

Report of Audit

on the

Financial Statements

of the

Borough of Oceanport

in the

County of Monmouth
New Jersey

for the

Year Ended
December 31, 2021

BOROUGH OF OCEANPORT

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BOROUGH OF OCEANPORT

PART I

INDEPENDENT AUDITORS' REPORT ON
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YEAR ENDED DECEMBER 31, 2021



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Oceanport
County of Monmouth
Oceanport, New Jersey 07757

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Oceanport (the "Borough"), as of and for the years ended December 31, 2021 and 2020, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough as of December 31, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2021.

Unmodified Opinion on Regulatory Basis of Accounting

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

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Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

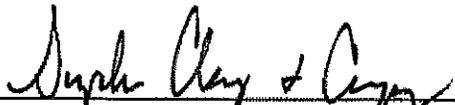
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's regulatory financial statements. The supplementary information, and data listed in the table of contents as required by the Division are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information, and data listed in the table of contents, as required by the Division are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

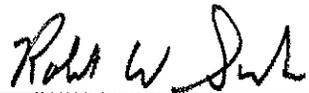
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2022 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Borough's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 20, 2022



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

The Honorable Mayor and Members
of the Borough Committee
Borough of Oceanport
County of Monmouth
Oceanport, New Jersey 07757

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Oceanport, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated July 20, 2022. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Oceanport prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

July 20, 2022

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CURRENT FUND

BOROUGH OF OCEANPORT

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>BALANCE DECEMBER 31, 2020</u>
<u>ASSETS</u>			
<u>Current Fund:</u>			
Cash	A-4	\$ 13,436,007.29	\$ 11,759,793.55
Change Funds	A-6	300.00	300.00
Due From State of New Jersey-Chapter 20, P.L. 1971	A-7	2,758.87	3,850.65
		<u>\$ 13,439,066.16</u>	<u>\$ 11,763,944.20</u>
Receivable and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 230,366.72	\$ 220,901.11
Tax Title Liens Receivable	A-9	76,577.58	70,451.08
Interfunds Receivable	A-32	87,719.96	79,019.96
Property Acquired for Taxes - Assessed Valuation	A-10	3,300.00	3,300.00
Revenue Accounts Receivable	A-13	2,693.98	1,887.95
Code Official Security Deposit	A-14	1,000.00	1,000.00
	A	<u>\$ 401,658.24</u>	<u>\$ 376,560.10</u>
		<u>\$ 13,840,724.40</u>	<u>\$ 12,140,504.30</u>
<u>Federal and State Grant Fund:</u>			
Interfunds Receivable	A-21	377,426.58	139,126.13
Grants Receivable	A-5	250,000.00	466,108.85
		<u>627,426.58</u>	<u>605,234.98</u>
		<u>\$ 14,468,150.98</u>	<u>\$ 12,745,739.28</u>

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

BOROUGH OF OCEANPORT

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Current Fund:</u>			
Liabilities:			
Accounts Payable	A-23	\$ 270,135.52	\$ 244,254.29
Appropriation Reserves	A-3,A-15	639,553.23	955,272.78
Encumbrances Payable	A-17	590,657.84	402,267.57
Prepaid Taxes	A-19	347,073.28	285,036.82
Tax Overpayments	A-25	23,788.38	11,883.01
Reserve for:			
Maintenance of Free Public Library	A-18	1,376.80	1,376.80
Prepaid Revenue- NJSEA Environmental Infrastructure Trust-			
Fees and Interest Payments	A-20	529,543.92	512,086.42
Overpayment due to FEMA	A-20	886.39	886.39
Revaluation and Preparation of Tax Maps	A-20	53,087.50	53,087.50
Due to State of NJ- Training Fees	A-11	10,516.47	10,516.47
Due to State of NJ- Marriage License Fees	A-11	931.00	1,006.00
Interfunds Payable	A-32	377,426.58	290,629.70
County Taxes Payable	A-30	40,906.37	21,264.91
Local District School Tax Payable	A-28	3,763,100.99	3,482,514.99
Regional High School Tax Payable	A-27	985,447.35	842,214.35
		\$ 7,634,431.62	\$ 7,114,298.00
Reserve for Receivables and Other Assets	A	401,658.24	376,560.10
Fund Balance	A-1	5,804,634.54	4,649,646.20
		13,840,724.40	12,140,504.30
<u>Federal and State Grant Fund:</u>			
Grants Appropriated	A-12	319,340.17	556,713.23
Interfunds Payable	A-21		40,143.85
Encumbrances Payable	A-33	3,248.24	2,996.46
Unappropriated Reserves	A-22	304,838.17	5,381.44
		627,426.58	605,234.98
		\$ 14,468,150.98	\$ 12,745,739.28

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

BOROUGH OF OCEANPORT

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED DECEMBER 31, 2021</u>	<u>YEAR ENDED DECEMBER 31, 2020</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-2	\$ 1,167,000.00	\$ 1,035,000.00
Miscellaneous Revenue Anticipated	A-2	5,261,494.20	2,416,962.31
Receipts From Delinquent Taxes	A-2	220,901.11	225,544.19
Receipts From Current Taxes	A-2	26,776,793.52	25,014,943.80
Non-Budget Revenue	A-2	516,733.83	358,119.12
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-15	942,476.46	666,704.84
Reserve for Grants Appropriated Cancelled	A-12	26,545.89	
		<u>\$ 34,911,945.01</u>	<u>\$ 29,717,274.26</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within "CAPS":			
Operating	A-3	\$ 6,663,002.94	\$ 6,411,311.39
Deferred Charges and Statutory Expenditures	A-3	732,583.00	672,394.00
Operations Excluded From "CAPS":			
Other Operations	A-3	341,542.74	324,641.36
Capital Improvements	A-3	100,000.00	110,000.00
Municipal Debt Service	A-3	4,780,830.30	2,256,793.06
Deferred Charges			44,000.00
Local District School Tax	A-28	11,275,780.00	10,221,218.00
Regional High School District Tax	A-27	4,427,492.00	4,089,748.00
County Taxes	A-29	3,929,598.09	3,893,437.49
Added County Taxes	A-30	40,906.14	21,264.75
Open Space Trust Fund Tax	A-26	287,765.86	276,742.36
Interfunds Advanced		8,700.00	11,073.00
Refund Prior Years Revenue	A-4	1,755.60	25,186.87
		<u>\$ 32,589,956.67</u>	<u>\$ 28,357,810.28</u>
Excess in Revenue		\$ 2,321,988.34	\$ 1,359,463.98
<u>Fund Balance</u>			
Balance, January 1	A	<u>4,649,646.20</u>	<u>4,325,182.22</u>
		<u>\$ 6,971,634.54</u>	<u>\$ 5,684,646.20</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>1,167,000.00</u>	<u>1,035,000.00</u>
Balance, December 31	A	<u>\$ 5,804,634.54</u>	<u>\$ 4,649,646.20</u>

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

BOROUGH OF OCEANPORT

CURRENT FUND

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

	<u>REF.</u>	<u>ANTICIPATED 2021 BUDGET</u>	<u>SPECIAL N.J.S. 40A: 4-87</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated	A-1	\$ 1,167,000.00		\$ 1,167,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-13	\$ 1,000.00		\$ 304,799.00	\$ 303,799.00
Other	A-13	2,000.00		2,174.00	174.00
Fees and Permits:					
Construction Code Official	A-13	35,000.00		63,693.61	28,693.61
Energy Receipts Tax	A-13	542,848.00		542,848.00	
Interest and Costs on Taxes	A-13	50,000.00		51,965.31	1,965.31
Interest on Investments	A-13	50,000.00		21,675.44	(28,324.56)
Inter-Local Agreement - Municipal Court- Sea Bright	A-13	70,000.00		71,500.00	1,500.00
Municipal Court - Fines and Costs	A-13	55,000.00		41,381.02	(13,618.98)
Body Armor Replacement Fund	A-5	1,359.36		1,359.36	
Recycling Tonage Grant	A-5	15,033.80		15,033.80	
Clean Communities	A-5		13,826.58	13,826.58	
Drunk Driving Enforcement Fund	A-5	440.00		440.00	
NJSEA- Assessment Fund Loan Interest Due	A-13	146,280.00		146,280.00	
NJSEA- NJ Environmental Infrastructure Trust Fees	A-13	18,795.00		18,795.00	
Senior Housing- Payment in Lieu of Taxes	A-13	75,000.00		174,026.44	99,026.44
Reserve for Debt Service	A-13	3,762,736.17		3,762,736.17	
CARES Funding	A-13	28,960.47		28,960.47	
	A-1	\$ 4,854,452.80	\$ 13,826.58	\$ 5,261,494.20	\$ 393,214.82
Receipts From Delinquent Taxes	A-1	\$ 200,000.00		\$ 220,901.11	\$ 20,901.11
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	A-2:A-8	\$ 6,827,714.12		\$ 7,260,251.43	\$ 432,537.31
<u>BUDGET TOTALS</u>		\$ 13,049,166.92	\$ 13,826.58	\$ 13,909,646.74	\$ 846,653.24
Non-Budget Revenues	A-1:A-2			516,733.83	516,733.83
		\$ 13,049,166.92	\$ 13,826.58	\$ 14,426,380.57	\$ 1,363,387.07
<u>REF.</u>		A-3	A-3		

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

BOROUGH OF OCEANPORT

CURRENT FUND

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

<u>ANALYSIS OF REALIZED REVENUE</u>	<u>REF.</u>	
Allocation of Current Tax Collections:		
Collections on a Cash Basis	A-1:A-8	\$ <u>26,776,793.52</u>
Allocated to:		
School and County and Open Space Taxes		<u>19,961,542.09</u>
Balance for Support of Municipal Budget Appropriations		\$ <u>6,815,251.43</u>
Add: Appropriation "Reserve For Uncollected Taxes"	A-3	<u>445,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u><u>7,260,251.43</u></u>
Miscellaneous Revenue Not Anticipated:		
Treasurer:		
Cable Franchise		\$ 95,214.39
Insurance Dividend		129,382.07
Cares Reimbursement		28,960.47
Lawn Service- Board of Education		38,500.00
Insurance Reimbursements		16,076.00
GOV Deals		24,053.54
Storm Reimbursements		101,344.80
Municipal Fish Kill		24,000.00
Police Outside Overtime Administrative Fees		41,627.12
Miscellaneous		<u>17,575.44</u>
	A-2:A-4	\$ <u><u>516,733.83</u></u>

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

BOROUGH OF OCEANPORT
CURRENT FUND

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

	APPROPRIATIONS		PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION			
OPERATIONS WITHIN "CAPS":					
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries and Wages	\$ 117,977.82	\$ 117,977.82	\$ 95,938.24	\$ 22,139.58	\$
Other Expenses	56,325.00	56,325.00	42,886.87	13,438.13	
Municipal Clerk:					
Salaries and Wages	103,563.96	103,563.96	97,843.65	5,719.71	
Other Expenses	186,010.00	186,010.00	89,613.93	45,396.07	
Financial Administration:					
Salaries and Wages	100,652.00	100,652.00	94,563.33	6,088.67	
Other Expenses	85,775.00	85,775.00	68,032.42	19,742.58	
Collection of Taxes:					
Salaries and Wages	47,100.00	47,100.00	44,260.75	2,839.25	
Other Expenses	9,315.00	9,315.00	5,901.68	3,413.32	
Assessment of Taxes:					
Salaries and Wages	27,504.61	27,504.61	27,538.40	66.21	
Other Expenses	26,400.00	26,400.00	13,577.78	12,822.22	
Legal Services and Costs:					
Other Expenses	166,500.00	141,250.00	94,864.50	46,385.50	
Engineering Services and Costs:					
Other Expenses	75,000.00	75,000.00	70,128.15	4,871.85	
Planning Board:					
Salaries and Wages	17,080.14	17,130.14	17,101.10	29.04	
Other Expenses	12,600.00	12,600.00	11,468.50	1,131.50	
Planning Fees- Land Development					
Other Expenses	25,000.00	25,000.00		25,000.00	
Insurance:					
Employee Group Health	900,000.00	900,000.00	810,194.97	89,805.03	
General Liability	135,600.00	135,600.00	123,619.00	11,981.00	
Health Benefit Waiver	32,000.00	32,000.00	28,000.00	4,000.00	
Workers Compensation Insurance	106,000.00	106,000.00	105,866.00	134.00	
Dental	55,000.00	55,000.00	54,347.00	653.00	

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

BOROUGH OF OCEANPORT
CURRENT FUND

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

	APPROPRIATIONS			UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE CANCELED
			RESERVED	
PUBLIC SAFETY				
Police:				
Salaries and Wages	\$ 1,896,325.50	\$ 1,821,325.50	\$ 1,855,959.21	\$ 55,366.29
Other Expenses	149,145.00	149,145.00	139,030.87	10,114.13
Other Expenses - Equipment	83,000.00	83,000.00	80,175.18	2,824.82
First Aid Organization - Contribution	36,500.00	36,500.00	35,695.57	804.43
Emergency Management Services:				
Salaries and Wages	6,000.00	6,000.00	6,000.00	
Other Expenses	19,000.00	19,000.00	18,405.93	594.07
Fire:				
Other Expenses	59,800.00	59,800.00	57,899.64	1,900.36
Fire Hydrant Service:				
Other Expenses	93,000.00	93,000.00	87,330.97	5,669.03
State Uniform Fire Safety Act:				
Salaries and Wages	25,000.00	25,000.00	25,000.00	
Other Expenses	10,000.00	10,000.00	5,425.86	4,574.14
STREETS AND ROADS				
Road Repairs and Maintenance:				
Salaries and Wages	346,788.31	306,788.31	300,069.43	6,698.88
Other Expenses	140,500.00	152,665.00	152,187.31	477.69
Public Buildings and Grounds:				
Other Expenses	151,000.00	193,835.00	191,743.21	2,091.79
Garbage and Trash Removal				
Other Expenses	305,000.00	305,000.00	301,999.98	3,000.02
Shade Tree Commission				
Other Expenses	15,000.00	15,000.00	6,000.00	9,000.00
Recycling				
Other Expenses	80,000.00	80,000.00	73,999.99	6,000.02
Municipal Prosecutor				
Salaries and Wages	12,734.50	12,784.50	12,750.11	34.39
HEALTH AND WELFARE				
Department of Health:				
Salaries and Wages	2,855.46	3,005.46	2,858.88	46.58
Other Expenses	290.00	200.00		200.00
Environmental Commission (N.J.S.A. 40:56A-1 et. seq.):				
Other Expenses	600.00	600.00		600.00
Environmental Health Services:				
Other Expenses	25,000.00	25,000.00	23,702.74	1,297.26
Water Watch Committee				
Other Expenses	7,000.00	7,000.00	4,904.54	2,095.46
Bloodborne Pathogens				
Other Expenses	500.00	500.00		500.00

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

BOROUGH OF OCEANPORT
CURRENT FUND

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

	APPROPRIATIONS			PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION				
RECREATION AND EDUCATION						
Parks and Playgrounds:						
Salaries and Wages	\$ 14,326.31	\$ 14,326.31	\$ 14,326.31	\$ 1,066.24	\$	
Other Expenses	15,930.00	15,930.00	14,863.76			
Senior Citizens Programs:						
Other Expenses	3,000.00	3,000.00		3,000.00		
Salary Adjustment Account						
Salaries and Wages	1,500.00	1,500.00		1,500.00		
Celebration of Public Event, Anniversary or Holiday:						
Other Expenses	3,500.00	3,500.00	1,834.98	1,665.02		
Municipal Court:						
Salaries and Wages	74,747.83	74,747.83	43,568.60	31,178.23		
Other Expenses	9,600.00	9,600.00	4,415.69	5,184.31		
Public Defender:						
Salaries and Wages	4,000.00	4,000.00	1,600.00	2,400.00		
State Uniform Construction Code:						
Construction Code Official:						
Salaries and Wages	100.00	100.00		100.00		
Other Expenses	100.00	100.00		100.00		
Code Enforcement						
Salaries and Wages	35,669.10	35,669.10	26,857.69	8,811.41		
Other Expenses	1,000.00	1,000.00	176.75	823.25		
Expenses of Participation in Free County Library:						
Salaries & Wages	6,000.00	6,000.00	3,661.00	2,339.00		
Other Expenses	2,000.00	2,000.00		2,000.00		
Transportation of High School Students						
Other Expenses	28,783.00	28,783.00	28,783.00			
UNCLASSIFIED						
NJ Environmental Infrastructure Trust						
Administrative Fees	18,795.00	18,795.00	18,795.00			
Utilities:						
Street Lighting						
Gasoline	105,000.00	100,000.00	82,168.17	17,841.83		
Electricity	70,000.00	65,000.00	49,678.23	15,321.77		
Telephones	100,000.00	100,000.00	76,075.13	23,924.87		
Natural Gas	45,000.00	45,000.00	32,311.76	12,688.24		
Water and Sewer	67,000.00	67,000.00	53,857.75	13,142.25		
Tipping Fees	27,000.00	23,000.00	15,168.05	6,831.95		
	330,000.00	330,000.00	302,075.76	27,924.24		
TOTAL OPERATIONS WITHIN "CAPS"	6,662,502.94	6,662,502.94	6,055,134.31	607,368.63		
Contingent	500.00	500.00		500.00		

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

BOROUGH OF OCEANPORT

CURRENT FUND

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

	APPROPRIATIONS		PAID OR CHARGED		RESERVED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION				
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS":	\$ 6,663,002.94	\$ 6,663,002.94	\$ 6,055,134.31	\$ 637,868.63	\$	\$
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	\$ 126,000.00	\$ 126,000.00	\$ 125,919.18	\$ 80.82	\$	\$
Police & Firemen's Retirement System	475,563.00	475,563.00	475,563.00			
Public Employee's Retirement System	125,000.00	125,000.00	121,835.00	3,165.00		
Defined Contribution Retirement Program	6,000.00	5,000.00	4,426.14	1,573.86		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":	732,563.00	732,563.00	727,753.32	4,819.68		
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS":	7,395,565.94	7,395,565.94	6,782,897.63	612,688.31		
OTHER OPERATIONS - EXCLUDED FROM "CAPS":						
Length of Service Award Program	72,000.00	72,000.00	69,000.00	3,000.00		
Police Dispatch- County of Monmouth	113,883.00	113,883.00	113,883.00			
Salaries & Wages	65,000.00	65,000.00	65,000.00			
Municipal Court- Sea Bright	60,000.00	60,000.00	36,135.08	23,864.92		
Salaries and Wages						
Special Emergency-Coronavirus(40A-4-45)						
PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUES						
Body Armor Replacement Fund	1,359.36	1,359.36	1,359.36			
Clean Communities Act (N.J.S.A. 40A:4-87 \$13,826.58)	440.00	13,826.58	13,826.58			
DDEF	15,033.80	440.00	440.00			
Recycling Tonnage Grant		15,033.80	15,033.80			
TOTAL OPERATIONS - EXCLUDED FROM "CAPS":	\$ 327,116.16	\$ 341,542.74	\$ 314,677.82	\$ 26,864.92	\$	\$
CAPITAL IMPROVEMENT FUND						
Capital Improvement Fund	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$	\$	\$
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS":	100,000.00	100,000.00	100,000.00			
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":						
Payment of Bond Principal	425,000.00	425,000.00	425,000.00			
Payment of Bond Anticipation Notes and Capital Notes	3,872,816.17	3,872,816.17	3,872,816.17			
Interest on Notes	319,905.00	319,905.00	319,905.00			
Interest on Bonds	136,836.90	136,836.90	136,802.36			34.52

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

BOROUGH OF OCEANPORT

CURRENT FUND

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

	APPROPRIATIONS		PAID OR	RESERVED	UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	CHARGED		BALANCE CANCELED
<u>GREEN TRUST LOAN PROGRAM- EXCLUDED FROM "CAPS"</u>					
<u>Loan Repayments for Principal & Interest</u>	\$ 17,566.75	\$ 17,566.75	\$ 17,566.75	\$	\$
<u>CAPITAL LEASE OBLIGATION</u>					
Principal	7,000.00	7,000.00	7,000.00		
Interest	1,640.00	1,640.00	1,640.00		
<u>TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>	<u>4,780,864.82</u>	<u>4,780,864.82</u>	<u>4,780,830.30</u>		<u>34.52</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	<u>5,208,580.98</u>	<u>5,222,497.56</u>	<u>5,195,508.12</u>	<u>26,864.92</u>	<u>34.52</u>
<u>SUBTOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES</u>	<u>12,604,166.92</u>	<u>12,617,993.50</u>	<u>11,978,405.75</u>	<u>639,583.23</u>	<u>34.52</u>
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 13,049,166.92</u>	<u>\$ 13,052,993.50</u>	<u>\$ 12,423,405.75</u>	<u>\$ 639,583.23</u>	<u>\$ 34.52</u>
REF.	A-2		A-1	A-A-1	
Budget		\$ 13,049,166.92			
Appropriation by 40A-4-67	A-2	<u>13,826.58</u>			
		\$ 13,052,993.50			
Reserve for Grant Programs	A-12		\$ 30,659.74		
Reserve for Uncollected Taxes	A-2		445,000.00		
Encumbrances	A-17		590,657.84		
Disbursements	A-4		11,481,618.49		
Less: Refunds	A-4		12,657,936.07		
			<u>134,530.32</u>		
			\$ 12,423,405.75		

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

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TRUST FUND

"B"

BOROUGH OF OCEANPORT

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>
<u>ASSETS</u>			
Assessment Fund:			
Cash	B-1:B-4	\$ 331,074.09	\$ 331,074.09
Assessments Receivable	B-9	9,799,366.39	11,137,588.67
		<u>10,130,440.48</u>	<u>11,468,662.76</u>
Animal Control Fund:			
Cash	B-1	4,213.67	4,731.02
		<u>4,213.67</u>	<u>4,731.02</u>
Open Space Fund:			
Cash	B-1	757,501.43	669,076.51
Interfunds Receivable	B-5		1,503.57
		<u>757,501.43</u>	<u>670,580.08</u>
Other Trust Fund			
Cash	B-1	1,547,972.60	1,611,277.32
		<u>1,547,972.60</u>	<u>1,611,277.32</u>
		<u>\$ 12,440,128.18</u>	<u>\$ 13,755,251.18</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
New Jersey Environmental Infrastructure Trust Loan	B-10	\$ 3,312,000.00	\$ 3,657,000.00
New Jersey Department of Environmental Protection Fund Loan	B-11	6,818,440.48	7,811,662.76
		<u>10,130,440.48</u>	<u>11,468,662.76</u>
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-6	4,212.47	4,731.02
Due to State of New Jersey	B-3	1.20	
		<u>4,213.67</u>	<u>4,731.02</u>
Open Space Fund:			
Reserve for Open Space	B-8	191,271.20	630,484.33
Encumbrances	B-7	566,230.23	40,095.75
		<u>757,501.43</u>	<u>670,580.08</u>
Other Trust Fund:			
Interfunds Payable	B-5	87,719.96	79,019.96
Reserve for State of New Jersey -DCA Fees	B-12	3,437.00	3,363.00
Encumbrance Payable	B-7	27,586.49	14,464.23
Various Other Reserves	B-2	1,429,229.15	1,514,430.13
		<u>1,547,972.60</u>	<u>1,611,277.32</u>
		<u>\$ 12,440,128.18</u>	<u>\$ 13,755,251.18</u>

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF OCEANPORT
GENERAL CAPITAL FUND
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>		<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>
<u>ASSETS</u>				
Cash	C-2:C-3	\$	14,054,737.93	\$ 6,513,170.36
Due from New Jersey Environmental Infrastructure Financing Program	C-7		1,503,119.00	1,503,119.00
Deferred Charges to Future Taxation:				
Funded	C-4		9,487,088.83	4,023,171.96
Unfunded	C-5		8,706,750.06	16,362,186.06
Due Current Fund	C-18			150,000.00
Due Federal and State Grant Fund	C-19			40,143.85
Leased Assets Under Capital Leases	C-17		30,000.00	37,000.00
Grants Receivable	C-6		1,531,910.92	1,700,660.92
		\$	<u>35,313,606.74</u>	<u>\$ 30,329,452.15</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>				
General Serial Bonds	C-12	\$	9,425,000.00	\$ 3,945,000.00
Green Trust Loans Payable	C-9		62,088.83	78,171.96
Bond Anticipation Notes	C-13		13,212,566.00	11,928,382.00
Lease Obligations Payable	C-17		30,000.00	37,000.00
Capital Improvement Fund	C-10		119,779.55	114,899.55
Contracts Payable	C-14		2,501,303.06	3,066,187.36
Accrued Interest on Bonds	C-15		3,478.24	3,478.24
Improvement Authorizations:				
Funded	C-11		2,362,404.07	2,412,802.77
Unfunded	C-11		3,549,057.14	3,474,799.52
Reserve for:				
Grants Receivable	C-6		1,422,297.06	1,422,297.06
Sports Gambling	C-8		150,000.00	
Debt Service	C-16		2,440,846.55	3,824,700.91
Fund Balance	C-1		34,786.24	21,732.78
		\$	<u>35,313,606.74</u>	<u>\$ 30,329,452.15</u>

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

BOROUGH OF OCEANPORT

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2020	C	\$	21,732.78
Increased by:			
Funded Improvement Authorizations Cancelled	C11	\$	<u>13,053.46</u>
			<u>13,053.46</u>
Balance, December 31, 2021	C	\$	<u><u>34,786.24</u></u>

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

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PUBLIC ASSISTANCE TRUST FUND

BOROUGH OF OCEANPORT

PUBLIC ASSISTANCE TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>
<u>ASSETS</u>			
Cash	E-1	\$ <u>5,000.00</u>	\$ <u>5,000.00</u>
<u>RESERVE</u>			
Reserve for Public Assistance Expenditures		\$ <u>5,000.00</u>	\$ <u>5,000.00</u>

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

GENERAL FIXED ASSET ACCOUNT GROUP

"F"

BOROUGH OF OCEANPORT
GENERAL FIXED ASSET ACCOUNT GROUP
BALANCE SHEETS-REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2021</u>	BALANCE DECEMBER <u>31, 2020</u>
Fixed Assets:		
Land and Buildings	\$ 18,998,100.00	\$ 18,998,100.00
Machinery and Equipment	<u>5,732,177.00</u>	<u>5,510,737.00</u>
	<u>\$ 24,730,277.00</u>	<u>\$ 24,508,837.00</u>
Reserve:		
Investments in General Fixed Assets	<u>\$ 24,730,277.00</u>	<u>\$ 24,508,837.00</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF OCEANPORT

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021 AND 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

The accounting policies of the Borough of Oceanport conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Oceanport are organized on the basis of funds and an account group which is different from the fund structure required by U.S. GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services the Borough accounts for its financial transactions through the following individual funds and account group:

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

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

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

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes.

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

C. Basis of Accounting

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

Expenditures - are recorded on the "budgetary" basis of accounting. General expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Borough's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as non-expendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$500.00 or more per unit. Public domain ("Infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. The Borough has developed a fixed assets accounting and reporting system based on an inspection and appraisal prepared by the Borough.

Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Estimated historical cost for land acquired before 1986 is the assessed value determined at the last revaluation prior to December 31, 1985.

General fixed assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund. No depreciation has been provided on general fixed assets or reported in the financial statements.

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions - Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

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

The New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pensions & Benefits' reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2021 was not available, therefore the information dated June 30, 2020 is disclosed.

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

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

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

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

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

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

A. Deposits

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

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

<u>FUND</u>	<u>Cash on Deposit</u>	<u>Reconciling Items</u>		<u>Reconciled Balance</u>
		<u>Additions</u>	<u>Deletions</u>	
Current Fund	\$22,108,286.90	\$767,035.38	\$9,439,314.99	\$13,436,007.29
Assessment Trust Fund	331,074.09			331,074.09
Animal Control Trust Fund	4,638.67		425.00	4,213.67
Trust Other Fund	1,578,567.35	4,809.37	35,404.12	1,547,972.60
Open Space Trust Fund	759,201.43		1,700.00	757,501.43
General Capital Fund	5,456,145.68	9,320,851.06	722,258.81	14,054,737.93
Public Assistance Fund	5,000.00			5,000.00
	<u>\$30,242,914.12</u>	<u>\$10,092,695.81</u>	<u>\$10,199,102.92</u>	<u>\$30,136,507.01</u>

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2021, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$250,000.00 was covered by Federal Depository Insurance, \$29,313,869.59 was covered under the provisions of NJGUDPA and \$679,044.53 was on deposit with the N.J. Cash Management Fund.

The Borough has no foreign currency risk exposure.

B. Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 c.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 P.L. 1970, c.236 c.17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Oceanport's investment activities during the year were in accordance with the above New Jersey Statute.

NOTE 3: MUNICIPAL DEBT

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

SUMMARY OF MUNICIPAL DEBT (EXCLUDING CURRENT OPERATING DEBT AND TYPE II SCHOOL DEBT)

	<u>YEAR 2021</u>	<u>YEAR 2020</u>	<u>YEAR 2019</u>
Issued:			
General:			
Bonds, Loans and Notes	\$ 22,699,654.83	\$ 15,951,553.96	\$ 13,256,513.19
Assessment Fund:			
Loans	10,130,440.48	11,468,662.76	12,792,885.04
Net Debt Issued	\$ 32,830,095.31	\$ 27,420,216.72	\$ 26,049,398.23
Less: Open Space (40A:2-44h)	390,000.00	425,000.00	460,000.00
Less: Assessment (40A:2-44d)	10,130,440.48	11,468,662.76	12,792,885.04
Less: Cash on Hand to Pay Notes/Loans	6,356,416.94	262,500.00	3,286,416.94
Less: Reserve to Pay Bonds	2,440,846.55	3,824,700.91	1,263,213.86
	<u>\$ 13,512,391.34</u>	<u>\$ 11,439,353.05</u>	<u>\$ 8,246,882.39</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	\$ 380.00	\$ 2,846,053.06	\$ 8,500,000.00
Assessment Fund:			
Bonds and Notes and Loans	1,850,221.00	1,850,221.00	1,850,221.00
Total Authorized but not Issued	<u>1,850,601.00</u>	<u>4,696,274.06</u>	<u>10,350,221.00</u>
Net Bonds and Notes Issued and and Authorized but not issued	<u>\$ 15,362,992.34</u>	<u>\$ 16,135,627.11</u>	<u>\$ 18,597,103.39</u>

SUMMARY OF REGULATORY DEBT CONDITION
(ANNUAL DEBT STATEMENT AS OF DECEMBER 31, 2021)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of 1.078%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School Debt	\$ 33,699,890.00	\$ 33,699,890.00	\$ -0-
Regional School Debt	1,635,131.34	1,635,131.34	-0-
General Debt	<u>34,680,705.90</u>	<u>19,317,713.56</u>	<u>15,362,992.34</u>
	<u>\$ 70,015,727.24</u>	<u>\$ 54,652,734.90</u>	<u>\$ 15,362,992.34</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

NET DEBT \$15,362,992.34 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, AS AMENDED, \$1,423,829,472.00 EQUALS 1.078%.

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

Equalized Valuation Basis* - December 31, 2021	\$1,423,829,472.00
3-1/2 of Equalized Valuation Basis	49,834,031.52
Net Debt	<u>15,362,992.34</u>
Remaining Borrowing Power	<u><u>\$34,471,039.18</u></u>

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

LONG TERM

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2021

CALENDAR YEAR	GENERAL CAPITAL		TOTAL
	PRINCIPAL	INTEREST	
2022	\$525,000.00	\$382,596.11	\$907,596.11
2023	630,000.00	376,100.00	1,006,100.00
2024	545,000.00	349,600.00	894,600.00
2025	490,000.00	320,350.00	810,350.00
2026	515,000.00	297,400.00	812,400.00
2027-2031	2,515,000.00	1,074,750.00	3,589,750.00
2032-2036	1,235,000.00	619,050.00	1,854,050.00
2037-2041	1,470,000.00	361,600.00	1,831,600.00
2042-2046	<u>1,500,000.00</u>	<u>135,000.00</u>	<u>1,635,000.00</u>
	<u>\$9,425,000.00</u>	<u>\$3,916,446.11</u>	<u>\$13,341,446.11</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR GREEN LOAN TRUST PAYABLE DECEMBER 31, 2021

CALENDAR			
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2022	\$16,406.41	\$1,160.35	\$17,566.76
2023	16,736.18	830.58	17,566.76
2024	17,072.57	494.18	17,566.75
2025	9,726.79	151.02	9,877.81
2026	2,146.88	32.40	2,179.28
	<u>\$62,088.83</u>	<u>\$2,668.53</u>	<u>\$64,757.36</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR INFRASTRUCTURE LOAN TRUST PAYABLE DECEMBER 31, 2021

ASSESSMENT TRUST FUND				
<u>YEAR</u>	<u>TRUST LOAN</u>		<u>FUND LOAN</u>	<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	
2022	\$359,000.00	\$132,480.00	\$993,222.28	\$1,484,702.28
2023	375,000.00	118,120.00	993,222.28	1,486,342.28
2024	389,000.00	103,120.00	993,222.28	1,485,342.28
2025	404,000.00	87,560.00	993,222.28	1,484,782.28
2026	419,000.00	71,400.00	993,222.28	1,483,622.28
2027-2030	1,366,000.00	110,600.00	1,852,329.08	3,328,929.08
	<u>\$3,312,000.00</u>	<u>\$623,280.00</u>	<u>\$6,818,440.48</u>	<u>\$10,753,720.48</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

The General Improvement Bonds are comprised of the following issue:

<u>ISSUE</u>	<u>OUTSTANDING BALANCE DECEMBER 31, 2021</u>
\$2,849,000.00 2019 MCIA Bonds due in remaining installments of \$170,000.00 to \$340,000.00 beginning in December 2021 and ending December 2030 at 5.00%.	\$2,680,000.00
\$605,000.00 2013 Bonds due in remaining installments of \$60,000.00 to \$70,000.00 beginning in December 2021 and ending December 2024 with interest at 5.00%.	195,000.00
\$790,000.00 2014 Bonds due in remaining installments of \$100,000.00 to \$110,000.00 beginning in December 2021 and ending December 2023 with interest at 5.00%.	220,000.00
\$585,000.00 2014 Open Space Bonds due in remaining installments of \$35,000.00 to \$50,000.00 beginning in December 2020 and ending December 2023 with interest at 5.00%.	390,000.00
\$5,940,000.00 2021 MCIA Bonds due in remaining installments of \$150,000.00 to \$300,000.00 beginning in December 2022 and ending December 2046 with interest ranging from 3.00 % to 5.00%.	5,940,000.00
	<u>\$9,425,000.00</u>

SHORT TERM

BOND ANTICIPATION NOTE

	<u>Interest Rate</u>	<u>Maturity Dates</u>	<u>Amount</u>
General Capital Fund	2.00%	2/24/2022	\$11,055,566.00
General Capital Fund	1.00%	2/24/2022	2,157,000.00
			<u>\$13,212,566.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2021 which was appropriated and included as anticipated revenue in its own fund for the year ending December 31, 2022 was as follows:

Current Fund	\$1,674,000.00
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NOTE 5: PROPERTY TAXES

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

Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER 31, <u>2021</u>	BALANCE DECEMBER 31, <u>2020</u>
Prepaid Taxes	<u>\$347,073.28</u>	<u>\$285,036.82</u>

NOTE 6: PENSION PLANS

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

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

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

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

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

NOTE 6: PENSION PLANS

Vesting and Benefit Provisions (Continued)

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

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

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2021, PERS provides for employee contributions of 7.50% of employees' annual compensation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2021, the State contributed an amount less than the actuarially determined amount. During 2021, members contributed at a uniform rate of 10.00% of base salary.

The Borough's share of pension, which is based upon the annual billings received from the state, amounted to \$597,418.00 for 2021, \$536,067.00 for 2020 and \$487,446.00 for 2019.

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2020. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2020.

Public Employees Retirement System (PERS)

At June 30, 2020, the State reported a net pension liability of \$1,645,482.00 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Borough's proportion was 0.0100904104 percent, which was a decrease of 0.0005254447 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$27,402.00 for the Borough's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statements based on the April 1, 2020 billing was \$108,993.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 29,962.00	\$ 5,819.00
Changes of assumptions	53,381.00	688,979.00
Net difference between projected and actual earnings on pension plan investments	56,244.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>242,157.00</u>	<u>253,028.00</u>
	<u>\$ 381,744.00</u>	<u>\$ 947,826.00</u>

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	(\$208,652.20)
2022	(190,419.20)
2023	(109,751.20)
2024	(45,676.20)
2025	<u>(11,583.20)</u>
	<u>(\$566,082.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. These actuarial valuations used the following assumptions:

	<u>June 30, 2020</u>
Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.00-6.00%
Thereafter	3.00-7.00%
	Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasury's	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.28% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2020 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$2,071,387.00	\$1,645,482.00	\$1,284,090.00

Pension plan fiduciary net position

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2020, the State reported a net pension liability of \$5,222,873.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

At June 30, 2020, the Borough's proportion was 0.0404205855 percent, which was a decrease of 0.0387483313 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$563,819.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2020 billing was \$391,401.00.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 52,655.00	\$ 18,744.00
Changes of assumptions	13,143.00	1,400,221.00
Net difference between projected and actual earnings on pension plan investments	306,241.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>762,569.00</u>	<u>157,028.00</u>
	<u>\$ 1,134,608.00</u>	<u>\$ 1,575,993.00</u>

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

Year Ended <u>June 30</u>	<u>Amount</u>
2021	\$ (367,455.80)
2022	(208,612.80)
2023	(13,123.80)
2024	70,400.20
2025	<u>77,407.20</u>
	<u>\$ (441,385.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

<u>June 30, 2020</u>	
Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases	
Through all future years	3.25-15.25%
	Based on years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasury's	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.85% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2020 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the PFRS pension liability	\$6,945,346.00	\$5,222,873.00	\$3,792,227.00

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

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

At June 30, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$810,566.00 and \$748,763.00, respectively.

At June 30, 2020, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$5,222,873.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>810,566.00</u>
	<u>\$6,033,439.00</u>

Pension plan fiduciary net position

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

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees are allowed to accumulate unused sick pay over the life of their working careers which may be taken as time off or paid at a later date. Certain employees are also entitled to Terminal Pay upon retirement. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented but is estimated by the Borough to be approximately \$561,296.39. The Borough annually appropriates the amounts that are required to be paid in that year's budget.

NOTE 8: LITIGATION

The Borough Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Borough's insurance carrier or would have a material financial impact on the Borough.

NOTE 9: CONTINGENT LIABILITIES

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

NOTE 10: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough participates in a self insurance program through the Garden State Municipal Joint Insurance Fund covering each of those risks of loss. The Fund is operated in accordance with regulations of the New Jersey Department of Insurance and the Division of Local Government Services of the Department of Community Affairs. The Borough's contribution to the Fund for claim payments are based on actuarial assumption determined by the Fund's actuary. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough.

NOTE 10: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. Below is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Borough's expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$4,542.10	\$108.00	\$49,192.79
2020	4,296.66	150.00	44,758.69
2019	4,386.47	11,389.39	40,612.03

NOTE 11: DEFERRED COMPENSATION PLAN

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Borough employees, permits them to defer a portion of their salaries until future years. The Borough does not make any contribution to the Plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Borough's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

The Plan is administered by the Lincoln National Life Insurance Company.

The accompanying financial statements do not include the Borough's Deferred Compensation Plan activities.

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 87,719.96	\$ 377,426.58
Federal & State Grant Fund	377,426.58	
Trust Other Fund		<u>87,719.96</u>
	<u>\$ 465,146.54</u>	<u>\$ 465,146.54</u>

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

NOTE 13: LENGTH OF SERVICE AWARDS PROGRAM

The Borough established a Length of Service Awards Program for the members of the Oceanport Fire Department and the Oceanport First Aid Squad pursuant to N.J.S.A. 40A: 14-183 et seq.

Under this program, each volunteer of the Oceanport Fire Department and First Aid Squad that performs the minimum amount of service will have an annual amount of \$1,150.00 deposited into a tax deferred income account that will earn interest for the volunteer. The cost will be budgeted annually in the budget of the Borough.

The accompanying financial statements do not include the Borough's Length of Service Awards Program activities.

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Borough's defined benefit OPEB plan, Borough of Oceanport Postretirement Healthcare Plan (the Plan), provides OPEB for all eligible employees of the Borough in accordance with the terms of their labor agreements. The Plan is a single-employer defined benefit OPEB plan administered by the Borough. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Summary of Benefits

The Plan provides retirees and their eligible dependents medical and prescription, benefits provided that they have meet the eligibility requirement contained in the Borough' various labor agreements.

Employees Covered by Benefits Terms

Inactive employees or beneficiaries currently receiving benefits payments	18
Inactive employees entitled to but not currently receiving benefits payments	-0-
Active Employees	<u>22</u>
	<u>40</u>

Contributions

The contribution requirements of the Borough and Plan members are established and maybe be amended by the Borough's governing body.

Retirees and their dependents are required to contribute toward the cost of the postretirement medical and prescription drug coverage in accordance with the provisions set forth under Chapter 78. An employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS service as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits: The retirement contributions are based on a percentage of the postretirement healthcare cost and vary based on coverage tier and amount of PERS or PFRS pension amounts based on tables presented in the Borough's plan document, ranging from 3.5% to 35%.

Net OPEB Liability

The Borough's total OPEB liability of \$12,925,395 was measured as of December 31, 2021 and was determined by an actuarial valuation as of December 31 2020.

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.06%
Salary Increases	2.5%

Healthcare cost trend rates: Medical 5.5 percent decreasing by 0.2 percent per annum, leveling at 4.5 percent per annum in 2026. Drug 7.0 percent in 2020 reducing by 0.5 percent per annum, leveling at 4.5 percent per annum in 2026. Medicare Advantage: 4.5 per annum. Dental and Vision: 3.5 per annum.

Mortality rates were based on the RP-2000 Combined Health Male Mortality Rates Set Forward Three Year.

Demographic assumptions were selected based on those used by the State Division of Pensions and Benefits in calculating pension benefits taken from the July 1, 2020 report from Cheiron. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of Local Finance Notice 2007-15

Health care (economic) assumptions were selected based on those used by the State health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2020 report from Aon Consultants.

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Discount Rate

The discount rate under GASB 75 should be the single rate that reflects (a) the long-term expected rate of return on plan investments that are expected to be used to finance the benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the assets are expected to be invested using a strategy to achieve that return and (b) a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAa or higher (or an equivalent quality on another scale) to the extent that the conditions in (a) are not met. The discount rates used for determining the Total OPEB liabilities at December 31, 2020, based on the Bond Buyers 20 Index, is 2.12%.

Changes in the Total OPEB Liability:

	Total OPEB <u>Liability</u>
Balance at 12/31/20	\$14,085,673
Changes for the year:	
Service cost	138,741
Interest Cost	297,289
Differences between expected and actual experience	(1,193,600)
Benefit payments	(402,708)
Net change in OPEB Liability	<u>(1,160,278)</u>
Balance at 12/31/21	<u>\$12,925,395</u>

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Sensitivity of the Total OPEB liability to changes in the discount rate and healthcare cost trend rates.

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

	December 31, 2021		
	1.00% <u>Decrease (1.06%)</u>	At Discount <u>Rate (2.06)</u>	1.00% <u>Increase (2.06%)</u>
Net OPEB Liability	\$14,596,209	\$12,925,395	\$11,504,675

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

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	December 31, 2021		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% Increase
Net OPEB Liability	\$11,627,806	\$12,925,395	\$14,417,866

At December 31, 2021, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflow of <u>Resources</u>	Inflow of <u>Resources</u>
Changes of assumptions	<u>\$2,493,806.00</u>	<u>(\$1,113,444.00)</u>
	<u>\$2,493,806.00</u>	<u>(\$1,113,444.00)</u>

NOTE 14: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

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

Year Ended <u>December 31,</u>	<u>Amount</u>
2022	\$95,750
2023	\$95,750
2024	\$95,750
2025	\$95,750
2026	\$95,750
Total Thereafter	<u>\$901,612</u>
	<u>\$1,380,362</u>

NOTE 15: SCHOOL TAXES

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

	<u>REGIONAL SCHOOL TAX</u>	
	<u>BALANCE DECEMBER 31, 2021</u>	<u>BALANCE DECEMBER 31, 2020</u>
Balance of Tax	\$1,885,918.98	\$1,742,685.98
Deferred	<u>900,471.63</u>	<u>900,471.63</u>
Tax Payable	<u>\$985,447.35</u>	<u>\$842,214.35</u>
	<u>LOCAL SCHOOL TAX</u>	
	<u>BALANCE DECEMBER 31, 2021</u>	<u>BALANCE DECEMBER 31, 2020</u>
Balance of Tax	\$5,348,222.86	\$5,067,636.96
Deferred	<u>1,585,121.97</u>	<u>1,585,121.97</u>
Tax Payable	<u>\$3,763,100.89</u>	<u>\$3,482,514.99</u>

NOTE 16: CAPITAL LEASE

The Borough participates in an agreement with the Monmouth County Improvement Authority to lease purchase various capital equipment for \$389,000.00 at interest rates ranging from 4.00% to 5.00%. In accordance with the lease agreement, the Borough is obligated to make the following remaining principal and interest payments:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2022	\$7,000.00	\$1,290.00	\$8,290.00
2023	7,000.00	1,150.00	8,150.00
2024	8,000.00	800.00	8,800.00
2025	<u>8,000.00</u>	<u>400.00</u>	<u>8,400.00</u>
	<u>\$30,000.00</u>	<u>\$3,640.00</u>	<u>\$33,640.00</u>

NOTE 17: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for the year 2021. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

NOTE 18: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through August 25, 2021 which is the date the financial statements were available to be issued. Based on this evaluation, the Borough has determined there are no subsequent events to be disclosed.

BOROUGH OF OCEANPORT
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2021

BOROUGH OF OCEANPORT

CURRENT FUND

SCHEDULE OF CASH-TREASURER

REF.		CURRENT	Federal & State Grants
A	Balance, December 31, 2020	\$ 11,759,793.55	\$
	Increased by Receipts:		
A-2	Miscellaneous Revenue Not Anticipated	\$ 516,733.83	
A-3	Appropriation Refunds	134,530.32	
A-5	Grants Receivable		30,659.74
A-7	State of New Jersey-Senior Citizen Deductions	43,081.78	
A-7	Prior Year Senior Citizen Deduction Disallowed	750.00	
A-8	Property Taxes	26,664,476.75	
A-13	Revenue Accounts Receivable	5,230,834.46	
A-11	State Fees Payable - Marriage Licenses	525.00	
A-34	P.I.L.O.T. Fees Payable	14,379.29	
A-19	Prepaid Taxes	326,214.94	
A-22	Unappropriated Reserves for Grants	49,490.24	299,456.73
A-25	Tax Overpayments	10,150,978.40	91,816.02
A-21/A-32	Interfunds	89,429.93	
A-16	Redemption of Outside Liens	20,235.73	
A-20	Miscellaneous Reserves		
		\$ 43,281,670.67	\$ 421,932.49
		\$ 55,041,464.22	\$ 421,932.49
	Decreased by Disbursements:		
A-3	2021 Budget Appropriations	\$ 11,491,618.49	
A-15	2020 Appropriation Reserves	371,898.71	
A-32/A-21	Interfunds	10,066,335.63	396,806.21
A-11	State Fees Payable - Marriage Licenses	600.00	
A-12	Appropriated Reserves for Grants	17,282.95	25,126.28
A-23	Accounts Payable	11,285.47	
A-25	Refund of Tax Overpayments	287,765.86	
A-26	Open Space Trust Fund Tax	4,284,259.00	
A-27	Regional High School Taxes	10,995,194.00	
A-28	Local District School Taxes	3,928,586.09	
A-29	County Taxes	21,264.68	
A-30	Due County-Added Taxes	14,379.29	
A-34	P.I.L.O.T. Fees Payable	1,755.60	
A-1	Budget Operations	89,429.93	
A-16	Redemption of Outside Liens	2,778.23	
A-20	Miscellaneous Reserves		
		\$ 41,605,456.93	\$ 421,932.49
A	Balance, December 31, 2021	\$ 13,436,007.29	

BOROUGH OF OCEANPORT

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>BALANCE DECEMBER 31, 2020</u>	<u>REVENUE ANTICIPATED</u>	<u>RECEIPTS</u>	<u>CANCELLED</u>	<u>BALANCE DECEMBER 31, 2021</u>
Clean Communities Grant		13,826.58	13,826.58		
Body Armor Replacement Fund		1,359.36	1,359.36		
Drunk Driving Enforcement Fund		440.00	440.00		
County Open Space Grant	250,000.00				250,000.00
DCA Zoning Enforcement- County	128,714.00			128,714.00	
County of Monmouth- ADA Restroom Project	40,159.85			40,159.85	
NJ Fostering Regional Adaptation	37,620.00			37,620.00	
DHS - Emergency Management Performance	9,615.00			9,615.00	
Recycling Tonnage Grant		15,033.80	15,033.80		
	<u>\$ 466,108.85</u>	<u>\$ 30,659.74</u>	<u>\$ 30,659.74</u>	<u>\$ 216,108.85</u>	<u>\$ 250,000.00</u>

REF.

A

A-2

A-4

A-12

A

"A-6"

BOROUGH OF OCEANPORT

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

Balance, December 31, 2021 and
December 31, 2020

A

\$ 300.00

BOROUGH OF OCEANPORT

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY
PER CHAPTER 20, P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2020 (Due from)	A	\$	3,850.65
Increased by:			
Senior Citizens and Veterans Deductions Per Abstract		\$	42,500.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector Current Year			<u>1,500.00</u>
			<u>44,000.00</u>
		\$	<u>47,850.65</u>
Decreased by:			
Senior Citizens and Veterans Deductions Disallowed by Tax Collector:			
Current Year		\$	1,250.00
Prior Year Disallowed	A-4		750.00
Received in Cash From State	A-4		<u>43,091.78</u>
			<u>45,091.78</u>
Balance, December 31, 2021 (Due from)	A	\$	<u><u>2,758.87</u></u>

ANALYSIS OF 2021 REVENUE

Senior Citizens and Veterans Deductions Per Abstract		\$	42,500.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector			<u>1,500.00</u>
		\$	<u>44,000.00</u>
Senior Citizens Deductions Disallowed by Tax Collector			<u>1,250.00</u>
	A-8	\$	<u><u>42,750.00</u></u>

BOROUGH OF OCEANPORT

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2020	2021 LEVY	COLLECTIONS BY CASH 2020	2021	TRANSFERRED TO TAX TITLE LIENS	CANCELED	BALANCE DECEMBER 31, 2021
2020	\$ 220,901.11	\$	\$	\$ 220,901.11	\$	\$	\$
2021		27,024,960.86	264,178.48	26,512,615.04	6,126.50	11,874.12	230,366.72
	\$ 220,901.11	\$ 27,024,960.86	\$ 264,178.48	\$ 26,733,516.15	\$ 6,126.50	\$ 11,874.12	\$ 230,366.72

REF. A

A-2-A-1S

A-2

A-9

A

State of New Jersey Senior Citizens Deductions
Overpayments Applied
Cash Receipts - Taxes

\$ 42,750.00
26,289.40
28,684,476.75
26,733,516.15

ANALYSIS OF 2021 PROPERTY TAX LEVY

TAX YIELD			
General Purpose Tax	\$	26,747,461.61	
Added Taxes		277,499.25	
	\$	27,024,960.86	
TAX LEVY			
Regional High School Tax Levy (Abstract)	A-27	\$	4,427,492.00
Local District School Tax	A-28		11,275,780.00
County Taxes:			
General County Tax		\$	3,231,939.25
County Library Tax			242,604.90
County Health Tax			66,226.36
County Open Space Tax			388,827.54
Total 2021 County Tax Levy	A-29	\$	3,929,598.05
Due County For Added Taxes (54-4.63.1 et seq.)	A-30		40,905.14
Municipal Open Space Trust Fund:			
Local Open Space Tax (Abstract)	A-26		284,845.71
Additional Tax Levy	A-26		2,920.15
			287,765.86
Local Tax for Municipal Purposes (Abstract)	A-2	\$	6,827,714.12
Additional Tax Levy			235,704.65
			7,063,418.77
		\$	27,024,960.86

"A-9"

BOROUGH OF OCEANPORT
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2020	A	\$	70,451.08
Increased by:			
Transfers From Taxes Receivable	A-8	\$	<u>6,126.50</u>
			<u>6,126.50</u>
Balance, December 31, 2021	A	\$	<u>76,577.58</u>

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2021 and December 31, 2020	A	\$	<u>3,300.00</u>
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BOROUGH OF OCEANPORT

CURRENT FUND

SCHEDULE OF STATE FEES PAYABLE

	<u>REF.</u>	<u>STATE TRAINING FEES</u>	<u>MARRIAGE LICENSES</u>
Balance, December 31, 2020	A	\$ 10,516.47	\$ 1,006.00
Increased by:			
Receipts	A-4	<u>525.00</u>	<u>525.00</u>
		\$ 10,516.47	\$ 1,531.00
Decreased by:			
Disbursements	A-4	<u>600.00</u>	<u>600.00</u>
Balance, December 31, 2021	A	<u>\$ 10,516.47</u>	<u>\$ 931.00</u>

BOROUGH OF OCEANPORT
FEDERAL AND STATE GRANT FUND

SCHEDULE OF APPROPRIATED RESERVES FOR GRANT PROGRAMS

	BALANCE DECEMBER 31, 2020	BALANCE AFTER TRANSFERS	2021 APPROPRIATIONS	EXPENDED	CANCELLED	BALANCE DECEMBER 31, 2021
Alcohol Education and Rehabilitation Fund	\$ 10,231.38					10,231.38
Body Armor Replacement Fund	228.97	3,225.43	1,359.36	2,996.46		1,588.33
Clean Communities Program	66,701.38		13,826.58	9,904.26	52,904.74	17,718.96
Drunk Driving Enforcement Fund	7,096.22		440.00	440.00		7,096.22
NJ State Police - Emergency Management Exercise	12,620.48					12,620.48
NJ DCA - SHARE Grant	14,000.00					14,000.00
Oceanport Drug Awareness	2,939.80					2,939.80
Monmouth County DWI	220.00					220.00
Drive Sober or Get Pulled Over	325.00					325.00
County Open Space	250,000.00					250,000.00
Zoning Code Enforcement - County	128,714.00				128,714.00	
ANJEC Environmental Resource Inventory Project	2,600.00					2,600.00
NJ Fostering Regional Adaptation	37,620.00				37,620.00	
DHS - Emergency Management Performance	23,400.00				23,400.00	
County of Monmouth- ADA Restroom Project	16.00				16.00	
Recycling Tonnage Grant			15,033.80	15,033.80		
	\$ 556,713.23	3,225.43	\$ 30,659.74	\$ 28,374.52	\$ 242,664.74	\$ 319,340.17
	A		A-3			A
Balance 12/31/2020	\$ 556,713.23					
Encumbrances Payable		556,713.23				
		2,996.46				
		\$ 559,709.69				
Cash Disbursements				\$ 25,126.28		
Encumbrances				3,248.24		
				\$ 28,374.52		
Federal and State Grants Receivable					\$ 216,108.85	
Budget Operations					26,545.89	
					\$ 242,654.74	

BOROUGH OF OCEANPORT

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>REF.</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>ACCRUED IN 2021</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2021</u>
A-2	\$	\$ 304,799.00	\$ 304,799.00	\$
A-2		2,174.00	2,174.00	
A-2		63,693.61	63,693.61	
A-2		542,848.00	542,848.00	
A-2		51,965.31	51,965.31	
A-2		21,675.44	21,675.44	
A-2		78,000.00	78,000.00	
A-2	1,887.95	35,887.05	34,881.02	2,693.98
A-2		146,280.00	146,280.00	
A-2		18,795.00	18,795.00	
A-2		174,026.44	174,026.44	
A-2		28,960.47	28,960.47	
A-2		3,762,736.17	3,762,736.17	
	\$ 1,887.95	\$ 5,231,640.49	\$ 5,230,834.46	\$ 2,693.98

REF.

A

A-4

A

Clerk:

Licenses:

Alcoholic Beverages

Other

Fees and Permits:

Construction Code Official

Other

Energy Receipts Tax

Interest and Costs on Taxes

Interest on Investments

Inter-Local Agreement - Municipal Court- Sea Bright

Municipal Court - Fines and Costs

NJSEA- Assessment Fund Loan Interest Due

NJSEA- NJ Environmental Infrastructure Trust Fees

Senior Housing- Payment in Lieu of Taxes

CARES Funding

Reserve for Debt Service

BOROUGH OF OCEANPORT

CURRENT FUND

SCHEDULE OF CODE OFFICIAL SECURITY DEPOSIT RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2021 and December 31, 2020	A	\$ <u>1,000.00</u>

BOROUGH OF OCEANPORT

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2020	BALANCE AFTER TRANSFERS	PAID OR CHARGED	UNEXPENDED BALANCE LAPSED
<u>SALARIES AND WAGES:</u>				
Administrative and Executive	\$ 25,581.21	\$ 25,581.21	\$	25,581.21
Municipal Clerk	17,093.50	17,093.50		17,093.50
Financial Administration	16,664.88	16,664.88		16,664.88
Police	78,477.86	78,477.86		78,477.86
Road Repairs and Maintenance	98,878.48	98,878.48		98,878.48
Board of Health	0.18	0.18		0.18
State Uniform Construction Code Official	100.00	100.00		100.00
Code Enforcement	6,771.65	6,771.65		6,771.65
Municipal Court	19,158.03	19,158.03		19,158.03
Salary Adjustment Account	1,500.00	1,500.00		1,500.00
Expenses in Participation In Free County Library	1,759.99	1,759.99		1,759.99
<u>OTHER EXPENSES:</u>				
Administrative and Executive	26,625.76	27,710.31	2,684.71	25,125.60
Municipal Clerk	37,058.98	65,342.84	16,285.75	49,057.09
Financial Administration	20,245.24	21,240.39	6,214.34	15,028.05
Assessment of Taxes	20,107.30	21,607.30	10,275.00	11,332.30
Collection of Taxes	3,691.24	4,026.24		4,026.24
Legal Services and Costs	68,701.63	82,545.38	9,683.74	72,861.64
Engineering Services and Costs	7,461.25	12,711.25	11,578.75	1,132.50
Planning Board	13,844.01	15,787.28	2,489.75	13,297.53
Planning Fees- Land Development	18,244.80	18,244.80	284.00	17,960.80
Environmental Commission (N.J.S.A. 40:56A-1 et. seq.)	600.00	600.00		600.00
<u>Insurance:</u>				
General Liability	11,179.00	11,179.00		11,179.00
Employee Group Health	91,578.78	93,162.78	(4,590.79)	97,753.57
Health Benefit Waiver	4,000.00	4,000.00		4,000.00
Workers Compensation Insurance	283.00	283.00		283.00
Dental	447.00	1,645.00		1,645.00
Fire	396.59	24,020.13	22,908.13	1,112.00
Fire Hydrant Service	3,220.00	10,872.02	6,619.84	4,252.18
Police	16,153.01	43,585.55	27,988.87	15,576.68
Police Equipment	14,960.57	112,681.89	97,721.32	14,960.57
First Aid Organization- Contribution	2,467.61	18,024.83	10,413.61	7,811.32
Emergency Management Services	251.74	6,164.07	5,782.38	401.69
Road Repairs and Maintenance	38,996.43	59,706.81	18,343.11	41,363.70
Garbage and Trash Removal	1,266.70	1,266.70		1,266.70
Public Buildings and Grounds:	9,813.54	65,737.21	40,741.37	14,985.84
Board of Health	200.00	200.00		200.00
Bloodborne Pathogens	500.00	500.00		500.00
Water Watch Committee	1,001.00	2,909.00	887.00	2,022.00
Parks and Playgrounds	6,493.81	12,116.54	6,580.63	5,535.91
Shade Tree Commission	15,000.00	15,000.00		15,000.00
Senior Citizens Programs	3,000.00	3,000.00		3,000.00
Recycling	1,250.04	1,250.04		1,250.04
Landfill/Solid Waste Disposal Costs: Tipping Fees	24,799.41	42,092.50	29,039.52	13,052.98
Public Defender	3,400.00	3,400.00		3,400.00

BOROUGH OF OCEANPORT

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

	BALANCE DECEMBER <u>31, 2020</u>	BALANCE AFTER <u>TRANSFERS</u>	PAID OR <u>CHARGED</u>	UNEXPENDED BALANCE <u>LAPSED</u>
<u>OTHER EXPENSES (CONTINUED):</u>				
Celebration of Public Event, Anniversary or Holiday	\$ 1,555.00	\$ 2,555.00	\$ 1,000.00	\$ 1,555.00
Transportation of High School Students	968.07	968.07		968.07
State Uniform Construction Code Official	100.00	100.00		100.00
Code Enforcement	977.00	977.00		977.00
Utilities:				
Street Lighting	7,158.55	33,210.25	17,256.50	15,953.75
Gasoline	27,104.98	29,196.61	2,458.13	26,740.48
Electricity	188.71	7,267.57	7,181.59	85.98
Telephone	8,428.66	13,549.10	2,820.48	10,728.62
Natural Gas	4,784.09	26,928.04	5,147.10	21,780.94
Water and Sewer	8,789.00	13,108.73	929.17	12,179.56
Contingent	500.00	500.00		500.00
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	17,629.31	17,629.31		17,629.31
Public Employee's Retirement System	4,327.00	4,327.00		4,327.00
Defined Contribution Retirement Program	2,636.72	2,636.72		2,636.72
Special Emergency-Coronavirus(40A:4-45)	51,584.04	61,671.98	8,790.03	52,881.95
Municipal Court	10,317.43	10,336.33	363.10	9,973.23
Length of Service Award Program	72,000.00	72,000.00	47,150.00	24,850.00
Maintenance of Free Public Library	2,000.00	2,000.00	158.86	1,841.14
	<u>\$ 955,272.78</u>	<u>\$ 1,357,540.35</u>	<u>\$ 415,063.89</u>	<u>\$ 942,476.46</u>
	<u>REF.</u>	A		A-1
Appropriation Reserves	A-15	\$ 955,272.78		
Transferred from Encumbrances Payable	A-17	<u>402,267.57</u>		
		<u>\$ 1,357,540.35</u>		
Cash Disbursements	A-4		\$ 371,899.71	
Accounts Payable	A-23		<u>43,164.18</u>	
			<u>\$ 415,063.89</u>	

"A-16"

BOROUGH OF OCEANPORT

CURRENT FUND

SCHEDULE OF RESERVE FOR REDEMPTION OF OUTSIDE LIENS

	<u>REF.</u>	
Increased by:		
Receipts	A-4	\$ <u>89,429.93</u>
Decreased by:		
Disbursements	A-4	\$ <u><u>89,429.93</u></u>

"A-17"

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance, December 31, 2020	A	\$ 402,267.57
Increased by:		
Charges to:		
2021 Appropriations	A-3	<u>590,657.84</u>
		\$ <u>992,925.41</u>
Decreased by:		
Transferred to Appropriation Reserves	A-15	<u>402,267.57</u>
Balance, December 31, 2021	A	\$ <u><u>590,657.84</u></u>

"A-18"

BOROUGH OF OCEANPORT

CURRENT FUND

SCHEDULE OF RESERVE FOR MAINTENANCE
OF FREE PUBLIC LIBRARY

REF.

Balance, December 31, 2021 and
December 31, 2020

A

\$ 1,376.80

"A-19"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2020

A

\$ 285,036.82

Increased by:
2022 Taxes Collected in 2021

A-4

326,214.94
\$ 611,251.76

Decreased by:
Applied to Taxes Receivable

A-8

264,178.48

Balance, December 31, 2021

A

\$ 347,073.28

BOROUGH OF OCEANPORT

CURRENT FUND

SCHEDULE OF MISCELLANEOUS RESERVES

	BALANCE DECEMBER 31, 2020	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2021
Prepaid Revenue- NJSEA Environmental Infrastructure Trust- Fees and Interest Payments	\$ 512,086.42	\$ 17,457.50	\$	\$ 529,543.92
Overpayment Due to FEMA	886.39			886.39
Revaluation and Preparation of Tax Maps	53,087.50			53,087.50
Sewer Liens		2,778.23	2,778.23	
	<u>\$ 566,060.31</u>	<u>\$ 20,235.73</u>	<u>\$ 2,778.23</u>	<u>\$ 583,517.81</u>

REF.

A

A-4

A-4

A

BOROUGH OF OCEANPORT
FEDERAL AND STATE GRANT FUND
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GENERAL CAPITAL FUND</u>	<u>CURRENT FUND</u>
Balance, December 31, 2020:				
Due From	A	\$ 139,126.13	\$	\$ 139,126.13
Due To	A	\$ 40,143.85	40,143.85	
Cash Receipts	A-4	91,816.02		91,816.02
Transferred to Federal and State Grants	A-32	30,659.74		30,659.74
Grants Canceled				26,545.89
Transferred from Federal and State Grants	A-32	30,659.74		30,659.74
Cash Disbursements	A-4	<u>396,806.21</u>	<u>\$ 40,143.85</u>	<u>356,662.36</u>
Balance, December 31, 2021:				
Due From	A	<u>\$ 377,426.58</u>		<u>\$ 377,426.58</u>

"A-22"

BOROUGH OF OCEANPORT

GRANT FUND

SCHEDULE OF UNAPPROPRIATED RESERVES FOR GRANTS

	<u>REF.</u>		
Balance, December 31, 2020	A	\$	5,381.44
Increased by:			
Receipts	A-4		<u>299,456.73</u>
Balance, December 31, 2021	A	\$	<u><u>304,838.17</u></u>

ANALYSIS OF BALANCE, DECEMBER 31, 2021

County DWI		\$	660.00
American Rescue Plan			299,456.73
Recycling Tonnage Grant			<u>4,721.44</u>
		\$	<u><u>304,838.17</u></u>

"A-23"

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2020	A	\$	244,254.29
Increased by:			
Transferred from Appropriation Reserves	A-15		<u>43,164.18</u>
		\$	<u>287,418.47</u>
Decreased by:			
Cash Disbursements	A-4		<u>17,282.95</u>
Balance, December 31, 2021	A	\$	<u><u>270,135.52</u></u>

"A-24"

BOROUGH OF OCEANPORT

CURRENT FUND

SCHEDULE OF P.I.L.O.T. FEES PAYABLE

	<u>REF.</u>		
Increased by:			
Cash Receipts	A-4	\$	14,379.29
Decreased by:			
Cash Disbursed	A-4	\$	<u>14,379.29</u>

"A-25"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2020	A	\$	11,883.01
Increased by:			
Overpayments in 2021:			
Cash Receipts	A-4		<u>49,490.24</u>
		\$	<u>61,373.25</u>
Decreased by:			
Refunds	A-4	\$	11,295.47
Application to Taxes Receivable	A-8		<u>26,289.40</u>
			<u>37,584.87</u>
Balance, December 31, 2021	A	\$	<u>23,788.38</u>

"A-26"

BOROUGH OF OCEANPORT

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TRUST FUND TAXES PAYABLE

	<u>REF.</u>			
2021 Levy:				
Open Space Tax	A-1:A-8	\$	284,845.71	
Added Taxes	A-1:A-8		<u>2,920.15</u>	
				\$ <u>287,765.86</u>
Decreased by:				
Transferred to Open Space Trust Fund	A-4		<u>287,765.86</u>	
				\$ <u>287,765.86</u>

"A-27"

SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

Balance, December 31, 2020:				\$ 1,742,685.98
School Tax Deferred		\$	900,471.63	
School Tax Payable	A		<u>842,214.35</u>	
Increased by:				
Levy 2021	A-1:A-8			<u>4,427,492.00</u>
				\$ <u>6,170,177.98</u>
Decreased by:				
Disbursements	A-4			<u>4,284,259.00</u>
Balance, December 31, 2021:				
School Tax Deferred		\$	900,471.63	
School Tax Payable	A		<u>985,447.35</u>	
				\$ <u>1,885,918.98</u>
<u>2021 Liability for Regional High School Tax:</u>				
Tax Paid				\$ 4,284,259.00
Tax Payable, December 31, 2021				<u>985,447.35</u>
				5,269,706.35
Less:				
Tax Payable, December 31, 2020				<u>(842,214.35)</u>
Amount Charged to 2021 Operations				\$ <u>4,427,492.00</u>

BOROUGH OF OCEANPORT

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Balance, December 31, 2020:			\$	5,067,636.96
School Tax Deferred		\$	1,585,121.97	
School Tax Payable	A		<u>3,482,514.99</u>	
Increased by:				
Levy 2021	A-1:A-8			<u>11,275,780.00</u>
			\$	<u>16,343,416.96</u>
Decreased by:				
Disbursements	A-4			<u>10,995,194.00</u>
Balance, December 31, 2021:				
School Tax Deferred		\$	1,585,121.97	
School Tax Payable	A		<u>3,763,100.99</u>	
			\$	<u>5,348,222.96</u>
<u>2021 Liability for Local District School Tax:</u>				
Tax Paid			\$	10,995,194.00
Tax Payable, December 31, 2021				<u>3,763,100.99</u>
				14,758,294.99
Less:				
Tax Payable, December 31, 2020				<u>(3,482,514.99)</u>
Amount Charged to 2021 Operations			\$	<u>11,275,780.00</u>

"A-29"

BOROUGH OF OCEANPORT

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

REF.

2021 Levy:			
General County Tax		\$	3,231,939.29
County Library Tax			242,604.90
County Health Tax			66,226.36
County Open Space Tax			<u>388,827.54</u>
Total 2021 County Tax Levy	A-1:A-8	\$	<u>3,929,598.09</u>
Decreased by:			
Disbursements	A-4	\$	<u>3,929,598.09</u>

"A-30"

SCHEDULE OF DUE COUNTY FOR ADDED TAXES

Balance, December 31, 2020	A	\$	21,264.91
Increased by:			
Added Taxes	A-1:A-8		<u>40,906.14</u>
		\$	<u>62,171.05</u>
Decreased by:			
Disbursements	A-4		<u>21,264.68</u>
Balance, December 31, 2021	A	\$	<u>40,906.37</u>

BOROUGH OF OCEANPORT
FEDERAL AND STATE GRANT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2020	A	\$	2,996.46
Increased by:			
Charged to Federal and State Grants Appropriated	A-12		<u>3,248.24</u>
		\$	6,244.70
Decreased by:			
Transferred to to Federal and State Grants Appropriated	A-12	\$	<u>2,996.46</u>
Balance, December 31, 2021	A	\$	<u><u>3,248.24</u></u>

BOROUGH OF OCEANPORT

CURRENT FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL	TRUST OTHER FUND	OPEN SPACE TRUST FUND	GENERAL CAPITAL FUND	ASSESSMENT FUND	FEDERAL AND STATE GRANT FUND
Balance, December 31, 2020:							
Due From	A	\$ 79,019.96	\$ 79,019.96				\$ 139,126.13
Due To	A	\$ 290,629.70		\$ 1,503.57	\$ 150,000.00		
Cash Receipts	A-4	10,190,978.40	454,312.95		8,041,780.81	1,338,222.28	356,662.36
Transferred to Federal and State Grants	Contra	30,659.74					30,659.74
Transferred from Federal and State Grants	Contra	30,659.74					
Transferred from General Capital Fund		26,545.89					26,545.89
Cash Disbursements	A-4	10,086,335.63	463,012.95	1,503.57	8,191,780.81	1,338,222.28	91,816.02
Balance, December 31, 2021:							
Due From	A	\$ 87,719.96	\$ 87,719.96				
Due To	A	\$ 377,426.58					\$ 377,426.58

BOROUGH OF OCEANPORT

TRUST FUND

SCHEDULE OF CASH - TREASURER

REF.	ASSESSMENT	OPEN SPACE	ANIMAL CONTROL	OTHER
B	\$ 331,074.09 \$	669,076.51 \$	4,731.02 \$	1,611,277.32
Increased by Receipts:				
B-6			4,747.20	15,944.00
B-3			460.80	4,896,273.97
B-9	1,338,222.28			11,039.10
B-8		334,807.04		
B-12				
B-2		1,503.57		
B-5	1,338,222.28	336,310.61	5,208.00	4,923,257.07
	1,669,296.37	1,005,387.12	9,939.02	6,534,534.39
Decreased by Disbursements:				
B-3			459.60	
B-6			5,265.75	
B-12				15,870.00
B-8		247,885.69		
B-2				4,968,352.69
B-10	345,000.00			
B-11	993,222.28			
B-5	1,338,222.28	247,885.69	5,725.35	2,339.10
	331,074.09 \$	757,501.43 \$	4,213.67 \$	1,547,972.60

Balance, December 31, 2021

BOROUGH OF OCEANPORT

TRUST FUND

SCHEDULE OF VARIOUS RESERVES- OTHER TRUST FUND

	BALANCE DECEMBER 31, 2020	INCREASED	DECREASED	BALANCE DECEMBER 31, 2021
Recreation	\$ 24,366.18	\$	\$	\$ 24,366.18
Memorial Benches	1,834.59	1,800.00		3,634.59
Fireworks		50.00		50.00
Water Watch	17.08			17.08
Shade Tree	121.88			121.88
Historical Society	938.32			938.32
Old Wharf Senior Center	3,349.34			3,349.34
Wedding Trust	1,010.00		1,010.00	
Recycling	63,313.57	16,592.60	12,235.81	67,670.36
Public Defender	1,618.15	1,381.50		2,999.65
Community Center	5,337.11	500.00		5,837.11
Firehouse Donations	668.25			668.25
Donations	1,171.65			1,171.65
Tax Sale Premiums	133,400.00		8,700.00	124,700.00
Volunteer Emergency Services	174.83			174.83
Emergency Police Services- Donations	597.21			597.21
Community Enhancement and Beautification	2,646.01	30.00		2,676.01
Summers End	32,600.25	8,919.00	19,080.44	22,438.81
Centennial Celebration	25,485.94	16,440.00	19,272.21	22,653.73
Developers Escrow	910,721.79	340,330.57	420,297.41	830,754.95
Law Enforcement	5,077.95			5,077.95
Uniform Fire Code Penalties		3,300.00		3,300.00
Uniform Fire Code Dedicated Penalties		2,400.00		2,400.00
State Unemployment Insurance	44,758.69	4,542.10	108.00	49,192.79
Outside Off-Duty Police Employment	89,599.35	195,947.27	219,862.91	65,683.71
P.O.A.A.	1,008.84			1,008.84
Payroll Deductions		4,037,903.79	4,037,903.79	
UCC Trust	164,615.15	280,601.37	257,468.61	187,747.91
	<u>\$ 1,514,430.13</u>	<u>\$ 4,910,738.20</u>	<u>\$ 4,995,939.18</u>	<u>\$ 1,429,229.15</u>

REF.

B

B

Cash Receipts	B-1	\$ 4,896,273.97	
Encumbrances	B-7	<u>14,464.23</u>	
		<u>\$ 4,910,738.20</u>	
Cash Disbursements	B-1	\$ 4,968,352.69	
Encumbrances	B-7	<u>27,586.49</u>	
		<u>\$ 4,995,939.18</u>	

BOROUGH OF OCEANPORT

"B-3"

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY - ANIMAL CONTROL FUND

	<u>REF.</u>		
Increased by:			
Cash Receipts	B-1	\$	460.80
Decreased by:			
Cash Disbursements	B-1		<u>459.60</u>
Balance, December 31, 2021	B	\$	<u><u>1.20</u></u>

"B-4"

ANALYSIS OF ASSESSMENT CASH AND INVESTMENTS

NJ DEP Fund Loan	B	\$	<u><u>331,074.09</u></u>
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BOROUGH OF OCEANPORT

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	<u>TRUST OTHER</u> <u>FUND</u>	<u>OPEN SPACE</u> <u>FUND</u>
Balance December 31, 2020 (Due to)	B	\$ 79,019.96	
Balance December 31, 2020 (Due from)	B		\$ 1,503.57
Cash Receipts	B-1	11,039.10	<u>1,503.57</u>
Cash Disbursements	B-1	<u>2,339.10</u>	
Balance December 31, 2021 (Due to)	B	\$ <u>87,719.96</u>	

BOROUGH OF OCEANPORT

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2020	B	\$	4,731.02
Increased by:			
License Fees Collected:			
Dog License Fees	B-1	\$ <u>4,747.20</u>	<u>4,747.20</u>
		\$	<u>9,478.22</u>
Decreased by:			
Expenditures Under R. S. 4-19-15.11	B-1		<u>5,265.75</u>
Balance, December 31, 2021	B	\$	<u><u>4,212.47</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>		<u>AMOUNT</u>
2020	\$	6,622.00
2019		<u>5,402.20</u>
	\$	<u><u>12,024.20</u></u>

BOROUGH OF OCEANPORT

TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>			
Balance, December 31, 2020	B		\$	54,559.98
Increased by:				
Open Space	B-8	\$	566,230.23	
Various Reserves	B-2		<u>27,586.49</u>	
				<u>593,816.72</u>
				648,376.70
Decreased by:				
Transferred to Various Reserves	B-2	\$	14,464.23	
Transferred to Open Space Reserve	B-8		<u>40,095.75</u>	
				54,559.98
Balance, December 31, 2021	B		\$	<u><u>593,816.72</u></u>
<u>Analysis:</u>				
Other Trust Fund	B		\$	27,586.49
Open Space Fund	B			<u>566,230.23</u>
			\$	<u><u>593,816.72</u></u>

BOROUGH OF OCEANPORT

TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE TRUST

Balance, December 31, 2020	B		\$	630,484.33
Increased by:				
Cash Receipts:				
Open Space Tax		\$	284,845.71	
Added Open Space Taxes			2,920.15	
Other			<u>47,041.18</u>	
	B-1			334,807.04
Encumbrances	B-7			<u>40,095.75</u>
			\$	<u>1,005,387.12</u>
Decreased by:				
Cash Disbursements	B-1	\$	247,885.69	
Encumbrances	B-7		<u>566,230.23</u>	
				<u>814,115.92</u>
Balance, December 31, 2021	B		\$	<u><u>191,271.20</u></u>

BOROUGH OF OCEANPORT

TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>IMPROVEMENT</u>	<u>ORDINANCE</u>	BALANCE DECEMBER 31, 2020	COLLECTED	BALANCE DECEMBER 31, 2021	PLEGED TO: LOANS PAYABLE
Monmouth Park Racetrack	866	\$ 11,137,588.67	\$ 1,338,222.28	\$ 9,799,366.39	\$ 9,799,366.39
		\$ 11,137,588.67	\$ 1,338,222.28	\$ 9,799,366.39	\$ 9,799,366.39

REF.

B

B-1

B

BOROUGH OF OCEANPORT

TRUST FUND

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN ASSESSMENT FUND

<u>IMPROVEMENT</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
Monmouth Park Racetrack- Construction, Repair, Rehabilitation, Maintenance, and Reconstruction of Stormwater Basins	12/2/2009	6,265,000.00	8/1/2021	345,000.00	4.00%			
			8/1/2022	359,000.00	3.50%			
			8/1/2023	375,000.00	4.00%			
			8/1/2024	389,000.00	4.00%			
			8/1/2025	404,000.00	3.75%			
			8/1/2026	419,000.00	4.00%			
			8/1/2027	438,000.00	4.00%			
			8/1/2028	457,000.00	4.00%			
			8/1/2029	471,000.00	4.00%			
					\$	3,657,000.00 \$	345,000.00 \$	3,312,000.00
					\$	<u>3,657,000.00 \$</u>	<u>345,000.00 \$</u>	<u>3,312,000.00</u>

REF.

B

B-1

B

BOROUGH OF OCEANPORT

TRUST FUND

SCHEDULE OF NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION FUND LOAN-ASSESSMENT FUND

IMPROVEMENT	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF LOANS OUTSTANDING		BALANCE DECEMBER 31, 2020	BALANCE DECEMBER 31, 2021
			DATE	AMOUNT		
	12/2/2009	\$ 16,884,779.00	2/1/2022	\$ 331,074.09		
			8/1/2022	662,148.19		
			2/1/2023	331,074.09		
			8/1/2023	662,148.19		
			2/1/2024	331,074.09		
			8/1/2024	662,148.19		
			2/1/2025	331,074.09		
			8/1/2025	662,148.19		
			2/1/2026	331,074.09		
			8/1/2026	662,148.19		
			2/1/2027	331,074.09		
			8/1/2027	662,148.19		
			2/1/2028	331,074.09		
			8/1/2028	528,032.71		
				\$ 7,811,662.76	\$ 993,222.28	\$ 6,818,440.48
				<u>\$ 7,811,662.76</u>	<u>\$ 993,222.28</u>	<u>\$ 6,818,440.48</u>

REF.

B

B-1

B

BOROUGH OF OCEANPORT

TRUST FUND

SCHEDULE OF DUE STATE ON NEW JERSEY-DCA FEES

	<u>REF.</u>		
Balance, December 31, 2020	B	\$	3,363.00
Increased by:			
Cash Receipts	B-1	\$	<u>15,944.00</u>
		\$	19,307.00
Decreased by:			
Cash Disbursements	B-1		<u>15,870.00</u>
Balance, December 31, 2021	B	\$	<u><u>3,437.00</u></u>

BOROUGH OF OCEANPORT

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH-TREASURER

	<u>REF.</u>		
Balance, December 31, 2020	C	\$	6,513,170.36
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-10	\$	100,000.00
Bond Anticipation Notes	C-13		13,212,566.00
General Serial Bonds	C-12		5,940,000.00
Grants Receivable	C-6		157,126.31
Due Current Fund	C-18		8,014,598.60
Due Grant Fund	C-19		13,785.00
Reserve for Sports Gambling	C-8		150,000.00
Reserve for Debt Service	C-16		<u>2,378,881.81</u>
			<u>29,966,957.72</u>
			36,480,128.08
Decreased by Disbursements:			
Bond Anticipation Notes	C-13		8,055,566.00
Reserve for Debt Service	C-16		3,762,736.17
Due Current Fund	C-18		7,864,598.60
Contracts Payable	C-14		<u>2,742,489.38</u>
			<u>22,425,390.15</u>
Balance, December 31, 2021	C	\$	<u><u>14,054,737.93</u></u>

"C-3"

BOROUGH OF OCEANPORT

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER 31, 2021
Fund Balance	\$ 34,786.24
Capital Improvement Fund	119,779.55
Deposits Payable	150,000.00
Improvement Authorizations Funded-Set Forth Exhibit "C-11"	2,362,404.07
Excess Proceeds of Bond Anticipation Notes Exhibit "C-5"	6,356,416.94
Improvement Authorizations Expended-Set Forth Exhibit "C-5"	(380.00)
Unexpended Proceeds of Bond Anticipation Notes Exhibit "C-5"	1,698,836.14
Contracts Payable	2,501,303.06
Accrued Interest	3,478.24
Due from NJ Environmental Infrastructure Financing Program	(1,503,119.00)
Grants Receivable	(109,613.86)
Reserve for Debt Service	2,440,846.55
	<u>\$ 14,054,737.93</u>

REF.

C

"C-4"

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-FUNDED

Balance, December 31, 2020	C	\$ 4,023,171.96
Increased by:		
Proceeds of Bond Sale		<u>5,940,000.00</u>
		\$ 9,963,171.96
Decreased by:		
Budget Appropriation to Pay Bonds	C-12 \$	425,000.00
Bonds Paid by Open Space Fund	C-12	35,000.00
Budget Appropriation to Pay Green Trust Loans	C-9	<u>16,083.13</u>
		<u>476,083.13</u>
Balance, December 31, 2021	C	<u>\$ 9,487,088.83</u>

BOROUGH OF OCEANPORT
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2020	C	\$	1,700,660.92
Decreased by:			
Canceled	C-11	\$	11,823.69
Cash Receipts	C-2		<u>157,126.31</u>
			<u>168,750.00</u>
Balance, December 31, 2021	C	\$	<u>1,531,910.92</u>

ANALYSIS OF BALANCE

Pledged to Improvement Authorization:

N.J.D.O.T. for Various Capital Improvements	Ord. 950	\$	8,363.86
N.J.D.O.T. for Various Capital Improvements	Ord. 1001		50,000.00
N.J.D.O.T. for Various Capital Improvements	Ord. 1026		<u>51,250.00</u>
		\$	<u>109,613.86</u>

Pledged to Reserve for Receivable:

FEMA for Various Capital Improvements and Related Expenses	Ord. 965	\$	337,500.00
N.J.D.O.T. for Various Capital Improvements and Related Expenses	Ord. 965		12,297.06
N.J. D.O.T. Road Program Related Expenses	Ord. 988		87,500.00
County of Monmouth Related Expenses	Ord. 988		<u>985,000.00</u>
	C	\$	<u>1,422,297.06</u>
		\$	<u>1,531,910.92</u>

"C-7"

BOROUGH OF OCEANPORT
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM NEW JERSEY
ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM

REF

Balance, December 31, 2020 and December 31, 2020	C	\$ <u>1,503,119.00</u>
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"C-8"

SCHEDULE OF RESERVE FOR SPORTS GAMBLING

Increased by: Cash Receipts	C-2	\$ 150,000.00
Balance, December 31, 2021	C	\$ <u>150,000.00</u>

"C-9"

BOROUGH OF OCEANPORT

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOANS PAYABLE

	<u>REF</u>	
Balance, December 31, 2020	C	\$ 78,171.96
Decreased by:		
Paid by Budget Appropriation	C-4	<u>16,083.13</u>
Balance, December 31, 2021	C	\$ <u>62,088.83</u>

"C-10"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2020	C	\$ 114,899.55
Increased by:		
Budget Appropriation	C-2	<u>100,000.00</u>
		\$ 214,899.55
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-11	<u>95,120.00</u>
Balance, December 31, 2021	C	\$ <u>119,779.55</u>

BOROUGH OF OCEANPORT

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURETIES OF BONDS OUTSTANDING DECEMBER 31, 2021	INTEREST RATE	BALANCE DECEMBER 31, 2020	INCREASED	DECREASED	BALANCE DECEMBER 31, 2021
General Improvement Bonds	1/24/2011	\$ 795,000.00	\$		\$ 95,000.00	\$	\$ 85,000.00	\$
General Improvement Bonds	12/10/2013	605,000.00	12/1/2022	5.00%	60,000.00			
			12/1/2023	5.00%	65,000.00			
			12/1/2024	5.00%	70,000.00		60,000.00	
General Improvement Bonds	12/9/2014	790,000.00	12/1/2022	5.00%	110,000.00			
			12/1/2023	5.00%	110,000.00		100,000.00	
Open Space Bonds	12/9/14	585,000.00	12/1/22	5.00%	35,000.00			
			12/1/23	5.00%	35,000.00			
			12/1/24	5.00%	40,000.00			
			12/1/25	5.00%	40,000.00			
			12/1/26	5.00%	45,000.00			
			12/1/27	5.00%	45,000.00			
			12/1/28	5.00%	50,000.00			
12/1/29	5.00%	50,000.00						
			12/1/30	5.00%	50,000.00		35,000.00	390,000.00

BOROUGH OF OCEANPORT
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURES OF BONDS OUTSTANDING DECEMBER 31, 2021	INTEREST RATE	BALANCE DECEMBER 31, 2020	BALANCE DECEMBER 31, 2021	Maturities of Bonds	
							INCREASED	DECREASED
MCIA	12/23/19	3,020,000.00	12/1/22	5.00%	\$	\$		
			12/1/23	5.00%				
			12/1/24	5.00%				
			12/1/25	5.00%				
			12/1/26	5.00%				
			12/1/27	5.00%				
			12/1/28	5.00%				
			12/1/29	5.00%				
			12/1/30	5.00%				
			12/1/22-12/1/24	4.00%				
			12/1/25	4.00%				
			12/1/26	5.00%				
			12/1/27	5.00%				
12/1/28	5.00%							
12/1/29	5.00%							
12/1/30	5.00%							
12/1/31	5.00%							
12/1/32	5.00%							
12/1/33	5.00%							
12/1/34	4.00%							
12/1/35	4.00%							
12/1/36	4.00%							
12/1/37	4.00%							
12/1/38-12/1/46	3.00%							
					2,850,000.00	170,000.00		5,940,000.00
								5,940,000.00
								460,000.00
								9,425,000.00

REF.

C

C-2

C-4

C

BOROUGH OF OCEANPORT

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2020	C	\$	3,066,187.36
Increased by:			
Improvement Authorizations	C-11	\$	<u>2,177,605.08</u>
			<u>2,177,605.08</u>
		\$	5,243,792.44
Decreased by:			
Cash Disbursements	C-2		<u>2,742,489.38</u>
			<u>2,742,489.38</u>
Balance, December 31, 2021	C	\$	<u><u>2,501,303.06</u></u>

"C-15"

BOROUGH OF OCEANPORT

GENERAL CAPITAL FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS

	<u>REF.</u>		
Balance, December 31, 2021 and December 31, 2020	C	\$	<u>3,478.24</u>

"C-16"

SCHEDULE OF RESERVE FOR DEBT SERVICE

Balance, December 31, 2020	C	\$	3,824,700.91
Increased by:			
Cash Receipts	C-2	\$	<u>2,378,881.81</u>
			<u>2,378,881.81</u>
Decreased by:		\$	<u>6,203,582.72</u>
Utilized as Revenue in Current Fund Budget	C-2		<u>3,762,736.17</u>
Balance, December 31, 2021	C	\$	<u>2,440,846.55</u>

"C-17"

SCHEDULE OF LEASE OBLIGATIONS PAYABLE

Balance, December 31, 2020	C	\$	37,000.00
Decreased by:			
Paid by Budget Appropriation			<u>7,000.00</u>
Balance, December 31, 2021	C	\$	<u>30,000.00</u>

"C-18"

BOROUGH OF OCEANPORT

GENERAL CAPITAL FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2020	C	\$	150,000.00
Cash Receipts	C-2		8,014,598.60
Cash Disbursements	C-2	\$	<u>7,864,598.60</u>

"C-19"

SCHEDULE OF DUE FROM FEDERAL AND STATE GRANT FUND

Balance, December 31, 2020	C		\$	40,143.85
Cash Receipts	C-2	\$	13,785.00	
Transfer from Federal and State Grant Fund	C-11		<u>26,358.85</u>	
				<u>40,143.85</u>

"C-20"

BOROUGH OF OCEANPORT

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT</u>	<u>BALANCE DECEMBER 31, 2021</u>
866	Construction, Repair, Rehabilitation of Stormwater Basins at Monmouth Park Racetrack	\$ 1,850,221.00
1038	General General Capital Improvements	380.00
		<u>\$ 1,850,601.00</u>

BOROUGH OF OCEANPORT

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH - TREASURER

	<u>REF.</u>	<u>P.A.T.F. 1</u>	<u>FUND TOTAL</u>
Balance, December 31, 2020 and 2021	E	\$ <u>5,000.00</u>	\$ <u>5,000.00</u>

BOROUGH OF OCEANPORT

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION
YEAR ENDED DECEMBER 31, 2020

	<u>REF.</u>	
Balance, December 31, 2020 and 2021	E-1	\$ <u><u>5,000.00</u></u>

<u>RECONCILIATION, DECEMBER 31, 2021</u>	<u>P.A.T.F. 1 ACCOUNT</u>	<u>TOTAL</u>
Balance on Deposit per Bank Statement	\$ <u>5,000.00</u>	\$ <u>5,000.00</u>
Balance, December 31, 2021	\$ <u><u>5,000.00</u></u>	\$ <u><u>5,000.00</u></u>

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PART II

BOROUGH OF OCEANPORT

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

	YEAR 2021		YEAR 2020	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,167,000.00	3.34%	\$ 1,035,000.00	3.48%
Miscellaneous - From Other Than Local Property Tax Levies	6,747,250.38	19.33%	3,441,786.27	11.58%
Collection of Delinquent Taxes and Tax Title Liens	220,901.11	0.63%	225,544.19	0.76%
Collection of Current Tax Levy	<u>26,776,793.52</u>	<u>76.70%</u>	<u>25,014,943.80</u>	<u>84.18%</u>
	<u>\$ 34,911,945.01</u>	<u>100.00%</u>	<u>\$ 29,717,274.26</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 12,617,958.98	38.72%	\$ 9,819,139.81	34.63%
Regional District School Tax	3,970,504.23	12.18%	3,914,702.24	13.80%
County Taxes	11,275,780.00	34.60%	10,221,218.00	36.04%
Open Space Trust Fund Taxes	287,765.86	0.88%	276,742.36	0.98%
Other Expenditures	<u>4,437,947.60</u>	<u>13.62%</u>	<u>4,126,007.87</u>	<u>14.55%</u>
Total Expenditures	<u>\$ 32,589,956.67</u>	<u>100.00%</u>	<u>\$ 28,357,810.28</u>	<u>100.00%</u>
Excess in Revenue	\$ 2,321,988.34		\$ 1,359,463.98	
Fund Balance, January 1	<u>4,649,646.20</u>		<u>4,325,182.22</u>	
	\$ 6,971,634.54		\$ 5,684,646.20	
Less: Utilization as Anticipated Revenue	<u>1,167,000.00</u>		<u>1,035,000.00</u>	
Fund Balance, December 31	<u>\$ 5,804,634.54</u>		<u>\$ 4,649,646.20</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>1.905</u>	<u>1.828</u>	<u>1.801</u>
Apportionment of Tax Rate:			
Municipal	0.486	0.483	0.493
Municipal Open Space	0.020	0.020	0.020
Local School	0.803	0.744	0.740
Regional School	0.316	0.298	0.289
County	0.280	0.283	0.259

ASSESSED VALUATION

2021	<u>\$1,404,066,226.00</u>	
2020		<u>\$1,374,727,744.00</u>
2019		<u>\$1,333,347,020.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTION</u>	<u>PERCENTAGE OF COLLECTIONS</u>
2021	\$27,024,960.86	\$26,776,793.52	99.08%
2020	\$25,271,218.86	\$25,014,943.80	98.99%
2019	\$24,192,505.19	\$23,934,458.89	98.93%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2021	\$76,577.58	\$230,366.72	\$306,944.30	1.14%
2020	\$70,451.08	\$220,901.11	\$291,352.19	1.15%
2019	\$64,685.56	\$229,416.50	\$294,102.06	1.22%

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 assessment valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2021	\$3,300.00
2020	\$3,300.00
2019	\$3,300.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>BALANCE</u>	<u>UTILIZED IN</u>	
<u>YEAR</u>	<u>DECEMBER 31</u>	<u>BUDGET OF</u>	
		<u>SUCCEEDING YEAR</u>	
Current Fund	2021	\$5,460,772.98	\$1,167,000.00
	2020	\$4,649,646.20	\$1,167,000.00
	2019	\$4,327,138.57	\$1,035,000.00
	2018	\$3,739,218.03	\$1,000,000.00
	2017	\$3,351,461.25	\$871,000.00

AVERAGE EQUALIZED VALUATIONS – REAL PROPERTY

<u>Year</u>	<u>Amount</u>
2021	\$1,423,829,472.00
2020	\$1,334,678,871.33
2019	\$1,279,559,778.33

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
John F. Coffey II	Mayor	*
Richard Gallo	Council President	*
Michael O'Brien	Councilman	*
William Deerin	Councilman	*
Brian Keeshen	Councilman	*
Thomas J. Tvrdik	Councilman	*
Meghan Walker	Councilwoman	*
Donna Phelps	Borough Administrator	*
Katie LaPorta	Chief Financial Officer	*
Peggy Warren	Tax Collector (to 4/30/21)	*
Jason Sutton	Tax Collector (from 5/1/21)	*
Jeanne Smith	Borough Clerk	*
John Butow	Tax Assessor	*
John Patti	Magistrate	*
Carol Smith	Court Administrator	*

*Borough employees are covered for \$50,000.00 under the Public Employees Dishonesty Coverage of the Monmouth County Joint Insurance Fund. In addition, Borough employees are covered by a public employee dishonesty and faithful performance bond in the amount of \$950,000.00 by the Municipal Excess Liability Joint Insurance Fund.

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COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

"Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding 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 amount set forth in, or the amount calculated by the Governor pursuant to Section 3 P.L. 1971 C. 198 (C. 40A:11-3), except by contract or agreement."

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent. The Borough appointed a Qualified Purchasing Agent and has elected to increase its bid threshold to \$44,000.00.

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

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

- Municipal Complex
- Solid Waste Disposal
- Road Improvements

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

The minutes indicate that resolutions authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 were advertised during 2020 for the following professional services:

- Auditor
- Attorney/Legal
- Architect
- Engineer
- Planner

GENERAL COMMENTS (CONTINUED)

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 7, 2021 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, by the Governing Body of the Borough of Oceanport that the Tax Collector is authorized to charge eight (8%) percent interest on delinquent taxes with a rate of 1/10th of One Percent (1%) for the first ten (10) days after each quarterly due date and Eight Percent (8%) for the first \$1,500 and Eighteen Percent (18%) on amounts in excess of the first \$1,500 of said delinquent taxes retroactive to the quarterly due date if paid after such ten (10) days.

BE IT FURTHER RESOLVED, by the Governing Body of the Borough of Oceanport, that a taxpayer who has a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of a calendar year the Tax Collector shall also collect a penalty of six (6) percent of the amount of the delinquency plus interest calculated to December 31st.

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 1, 2021 and was complete.

Inspection of Tax Sale Certificates on file revealed that all Tax Sale Certificates were available for audit.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2021	6
2020	6
2019	6

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

GENERAL COMMENTS (CONTINUED)

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>TYPE</u>	
Payments of 2022 Taxes	25
Payments of 2021 Taxes	25
Delinquent Taxes	25

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

None

