)

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

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 2,230,522.41
Deductions:	
Operating and Maintenance Costs	<u>\$ 2,155,000.00</u>
Total Deductions	<u>2,155,000.00</u>
Excess/(Deficit) in Revenue	<u><u>\$ 75,522.41</u></u>

*If Excess in Revenues all Utility Debt is Deducted

General Debt

A. Serial Bonds Payable

On July 30, 2020, the City issued \$11,455,000.00 of General Improvement Bonds. The bonds were issued at interest rates varying from 2.000% to 4.000% and mature on July 15, 2045

On September 12, 2023, the City issued \$5,345,000.00 of General Obligation Bonds. The Bonds were issued at an interest rate of 4.000% and mature on September 15, 2033.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 635,000.00	\$ 481,104.88	\$ 1,116,104.88
2025	785,000.00	461,643.76	1,246,643.76
2026	855,000.00	430,243.76	1,285,243.76
2027	890,000.00	396,043.76	1,286,043.76
2028	930,000.00	360,443.76	1,290,443.76
2029-2033	5,475,000.00	1,227,318.80	6,702,318.80
2034-2038	2,665,000.00	563,768.80	3,228,768.80
2039-2043	2,675,000.00	292,456.28	2,967,456.28
2044-2045	1,060,000.00	35,662.50	1,095,662.50
	<u>\$ 15,970,000.00</u>	<u>\$ 4,248,686.30</u>	<u>\$ 20,218,686.30</u>

C. Bonds and Notes Authorized But Not Issued

The City had no bonds and notes authorized but not issued at December 31, 2023.

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 13. Municipal Debt (Continued):

Summary of Debt Principal

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

	Balance December 31, <u>2022</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2023</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 10,915,000.00	\$ 5,345,000.00	\$ 290,000.00	\$ 15,970,000.00	\$ 635,000.00
Bond Anticipation Notes	4,254,000.00	-	4,254,000.00	-	-
	<u>\$ 15,169,000.00</u>	<u>\$ 5,345,000.00</u>	<u>\$ 4,544,000.00</u>	<u>\$ 15,970,000.00</u>	<u>\$ 635,000.00</u>

Note 14. Deferred School Taxes

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

<u>Local School Taxes</u>	<u>Balance, December 31,</u>	
	<u>2023</u>	<u>2022</u>
Total Balance of Local Tax	\$ 6,209,646.97	\$ 6,208,947.47
Deferred Taxes	<u>3,626,535.94</u>	<u>3,626,535.94</u>
Local Tax Payable	<u>\$ 2,583,111.03</u>	<u>\$ 2,582,411.53</u>

Note 15. Deferred Compensation Salary Account

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

Note 16. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the City's liability related to unused vacation, sick pay and compensation time. The City permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$550,922.76 at December 31, 2023.

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 17. Risk Management

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

Joint Insurance Pool

The City is a member of the Atlantic County Municipal Joint Insurance Fund. The Fund provides the City with the following primary coverage and limits:

Crime	\$50,000
Commercial General Liability	\$300,000
Law Enforcement Professional Liability	\$300,000
Bodily Injury and Property Damage Liability (Auto)	\$300,000
Workers Compensation	\$300,000
Environmental Legal Liability	Various

The following “excess” coverage and limits are provided to the Fund’s member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Worker’s Compensation	\$5,000,000
Commercial General Liability	\$5,000,000
Law Enforcement Professional Liability	\$5,000,000
Employer’s Liability	\$5,000,000
Auto Liability	\$5,000,000
Crime	\$1,000,000

Contributions to the Funds are payable in two installments and are based on actuarial assumptions determined by the Funds’ actuaries. The Fund publishes its own financial report for the year ended December 31, 2023 which can be obtained on the Fund’s website.

New Jersey Unemployment Compensation Insurance

The City has elected to fund its New Jersey Unemployment Compensation Insurance under the “Reimbursement Method”. Under this plan, the City is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The City is billed quarterly for amounts due to the State.

Note 18. Contingencies

Grantor Agencies

The City receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency.

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 18. Contingencies (continued)

Litigation

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

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2023.

Note 19. Length of Service Awards Program

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

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

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The City elected to contribute between \$493.00 and \$1,629.78 for the year ended December 31, 2023 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2023, the City contributed a total of \$2,136.31 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan.

The City has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

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

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

**CITY OF ABSECON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 19. Length of Service Awards Program (continued)

Payment of Benefits - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2023 payouts of \$45,550.32 were made to vested participants.

Forfeited Accounts – During the year ended December 31, 2023, no accounts were forfeited.

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

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2023 and May 1, 2024, the date the financial statements were available to be issued.

On April 4, 2024 the City adopted an ordinance re-appropriating \$670,000 proceeds of obligations not needed for their original purposes to provide for various capital projects in 2024.

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SUPPLEMENTARY SCHEDULES

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CURRENT FUND

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**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Current Fund</u>	
Balance, December 31, 2022	\$	8,227,707.35
Increased By Receipts:		
Taxes Receivable	\$	23,528,309.02
Revenue Accounts Receivable		1,792,595.92
Miscellaneous Revenue Not Anticipated		118,372.79
Due To/From:		
State of New Jersey - Senior Citizens' and Veterans' Deductions		70,947.21
State of New Jersey - Marriage Licenses		900.00
State of New Jersey - State Training Fees		12,334.00
Federal and State Grant Fund		74,469.37
Prepaid Taxes		414,712.33
Tax Title Liens		4,512.90
Reserve for:		
Municipal Relief Funds	<u>78,695.54</u>	
		<u>26,095,849.08</u>
		<u>34,323,556.43</u>
Decreased By Disbursements:		
2023 Appropriations	9,908,623.76	
2022 Appropriation Reserves	607,864.83	
County Taxes Payable	4,259,412.77	
Local District School Tax Payable	12,418,594.50	
Change Fund	50.00	
Due To/From:		
State of New Jersey - Marriage Licenses	500.00	
State of New Jersey - State Training Fees	11,416.00	
Federal and State Grant Fund	<u>144,629.18</u>	
		<u>27,351,091.04</u>
Balance, December 31, 2023	<u>\$</u>	<u>6,972,465.39</u>

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE (TO)/FROM STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

Balance, December 31, 2022		\$	471.89
Increased By:			
Veterans' and Senior Citizens' Billings	\$	69,750.00	
Veterans' Deductions Allowed		<u>2,835.12</u>	
			<u>72,585.12</u>
			73,057.01
Decreased By:			
Veterans and Senior Deductions Disallowed		656.38	
Cash Received From State of New Jersey		<u>70,947.21</u>	
			<u>71,603.59</u>
Balance, December 31, 2023		\$	<u><u>1,453.42</u></u>

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Year</u>	<u>Balance December 31, 2022</u>	<u>2023 Levy</u>	<u>Added</u>	<u>2022</u>	<u>2023</u>	<u>Transfer to Tax Title Liens</u>	<u>Due From State of New Jersey</u>	<u>Cancelled</u>	<u>Balance December 31, 2023</u>
2021	\$ 3,398.26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,398.26	\$ -
2022	168,704.30	-	-	-	163,537.02	-	-	5,167.28	-
2023	-	24,036,191.57	47,648.53	457,239.38	23,364,772.00	14,180.11	71,928.74	26,493.39	149,226.48
	\$ 172,102.56	\$ 24,036,191.57	\$ 47,648.53	\$ 457,239.38	\$ 23,528,309.02	\$ 14,180.11	\$ 71,928.74	\$ 35,058.93	\$ 149,226.48

Analysis of Property Tax Levy

<u>Tax Yield</u>	
General Purpose Tax	\$ 24,036,191.57
Added Taxes (R.S. 54-4-63, 1 et seq.)	<u>47,648.53</u>
	<u>\$ 24,083,840.10</u>

<u>Tax Levy</u>	
Local District School Tax	\$ 12,419,294.00
County Taxes:	
County Tax	\$ 3,760,382.40
County Library Tax	267,704.82
County Health Tax	174,949.53
County Open Space Tax	43,030.82
Due County for Added and Omitted Taxes	<u>8,416.99</u>
	4,254,484.56

Local Tax for Municipal Purposes	7,370,830.00
Add: Additional Tax Levied	<u>39,231.54</u>
	<u>7,410,061.54</u>
	<u>\$ 24,083,840.10</u>

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 150,246.73
Increased By:	
Transfers from Taxes Receivable	<u>14,180.11</u>
	164,426.84
Decreased By:	
Collections	<u>4,512.90</u>
Balance, December 31, 2023	<u><u>\$ 159,913.94</u></u>

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, <u>2022</u>	Accrued in <u>2023</u>	<u>Collections</u>	Balance December 31, <u>2023</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 10,950.00	\$ 10,950.00	\$ -
Other	-	15,973.00	15,973.00	-
Fees and Permits	-	47,806.37	47,806.37	-
Fines and Costs:				
Municipal Court	-	90,971.08	90,971.08	-
Interest and Costs on Taxes	-	46,931.37	46,931.37	-
Interest on Investments and Deposits	-	128,232.11	128,232.11	-
Cable Television Franchise Fees	-	37,741.72	37,741.72	-
Communications Tower Rental	-	114,380.96	114,380.96	-
Energy Receipts Tax (P.L. 19979, Ch. 62 & 67)	-	759,680.01	759,680.01	-
Watershed Aid	-	3,337.00	3,337.00	-
Reserve for Municipal Relief Aid	-	39,355.04	39,355.04	-
Uniform Construction Code Fees	-	165,700.00	165,700.00	-
Uniform Fire Safety Act	-	17,474.61	17,474.61	-
Occupancy Tax	-	250,158.86	250,158.86	-
Library Building Rent	-	31,250.00	31,250.00	-
Community Champions	-	8,100.00	8,100.00	-
PILOT - Conifer Realty	-	43,373.80	43,373.80	-
Redevelopment Zone Payments	-	20,535.03	20,535.03	-
American Rescue Plan	-	461,383.66	461,383.66	-
	<u>\$ -</u>	<u>\$ 2,293,334.62</u>	<u>\$ 2,293,334.62</u>	<u>\$ -</u>
Cash Receipts			\$ 1,792,595.92	
Transferred from Grants Unappropriated			461,383.66	
Reserve for Municipal Relief Fund Aid			<u>39,355.04</u>	
			<u>\$ 2,293,334.62</u>	

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Balance, December 31, <u>2022</u>	<u>Encumbrances</u>	Balance after <u>Modifications</u>	<u>Paid or Charged</u>	<u>Lapsed</u>
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 1,224.71	\$ -	\$ 1,224.71	\$ -	\$ 1,224.71
Other Expenses	10,781.72	1,680.00	12,461.72	12,461.72	-
Mayor and Council:					
Salaries and Wages	171.22	-	171.22	-	171.22
Other Expenses	715.96	-	715.96	216.11	499.85
Municipal Clerk:					
Salaries and Wages	2,018.03	-	2,018.03	-	2,018.03
Other Expenses	2,535.86	-	2,535.86	49.60	2,486.26
Financial Administration:					
Salaries and Wages	5,966.28	-	5,966.28	-	5,966.28
Other Expenses	1,972.08	237.90	2,209.98	475.80	1,734.18
Tax Collection Administration:					
Salaries and Wages	3,176.11	-	3,176.11	-	3,176.11
Other Expenses	2,050.69	68.00	2,118.69	426.14	1,692.55
Tax Assessment Administration:					
Salaries and Wages	811.77	-	811.77	-	811.77
Other Expenses	1,066.22	-	1,066.22	32.80	1,033.42
Information Technology:					
Salaries and Wages	20,145.62	-	20,145.62	-	20,145.62
Other Expenses	28,783.53	1,266.33	30,049.86	1,476.30	28,573.56
Legal Services:					
Other Expenses	7,019.11	976.00	7,995.11	5,641.00	2,354.11
Engineering Services:					
Other Expense	104,737.75	14,606.25	119,344.00	23,638.57	95,705.43
Land Use Administration:					
Planning Board:					
Salaries and Wages	1,070.22	-	1,070.22	-	1,070.22
Other Expenses	4,945.33	-	4,945.33	4,945.33	-
Zoning Board:					
Salaries and Wages	923.86	-	923.86	-	923.86
Other Expenses	830.00	-	830.00	-	830.00
Insurance:					
General Liability Insurance	171.00	-	171.00	-	171.00
Workers Compensation Insurance	329.00	-	329.00	-	329.00
Employee Group Insurance	14,062.73	154,139.36	168,202.09	154,139.36	14,062.73
Public Safety:					
Police Department:					
Salaries and Wages	186,304.32	-	186,304.32	40,744.64	145,559.68
Other Expenses	21,037.46	16,843.75	37,881.21	29,005.61	8,875.60
Office of Emergency Management:					
Other Expenses	600.00	-	600.00	-	600.00
Fire Department:					
Other Expenses	5,752.15	12,852.70	18,604.85	10,539.46	8,065.39
Other Expenses - Fire Hydrant Service	37.60	9,247.30	9,284.90	9,247.30	37.60
Municipal Prosecutor's Office:					
Other Expenses	1,800.00	-	1,800.00	-	1,800.00
Municipal Court:					
Salaries and Wages	2,062.87	-	2,062.87	-	2,062.87
Other Expenses	674.37	-	674.37	-	674.37

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Balance, December 31, <u>2022</u>	<u>Encumbrances</u>	Balance after <u>Modifications</u>	<u>Paid or Charged</u>	<u>Lapsed</u>
Uniform Fire Safety Act:					
Salaries and Wages	2,524.24	-	2,524.24	-	2,524.24
Other Expenses	21.25	-	21.25	-	21.25
Public Works:					
Public Works:					
Salaries and Wages	13,128.54	-	13,128.54	-	13,128.54
Other Expenses	5,719.82	11,828.57	17,548.39	16,836.30	712.09
Sanitation Trash Removal:					
Tipping Fees	28,917.48	55,000.00	83,917.48	58,033.50	25,883.98
Contractual	5,460.02	12,940.56	18,400.58	12,940.56	5,460.02
Vehicle Maintenance:					
Other Expenses	34,330.00	3,658.12	37,988.12	13,315.53	24,672.59
Street Lighting:					
Other Expenses	22,455.78	-	22,455.78	617.11	21,838.67
Health and Human Services:					
Animal Control Services:					
Other Expenses	-	700.00	700.00	700.00	-
Parks and Recreation:					
Recreation:					
Other Expenses	7,685.00	-	7,685.00	5,000.00	2,685.00
Public Events:					
Other Expenses	2,971.85	1,889.16	4,861.01	1,889.16	2,971.85
Uniform Construction Code - Appropriations					
Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):					
Code Enforcement and Construction:					
Salaries and Wages	3,259.35	-	3,259.35	-	3,259.35
Other Expenses	6,468.13	575.00	7,043.13	625.80	6,417.33
Unclassified:					
Utilities:					
Telephone	1,435.29	1,150.00	2,585.29	1,153.12	1,432.17
Natural Gas	89.44	-	89.44	89.44	-
Gasoline	2,232.16	7,900.00	10,132.16	10,132.16	-
Water	5,674.99	1,350.00	7,024.99	1,326.57	5,698.42
Office Supplies/Maintenance:					
Other Expenses	168.85	-	168.85	27.50	141.35
Contingent	1,875.69	-	1,875.69	480.00	1,395.69
Total Operations Including Contingent Within CAPS	578,195.45	308,909.00	887,104.45	416,206.49	470,897.96
Deferred Charges and Statutory Expenditures Within CAPS:					
Contribution To:					
Social Security System	30,546.58	-	30,546.58	80.25	30,466.33
Unemployment Insurance	1,678.73	-	1,678.73	-	1,678.73
Defined Contribution Retirement Program	778.18	-	778.18	-	778.18
Total Deferred Charges and Statutory Expenditures	33,003.49	-	33,003.49	80.25	32,923.24
Total General Appropriations Within CAPS	611,198.94	308,909.00	920,107.94	416,286.74	503,821.20

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Balance, December 31, <u>2022</u>	<u>Encumbrances</u>	Balance after <u>Modifications</u>	<u>Paid or Charged</u>	<u>Lapsed</u>
Appropriations Excluded from CAPS:					
Employee Group Health Insurance					
Length of Service Awards Program	28,000.00	-	28,000.00	17,077.26	10,922.74
Shared Service Agreements:					
Township of Galloway - Dispatch Services	313.34	-	313.34	-	313.34
Total Operations - Excluded from "CAPS"	28,313.34	-	28,313.34	17,077.26	11,236.08
Capital Improvements Excluded from CAPS:					
City Hall Building Improvements	4,940.00	8,460.00	13,400.00	8,460.00	4,940.00
Public Safety - Fire Improvements	12,674.40	24,325.60	37,000.00	24,325.60	12,674.40
Public Property Improvements	-	11,250.00	11,250.00	11,250.00	-
Public Safety - Police Vehicles / Equipment	22,997.39	90,114.65	113,112.04	90,888.77	22,223.27
Code Enforcement/Construction Office	10,221.30	6,183.30	16,404.60	6,183.30	10,221.30
Technology/Audio System	8,770.21	57,638.00	66,408.21	48,072.00	18,336.21
Public Safety and Security Enhancements	15,423.54	39,576.46	55,000.00	39,576.46	15,423.54
City Clerk Codification	20,000.00	-	20,000.00	-	20,000.00
Total Capital Improvement Excluded from CAPS	95,026.84	237,548.01	332,574.85	228,756.13	103,818.72
Total General Appropriations	<u>\$ 734,539.12</u>	<u>\$ 546,457.01</u>	<u>\$ 1,280,996.13</u>	<u>\$ 662,120.13</u>	<u>\$ 618,876.00</u>
Appropriation Reserves			\$ 734,539.12		
Encumbrances Payable			<u>546,457.01</u>		
			<u>\$ 1,280,996.13</u>		
Cash Disbursed				\$ 607,864.83	
Transferred To Accounts Payable				<u>54,255.30</u>	
				<u>\$ 662,120.13</u>	

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO STATE - MARRIAGE LICENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ -
Increased By:	
Cash Receipts	<u>900.00</u>
	900.00
Decreased By:	
Disbursements	<u>500.00</u>
	500.00
Balance, December 31, 2023	<u><u>\$ 400.00</u></u>

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO STATE - STATE TRAINING FEES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 2,947.00
Increased By:	
Cash Receipts	<u>12,334.00</u>
	15,281.00
Decreased By:	
Disbursements	<u>11,416.00</u>
	11,416.00
Balance, December 31, 2023	<u><u>\$ 3,865.00</u></u>

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR MUNICIPAL RELIEF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 39,355.04
Increased By:	
Cash Receipts	<u>78,695.54</u>
	118,050.58
Decreased By:	
Budgeted Revenue	<u>39,355.04</u>
Balance, December 31, 2023	<u><u>\$ 78,695.54</u></u>

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ -
Increased by:	
Current Year Payables	<u>54,255.30</u>
Balance, December 31, 2023	<u><u>\$ 54,255.30</u></u>

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 457,239.38
Increased By:	
Cash Receipts	<u>414,712.33</u>
	871,951.71
Decreased By:	
Applied To Taxes Receivable	<u>457,239.38</u>
Balance, December 31, 2023	<u><u>\$ 414,712.33</u></u>

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 & 2022

\$ 18,352.19

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 13,345.20
Increased By:		
2023 Tax Levy:		
County Tax	\$ 3,760,382.40	
County Library Tax	267,704.82	
County Health Tax	174,949.53	
County Open Space Tax	43,030.82	
Added and Omitted Taxes	8,416.99	
		4,254,484.56
		4,267,829.76
Decreased By:		
Cash Disbursed		
		4,259,412.77
Balance, December 31, 2023		\$ 8,416.99

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		
School Tax Payable	\$ 2,582,411.53	
School Tax Deferred	<u>3,626,535.94</u>	
		\$ 6,208,947.47
Increased By:		
Levy - School Year July 1, 2023 to June 30, 2023		<u>12,419,294.00</u>
		18,628,241.47
Decreased By:		
Cash Disbursed		<u>12,418,594.50</u>
Balance, December 31, 2023		
School Tax Payable	2,583,111.03	
School Tax Deferred	<u>3,626,535.94</u>	
Balance, December 31, 2023		<u>\$ 6,209,646.97</u>
<u>2023 Liability for Local District School Tax</u>		
Tax Payable, December 31, 2023	\$ 2,583,111.03	
Tax Paid	<u>12,418,594.50</u>	
		15,001,705.53
Less:		
Tax Payable, December 31, 2022		<u>2,582,411.53</u>
Amount Charged to 2023 Operations		<u>\$ 12,419,294.00</u>

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GRANT FUND
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

Balance, December 31, 2022		\$	449,982.95
Increased By:			
Cash Receipts	\$	74,469.37	
Anticipated Revenue Realized		<u>942,066.79</u>	<u>1,016,536.16</u>
			1,466,519.11
Decreased By:			
Cash Disbursements		144,629.18	
ARP Funds		461,383.66	
2023 Budget Appropriations		<u>942,066.79</u>	<u>1,548,079.63</u>
Balance, December 31, 2023			<u><u>\$ (81,560.52)</u></u>

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, 2022	2023 Budget Revenue Realized	Received	Transferred From Unappropriated Reserves	Balance December 31, 2023
Federal:					
Community Development Block Grant	\$ 50,900.00	\$ -	\$ -	-	\$ 50,900.00
Drive Sober or Get Pulled Over	3,780.00	9,170.00	6,020.00	-	6,930.00
Lead Grant	-	7,500.00	7,500.00	-	-
Bulletproof Vest Partnership Grant	5,484.45	4,000.00	-	-	9,484.45
Click It or Ticket	-	7,000.00	4,480.00	-	2,520.00
Distracted Driving Statewide Crackdown Grant	-	3,500.00	-	-	3,500.00
Sub-Total Federal	60,164.45	31,170.00	18,000.00	-	73,334.45
State:					
Clean Communities Grant	-	23,793.86	23,793.86	-	-
Drunk Driving Enforcement Fund	-	14,088.36	14,088.36	-	-
Recycling Tonnage Grant	-	12,240.49	12,240.48	-	0.01
State of N.J. Shore Pedestrian Awareness Campaign	-	4,200.00	3,955.00	-	245.00
N.J. DCA - LEAP Implementation Program	201,364.00	-	-	-	201,364.00
N.J. DOT Trust Fund Authority Act	67,500.00	235,470.00	-	-	302,970.00
Streetscape Improvement - Phase 4	525,000.00	-	-	-	525,000.00
Body Armor Replacement	-	2,004.08	-	2,004.08	-
Pedestrian Safety Improvements	-	619,000.00	-	-	619,000.00
Sub-Total State	793,864.00	910,796.79	54,077.70	2,004.08	1,648,579.01
Local:					
Atlantic County Shore Road Grant	1,000,000.00	-	-	-	1,000,000.00
Atlantic County Utilities Authority: Green Team Mini Grant	-	100.00	100.00	-	-
Sub-Total Local	1,000,000.00	100.00	100.00	-	1,000,000.00
Total	\$ 1,854,028.45	\$ 942,066.79	\$ 72,177.70	\$ 2,004.08	\$ 2,721,913.46

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance December 31, <u>2022</u>	Cash <u>Received</u>	Decreased By Budget <u>Appropriation</u>	Transfer to Current <u>Fund</u>	Balance December 31, <u>2023</u>
Federal:					
American Rescue Plan	\$ 461,383.66	\$ -	\$ -	\$ 461,383.66	\$ -
Sub-Total Federal	461,383.66	-	-	461,383.66	-
State:					
Body Armor Replacement	2,004.08	2,291.67	2,004.08	-	2,291.67
Sub-Total State	2,004.08	2,291.67	2,004.08	-	2,291.67
Total	\$ 463,387.74	\$ 2,291.67	\$ 2,004.08	\$ 461,383.66	\$ 2,291.67

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance December 31, 2022	Transferred From Reserve for Encumbrances	Transferred from 2023 Budget Appropriations	Paid or Charged	Transferred To Reserve for Encumbrances	Cancelled	Balance December 31, 2023
Federal:							
Bulletproof Vest Partnership Grant 2023	\$ -	\$ -	\$ 4,000.00	\$ -	\$ -	-	\$ 4,000.00
Bulletproof Vest Partnership Grant 2022	4,000.00	-	-	999.25	-	-	3,000.75
Bulletproof Vest Partnership Grant 2021	2,613.14	977.60	-	3,590.74	-	-	-
Drive Sober or Get Pulled Over 2023	-	-	9,170.00	4,420.00	-	-	4,750.00
Drive Sober or Get Pulled Over 2022	740.00	-	-	740.00	-	-	-
Lead Grant	-	-	7,500.00	7,500.00	-	-	-
Distracted Driving Statewide Crackdown Grant 2023	-	-	3,500.00	2,975.00	-	-	525.00
Click It or Ticket	-	-	7,000.00	5,215.00	-	-	1,785.00
Sub-Total Federal	7,353.14	977.60	31,170.00	25,439.99	-	-	14,060.75
State:							
Clean Communities Program 2023	-	-	23,793.86	863.14	-	-	22,930.72
Clean Communities Program 2022	21,213.84	-	-	20,968.84	-	-	245.00
Drunk Driving Enforcement Fund 2023	-	-	14,088.36	-	14,088.36	-	-
Drunk Driving Enforcement Fund 2021	1,167.61	-	-	1,167.61	-	-	-
N.J. DCA - LEAP Implementation Program	201,364.00	-	-	11,130.78	-	-	190,233.22
Streetscape Improvements Phase 4	525,000.00	-	-	48,600.00	54,400.00	-	422,000.00
N.J. DOT Trust Fund Authority Act	-	-	235,470.00	-	-	-	235,470.00
State of N.J. Shore Pedestrian Awareness Campaign	-	-	4,200.00	3,395.00	-	-	805.00
Recycling Tonnage Grant 2023	-	-	12,240.49	-	-	-	12,240.49
Recycling Tonnage Grant 2022	12,828.09	-	-	4,261.03	-	-	8,567.06
Recycling Tonnage Grant 2021	4,346.42	-	-	4,346.42	-	-	-
Body Worn Cameras	-	61,140.00	-	18,720.00	42,420.00	-	-
Body Armor Fund 2023	-	-	2,004.08	1,003.41	-	-	1,000.67
Body Armor Fund 2022	1,444.14	-	-	1,444.14	-	-	-
Body Armor Fund 2021	2,095.95	-	-	2,095.95	-	-	-
Body Armor Fund 2019	215.27	977.60	-	1,192.87	-	-	-
Pedestrian Safety Improvements	-	-	619,000.00	-	-	-	619,000.00
Sub-Total State	769,675.32	62,117.60	910,796.79	119,189.19	110,908.36	-	1,512,492.16

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, 2022	Transferred From Reserve for Encumbrances	Transferred from 2023 Budget Appropriations	Paid or Charged	Transferred To Reserve for Encumbrances	Cancelled	Balance December 31, 2023
Local:							
Atlantic County Shore Road Grant	1,000,000.00	-	-	-	-	-	1,000,000.00
Atlantic County Utilities Authority Mini Grant	500.00	-	-	-	-	-	500.00
Atlantic County Utilities Authority Green Team Mini Grant	-	-	100.00	-	-	-	100.00
Sub-Total Local	1,000,500.00	-	100.00	-	-	-	1,000,600.00
Total	\$ 1,777,528.46	\$ 63,095.20	\$ 942,066.79	\$ 144,629.18	\$ 110,908.36	\$ -	\$ 2,527,152.91

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 63,095.20
Increased By:	
Charged to Appropriated Reserves	<u>110,908.36</u>
	174,003.56
Decreased By:	
Transferred to Appropriated Reserves	<u>63,095.20</u>
Balance, December 31, 2023	<u><u>\$ 110,908.36</u></u>

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TRUST FUND

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**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
TRUST FUNDS
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>
Balance, December 31, 2022	\$ 1,880.59	\$ 789,398.73
Increased By Receipts:		
Due To:		
State of New Jersey	227.40	-
License Fees	1,011.60	-
Payroll Deductions	-	4,887,484.00
Various Reserves	-	818,639.16
Total Receipts	1,239.00	5,706,123.16
Subtotal	3,119.59	6,495,521.89
Decreased By Disbursements:		
Due to State of New Jersey	225.00	-
Expenditures	830.65	-
Payroll Deductions	-	4,919,857.43
Various Reserves	-	748,004.44
Total Disbursements	1,055.65	5,667,861.87
Balance, December 31, 2023	<u><u>\$ 2,063.94</u></u>	<u><u>\$ 827,660.02</u></u>

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO/(FROM) STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 27.00
Increased By:	
State Share of Dog License Fee	<u>227.40</u>
	254.40
Decreased By:	
Cash Disbursed	<u>225.00</u>
Balance, December 31, 2023	<u><u>\$ 29.40</u></u>

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023

Balance, December 31, 2022		\$ 1,853.59
Increased By:		
Cat License Fees Collected	\$ 138.00	
Miscellaneous Fees Collected	3.00	
Dog License Fees Collected	<u>870.60</u>	
		<u>1,011.60</u>
		2,865.19
Decreased By:		
Expenditures		<u>830.65</u>
Balance, December 31, 2023		<u><u>\$ 2,034.54</u></u>

License Fees Collected

2022	\$ 1,373.00
2021	<u>1,071.80</u>
	<u><u>\$ 2,444.80</u></u>

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF SMALL CITIES REVOLVING LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 129,608.20
Decreased By:		
Cash Disbursements	\$ 12,115.00	
Canceled	<u>12,445.00</u>	
		<u>24,560.00</u>
Balance, December 31, 2023		<u><u>\$ 105,048.20</u></u>

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023

Balance, December 31, 2022	\$ 33,259.01
Increased By:	
Cash Receipts	<u>4,887,484.00</u>
	4,920,743.01
Decreased By:	
Cash Disbursements	<u>4,919,857.43</u>
Balance, December 31, 2023	<u><u>\$ 885.58</u></u>

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, <u>2022</u>	Increased	Decreased	Balance December 31, <u>2023</u>
Reserve for:				
Recreation Trust	\$ 121,770.58	\$ 109,343.18	\$ 126,647.89	\$ 104,465.87
Tax Title Lien Redemption	3,657.60	210,901.31	214,558.91	-
Tax Sale Premiums	226,200.00	346,500.00	250,000.00	322,700.00
Uniform Fire Safety Act Penalty Monies	3,526.18	250.00	156.49	3,619.69
Planning and Zoning	48,311.51	115,214.47	123,329.39	40,196.59
Parking Offense Adjudication Act	184.26	40.00	-	224.26
Law Enforcement Trust	43,770.05	14,309.93	1,685.22	56,394.76
Accumulated Absences	245,203.38	-	20,449.50	224,753.88
Small Cities Grant	32,424.41	15,281.20	2,725.00	44,980.61
Performance Bond	28,591.75	299.07	1,952.04	26,938.78
Security Deposits	2,500.00	6,500.00	6,500.00	2,500.00
	<u>\$ 756,139.72</u>	<u>\$ 818,639.16</u>	<u>\$ 748,004.44</u>	<u>\$ 826,774.44</u>

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Balance, December 31, 2022		\$	550,026.05
Increased By:			
Participant Contribution	\$	2,136.31	
Appreciation on Investments		<u>104,432.91</u>	
			<u>106,569.22</u>
			656,595.27
Decreased By:			
Withdrawals		45,550.32	
Fees		<u>1,200.00</u>	
			<u>46,750.32</u>
Balance, December 31, 2023		\$	<u><u>609,844.95</u></u>

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF RESERVE FOR LOSAP
FOR THE YEAR ENDED DECEMBER 31, 2023

Balance, December 31, 2022		\$	550,026.05
Increased By:			
Participant Contribution	\$	2,136.31	
Appreciation on Investments		<u>104,432.91</u>	
			<u>106,569.22</u>
			656,595.27
Decreased By:			
Withdrawals		45,550.32	
Fees		<u>1,200.00</u>	
			<u>46,750.32</u>
Balance, December 31, 2023		\$	<u><u>609,844.95</u></u>

GENERAL CAPITAL FUND

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**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$	1,624,905.21
Increased By:			
Premium Collected on Serial Bonds:			
Fund Balance	\$	198,345.59	
Deferred Charges to Future Taxation - Unfunded		91,750.00	
Serial Bonds Payable		5,345,000.00	
Capital Improvement Fund		<u>57,250.00</u>	
			<u>5,692,345.59</u>
			7,317,250.80
Decreased By:			
BAN Paydown		4,254,000.00	
Improvement Authorizations		<u>690,772.08</u>	
			<u>4,944,772.08</u>
Balance, December 31, 2023		\$	<u><u>2,372,478.72</u></u>

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance December 31, <u>2023</u>
Fund Balance	\$ 238,195.26
Capital Improvement Fund	9,350.00
Reserve for Encumbrances	619,325.88
Grants Receivable	(320,000.00)

<u>Ordinance Number</u>	<u>Improvement Description</u>	
6-2018 / 12- 2018	Various Capital Improvements	8,738.66
2-2019 / 11- 2019 / 5- 2020	Acquisition of Property and Construction of a New Firehouse Building	7,231.62
7-2021 / 4- 2022	Various Capital Improvements and Acquisitions	157,684.28
5-2022	Various Capital Improvements and Acquisitions	1,108,753.02
10-2023	Various Capital Improvements and Acquisitions	543,200.00
		\$ 2,372,478.72

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 & 2022	<u><u>\$ 320,000.00</u></u>
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**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 10,915,000.00
Increased By:	
Serial Bonds Issued	<u>5,345,000.00</u>
	16,260,000.00
Decreased By:	
Budget Appropriation to Pay Bonds	<u>290,000.00</u>
Balance, December 31, 2023	<u><u>\$ 15,970,000.00</u></u>

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2023

Ordinance Number	Ordinance Date	Improvement Description	Balance December 31, 2022	2023 Authorizations	Decreases	Balance December 31, 2023	Analysis of Balance		
							Bond Anticipation Notes	Unexpended Improvement Authorizations	
6-2019 / 6-2020	4/19/2018; 10/18/2018	Various Capital Improvements	\$ 758,000.00	\$ -	\$ 758,000.00	\$ -	\$ -	\$ -	-
7-2021 / 4-2022	4/15/2021; 4/7/2022	Various Capital Improvements and Acquisitions	2,132,750.00	-	2,132,750.00	-	-	-	-
5-2022	4/21/2022	Various Capital Improvements and Acquisitions	1,363,250.00	-	1,363,250.00	-	-	-	-
10-2023	05/04/23	Various Capital Improvements and Acquisitions	-	1,182,750.00	1,182,750.00	-	-	-	-
			\$ 4,254,000.00	\$ 1,182,750.00	\$ 5,436,750.00	\$ -	\$ -	\$ -	-

Serial Bond Issued	\$ 5,345,000.00
Bond Premium	91,750.00
	<u>\$ 5,436,750.00</u>

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Purpose	Date of Issue	Original Issue	Outstanding		Interest Rate	Balance December 31, 2022	Increased	Decreased	Balance December 31, 2023
			Date	Amount					
General Obligation Bonds	7/30/2020	\$ 11,455,000.00	7/15/2024	\$ 315,000.00	4.000%	\$ 10,915,000.00	\$ -	\$ 290,000.00	\$ 10,625,000.00
			7/15/2025	340,000.00	4.000%				
			7/15/2026	365,000.00	4.000%				
			7/15/2027	390,000.00	4.000%				
			7/15/2028	415,000.00	4.000%				
			7/15/2029	440,000.00	4.000%				
			7/15/2030	460,000.00	3.000%				
			7/15/2031	485,000.00	3.000%				
			7/15/2032	500,000.00	2.000%				
			7/15/2033	515,000.00	2.000%				
			7/15/2034	525,000.00	2.000%				
			7/15/2035	535,000.00	2.000%				
			7/15/2036	535,000.00	2.000%				
			7/15/2037	535,000.00	2.000%				
			7/15/2038	535,000.00	2.000%				
General Obligation Bonds	9/12/2023	5,345,000.00	7/15/2039	535,000.00	2.000%	-	5,345,000.00	-	5,345,000.00
			7/15/2040	535,000.00	2.125%				
			7/15/2041	535,000.00	2.125%				
			7/15/2042	535,000.00	2.125%				
			7/15/2043	535,000.00	2.250%				
			7/15/2044	535,000.00	2.250%				
			7/15/2045	525,000.00	2.250%				
			9/15/2024	320,000.00	4.000%				
			9/15/2025	445,000.00	4.000%				
			9/15/2026	490,000.00	4.000%				
			9/15/2027	500,000.00	4.000%				
			9/15/2028	515,000.00	4.000%				
			9/15/2029	565,000.00	4.000%				
			9/15/2030	590,000.00	4.000%				
			9/15/2031	640,000.00	4.000%				
9/15/2032	640,000.00	4.000%							
9/15/2033	640,000.00	4.000%							
						\$ 10,915,000.00	\$ 5,345,000.00	\$ 290,000.00	\$ 15,970,000.00

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

Ordinance Number	Ordinance Date	Improvement Description	Ordinance Amount	Balance December 31, 2022		2023 Authorizations	Transfer from Encumbrance Payable	Expended		Balance December 31, 2023	
				Funded	Unfunded			Expended	Encumbered	Funded	Unfunded
6-2018 / 12-2018	4/19/2018; 10/18/2018	Various Capital Improvements	\$ 1,040,000.00	\$ 12,138.66	\$ -	\$ -	\$ -	\$ 3,400.00	\$ -	\$ 8,738.66	\$ -
2-2019 / 11-2019 / 5-2020	2/21/2019; 8/15/2019; 5/21/2020	Acquisition of Property and Construction of a New Firehouse Building	7,278,000.00	8,581.62	-	-	110,955.34	88,775.72	23,529.62	7,231.62	-
6-2019 / 6-2020	04/18/19	Various Capital Improvements	18,282,000.00	-	-	-	36,045.78	-	36,045.78	-	-
7-2021 / 4-2022	4/15/2021; 4/7/2022	Various Capital Improvements and Acquisitions	2,245,000.00	-	184,482.82	-	126,127.00	39,117.10	113,808.44	157,684.28	-
5-2022	4/21/2022	Various Capital Improvements and Acquisitions	1,755,000.00	-	1,358,370.00	-	54,004.32	150,457.55	153,163.75	1,108,753.02	-
10-2023	05/04/23	Various Capital Improvements and Acquisitions	1,245,000.00	-	-	1,245,000.00	-	409,021.71	292,778.29	543,200.00	-
				\$ 20,720.28	\$ 1,542,852.82	\$ 1,245,000.00	\$ 327,132.44	\$ 690,772.08	\$ 619,325.88	\$ 1,825,607.58	\$ -
				Capital Improvement Fund		\$ 62,250.00					
				Deferred Charges Unfunded		1,182,750.00					
						\$ 1,245,000.00					

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 14,350.00
Increased By:	
Current Fund Appropriation	<u>57,250.00</u>
	71,600.00
Decreased By:	
Improvement Authorizations	<u>62,250.00</u>
Balance, December 31, 2023	<u><u>\$ 9,350.00</u></u>

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2022	Decrease	Balance December 31, 2023
6-2019 / 6-2020	Various Capital Improvements	9/29/2021	9/27/2022	9/26/2023	4.00%	\$ 758,000.00	\$ 758,000.00	\$ -
7-2021 / 4-2022	Various Capital Improvements/Acquisitions	9/29/2021	9/27/2022	9/26/2023	4.00%	2,132,750.00	2,132,750.00	-
5-2022	Various Capital Improvements/Acquisitions	9/27/2022	9/27/2022	9/26/2023	4.00%	1,363,250.00	1,363,250.00	-
						<u>\$ 4,254,000.00</u>	<u>\$ 4,254,000.00</u>	<u>\$ -</u>

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SEWER UTILITY FUND

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**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2022	\$ 1,317,891.84	\$ 29,917.40
Increased By Receipts:		
Consumer Accounts Receivable	\$ 1,342,488.82	\$ -
Prepaid Rents	421,769.51	-
Customer Overpayments	12,312.71	-
Miscellaneous Revenues Not Anticipated	<u>52,400.83</u>	<u>-</u>
	<u>1,828,971.87</u>	<u>-</u>
	3,146,863.71	29,917.40
Decreased By Disbursements:		
2023 Budget Appropriations	2,065,283.52	-
2022 Appropriation Reserves	<u>11,164.78</u>	<u>-</u>
	<u>2,076,448.30</u>	<u>-</u>
Balance, December 31, 2023	<u><u>\$ 1,070,415.41</u></u>	<u><u>\$ 29,917.40</u></u>

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF SEWER UTILITY CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance December 31, <u>2023</u>
Capital Improvement Fund	\$ 27,814.11
Fund Balance	<u>2,103.29</u>
	<u><u>\$ 29,917.40</u></u>

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023

Balance, December 31, 2022		\$	51,107.84
Increased By:			
Sewer Rents Levied			<u>1,755,392.67</u>
			1,806,500.51
Decreased By:			
Collections	\$	1,342,488.82	
Prepaid Rents Applied		415,173.26	
Overpayments Applied		<u>1,459.50</u>	
			<u>1,759,121.58</u>
Balance, December 31, 2023		\$	<u><u>47,378.93</u></u>

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Improvement Description</u>	<u>Balance</u> <u>December 31, 2023 & 2022</u>
Installation of Sewer Line	\$ 196,292.55
Improvements to Pumping Station	296,168.41
Vehicles	176,167.00
General Equipment	505,446.40
Sewer Line Video System	8,900.00
Improvements to Sanitary Sewer Line	976,333.00
Control Panels	1,800,000.00
	\$ 3,959,307.36

CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
SEWER UTILITY FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance December 31, <u>2022</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 10,626.96	\$ -	\$ 10,626.96	\$ -	\$ 10,626.96
Other Expenses	53,655.52	6,715.62	60,371.14	11,164.78	49,206.36
Total Operating	64,282.48	6,715.62	70,998.10	11,164.78	59,833.32
Statutory Expenditures:					
Contributions To:					
Social Security	1,360.50	-	1,360.50	-	1,360.50
Total Statutory Expenditures	1,360.50	-	1,360.50	-	1,360.50
Total Water Utility Fund Appropriations	\$ 65,642.98	\$ 6,715.62	\$ 72,358.60	\$ 11,164.78	\$ 61,193.82

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER RENT OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 1,459.50
Increased By:	
Overpayments	<u>12,312.71</u>
	13,772.21
Decreased By:	
Overpayments Applied	<u>1,459.50</u>
Balance, December 31, 2023	<u><u>\$ 12,312.71</u></u>

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
SEWER UTILITY OPERATING FUND
SCHEDULE OF PREPAID SEWER RENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 415,173.26
Increased By:	
Receipts - Collector	<u>421,769.51</u>
	836,942.77
Decreased By:	
Prepayments Applied	<u>415,173.26</u>
Balance, December 31, 2023	<u><u>\$ 421,769.51</u></u>

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 & 2022

\$ 27,814.11

**CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 & 2022

\$ 3,959,307.36

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GENERAL FIXED ASSETS ACCOUNT GROUP

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CITY OF ABSECON
COUNTY OF ATLANTIC, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	Balance December 31, <u>2023</u>
Land & Land Improvements	\$ 29,834,789.50	\$ 9,500.00	\$ -	\$ 557,010.50	\$ 30,401,300.00
Buildings & Improvements	12,173,575.69	-	-	-	12,173,575.69
Machinery, Vehicles & Equipment	4,093,496.07	75,866.17	48,773.00	601,413.36	4,722,002.60
	<u>\$ 46,101,861.26</u>	<u>\$ 85,366.17</u>	<u>\$ 48,773.00</u>	<u>\$ 1,158,423.86</u>	<u>\$ 47,296,878.29</u>

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CITY OF ABSECON

PART II

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

FOR THE YEAR ENDED DECEMBER 31, 2023

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**CITY OF ABSECON
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

None.

**CITY OF ABSECON
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

FINANCIAL STATEMENT FINDINGS:

None

FEDERAL AWARDS

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

STATE FINANCIAL ASSISTANCE

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

CITY OF ABSECON

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2023.

GENERAL COMMENTS:

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

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$44,000 for the year ended December 31, 2023.

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

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

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold “for the performance of any work, or the furnishing of any materials, supplies or labor” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 5, 2023 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

OTHER COMMENTS (FINDINGS):

None.

RECOMMENDATIONS:

None.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2023:

<u>Name</u>	<u>Title</u>
Kimberly Horton	Mayor
Nicholas LaRotonda	Council President
Butch Burroughs	Councilmember
Sandy Cain	Councilmember
Betty Howell	Councilmember
Steve Light	Councilmember
Tommy Marrone	Councilmember
Richard DeRose	Councilmember
Jessica Thompson	Administrator / CFO
Carie Crone	Municipal Clerk
Jessica Snyder	Tax Collector
John Rosenberger	Municipal Court Judge
Merrilee Carlson	Court Administrator
William Blaney, Esq.	Solicitor

Appreciation

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Jerry W. Conaty
Certified Public Accountant
Registered Municipal Accountant
RMA No. 581

Lakewood, New Jersey
May 1, 2024