

Report of Audit
on the
Financial Statements
of the
City of Margate City
in the
County of Atlantic
New Jersey
for the
Year Ended
December 31, 2022

CITY OF MARGATE CITY

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CITY OF MARGATE CITY

PART I

INDEPENDENT AUDITOR'S REPORT ON
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AND SUPPLEMENTARY SCHEDULES AND DATA

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YEAR ENDED DECEMBER 31, 2022 AND 2021



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Board
of Commissioners
City of Margate City
County of Atlantic
Margate City, New Jersey 08402

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 City of Margate City (the "City"), as of and for the year ended December 31, 2022, the related statements of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City'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 City as of December 31, 2022, 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, 2022.

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, 2022, 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, 2022 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

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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 City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 City 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 City'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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City'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.

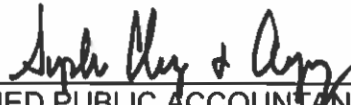
Prior Period Financial Statements

The financial statements of the City as of December 31, 2021, were audited by other auditors whose report dated June 14, 2022, expressed an adverse opinion on the financial statements as to the conformity of the financial statements with accounting principles generally accepted in the United States of America and an unmodified opinion on those financial statements in accordance with the basis of financial reporting prescribed by the Division.

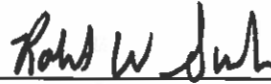
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



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REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 29, 2023



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

The Honorable Mayor and Board
of Commissioners
City of Margate City
County of Atlantic
Margate City, New Jersey 08402

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 City of Margate City, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's regulatory financial statements, and have issued our report thereon dated June 29, 2023. Our report disclosed that, as described in Note 1 to the financial statements, the City of Margate City 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 City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of City'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 City of Margate City'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.

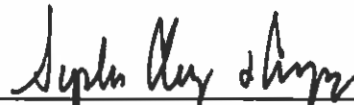
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

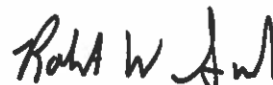
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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*. However, there was an immaterial instance of noncompliance which is discussed in Part II, General Comments and Recommendations section of the Audit Report.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Margate City'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 City of Margate City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

June 29, 2023

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CURRENT FUND

CITY OF MARGATE CITY

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
<u>ASSETS</u>			
Cash	A-4	\$ 14,402,235.41	\$ 12,797,801.49
Change Fund	A-6	850.00	750.00
		<u>\$ 14,403,085.41</u>	<u>\$ 12,798,551.49</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	\$ 627,799.33	\$ 626,481.89
Property Acquired for Taxes - Assessed Valuation	A-10	246,257.50	246,257.50
Revenue Accounts Receivable	A-13	3,227.06	4,663.90
Interfunds Receivable	A-12		0.26
	A	<u>\$ 877,283.89</u>	<u>\$ 877,403.55</u>
	A	<u>\$ 15,280,369.30</u>	<u>\$ 13,675,955.04</u>
Grant Fund			
Grants Receivable	A-29	\$ 33,298.23	\$ 82,381.09
Due Current Fund	A-11	<u>661,235.38</u>	<u>298,268.94</u>
	A	<u>\$ 694,533.61</u>	<u>\$ 380,650.03</u>
	A	<u>\$ 15,974,902.91</u>	<u>\$ 14,056,605.07</u>

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

CITY OF MARGATE CITY

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
Appropriation Reserves	A-3:A-14	\$ 1,640,431.78	\$ 1,593,267.04
Prepaid Taxes	A-18	1,384,203.20	1,367,924.92
Encumbrances Payable	A-21	715,121.76	395,308.35
Accounts Payable	A-22	34,026.00	
Tax Overpayments	A-17	8,042.62	63,060.91
Interfunds Payable	A-12	661,235.38	298,268.94
Reserve For:			
Transportation Program	A-28	7,223.89	
Prepaid Revenue	A-7	125,878.00	
Marriage Licenses Due State	A-19		50.00
Due State of New Jersey - Senior Citizens and Veterans	A-8	2,921.52	2,286.22
Premium on Tax Sale	A-15	249,900.00	151,500.00
Redemption of Outside Liens	A-16	6,480.34	0.80
Sale of Municipal Assets	A-27	159,307.73	6,961.10
State Tax Appeals	A-23	13,952.11	13,952.11
County Taxes Payable - Added	A-26	204,880.84	130,118.22
Elevator Inspections	A-24	4,211.00	3,203.00
		<u>\$ 5,217,816.17</u>	<u>\$ 4,025,901.61</u>
Reserve for Receivables and Other Assets	A	877,283.89	877,403.55
Fund Balance	A-1	<u>9,185,269.24</u>	<u>8,772,649.88</u>
	A	<u>\$ 15,280,369.30</u>	<u>\$ 13,675,955.04</u>
Grant Fund:			
Reserve for Grants - Appropriated	A-30	\$ 78,541.02	\$ 35,301.95
Reserve for Encumbrances Payable	A-32		38,407.55
Unappropriated Reserves	A-31	<u>615,992.59</u>	<u>306,940.53</u>
	A	<u>\$ 694,533.61</u>	<u>\$ 380,650.03</u>
	A	<u>\$ 15,974,902.91</u>	<u>\$ 14,056,605.07</u>

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

CITY OF MARGATE CITY

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

		YEAR ENDED DECEMBER 31, 2022	YEAR ENDED DECEMBER 31, 2021
<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>REF.</u>		
Fund Balance Utilized	A-1:A-2	\$ 4,335,000.00	\$ 3,913,000.00
Miscellaneous Revenue Anticipated	A-2	4,166,318.16	4,011,019.25
Receipts From Delinquent Taxes	A-2	626,446.08	483,220.74
Receipts From Current Taxes	A-2	60,784,818.46	58,790,728.11
Non-Budget Revenue	A-2	574,305.66	384,616.40
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	1,605,660.82	1,963,796.62
Reserve for Tax Overpayments Canceled	A-17	2,151.04	
Grant Reserves Canceled	A-30	20,451.95	
Interfunds Returned		0.26	80.00
<u>TOTAL REVENUE AND OTHER INCOME</u>		<u>\$ 72,115,152.43</u>	<u>\$ 69,546,461.12</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations Within "CAPS"	A-3	\$ 20,968,403.52	\$ 20,514,497.96
Deferred Charges and Regulatory Expenditures - Municipal	A-3	3,752,622.48	3,502,363.01
Other Operations Excluded From "CAPS"	A-3	1,677,018.11	1,513,309.27
Municipal Debt Service	A-3	4,802,889.57	4,817,002.62
Capital Improvements	A-3	325,000.00	250,000.00
Type I School Debt Service	A-3	1,406,393.75	1,469,537.50
County Tax	A-26	23,627,676.12	22,242,259.57
County Share of Added Taxes	A-26	204,880.84	130,118.22
Local District School Tax	A-25	10,498,077.00	10,498,077.00
Refund of Prior Year Revenue	A-4	88,916.00	
Grant Receivables Canceled	A-29	15,655.68	7,235.50
<u>TOTAL EXPENDITURES</u>		<u>\$ 67,367,533.07</u>	<u>\$ 64,944,400.65</u>
Excess in Revenue		\$ 4,747,619.36	\$ 4,602,060.47
Fund Balance, January 1	A	\$ 8,772,649.88	\$ 8,083,589.41
		\$ 13,520,269.24	\$ 12,685,649.88
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	4,335,000.00	3,913,000.00
Fund Balance, December 31	A	<u>\$ 9,185,269.24</u>	<u>\$ 8,772,649.88</u>

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

CITY OF MARGATE CITY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2022

	REF.	ANTICIPATED BUDGET	NJSA 40A: 4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	\$ 4,335,000.00		\$ 4,335,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-13	\$ 8,500.00	\$	\$ 9,684.00	\$ 1,184.00
Other	A-2	7,000.00		7,185.00	185.00
Fees and Permits:					
Construction Code Official	A-13	400,000.00		677,824.00	277,824.00
Other	A-2	200,000.00		244,907.91	44,907.91
Municipal Court:					
Fines and Costs	A-13	65,000.00		86,711.68	21,711.68
Interest and Costs on Taxes	A-13	125,000.00		155,041.72	30,041.72
Interest on Investments and Deposits	A-13	40,000.00		181,984.88	141,984.88
Beach Fees	A-13	400,000.00		434,410.00	34,410.00
Cable TV Franchise Fee	A-13	61,000.00		67,711.86	6,711.86
Anticipated Utility Operating Surplus	A-13	100,000.00		100,000.00	
Energy Receipts Tax	A-13	764,475.00		764,475.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-29	5,231.09		5,231.09	
Body Armor Replacement Fund	A-29	1,516.77		1,516.77	
Recycling Tonnage Program	A-29	10,010.76		10,010.76	
ARP- Firefighters Grant	A-29		27,000.00	27,000.00	
Clean Communities	A-29		32,487.72	32,487.72	
Utility Operating Surplus of Prior Year	A-13	200,000.00		200,000.00	
Uniform Fire Safety Act	A-13	11,000.00		14,675.05	3,675.05
Capital Surplus	A-13	68,815.83		68,815.83	
Ambulance Billing	A-13	149,000.00		215,997.16	66,997.16
Recreation Fees	A-13	101,000.00		215,647.73	114,647.73
Reserve for Debt Service	A-13	645,000.00		645,000.00	
<u>Total Miscellaneous Revenues</u>	A-1	\$ 3,362,549.45	\$ 59,487.72	\$ 4,166,318.16	\$ 744,280.99
Receipts From Delinquent Taxes	A-1:A-9	\$ 550,000.00		\$ 626,446.08	\$ 76,446.08
Amt. to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-9	\$ 23,769,250.45			
Local Tax for Municipal Library Purposes	A-9	1,584,464.00			
Local Tax for School Purposes	A-9	1,406,500.00			
	A-2	\$ 26,760,214.45		\$ 28,580,792.01	\$ 1,820,577.56
<u>BUDGET TOTALS</u>		\$ 35,007,763.90	\$ 59,487.72	\$ 37,708,556.25	\$ 2,641,304.63
Non-Budget Revenues	A-2			574,305.66	574,305.66
		\$ 35,007,763.90	\$ 59,487.72	\$ 38,282,861.91	\$ 3,215,610.29
	REF.	A-3	A-3		

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

CITY OF MARGATE CITY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2022

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Revenue From Collections	A-1:A:9	\$ 60,784,818.46
Allocated To:		
County Taxes	A-9	\$ 23,832,556.96
Local District School Taxes	A-9	10,498,077.00
Balance for Support of Municipal Budget Appropriations		\$ 26,454,184.50
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	2,126,607.51
Amount for Support of Municipal Budget Appropriations	A-2	\$ 28,580,792.01
Licenses - Other:		
Clerk		\$ 7,161.00
Registrar		24.00
	A-2:A-13	\$ 7,185.00
Other Fees and Permits:		
Clerk		\$ 75.00
Registrar		2,650.00
Building		209,666.00
Police		55.00
Dumpster		11,235.91
Planning/Zoning		17,850.00
Fire Safety		216.00
Tax Lists		3,270.00
		\$ 245,017.91
Less: Refunds		110.00
	A-2:A-13	\$ 244,907.91

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

CITY OF MARGATE CITY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2022

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Payment in Lieu of Taxes (PILOT)	\$	39,600.00
Lease of Land		24,773.46
Longport Shared Court		94,800.00
Beach Donation		24,150.00
Ice Cream Vending		85,000.00
Cell Tower Rent		167,692.56
Refund of Prior Year Costs		71,373.13
Parking fees		37,809.33
Elevator Inspection Shared Service		15,324.40
Senior Citizens and Veterans Administrative Fee		1,067.01
Scrap Metal/Salavage		7,191.40
State DMV Inspections		200.00
Miscellaneous/ Refunds/Reimbursements		5,047.00
Tax Collector		277.37
		<hr/>
<u>Total Non-Budget Revenue</u>	A-1:A-2	\$ <u>574,305.66</u>

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

CITY OF MARGATE CITY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
DIRECTOR'S OFFICE OF PUBLIC SAFETY:					
Salaries and Wages	\$ 29,000.00	\$ 29,000.00	\$ 28,758.00	\$ 242.00	\$
Other Expenses	1,000.00	1,000.00		1,000.00	
POLICE:					
Salaries and Wages	4,347,250.00	4,347,250.00	4,189,262.43	157,987.57	
Other Expenses	130,000.00	130,000.00	125,829.20	4,170.80	
FIRE:					
Salaries and Wages	4,056,448.00	4,046,448.00	3,965,646.41	80,801.59	
Other Expenses	135,000.00	145,000.00	144,825.45	174.55	
FIRE SAFETY OFFICIAL:					
Other Expenses	6,600.00	6,600.00	6,468.06	131.94	
LIFEGUARDS:					
Salaries and Wages	512,000.00	493,230.52	493,230.52		
Other Expenses	40,500.00	40,500.00	38,637.09	1,862.91	
BEACHFRONT MAINTENANCE:					
Salaries and Wages	130,000.00	125,000.00	99,661.75	25,338.25	
Other Expenses	17,500.00	22,500.00	22,460.93	39.07	
PLANNING BOARD:					
Salaries and Wages	130,000.00	130,000.00	129,449.06	550.94	
Other Expenses	50,150.00	50,150.00	24,028.74	26,121.26	
EMERGENCY MANAGEMENT SERVICES:					
Salaries and Wages	7,725.00	7,725.00	7,725.00		
Other Expenses	17,950.00	17,950.00	10,400.99	7,549.01	
MUNICIPAL COURT:					
Salaries and Wages	261,800.00	266,800.00	263,628.99	3,171.01	
Other Expenses	20,000.00	15,000.00	5,827.61	9,172.39	
LEGAL SERVICES COST:					
Other Expenses	219,000.00	219,000.00	217,267.50	1,732.50	
PUBLIC DEFENDER:					
Other Expenses	5,800.00	5,800.00	5,050.00	750.00	
MUNICIPAL PROSECUTOR:					
Salaries and Wages	35,000.00	35,000.00	34,999.90	0.10	
DOG REGULATION:					
Other Expenses	9,200.00	9,200.00	8,700.00	500.00	
REVENUE AND FINANCE DIRECTORS OFFICE:					
Salaries and Wages	370,000.00	355,000.00	334,835.67	20,164.33	
Other Expenses	48,800.00	63,800.00	61,633.00	2,167.00	
FINANCIAL ADMINISTRATION:					
Salaries and Wages	80,000.00	80,000.00	75,149.36	4,850.64	
Other Expenses	258,200.00	258,200.00	243,595.25	14,604.75	
Audit	39,000.00	39,000.00	35,500.00	3,500.00	
ASSESSMENT OF TAXES:					
Salaries and Wages	200,500.00	200,500.00	182,725.11	17,774.89	
Other Expenses	97,300.00	97,300.00	59,324.68	37,975.32	
COLLECTION OF TAXES:					
Salaries and Wages	104,500.00	104,500.00	104,369.98	130.02	
Other Expenses	11,700.00	12,400.00	11,838.48	561.52	
CITY CLERK:					
Salaries and Wages	145,000.00	147,600.00	147,564.73	35.27	
Other Expenses	47,250.00	44,650.00	36,968.09	7,681.91	
ELECTIONS:					
Other Expenses	8,000.00	8,000.00	7,790.09	209.91	
INSURANCE:					
General Liability	420,000.00	420,000.00	277,113.22	142,886.78	
Workers Compensation Insurance	512,000.00	512,000.00	510,697.57	1,302.43	
Employee Group Health	2,139,500.00	2,134,500.00	1,596,759.63	537,740.37	
Health Benefit Waiver	70,000.00	75,000.00	74,856.20	143.80	
BUILDING & GROUNDS :					
Salaries and Wages	63,100.00	63,100.00	61,821.17	1,278.83	
Other Expenses	586,650.00	586,650.00	580,584.45	6,065.55	
DIRECTORS OFFICE:					
Salaries and Wages	29,000.00	29,000.00	28,758.00	242.00	
Other Expenses	10,500.00	10,500.00	1,394.21	9,105.79	
STREET REPAIRS AND MAINTENANCE:					
Salaries and Wages	1,269,900.00	1,269,900.00	1,233,065.58	36,834.42	
Other Expenses	238,300.00	238,300.00	167,029.28	71,270.72	
CITY ENGINEER:					
Other Expenses	75,000.00	75,000.00	74,240.00	760.00	
RUBBISH REMOVAL:					
Other Expenses	949,300.00	949,300.00	836,321.27	112,978.73	
RECREATION:					
Salaries and Wages	471,000.00	471,000.00	465,287.39	5,712.61	
Other Expenses	211,650.00	211,650.00	205,053.08	6,596.92	
PAVILION:					
Salaries and Wages	167,000.00	167,000.00	158,418.00	8,582.00	
Other Expenses	43,200.00	43,200.00	34,823.22	8,376.78	

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

CITY OF MARGATE CITY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
CELEBRATION OF PUBLIC EVENTS:					
Other Expenses	150,000.00	150,000.00	141,932.51	8,067.49	
TECHNOLOGY:					
Salaries and Wages	180,000.00	180,000.00	180,000.00		
Other Expenses	190,000.00	190,000.00	188,935.94	1,064.06	
UNIFORM CONSTRUCTION CODE					
STATE UNIFORM CONSTRUCTION CODE					
ENFORCEMENT (CODE OFFICIAL):					
Salaries and Wages	41,000.00	41,000.00	38,479.00	2,521.00	
CONSTRUCTION OFFICIAL:					
Salaries and Wages	428,500.00	428,500.00	419,529.74	8,970.26	
Other Expenses	73,500.00	73,500.00	64,134.93	9,365.07	
UNCLASSIFIED					
Payment of Ambulance Bills	25,000.00	25,000.00	25,000.00		
Sick and Retirement Payments	100,000.00	100,000.00	100,000.00		
Feasibility Studies	20,000.00	20,000.00		20,000.00	
General Office Operations	58,500.00	57,800.00	45,983.66	11,816.34	
Employee Wellness	10,000.00	10,000.00	9,969.53	30.47	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	245,000.00	245,000.00	240,055.88	4,944.12	
Street Lighting	230,000.00	230,000.00	210,101.05	19,898.95	
Telephone	109,000.00	109,000.00	91,855.40	17,144.60	
Natural Gas	95,000.00	95,000.00	72,852.87	22,147.13	
Gasoline/Diesel	125,000.00	176,200.00	170,455.86	5,744.14	
TOTAL OPERATIONS WITHIN "CAPS"	\$ 20,908,773.00	\$ 20,941,203.52	\$ 19,428,660.71	\$ 1,512,542.81	\$
Contingent	50,000.00	27,200.00	27,101.25	98.75	
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	\$ 20,958,773.00	\$ 20,968,403.52	\$ 19,455,761.96	\$ 1,512,641.56	\$
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS"					
STATUTORY EXPENDITURES					
CONTRIBUTION TO:					
Public Employees' Retirement System of NJ (PERS)	\$ 930,434.00	\$ 902,034.00	\$ 861,340.32	\$ 40,693.68	\$
Social Security System (O.A.S.I.)	520,000.00	520,000.00	475,505.00	44,495.00	
Police & Firemen's Retirement System of NJ(PFRS)	2,131,819.00	2,131,819.00	2,131,819.00		
Unemployment Compensation Insurance	60,000.00	60,000.00	33,497.75	26,502.25	
Contribution to Lifeguard Pension	100,000.00	118,769.48	118,769.48		
Defined Contribution Retirement Program(DCRP)	20,000.00	20,000.00	8,900.71	11,099.29	
	3,762,253.00				
TOTAL DEFERRED CHARGES & STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	\$ 3,762,253.00	\$ 3,752,622.48	\$ 3,629,832.26	\$ 122,790.22	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 24,721,026.00	\$ 24,721,026.00	\$ 23,085,594.22	\$ 1,635,431.78	\$
OPERATIONS EXCLUDED FROM "CAPS"					
Recycling Tax-Other Expenses	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$	\$
Maintenance of Free Public Library O/E	1,584,464.00	1,584,464.00	1,584,464.00		
TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"	\$ 1,594,464.00	\$ 1,594,464.00	\$ 1,594,464.00		
STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES					
Municipal Alliance on Alcoholism and Drug Abuse	\$	\$	\$	\$	\$
State/County Share	5,231.09	5,231.09	5,231.09		
Local Share	1,307.77	1,307.77	1,307.77		
American Rescue Fire Fighter Grant (N.J.S.A. 40A:4-87 + \$27,000.00)		27,000.00	27,000.00		
Recycling Tonnage Grant	10,010.76	10,010.76	10,010.76		
Body Armor Replacement Fund	1,516.77	1,516.77	1,516.77		
Matching Funds of Grants	5,000.00	5,000.00		5,000.00	
Clean Communities Act (N.J.S.A. 40A:4-87 + \$32,487.72)		32,487.72	32,487.72		
TOTAL FOR STATE AND FEDERAL PROGRAMS OFFSE\$	23,066.39	82,554.11	77,554.11	5,000.00	\$
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	\$ 1,617,530.39	\$ 1,677,018.11	\$ 1,672,018.11	\$ 5,000.00	\$

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

CITY OF MARGATE CITY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$	\$
Purchase of Equipment	125,000.00	125,000.00	125,000.00		
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	\$ 325,000.00	\$ 325,000.00	\$ 325,000.00	\$	\$
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 3,850,000.00	\$ 3,850,000.00	\$ 3,850,000.00	\$	\$
Interest on Bonds	788,000.00	788,000.00	780,362.50		7,637.50
Interest on Notes	135,700.00	135,700.00	135,248.26		451.74
Green Trust Loan Program:					
Loan Repayments for Principal and Interest (Public Library Park)	9,400.00	9,400.00	9,327.47		72.53
Jerome Ave Facility	28,000.00	28,000.00	27,951.34		48.66
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	\$ 4,811,100.00	\$ 4,811,100.00	\$ 4,802,889.57	\$	\$ 8,210.43
TYPE I DISTRICT SCHOOL DEBT SERVICE:					
Payment of Bond Principal	\$ 1,340,000.00	\$ 1,340,000.00	\$ 1,340,000.00	\$	\$
Interest on Bonds	66,500.00	66,500.00	66,393.75		106.25
TOTAL TYPE I DISTRICT SCHOOL DEBT SERVICE:	\$ 1,406,500.00	\$ 1,406,500.00	\$ 1,406,393.75	\$	\$ 106.25
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 8,160,130.39	\$ 8,219,618.11	\$ 8,206,301.43	\$ 5,000.00	\$ 8,316.68
SUBTOTAL GENERAL APPROPRIATIONS	\$ 32,881,156.39	\$ 32,940,644.11	\$ 31,291,895.65	\$ 1,640,431.78	\$ 8,316.68
RESERVE FOR UNCOLLECTED TAXES	\$ 2,126,607.51	\$ 2,126,607.51	\$ 2,126,607.51	\$	\$
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 35,007,763.90</u>	<u>\$ 35,067,251.62</u>	<u>\$ 33,418,503.16</u>	<u>\$ 1,640,431.78</u>	<u>\$ 8,316.68</u>
	A-2:A-3	A-3	A-1:A-3	A:A-1	
Budget		\$ 35,007,763.90			
Appropriation by 40A:4-87		59,487.72			
		<u>\$ 35,067,251.62</u>			
Reserve for Encumbrances Payable			\$ 715,121.76		
Reserve for Grants Appropriated			77,554.11		
Reserve for Uncollected Taxes			2,126,607.51		
Disbursements			32,611,658.89		
			<u>\$ 35,530,942.27</u>		
Less: Refunds			2,112,439.11		
			<u>\$ 33,418,503.16</u>		

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

TRUST FUND

"B"

CITY OF MARGATE CITY

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
Animal Control Fund:			
Cash	B:B-1	\$ <u>700.40</u>	\$ <u>533.80</u>
Other Funds:			
Cash	B:B-1	\$ <u>1,457,357.86</u>	\$ <u>1,179,806.23</u>
		\$ <u>1,458,058.26</u>	\$ <u>1,180,340.03</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due State of New Jersey	B-5	1.20	
Reserve for Animal Control Expenditures	B-4	\$ <u>699.20</u>	\$ <u>533.80</u>
	B	\$ <u>700.40</u>	\$ <u>533.80</u>
Other Funds:			
Reserves For:			
Various Deposits	B-3	\$ 526,599.80	\$ 321,881.81
Pension Plan for Life Guards	B-8	740,323.32	672,878.32
Law Enforcement Trust Fund - State	B-9	11,343.19	11,301.22
Law Enforcement Trust Fund - Federal	B-10	2,162.25	2,154.26
Payroll Deductions Payable	B-7	157,579.39	154,165.45
Recreation Deposits	B-6	19,349.91	17,425.17
	B	\$ <u>1,457,357.86</u>	\$ <u>1,179,806.23</u>
		\$ <u>1,458,058.26</u>	\$ <u>1,180,340.03</u>

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

GENERAL CAPITAL FUND

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2022	BALANCE DECEMBER 31, 2021
<u>ASSETS</u>			
Cash	C-2;C-3	\$ 6,875,535.71	\$ 5,603,606.51
Deferred Charges to Future Taxation:			
Funded	C-4	25,871,605.74	31,094,458.83
Unfunded	C-5	24,379,681.23	14,555,169.02
		<u>\$ 57,126,822.68</u>	<u>\$ 51,253,234.36</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-10	\$ 23,950,000.00	\$ 27,800,000.00
Type I School Bonds Payable	C-11	1,725,000.00	3,065,000.00
Green Trust Loan Payable	C-13	196,605.74	229,458.83
Bond Anticipation Notes Payable	C-15	14,600,000.00	10,850,000.00
Due Water and Sewer Capital Fund	C-7	2,007,959.65	1,070,326.44
Due Current Fund	C-14		0.26
Improvement Authorizations:			
Funded	C-8		69,382.05
Unfunded	C-5;C-8	5,923,348.33	2,536,205.44
Reserve for:			
Contracts Payable	C-9	5,835,825.38	2,161,341.93
Capital Improvement Fund	C-6	81,500.00	101,500.00
Pay Bonds and Notes	C-12	2,706,583.58	3,201,203.58
Fund Balance	C-1	100,000.00	168,815.83
		<u>\$ 57,126,822.68</u>	<u>\$ 51,253,234.36</u>

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

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2021	C	\$	168,815.83
Decreased by:			
Disbursements - Current Anticipated Revenue	C-2		<u>68,815.83</u>
Balance, December 31, 2022	C	\$	<u><u>100,000.00</u></u>

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

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WATER AND SEWER UTILITY FUND

CITY OF MARGATE CITY
WATER AND SEWER UTILITY FUND
BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
OPERATING FUND:			
Cash	D-5	\$ 3,327,795.36	\$ 2,941,034.50
Change Fund	D-15	<u>100.00</u>	<u>100.00</u>
		\$ <u>3,327,895.36</u>	\$ <u>2,941,134.50</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D:D-6	\$ <u>94,916.81</u>	\$ <u>115,755.99</u>
<u>TOTAL OPERATING FUND</u>	D	\$ <u>3,422,812.17</u>	\$ <u>3,056,890.49</u>
CAPITAL FUND:			
Fixed Capital	D-27	\$ 6,561,519.68	\$ 6,561,519.68
Fixed Capital - Authorized and Uncomplete	D-23	16,161,636.99	12,623,282.65
Due General Capital Fund	D-18	2,007,959.65	1,070,326.44
Due Water and Sewer Utility Fund	D-17	<u>14,946.28</u>	<u>14,946.28</u>
<u>TOTAL CAPITAL FUND</u>	D	\$ <u>24,746,062.60</u>	\$ <u>20,270,075.05</u>
		\$ <u><u>28,168,874.77</u></u>	\$ <u><u>23,326,965.54</u></u>

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

CITY OF MARGATE CITY

WATER AND SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
OPERATING FUND:			
Liabilities:			
Appropriation Reserves	D-4:D-12	\$ 222,747.76	\$ 171,466.90
Reserve for Accounts Payable	D-7		7,900.00
Reserve for Encumbrances Payable	D-7	145,116.94	146,514.37
Due Water and Sewer Capital Fund	D-11	14,946.28	14,946.28
Accrued Interest on Bonds	D-9	70,178.01	76,328.01
Accrued Interest on Notes	D-10	18,591.59	
Prepaid Water and Sewer Rents	D-13		77,711.03
Water and Sewer Overpayments	D-14	41,206.79	52,920.11
Reserve for Water Meter Installation	D-8	486,219.78	420,796.33
		<u>\$ 999,007.15</u>	<u>\$ 968,583.03</u>
Reserve for Receivables	D	94,916.81	115,755.99
Fund Balance	D-1	<u>2,328,888.21</u>	<u>1,972,551.47</u>
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 3,422,812.17</u>	<u>\$ 3,056,890.49</u>
CAPITAL FUND:			
Bonds Payable	D-21	\$ 7,060,000.00	\$ 7,590,000.00
Bond Anticipation Notes Payable	D-22	5,400,000.00	4,400,000.00
Contracts Payable	D-19	1,493,550.60	868,323.91
Reserve to Pay Bond Anticipation Notes	D-25	96,584.00	40,964.00
Reserve to Pay Bonds	D-26	135,110.14	135,110.14
Improvement Authorizations- Unfunded	D-20	4,017,921.94	1,222,781.08
Reserve for Amortization	D-16	6,398,041.69	5,868,041.69
		<u>\$ 24,601,208.37</u>	<u>\$ 20,125,220.82</u>
Fund Balance	D-2	<u>144,854.23</u>	<u>144,854.23</u>
<u>TOTAL CAPITAL FUND</u>	D	<u>\$ 24,746,062.60</u>	<u>\$ 20,270,075.05</u>
		<u>\$ 28,168,874.77</u>	<u>\$ 23,326,965.54</u>

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

CITY OF MARGATE CITY

WATER AND SEWER UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED DECEMBER 31, 2022</u>	<u>YEAR ENDED DECEMBER 31, 2021</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-1:D-3	\$ 243,130.00	\$ 372,800.00
Water and Sewer Rents	D-3	5,268,421.39	5,220,616.83
Miscellaneous Revenue	D-3	18,691.19	29,433.43
Miscellaneous Revenue not Anticipated	D-3	57,188.15	6,192.05
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-12	<u>266,166.01</u>	<u>431,659.04</u>
<u>TOTAL INCOME</u>		<u>\$ 5,853,596.74</u>	<u>\$ 6,060,701.35</u>
<u>EXPENDITURES</u>			
Operating	D-4	\$ 4,051,766.20	\$ 3,957,800.00
Debt Service	D-4	767,363.80	702,727.59
Deferred Charges and Regulatory Expenditures	D-4	135,000.00	135,000.00
Surplus (General Budget)	D-4	<u>100,000.00</u>	<u>100,000.00</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 5,054,130.00</u>	<u>\$ 4,895,527.59</u>
Excess in Revenue		\$ 799,466.74	\$ 1,165,173.76
Fund Balance, January 1	D:D-1	<u>1,972,551.47</u>	<u>1,380,177.71</u>
		\$ 2,772,018.21	\$ 2,545,351.47
Decreased by:			
Anticipated Revenue Current Fund	D-5	200,000.00	200,000.00
Utilization as Anticipated Revenue	D-1:D-3	<u>243,130.00</u>	<u>372,800.00</u>
Fund Balance, December 31	D:D-1	<u>\$ 2,328,888.21</u>	<u>\$ 1,972,551.47</u>

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

CITY OF MARGATE CITY
WATER AND SEWER UTILITY CAPITAL FUND
STATEMENT OF WATER AND SEWER CAPITAL FUND BALANCE-REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2021 and December 31, 2022	D	\$ <u>144,854.23</u>

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

CITY OF MARGATE CITY
WATER AND SEWER UTILITY FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS</u>
Fund Balance Utilized	D-1	\$ 243,130.00	\$ 243,130.00	\$
Water and Sewer Rents	D-1	4,800,000.00	5,268,421.39	468,421.39
Miscellaneous	D-1:D-3:D-5	<u>11,000.00</u>	<u>18,691.19</u>	<u>7,691.19</u>
<u>BUDGET TOTALS</u>	D-4	\$ 5,054,130.00	\$ 5,530,242.58	\$ 476,112.58
Non-Budget Revenue	D-1:D-3:D-5		<u>57,188.15</u>	<u>57,188.15</u>
		<u>\$ 5,054,130.00</u>	<u>\$ 5,587,430.73</u>	<u>\$ 533,300.73</u>

ANALYSIS OF MISCELLANEOUS REVENUE ANTICIPATED

Miscellaneous:	
Pool Drains	\$ 9,200.00
Fire Hydrants	9,229.80
Miscellaneous	<u>261.39</u>
D-1:D-3:D-5	<u>\$ 18,691.19</u>

MISCELLANEOUS REVENUE NOT ANTICIPATED

Interest on Utility Charges	12,831.78
Interest on Investments and Deposits	40,824.66
Fire Protection	3,100.00
Cost of Sale	<u>431.71</u>
D-1:D-3:D-5	<u>57,188.15</u>

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

CITY OF MARGATE CITY
WATER AND SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
<u>OPERATING:</u>				
Salaries and Wages	\$ 1,497,200.00	\$ 1,497,200.00	\$ 1,479,139.09	\$ 18,060.91
Other Expenses	1,183,368.00	1,171,104.20	1,030,822.35	140,281.85
Atlantic County Utilities Authority:				
Other Expenses - shared costs	1,383,462.00	1,383,462.00	1,319,057.00	64,405.00
<u>TOTAL OPERATING</u>	<u>\$ 4,064,030.00</u>	<u>\$ 4,051,766.20</u>	<u>\$ 3,829,018.44</u>	<u>\$ 222,747.76</u>
<u>DEBT SERVICE:</u>				
Payment of Bond Principal	\$ 530,000.00	\$ 530,000.00	\$ 530,000.00	\$
Interest on Bonds	170,100.00	163,925.00	163,925.00	
Interest on Notes	55,000.00	73,438.80	73,438.80	
	<u>\$ 755,100.00</u>	<u>\$ 767,363.80</u>	<u>\$ 767,363.80</u>	<u>\$</u>
<u>STATUTORY EXPENDITURES:</u>				
Statutory Expenditures:				
Social Security System (O.A.S.I.)	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00	\$
State Unemployment Insurance	15,000.00	15,000.00	15,000.00	
	<u>\$ 135,000.00</u>	<u>\$ 135,000.00</u>	<u>\$ 135,000.00</u>	<u>\$</u>
 SURPLUS (General Budget)	 \$ 100,000.00	 \$ 100,000.00	 \$ 100,000.00	 \$
	<u>\$ 5,054,130.00</u>	<u>\$ 5,054,130.00</u>	<u>\$ 4,831,382.24</u>	<u>\$ 222,747.76</u>
 REF.	 D-3		 D-1	 D:D-1
Disbursements	D-5		\$ 4,448,901.50	
Reserve for Encumbrances Payable	D-7		145,116.94	
Reserve for Accrued Interest on Bonds	D-9		237,363.00	
			<u>\$ 4,831,381.44</u>	

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

CITY OF MARGATE CITY
STATEMENT OF GENERAL FIXED ASSETS
BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2022</u>	BALANCE DECEMBER <u>31, 2021</u>
FIXED ASSETS		
Land	\$ 50,903,100.00	\$ 50,903,100.00
Buildings	20,305,016.00	20,301,209.00
Machinery and Equipment	<u>11,051,133.98</u>	<u>10,634,751.10</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 82,259,249.98</u>	<u>\$ 81,839,060.10</u>
 RESERVE		
Investments in General Fixed Assets	<u>\$ 82,259,249.98</u>	<u>\$ 81,839,060.10</u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF MARGATE CITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022 AND 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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 City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Except as noted below, the financial statements of the City include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the City 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 City of Margate City 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 City of Margate City are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity. As required by the Division of Local Government Services, the City 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 disbursements of funds in accordance with the purpose of which each reserve was created.

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

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

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

C. Basis of Accounting

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

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

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 City's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

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

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

Foreclosed Property - 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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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 City as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$2,500.00 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. No depreciation has been provided on general fixed assets or reported in the financial statements.

The City has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the City's most recent property revaluation. Buildings are stated at the most recent insurance replacement value. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

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

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

Inventories of Supplies - the cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital – Water & Sewer Utility

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

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

Accounting and Financial Reporting for Pensions - The Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement 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.

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pensions & Benefits' reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2022 for PFRS was not available, therefore the information dated June 30, 2021 is disclosed

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

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

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

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pensions & Benefits' reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2022 was not available, therefore the information dated June 30, 2021 is disclosed.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The City 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 the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The City considers petty cash, change funds, cash in banks 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 City of Margate City had the following cash and cash equivalents at December 31, 2022:

	Change Fund	Cash in Bank	Additions	Deletions	Reconciled Balance
Current Fund	\$850.00	\$14,349,392.03	\$168,253.77	\$115,410.39	\$14,403,085.41
Animal Control Fund		700.40			700.40
Trust Other Fund		1,462,118.04	776.25	5,536.43	1,457,357.86
General Capital Fund		6,989,552.96		114,017.25	6,875,535.71
Water and Sewer Utility Fund	100.00	3,338,214.57	7,073.06	17,492.27	3,327,895.36
	<u>\$950.00</u>	<u>\$26,139,978.00</u>	<u>\$176,103.08</u>	<u>\$252,456.34</u>	<u>\$26,064,574.74</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The City does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. Of the cash on balance in the bank at December 31, 2022, \$250,000.00 was covered by Federal Depository Insurance, \$23,534,061.30 is invested in NJ ARM and is uninsured and uncollateralized, and \$2,355,916.70 was covered by NJ GUDPA. The City has no foreign currency risk exposure.

B. Investments

The purchase of investments by the City 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:

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

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

The City has investments in NJ ARM in the amount of \$23,534,061.30.

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

NOTE 3: LONG-TERM 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 statutory period of usefulness. All bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. 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.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Issued:			
Bonds Notes and Loans:			
General*	\$40,471,605.74	\$31,094,458.83	\$36,273,357.86
Water and Sewer Utility	<u>12,460,000.00</u>	<u>7,590,000.00</u>	<u>8,090,000.00</u>
Total Issued	<u>\$52,931,605.74</u>	<u>\$38,684,458.83</u>	<u>\$44,363,357.86</u>
Less:			
Reserve to Pay Bonds & Notes	\$2,706,583.58	\$3,201,203.58	\$3,317,686.83
Cash on Hand to Pay Notes	<u>83,222.13</u>		
Total Net Debt Issued	<u>\$50,141,800.03</u>	<u>\$35,483,255.25</u>	<u>\$41,045,671.03</u>
Authorized But Not Issued:			
Bond and Notes:			
General*	\$9,862,903.36	\$3,705,169.02	\$4,449,592.91
Water and Sewer Utility	<u>3,865,114.98</u>	<u>1,326,760.64</u>	<u>1,380,760.64</u>
	<u>13,728,018.34</u>	<u>5,031,929.66</u>	<u>5,830,353.55</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$63,869,818.37</u>	<u>\$40,515,184.91</u>	<u>\$46,876,024.58</u>

* General Debt includes Type I School Debt

SUMMARY OF STATUTORY DEBT CONDITION
ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .804%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$ 8,025,762.25	\$ 8,025,762.25	\$
Water and Sewer Utility Debt	16,325,114.98	16,325,114.98	
General Debt	<u>42,308,746.85</u>	<u>2,789,805.71</u>	<u>39,518,941.14</u>
	<u>\$ 66,659,624.08</u>	<u>\$ 27,140,682.94</u>	<u>\$ 39,518,941.14</u>

NET DEBT \$39,518,941.14 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2, AS AMENDED, \$4,916,877,142.00 EQUALS .804%

NOTE 3: LONG-TERM DEBT (CONTINUED)

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

Equalized Valuation Basis* - December 31, 2022	<u>\$4,916,877,142.00</u>
3-1/2 of Equalized Valuation Basis (Municipal)	\$172,090,699.97
Net Debt	<u>39,518,941.14</u>
Remaining Borrowing Power	<u>\$132,571,758.83</u>

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

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

Revenue from Fees, Rents, and Other Charges for Year and Fund Balance		\$5,587,430.73
Deductions:		
Operating and Maintenance Cost	\$4,186,766.20	
Debt Service per Water and Sewer Account	<u>767,363.80</u>	
Total Deductions		<u>4,954,130.00</u>
Excess in Revenue - Self Liquidating		<u>\$633,300.73</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

LONG-TERM DEBT

General Serial Bonds:

\$9,950,000.00 General Obligation Bonds of 2019 due in annual installments through January 1, 2032 at variable interest rates	\$8,270,000.00
\$9,570,000.00 General Refunding Bonds of 2013 due in annual installments through June 1, 2023 at variable interest rates	\$1,155,000.00
\$11,985,000.00 General Obligation Bonds of 2016 due in annual installments through July 15, 2029 at variable interest rates	\$7,585,000.00
\$8,125,000.00 General Obligation Bonds of 2017 due in annual installments through January 1, 2028 at variable interest rates	<u>\$6,940,000.00</u>
	<u>\$23,950,000.00</u>

Type I School Bonds:

\$1,100,000.00 Type I School Bonds of 2019 due in annual installments through July 15, 2033 at variable interest rates	\$930,000.00
\$1,200,000.00 Type I School Bonds of 2016 due in annual installments through July 15, 2030 at variable interest rates	<u>\$795,000.00</u>
	<u>\$1,725,000.00</u>

Water and Sewer Utility Bonds:

\$9,950,000.00 Water & Sewer utility Bonds of 2019 due in annual installments through January 1, 2034 at variable interest rates	\$3,750,000.00
\$4,900,000.00 Water & Sewer Utility Bonds of 2016 due in annual installments through January 15, 2031 at variable interest rates	<u>\$3,310,000.00</u>
	<u>\$7,060,000.00</u>

Bond Anticipation Note:

\$14,460,000.00 Bond Anticipation Note issued November 30, 2022 at an interest rate of 4.50% maturing on November 29, 2023	\$14,600,000.00
\$5,400.00 Bond Anticipation Note issued November 30, 2022 at an interest rate of 4.50% maturing on November 29, 2023	<u>\$5,400,000.00</u>
	<u>\$20,000,000.00</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

Green Trust Loans:

\$150,000.00 Library Park Phase IV Loan of 2005 due in semi-annual installments through 2025 at an interest rate of 2.00%	\$27,028.56
\$449,500.00 Upgrade to Jerome Ave Recreation Facility Loan of 2009 due in semi-annual installments through 2029 at an interest rate of 2.00%	<u>\$169,577.18</u>
	<u>\$196,605.74</u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

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

General Capital Fund	\$9,862,903.36
Water and Sewer Utility Capital	<u>3,865,114.98</u>
	<u>\$13,728,018.34</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2022**

Calendar Year	General Capital		Type I School Bonds		Sewer Utility	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$3,925,000.00	\$647,662.50	\$160,000.00	\$37,950.00	\$550,000.00	\$156,275.00
2024	2,800,000.00	545,762.50	170,000.00	34,750.00	590,000.00	145,275.00
2025	2,885,000.00	466,462.50	170,000.00	31,350.00	630,000.00	133,475.00
2026	3,010,000.00	385,762.50	180,000.00	27,950.00	650,000.00	120,875.00
2027	3,140,000.00	297,062.50	180,000.00	24,350.00	670,000.00	107,875.00
2028	3,185,000.00	200,187.50	190,000.00	20,750.00	700,000.00	94,475.00
2029	2,085,000.00	122,312.50	190,000.00	16,050.00	720,000.00	77,275.00
2030	950,000.00	71,612.50	185,000.00	11,350.00	720,000.00	52,475.00
2031	970,000.00	43,112.50	100,000.00	6,750.00	730,000.00	41,675.00
2032	1,000,000.00	22,500.00	100,000.00	7,000.00	350,000.00	26,162.50
2033			100,000.00		370,000.00	18,287.50
2034					380,000.00	9,500.00
	<u>\$23,950,000.00</u>	<u>\$2,802,437.50</u>	<u>\$1,725,000.00</u>	<u>\$218,250.00</u>	<u>\$7,060,000.00</u>	<u>\$983,625.00</u>

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR LOANS ISSUED AND OUTSTANDING DECEMBER 31, 2022**

Green Trust Loans

Calendar Year	Public Library Park Phase IV		Jerome Avenue Facility	
	Principal	Interest	Principal	Interest
2023	\$8,830.84	\$496.64	\$24,682.60	\$3,268.74
2024	9,008.34	319.14	25,178.72	2,772.63
2025	9,189.38	138.07	25,684.81	2,266.53
2026			26,201.08	1,750.27
2027			26,727.72	1,223.63
2028			27,264.95	686.40
2029			13,837.30	138.37
	<u>\$27,028.56</u>	<u>\$953.85</u>	<u>\$169,577.18</u>	<u>\$12,106.57</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2022, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2023, were as follows:

Current Fund	\$ 5,389,000.00
Sewer Utility Fund	\$ 182,600.00

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 are payable in four installments on February 1, May 1, August 1 and November 1. The City 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. City property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the City's Current Fund.

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

	BALANCE DECEMBER 31, 2022	BALANCE DECEMBER 31, 2021
Prepaid Taxes	<u>\$1,384,203.20</u>	<u>\$1,367,924.92</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.

NOTE 6: PENSION PLANS (CONTINUED)

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.

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 is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. As of July 1, 2017 PERS provides for employee contributions of 7.34% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

NOTE 6: PENSION PLANS (CONTINUED)

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments, and noncontributory death benefits. During 2022, members contributed at a uniform rate of 10.00% of base salary.

Certain portions of the costs are contributed by the employees. The City's share of PERS and Police and Firemen's pension, which is based upon the annual billings received from the state, amounted to \$2,993,159.32 for 2022, \$2,826,444.08 for 2021 and \$2,689,199 for 2020.

The City's share for DCRP amounted to \$8,900.71 for 2022, \$8,951.58 for 2021 and \$6,808.26 for 2020.

The Lifeguard Pension provides for employee contributions of 4% of employees' annual compensation. The City's contributions to this Plan for the years ended December 31, 2022, 2021 and 2020 were \$118,769.48, \$145,918.86 and \$109,159.86. The City's trust for Lifeguard Pension at December 31, 2022 was \$740,323.32.

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, 2022. 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, 2022.

Public Employees Retirement System (PERS)

At June 30, 2022, the State reported a net pension liability of \$11,894,161.00 for the City's proportionate share of the total net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City's proportion was 0.0788142864 percent, which was an decrease of 0.0006341902 percent from its proportion measured as of June 30, 2021.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

For the year ended June 30, 2022, the State recognized an actuarially determined pension benefit of \$1,037,391.00 for the City of Margate City's proportionate share of the total pension expense. The pension expense recognized in the City's financial statement based on the April 1, 2022 billing was \$930,434.00.

At June 30, 2022, 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	\$85,847.00	\$75,705.00
Changes of assumptions	36,852.00	1,781,027.00
Net difference between projected and actual earnings on pension plan investments	492,289.00	
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>18,764.00</u>	<u>510,674.00</u>
	<u>\$633,752.00</u>	<u>\$2,367,406.00</u>

Other local amounts reported by the State as the City'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>
2023	(\$1,118,651.00)
2024	(618,175.00)
2025	(351,875.00)
2026	454,644.00
2027	<u>(99,597.00)</u>
	<u><u>(\$1,733,654.00)</u></u>

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.75-6.55%
	Based on
	Years of Service
Investment Rate of Return	7.00%

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

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

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 June 30, 2022) 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 assets class included in PERS's target assets allocation as of June 30, 2022 asset are summarized in the following table:

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

Discount Rate

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
City's proportionate share of the pension liability	\$15,280,512.00	\$11,894,161.00	\$9,012,239.00

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)

As discussed in Note 1, as of the date of this report the information for the period ended June 30, 2022, for PFRS was not available, therefore the information dated June 30, 2021 is disclosed.

At June 30, 2021, the State reported a net pension liability of \$13,369,598.00 for the City's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2021, the City's proportion was 0.1829158500 percent, which was an increase of 0.0047407756 percent from its proportion measured as of June 30, 2020.

NOTE 6: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

For the year ended June 30, 2021, the State recognized an actuarially determined pension benefit of \$2,010,406.00.00. The pension expense recognized in the City's financial statements based on the April 1, 2021 billing was \$1,990,520.00.

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

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between expected and actual experience	\$152,531.00	\$1,601,540.00
Changes of assumptions	71,141.00	4,006,807.00
Net difference between projected and actual earnings on pension plan investments		5,697,221.00
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>892,594.00</u>	<u>1,287,665.00</u>
	<u>\$1,116,266.00</u>	<u>\$12,593,233.00</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>
2022	\$ (3,626,752.20)
2023	(2,742,100.20)
2024	(2,364,129.20)
2025	(2,332,414.20)
2026	(363,251.20)
Thereafter	<u>(48,320.00)</u>
	\$ <u>(11,476,967.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

Actuarial Assumptions

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

	<u>June 30, 2021</u>
Inflation	2.75%
Salary Increases	3.25-15.25% Based on years of Service
Investment Rate of Return	7.00%

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

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

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

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

Discount Rate

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

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Sensitivity of the collective net pension liability to changes in the discount rate

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

	June 30, 2021		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
City's proportionate share of the PFRS pension liability	\$20,301,316.00	\$13,369,598.00	\$7,599,691.00

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 City 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 City 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 City related to this legislation.

At June 30, 2021 and 2020, the State's proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$3,760,197.00 and \$3,572,998.00 respectively.

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

City's Proportionate Share of Net Pension Liability	\$13,369,598.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the County	<u>3,760,197.00</u>
	<u>\$17,129,795.00</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

The City has permitted employees to accrue sick time, which may be taken as time off or paid at a later date at an agreed upon rate. The monetary value of these earned and unused employee benefits has not been accrued by either charges to fund balance or to budgets of prior years, although in some cases they might be material, since the realization of this liability may be affected by conditions which preclude an employee from receiving full payment of the accrual. The City estimates this liability to approximate \$2,051,862.00, \$2,089,377.00 and \$2,356,388.00, as of December 31, 2022, 2021 and 2020 respectively. The City has a reserve of \$293,865.78 in the Trust Other Fund at December 31, 2022.

NOTE 8: LITIGATION

The City is involved in several pending legal proceedings, the impact on the financial statements of which, either individually or in the aggregate, in the opinion of the City's legal counsel would not be material.

NOTE 9: CONTINGENT LIABILITIES

The City participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2022, the City does not believe that any material liabilities will result from such audits.

NOTE 10: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for the years 2022 and prior. 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. The City has established a reserve for this purpose in the Current Fund, the balance of which is \$13,952.11 at December 31, 2022.

NOTE 11: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2022:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$	\$ 661,235.38
Grant Fund	661,235.38	
Trust Other Fund		
General Capital Fund		2,007,959.65
Water & Sewer Utility Operating Fund		14,946.28
Water & Sewer Utility Capital Fund	<u>2,022,905.93</u>	
	<u>\$ 2,684,141.31</u>	<u>\$ 2,684,141.31</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: LEASE OF CITY PROPERTY

The City is party to several lease agreements for various entity properties. The City leases property to Margate Terrace Corporation which provides elderly and handicapped persons with housing facilities for \$1,500.00 per month. A parking lot owned by the City is leased to Quincy Ventures for \$5,373.46 per year. The total revenue for the lease of municipal properties was \$24,773.46 in 2022, \$20,373.46 in 2021 and \$23,304.50 in 2020. In addition, the City rents space to various cell phone service providers on its two water towers on Benson and Gladstone Avenues. The City receives monthly payments from AT&T for \$3,000.00, T-Mobile \$3,737.00 and Verizon of \$2,800.00 and \$4,643.13

NOTE 14: PAYMENT IN LIEU OF TAXES (PILOT)

The City has an agreement with Margate Terrace, a Non-Profit Corporation that operates Senior Citizen Housing. The agreement calls for Margate Terrace to make Payments in Lieu of Taxes (PILOT) to the City of Margate. The current payment amount is \$9,900.00 per quarter. The total annual amount due per the agreement is 15% of unsubsidized rent collected.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

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

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

Plan Description and Benefits Provided

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

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

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75

Plan Description and Benefits Provided (Continued)

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

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

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

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

Special Funding Situation

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

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

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

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Special Funding Situation (Continued)

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net Net OPEB Liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. At June 30, 2021 and 2020, the State's proportionate share of the net OPEB liability attributable to the City for the special funding situation is 24,238,940.00 and \$21,809,665.00 respectively.

At June 30, 2021, the City's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

City's proportionate share of the Net OPEB Liability	\$0
State of New Jersey's proportionate share of Net OPEB Liability associated with the City	<u>24,238,940</u>
	<u>\$24,238,940</u>

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary Increases:	
Public Employees Retirement System (PERS):	
Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS):	
Rate for all future years	3.25% to 15.25%

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021

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

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

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

Health Care Trend Assumptions

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

Discount Rate

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

OPEB Plan Fiduciary Net Position

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

NOTE 16: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2022:

	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2022</u>
Land	\$50,903,100.00			\$50,903,100.00
Buildings	20,301,209.00	\$3,807.00		20,305,016.00
Machinery and Equipment	<u>10,634,751.10</u>	<u>1,023,310.88</u>	<u>\$606,928.00</u>	<u>11,051,133.98</u>
	<u>\$81,839,060.10</u>	<u>\$1,027,117.88</u>	<u>\$606,928.00</u>	<u>\$82,259,249.98</u>

NOTE 17: SUBSEQUENT EVENTS

The City of Margate City has evaluated subsequent events occurring after the financial statement date through June 29, 2023 which is the date the financial statements were available to be issued. No items were noted for disclosure or adjustment.

CITY OF MARGATE CITY
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2022

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF CASH - TREASURER

	REF.	CURRENT FUND	GRANT FUND
Balance, December 31, 2021	A	\$ 12,797,801.49	\$
Increased by Receipts:			
Taxes Receivable	A-9	\$ 59,961,616.06	\$
State of New Jersey-Senior Citizens and Veterans Deductions	A-8	53,350.56	
2022 Appropriation Refunds	A-3	2,112,439.11	
Revenue Accounts Receivable	A-13	4,090,181.82	
Miscellaneous Revenue Not Anticipated	A-2	574,305.66	
Change Fund	A-6	100.00	
Petty Cash	A-5	1,050.00	
Interfunds	A-12	569,745.66	
Tax Overpayments	A-17	57,669.59	
Prepaid Taxes	A-18	1,355,515.29	
Reserve for Redemption of Outside Liens	A-16	59,268.60	
Reserve for Tax Sale Premiums	A-15	224,100.00	
Marriage Licenses Due State of NJ	A-19	250.00	
Grants Receivable	A-29		109,673.52
Reserve for Grants-Unappropriated	A-31		309,052.06
Reserve for Prepaid Revenue	A-7	125,878.00	
Reserve for Third Party Elevator Inspections	A-24	35,780.00	
Reserve for Transportation Program	A-28	7,223.89	
Reserve for Sale of Municipal Assets	A-27	152,346.63	
Reserve for State Library Aid	A-20	2,738.00	
		<u>69,383,558.87</u>	<u>418,725.58</u>
	A-3	\$ 82,181,360.36	\$ 418,725.58
Decreased by Disbursements:			
2022 Appropriations	A-14	\$ 32,611,658.89	\$
Appropriation Reserves	A-12	348,888.57	
Interfunds	A-17	203,290.46	
Tax Overpayments	A-25	52,840.63	
Local District School Taxes Payable	A-26	10,498,077.00	
County Taxes Payable	A-2	23,757,794.34	
Refund of:			
Miscellaneous Revenue Anticipated	A-6	110.00	
Change Fund	A 5	200.00	
Petty Cash	A-15	1,050.00	
Reserve for Tax Premiums	A 16	125,700.00	
Reserve for Redemption of Outside Liens	A-19	52,789.06	
Marriage Licenses Due State of NJ	A 11	300.00	
Due Current Fund	A-24		366,454.94
Reserve for Third Party Elevator Inspections	A-1	34,772.00	
Refund of Prior Year Revenue	A-20	88,916.00	
Reserve for Library Aid	A-30	2,738.00	
Reserve for Grants-Appropriated			52,270.64
		<u>67,779,124.95</u>	<u>418,725.58</u>
Balance, December 31, 2022	A	\$ <u>14,402,235.41</u>	\$ <u>-0-</u>

"A-5"

CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF PETTY CASH

<u>OFFICE</u>	<u>ADVANCED</u>	<u>REIMBURSED</u>
Finance	\$ 250.00	\$ 250.00
Fire	500.00	500.00
Pavillion	100.00	100.00
Police	200.00	200.00
	<u>\$ 1,050.00</u>	<u>\$ 1,050.00</u>
<u>REF.</u>	A-4	A-4

"A-6"

SCHEDULE OF CHANGE FUND

<u>OFFICE</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u> <u>AND 2022</u>
Beach Badges City Hall	\$ 100.00	\$ 200.00	\$	\$ 300.00
Tax Collector	150.00			150.00
Building	100.00			100.00
City Clerk	100.00		100.00	
Municipal Court	300.00			300.00
	<u>\$ 750.00</u>	<u>\$ 200.00</u>	<u>\$ 100.00</u>	<u>\$ 850.00</u>
<u>REF.</u>	A	A-4	A-4	A

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF RESERVE OF PREPAID REVENUE

	<u>REF.</u>	
Increased by:		
Reciepts	A-4	\$ <u>125,878.00</u>
Balance, December 31, 2022	A	\$ <u><u>125,878.00</u></u>
 Municipal Relief Aid		\$ 39,878.00
Ice Cream Vending License		<u>86,000.00</u>
		\$ <u><u>125,878.00</u></u>

"A-8"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

	<u>REF.</u>			
Balance, December 31, 2021 (Due To)	A		\$	2,286.22
Increased by:				
Senior Citizens and Veterans Deductions Disallowed by Collector	A-8	\$	8,874.71	
Received From State	A-4		<u>53,350.56</u>	
				<u>62,225.27</u>
			\$	64,511.49
Decreased by:				
Senior Citizens Deductions Per Tax Billing	A-8	\$	4,375.00	
Veterans Deductions Per Tax Billing	A-8		49,000.00	
Senior Citizens and Veterans Deductions Allowed by Collector	A-8		<u>8,214.97</u>	
				<u>61,589.97</u>
Balance, December 31, 2022 (Due To)	A		\$	<u>2,921.52</u>

ANALYSIS OF STATE SHARE OF 2022 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billing	A-8	\$	4,375.00	
Veterans Deductions Per Tax Billing	A-8		49,000.00	
Senior Citizens and Veterans Deductions Allowed by Collector	A-8		<u>8,214.97</u>	
				\$ 61,589.97
Less. Senior Citizens Disallowed	A-8			<u>8,874.71</u>
	A-9			\$ <u>52,715.26</u>

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2021	2022 LEVY	COLLECTIONS		CANCELED	OVERPAYMENTS APPLIED	BALANCE DECEMBER 31, 2022
			2021	2022			
Prior	\$ 626,481.89			\$ 626,446.08	\$ 35.81	\$	\$
2022		\$ 61,416,575.00	\$ 1,367,924.92	59,387,885.24	3,957.21	29,008.30	627,799.33
	\$ 626,481.89	\$ 61,416,575.00	\$ 1,367,924.92	\$ 60,014,331.32	\$ 3,993.02	\$ 29,008.30	\$ 627,799.33
REF.	A		A-2, A-18	A-2		A-2, A-17	A

REF.

Collector	A-4	\$ 59,961,616.06
Senior Citizens and Veterans Deductions	A-8	52,715.26
		\$ 60,014,331.32

ANALYSIS OF 2022 PROPERTY TAX LEVY

TAX YIELD		
General Property Tax	\$	60,888,304.03
Added Taxes (54.4-63.1 et seq.)		528,270.97
	\$	61,416,575.00

TAX LEVY		
Local District School Tax (Abstract)	A-2, A-25	\$ 10,498,077.00
County Tax (Abstract)		
County Health Tax (Abstract)		\$ 22,288,432.77
County Open Space (Abstract)		1,096,855.65
		242,387.70
Due County for Added Taxes (54.4-63.1 et seq.)	A-26	\$ 23,627,676.12
Total County Taxes	A-26	204,880.84
	A-2	23,832,556.96

Local Tax for Municipal Purposes (Abstract)	A-2	\$ 23,769,250.45
Local Tax for Municipal Library Purposes (Abstract)	A-2	1,584,464.00
Local Tax for School Purposes (Abstract)	A-2	1,406,500.00
Add: Additional Tax Levied		325,726.59
Local Tax for Municipal Purposes Levied		27,085,941.04
	\$	61,416,575.00

"A-10"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUE

Balance, December 31, 2021
and December 31, 2022

A

\$ 246,257.50

"A-11"

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

Balance, December 31, 2021 (Due From)

A

\$ 298,268.94

Increased by:

Canceled Recievable
Transfers
Disbursements

A-12:A-29
A-12
A-4

\$ 15,655.68
1,307.77
366,454.94

383,418.39

\$ 681,687.33

Decreased by:

Canceled Reserve

A-12:A-30

20,451.95

Balance, December 31, 2022 (Due From)

A

\$ 661,235.38

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL	GRANT FUND	OTHER TRUST FUND	GENERAL CAPITAL FUND
Balance, December 31, 2021					
Due To	A	\$ 298,268.94	\$ 298,268.94	\$	\$
Due From	A	0.26			0.26
Receipts	A-4	569,745.66	366,454.94	950.00	202,340.72
Canceled Receivables	A-11:A-29		15,655.68		
Transfer	A-11	1,307.77	1,307.77		
Canceled Reserves	A-11:A-30		20,451.95		
Disbursements	A-4	203,290.46		950.00	202,340.46
Balance, December 31, 2022					
Due To	A	\$ 661,235.38	\$ 661,235.38	\$	\$

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

<u>ACCOUNTS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>ACCRUED IN 2022</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2022</u>
Licenses:					
Alcoholic Beverages	A-2	\$	\$ 9,684.00	\$ 9,684.00	\$
Other	A-2		7,185.00	7,185.00	
Fees and Permits	A-2		245,017.91	245,017.91	
Municipal Court:					
Fines and Costs	A-2	4,663.90	85,274.84	86,711.68	3,227.06
Interest and Costs on Taxes	A-2		155,041.72	155,041.72	
Construction Code Official	A-2		677,824.00	677,824.00	
Interest on Investments and Deposits	A-2		181,984.88	181,984.88	
Beach Fees	A-2		434,410.00	434,410.00	
Anticipated Utility Operating Surplus	A-2		100,000.00	100,000.00	
Cable TV Franchise Fees	A-2		67,711.86	67,711.86	
Energy Receipts Tax	A-2		764,475.00	764,475.00	
Utility Operating Surplus of Prior Year	A-2		200,000.00	200,000.00	
Uniform Fire Safety Act	A-2		14,675.05	14,675.05	
Capital Surplus	A-2		68,815.83	68,815.83	
Ambulance Billing	A-2		215,997.16	215,997.16	
Recreation	A-2		215,647.73	215,647.73	
Reserve for Debt Service	A-2		645,000.00	645,000.00	
		<u>\$ 4,663.90</u>	<u>\$ 4,088,744.98</u>	<u>\$ 4,090,181.82</u>	<u>\$ 3,227.06</u>
<u>REF.</u>		<u>A</u>		<u>A-4</u>	<u>A</u>

CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2021	TRANSFERRED FROM ENCUMBRANCES	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>					
Director	\$ 80.00	\$	\$ 80.00	\$	\$ 80.00
Police	42,168.70		42,168.70		42,168.70
Beachfront Maintenance	8,895.60		8,895.60		8,895.60
Planning Board	1,460.08		1,460.08		1,460.08
Director's Office	53,552.42		53,552.42		53,552.42
Financial Administration	4,288.46		4,288.46		4,288.46
Assessment of Taxes	15,973.74		15,973.74		15,973.74
Tax Collector	24.90		24.90		24.90
City Clerk	461.00		461.00		461.00
Director's Office	80.00		80.00		80.00
Street Repairs and Maintenance	80,523.05		80,523.05		80,523.05
Recreation	17,197.02		17,197.02		17,197.02
Pavilion	6,276.04		6,276.04		6,276.04
Technology	771.01		771.01		771.01
Public Building and Grounds	28,541.26		28,541.26		28,541.26
Construction Code Official	27,756.52		27,756.52		27,756.52
<u>OTHER EXPENSES</u>					
Director's Office	1,000.00		1,000.00		1,000.00
Police	13,146.36	31,315.42	44,461.78	30,729.42	13,732.36
Fire	201.44	6,027.21	6,228.65	5,527.21	701.44
Fire Safety Official	189.41	90.00	279.41	90.00	189.41
Lifeguards	7.87	850.00	857.87	850.00	7.87
Beachfront Maintenance	1,518.99	3,705.02	5,224.01	3,705.02	1,518.99
Planning Board	20,412.86	39.20	20,452.06	39.20	20,412.86
Legal Services and Costs	54,225.00	25,406.92	79,631.92	9,889.42	69,742.50
Dog Regulation	400.00	700.00	1,100.00	700.00	400.00
Emergency Management	41,284.31	4,414.74	45,699.05	4,019.66	41,679.39
Municipal Court	10,778.24	54.00	10,832.24	54.00	10,778.24
Public Defender	5,500.00		5,500.00		5,500.00
Director's Office	13,352.18	2,971.91	16,324.09	2,465.26	13,858.83
Financial Administration	40,310.12	19,305.28	59,615.40	16,604.28	43,011.12
Audit	3,000.00		3,000.00		3,000.00
Assessment of Taxes	30,438.00	4,221.21	34,659.21	3,667.50	30,991.71
Tax Collector	3,432.32		3,432.32		3,432.32
City Clerk	1,594.28	721.12	2,315.40	343.12	1,972.28
Liability Insurance	101,938.29		101,938.29		101,938.29
Workers Compensation	95,975.35		95,975.35		95,975.35
Group Insurance Plan for Employees	466,018.03	12,054.04	478,072.07	6,729.28	471,342.79
Health Benefit Waiver	2,649.02		2,649.02		2,649.02
Director's Office	9,306.59	207.00	9,513.59	207.00	9,306.59
Rubbish Removal	110,698.51		110,698.51	66,982.97	43,715.54
City Engineer	44,794.00	6,000.00	50,794.00	5,995.00	44,799.00
Street Repairs and Maintenance	25,833.01	48,023.33	73,856.34	42,807.92	31,048.42
Recreation	13,087.02	42,071.68	55,158.70	42,483.74	12,674.96
Pavilion	13,094.39	2,059.36	15,153.75	1,629.14	13,524.61
Public Buildings and Grounds	29,570.09	70,260.56	99,830.65	45,952.58	53,878.07
Construction Code Official	56,148.18	322.20	56,470.38	322.20	56,148.18
Technology	85.73	6,853.92	6,939.65	1,891.90	5,047.75

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF 2021 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2021	TRANSFERRED FROM ENCUMBRANCES	BALANCE AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED)</u>					
Celebration of Public Events	\$ 16,120 45	\$	\$ 16,120 45	\$	\$ 16,120 45
Payment of Ambulance Bills		13,739 33	13,739 33		13,739 33
General Office Operations	14,489 90	2,918 75	17,408 65	3,093 75	14,314 90
Employee Wellness	7,396 26	10,025 00	17,421 26	6,703 75	10,717 51
Street Lighting		13,867 72	13,867 72	13,867 72	
Electricity		1,459 17	1,459 17	1,459 17	
Telephone	10,178 67	10,078 46	20,257 13	7,613 17	12,643 96
Gasoline	22,296 76	6,697 74	28,994 50	7,643 13	21,351 37
Natural Gas	2,504 93		2,504 93		2,504 93
Contingent	485 95	9,397 71	9,883 66	9,397 71	485 95
Unemployment Insurance	361 52		361 52		361 52
DCRP	11,048 42		11,048 42		11,048 42
Matching Funds for Grants	3,692 23		3,692 23		3,692 23
Purchase of Equipment	378 54	39,450 35	39,828 89	39,450 35	378 54
	<u>\$ 1,593,267 04</u>	<u>\$ 395,308 35</u>	<u>\$ 1,988,575 39</u>	<u>\$ 382,914 57</u>	<u>\$ 1,605,660 82</u>
REF:	A	A-11			A-1
Disbursements	A-4		\$ 348,888 57		
Reserve for Accounts Payable	A-11		<u>34,026 00</u>		
			<u>\$ 382,914 57</u>		

"A-15"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX SALE PREMIUM

	REF.	
Balance, December 31, 2021	A	\$ 151,500 00
Increased by:		
Receipts	A-4	224,100 00
		<u>\$ 375,600.00</u>
Decreased by:		
Disbursements	A-4	125,700 00
		<u>125,700 00</u>
Balance, December 31, 2022	A	<u>\$ 249,900 00</u>

"A-16"

SCHEDULE OF RESERVE FOR REDEMPTION OF OUTSIDE LIENS

Balance, December 31, 2021	A	\$ 0.80
Increased by:		
Receipts	A-4	59,268.60
		<u>\$ 59,269.40</u>
Decreased by:		
Disbursements	A-4	52,789.06
		<u>52,789.06</u>
Balance, December 31, 2022	A	<u>\$ 6,480.34</u>

"A-17"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2021	A	\$	63,060.91
Increased by:			
Overpayments in 2022	A-4		57,669.59
		\$	<u>120,730.50</u>
Decreased by:			
Refunded	A-4	\$	52,840.63
Applied to Taxes Receivable	A-9		29,008.30
Applied to Prepaid Taxes	A-18		28,687.91
Canceled	A-1		<u>2,151.04</u>
			<u>112,687.88</u>
Balance, December 31, 2022	A	\$	<u><u>8,042.62</u></u>

"A-18"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2021	A	\$	1,367,924.92
Increased by:			
Collection of 2023 Taxes	A-4		1,355,515.29
Overpayments Applied	A-17		<u>28,687.91</u>
			<u>1,384,203.20</u>
		\$	<u>2,752,128.12</u>
Decreased by:			
Applied to 2022 Taxes	A-9		<u>1,367,924.92</u>
Balance, December 31, 2022	A	\$	<u><u>1,384,203.20</u></u>

"A-19"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF RESERVE FOR MARRIAGE LICENSES - DUE STATE OF NEW JERSEY

	<u>REF.</u>	
Balance December 31, 2021	A	\$ 50.00
Increased by :		
Receipts	A-4	250.00
		<u>\$ 300.00</u>
Decreased by :		
Disbursements	A-4	<u>300.00</u>

"A-20"

SCHEDULE OF RESERVE FOR STATE LIBRARY AID

	<u>REF.</u>	
Increased by :		
Receipts	A-4	\$ 2,738.00
Decreased by :		
Disbursements	A-4	<u>2,738.00</u>

"A-21"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2021	A	\$ 395,308.35
Increased by:		
2022 Budget Appropriations	A-3	715,121.76
		\$ <u>1,110,430.11</u>
Decreased by:		
Transferred to Appropriation Reserves	A-14	<u>395,308.35</u>
Balance, December 31, 2022	A	\$ <u><u>715,121.76</u></u>

"A-22"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Increased by:		
Appropriation Reserves	A-14	\$ <u>34,026.00</u>
Balance, December 31, 2022	A	\$ <u><u>34,026.00</u></u>

"A-23"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF RESERVE FOR STATE TAX APPEALS

REF.

Balance, December 31, 2021
and December 31, 2022

A

\$ 13,952.11

"A-24"

SCHEDULE OF RESERVE FOR THIRD PARTY ELEVATOR INSPECTIONS

Balance, December 31, 2021

A

\$ 3,203.00

Increased by:
Receipts

A-4

35,780.00
\$ 38,983.00

Decreased by:
Disbursements

A-4

34,772.00

Balance, December 31, 2022

A

\$ 4,211.00

"A-25"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

REF.

Increased by:			
School Levy	A-1:A-9	\$	10,498,077.00
Decreased by:			
Disbursements	A-4		<u>10,498,077.00</u>

"A-26"

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2021	A	\$	130,118.22
Increased by:			
2022 Calendar Year Levy	A-1 A-9	\$	23,627,676.12
Added and Omitted	A-1:A-9		<u>204,880.84</u>
			23,832,556.96
		\$	<u>23,962,675.18</u>
Decreased by:			
Disbursements	A-4		<u>23,757,794.34</u>
Balance, December 31, 2022	A	\$	<u><u>204,880.84</u></u>

"A-27"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

	<u>REF.</u>	
Balance, December 31, 2021	A	\$ 6,961.10
Increased by:		
Receipts	A-4	<u>152,346.63</u>
Balance, December 31, 2022	A	\$ <u><u>159,307.73</u></u>

"A-28"

SCHEDULE OF RESERVE TRANSPORTATION PROGRAM

Increased by:		
Receipts	A-4	\$ <u>7,223.89</u>
Balance, December 31, 2022	A	\$ <u><u>7,223.89</u></u>

CITY OF MARGATE CITY

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2021	BUDGET APPROPRIATION	RECEIPTS	CANCELED	BALANCE DECEMBER 31, 2022
Recycling Tonnage Program		\$ 10,010.76	\$ 8,753.34	\$	1,257.42
Municipal Alliance Program	5,231.09	5,231.09	4,153.52	1,267.85	5,040.81
Clean Communities Program		32,487.72	32,487.72		
Body Armor Replacement Fund		1,516.77	1,516.77		
ARP - American Rescue Fire Fighter Grant		27,000.00			27,000.00
FEMA- 4368 Hazard Mitigation	77,150.00		62,762.17	14,387.83	
	<u>\$ 82,381.09</u>	<u>\$ 76,246.34</u>	<u>\$ 109,673.52</u>	<u>\$ 15,655.68</u>	<u>\$ 33,298.23</u>
REF.	A	A-2	A-4	A-1	A

CITY OF MARGATE CITY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2021	BUDGET APPROPRIATION	TRANSFER FROM ENCUMBRANCES PAYABLE	EXPENDED	CANCELED	BALANCE DECEMBER 31, 2022
Body Armor Replacement Fund -2021	\$ 2,218.72	\$	\$	1,955.20	\$	263.52
Body Armor Replacement Fund -2022		1,516.77				1,516.77
Municipal Alliance Program - 2021	4,814.82			3,546.97	1,267.85	6,538.86
Municipal Alliance Program - 2022		6,538.86				
Clean Communities Program- 2020			7,653.00	7,653.00		
Clean Communities Program- 2021			30,754.55	30,754.55		
Clean Communities Program- 2022		32,487.72		8,360.92		
Recycling Tonnage Grant - 2017	581.50					24,126.80
Recycling Tonnage Grant - 2018	8,502.81					581.50
Recycling Tonnage Grant - 2022		10,010.76				8,502.81
FEMA- 4368 Hazard Mitigation	19,184.00				19,184.00	10,010.76
ARP - American Rescue Fire Fighter Grant - 2022		27,000.00				27,000.00
	<u>\$ 35,301.85</u>	<u>\$ 77,554.11</u>	<u>\$ 38,407.55</u>	<u>\$ 52,270.64</u>	<u>\$ 20,451.85</u>	<u>\$ 78,541.02</u>
REF.	A	A-3	A-32	A-4	A-1	A

CITY OF MARGATE CITY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS UNAPPROPRIATED

	BALANCE DECEMBER 31, 2021	RECEIPTS	BALANCE DECEMBER 31, 2022
Body Armor Replacement Fund	\$	\$ 2,111.52	\$ 2,111.52
American Recovery Program (ARP)	306,940.53	306,940.54	613,881.07
	<u>\$ 306,940.53</u>	<u>\$ 309,052.06</u>	<u>\$ 615,992.59</u>
REF.	A	A-4	A

CITY OF MARGATE CITY

GRANT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2021	A	\$	38,407.55
Decreased by:			
Transfer to Grants Appropriated	A-30		<u>38,407.55</u>

CITY OF MARGATE CITY

TRUST FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance, December 31, 2021	B	\$ 533.80	\$ 1,179,806.23
Increased by Receipts:			
Reserve for Animal Control	B-4	\$ 578.40	\$
Due To State of New Jersey	B-5	177.60	
Due Current Fund	B-2		950.00
Reserve for:			
Various Trust Deposits	B-3		249,827.49
Pension Plan for Lifeguards	B-8		142,039.40
Law Enforcement Trust Fund - State	B-9		41.97
Law Enforcement Trust Fund - Federal	B-10		7.99
Payroll Deductions Payable	B-7		9,827,879.75
Recreation Deposits	B-6		54,717.00
		<u>756.00</u>	<u>10,275,463.60</u>
		\$ 1,289.80	\$ 11,455,269.83
Decreased by Disbursements:			
Due To State of New Jersey	B-5	\$ 176.40	\$
Due Current Fund	B-2		950.00
Reserves For:			
Various Trust Deposits	B-3		45,109.50
Animal Control	B-4	413.00	
Pension Plan for Lifeguards	B-8		74,594.40
Payroll Deductions Payable	B-7		9,824,465.81
Recreation Deposits	B-6		52,792.26
		<u>589.40</u>	<u>9,997,911.97</u>
Balance, December 31, 2022	B	\$ 700.40	\$ 1,457,357.86

"B-2"

CITY OF MARGATE CITY

TRUST FUND

SCHEDULE OF DUE CURRENT FUND- TRUST OTHER FUND

	<u>REF.</u>		
Increased by :			
Receipts	B-1	\$	950.00
Decreased by :			
Disbursements	B-1		<u>950.00</u>

"B-3"

CITY OF MARGATE CITY

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE DECEMBER 31, 2022</u>
Parking Offense Adjudication Act (POAA)	\$ 4,980.75	\$ 568.00	\$	\$ 5,548.75
Public Defender	900.14	950.00	400.00	1,450.14
Accumulated Absences	225,865.28	88,000.00	20,000.00	293,865.28
Adopt A Beach	740.44			740.44
Engineer Escrow Deposits	89,395.20	160,309.49	24,709.50	224,995.19
	<u>\$ 321,881.81</u>	<u>\$ 249,827.49</u>	<u>\$ 45,109.50</u>	<u>\$ 526,599.80</u>
<u>REF.</u>	B	B-1	B-1	B

"B-4"

CITY OF MARGATE CITY

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>	
Balance, December 31, 2021	B	\$ 533.80
Increased by:		
Dog Licenses	B-1	578.40
		<u>\$ 1,112.20</u>
Decreased by:		
Expenditures Under R.S.4:19-15.11	B-6	413.00
		<u>413.00</u>
Balance, December 31, 2022	B	<u>\$ 699.20</u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2021	\$ 530.40
2020	<u>325.45</u>
	<u>\$ 855.85</u>

"B-5"

CITY OF MARGATE CITY

TRUST FUND

SCHEDULE OF DUE TO STATE DEPARTMENT OF HEALTH - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Increased by:		
State Registration Fees Collected	B-1	\$ 177.60
Decreased by:		
Paid to State Department of Health	B-1	<u>176.40</u>
Balance, December 31, 2022 (Due To)	B	\$ <u>1.20</u>

"B-6"

SCHEDULE OF RESERVE FOR RECREATION DEPOSITS

Balance, December 31, 2021	B	\$ 17,425.17
Increased by:		
Receipts	B-1	<u>54,717.00</u>
		\$ <u>72,142.17</u>
Decreased by:		
Disbursements	B-1	<u>52,792.26</u>
Balance, December 31, 2022	B	\$ <u>19,349.91</u>

"B-7"

CITY OF MARGATE CITY

TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2021	B	\$ 154,165.45
Increased by:		
Receipts	B-1	9,827,879.75
		\$ <u>9,982,045.20</u>
Decreased by:		
Disbursements	B-1	9,824,465.81
Balance, December 31, 2022	B	\$ <u><u>157,579.39</u></u>

"B-8"

SCHEDULE OF RESERVE FOR PENSION PLAN FOR LIFEGUARDS

Balance, December 31, 2021	B	\$ 672,878.32
Increased by:		
Receipts	B-1	142,039.40
		\$ <u>814,917.72</u>
Decreased by:		
Disbursements	B-1	74,594.40
Balance, December 31, 2022	B	\$ <u><u>740,323.32</u></u>

"B-9"

CITY OF MARGATE CITY

TRUST FUND

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND - STATE

	<u>REF.</u>	
Balance, December 31, 2021	B	\$ 11,301.22
Increased by:		
Receipts	B-1	<u>41.97</u>
Balance, December 31, 2022	B	\$ <u>11,343.19</u>

"B-10"

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND - FEDERAL

Balance, December 31, 2021	B	\$ 2,154.26
Increased by:		
Receipts	B-1	<u>7.99</u>
Balance, December 31, 2022	B	\$ <u>2,162.25</u>

CITY OF MARGATE CITY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2021	C	\$	5,603,606.51
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-6	\$	200,000.00
Bond Anticipation Notes Payable	C-15		14,600,000.00
Deferred Charges to Future Taxation Unfunded	C-5		173,916.93
Due Water and Sewer Capital Fund	C-7		5,567,265.66
Due Current Fund	C-14		202,340.46
Reserve to Pay Bonds and Notes	C-12		150,380.00
Fund Balance	C-1		<u>20,893,903.05</u>
		\$	<u>26,497,509.56</u>
Decreased by Disbursements:			
Contracts Payable	C-9	\$	3,226,184.85
Due Water and Sewer Capital Fund	C-7		4,629,632.45
Due Current Fund	C-14		202,340.72
Bond Anticipation Notes Payable	C-20		10,850,000.00
Reserve to Pay Bonds and Notes	C-12		645,000.00
Fund Balance	C-1		<u>68,815.83</u>
			<u>19,621,973.85</u>
Balance, December 31, 2022	C	\$	<u><u>6,875,535.71</u></u>

"C-3"

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER <u>31, 2022</u>
Capital Improvement Fund	\$ 81,500.00
Due Water and Sewer Capital Fund	2,007,959.65
Reserve to Pay Bonds and Notes	2,706,583.58
Reserve for Contracts Payable	5,835,825.38
Fund Balance	100,000.00
Cash on Hand to Pay Notes - Listed on "C-5"	83,222.13
Unexpended Proceeds of Bond Anticipation Notes Listed on "C-5"	784,584.67
Unfunded Improvements Expended- Listed on "C-5"	<u>(4,724,139.70)</u>
	\$ <u><u>6,875,535.71</u></u>

REF.

C

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2021	C	\$	31,094,458.83
Decreased by:			
Paid By Budget:			
Serial Bonds Payable	C-10	\$	3,850,000.00
Type I School Bonds Payable	C-11		1,340,000.00
Green Trust Loan Payable	C-13		32,853.09
			<u>5,222,853.09</u>
Balance, December 31, 2022	C	\$	<u>25,871,605.74</u>

"C-6"

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2021	C	\$ 101,500.00
Increased by:		
2022 Budget Appropriation	C-2	200,000.00
		<u>\$ 301,500.00</u>
Decreased by:		
Appropriated to Finance		
Improvement Authorizations	C-8	220,000.00
		<u>220,000.00</u>
Balance, December 31, 2022	C	<u>\$ 81,500.00</u>

"C-7"

SCHEDULE OF DUE WATER AND SEWER CAPITAL FUND

Balance, December 31, 2021 (Due To)	C	\$ 1,070,326.44
Increased by:		
Receipts	C-2	5,567,265.66
		<u>\$ 6,637,592.10</u>
Decreased by:		
Disbursements	C-2	4,629,632.45
		<u>4,629,632.45</u>
Balance, December 31, 2022 (Due To)	C	<u>\$ 2,007,959.65</u>

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	GENERAL IMPROVEMENTS:	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2021		2022 AUTHORIZATIONS	EXPENDED	AUTHORIZATIONS CANCELED	BALANCE DECEMBER 31, 2022
				FUNDED	UNFUNDED				UNFUNDED
07-17	Various School Improvements	5/4/17	\$ 1,200,000.00	\$	105,000.00	\$	72,917.58	101,464.47	\$
22-18	Various Capital Improvements	10/4/18	2,450,000.00		81,088.39		962.00	80,106.39	
07-19	Various Capital Improvements	9/5/19	4,578,000.00		539,119.08		47,989.69		491,129.39
02-20	Various Capital Improvements	3/9/20	4,050,000.00		57,462.22		8,488.80		48,973.42
01-21	Various Capital Improvements	2/18/21	4,250,000.00		1,753,555.75		1,478,543.23		275,012.52
02-22	Capital Improvements to Municipal Building	2/17/22	2,000,000.00			2,000,000.00	1,400,724.01		599,275.99
03-22	Various Capital Improvements	2/17/22	2,400,000.00			2,400,000.00	917,639.65		1,482,360.35
08-22	Various School Improvements	4/21/22	6,000,000.00			6,000,000.00	2,973,403.34		3,026,596.66
			\$	69,382.05	\$ 2,536,205.44	\$ 10,400,000.00	\$ 6,900,666.30	\$ 181,570.86	\$ 5,923,348.33

REF.

C

C

C-9

C-5

C-C-5

Deferred Charges To Future Taxation - Unfunded
Capital Improvement Fund

C-5
C-6

\$ 10,180,000.00
220,000.00
\$ 10,400,000.00

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2021	C	\$ 2,161,341.93
Increased by:		
Charges to Improvement Authorizations	C-8	6,900,668.30
		<u>\$ 9,062,010.23</u>
Decreased by:		
Disbursements	C-2	3,226,184.85
Balance, December 31, 2022	C	<u>\$ 5,835,825.38</u>

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2022</u>
			<u>DATE</u>	<u>AMOUNT</u>				
General Refunding Bonds 2013	3/21/13	9,570,000.00	6/1/23	1,155,000.00	4.000%	\$ 2,320,000.00	\$ 1,165,000.00	\$ 1,155,000.00
			7/15/23-24	950,000.00	2.000%			
General Improvement Bonds of 2016	7/15/16	11,985,000.00	7/15/25	1,000,000.00	2.000%			
			7/15/26	1,100,000.00	2.000%			
			7/15/27-28	1,200,000.00	2.000%			
			7/15/29	1,185,000.00	4.375%	8,485,000.00	900,000.00	7,585,000.00
General Improvement Bonds of 2017	6/21/17	8,125,000.00	1/15/23	1,180,000.00	4.000%			
			1/15/24	1,170,000.00	4.000%			
			1/15/25	1,165,000.00	4.000%			
			1/15/26	1,150,000.00	4.000%			
			1/15/27	1,140,000.00	4.000%			
General Improvement Bonds of 2019	8/1/19	9,950,000.00	1/15/28	1,135,000.00	5.000%	8,125,000.00	1,185,000.00	6,940,000.00
			8/1/23	640,000.00	2.000%			
			8/1/24	680,000.00	2.000%			
			8/1/25	720,000.00	2.000%			
			8/1/26	760,000.00	2.000%			
			8/1/27	800,000.00	2.000%			
			8/1/28	850,000.00	3.000%			
			8/1/29	900,000.00	3.000%			
			8/1/30	950,000.00	3.000%			
			8/1/31	970,000.00	2.125%			
			8/1/32	1,000,000.00	2.250%			
						8,870,000.00	600,000.00	8,270,000.00

\$ 27,800,000.00 \$ 3,850,000.00 \$ 23,950,000.00

REF.

C

C-4

C

"C-12"

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE TO PAY BONDS AND NOTES

	<u>REF.</u>	
Balance, December 31, 2021	C	\$ 3,201,203.58
Increased by:		
Receipts	C-2	150,380.00
		<u>\$ 3,351,583.58</u>
Decreased by:		
Disbursements	C-2	645,000.00
Balance, December 31, 2022	C	<u>\$ 2,706,583.58</u>

"C-13"

SCHEDULE OF GREEN TRUST LOAN PAYABLE

Balance, December 31, 2021	C	\$ 229,458.83
Decreased by:		
Loans Paid by Current Budget	C-4	32,853.09
Balance, December 31, 2022	C	<u>\$ 196,605.74</u>

CITY OF MARGATE CITY
GENERAL CAPITAL FUND
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2021 (Due To)	C	\$ 0.26
Increased by:		
Receipts	C-2	<u>202,340.46</u>
		\$ <u>202,340.72</u>
Decreased by:		
Disbursements	C-2	<u>202,340.72</u>

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

DATE OF ORDINANCE	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	ORIGINAL ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2021	INCREASED	DECREASED	BALANCE DECEMBER 31, 2022
07-19	Various Capital Improvements	12/17/20	\$ 2,965,000.00	12/14/22	1.250%	\$ 2,965,000.00	\$ 2,965,000.00	\$	2,965,000.00
07-19	Various Capital Improvements	12/17/20	2,965,000.00	11/29/23	4.500%		2,965,000.00		2,965,000.00
02-20	Various Capital Improvements	12/17/20	3,947,000.00	12/14/22	1.250%	3,847,500.00		3,847,500.00	3,847,500.00
02-20	Various Capital Improvements	12/17/20	3,947,000.00	11/29/23	4.500%		3,847,500.00		3,847,500.00
01-21	Various Capital Improvements	12/15/21	4,037,000.00	12/14/22	1.250%	4,037,500.00		4,037,500.00	4,037,500.00
01-21	Various Capital Improvements	12/15/21	4,037,000.00	11/29/23	4.500%		4,037,500.00		4,037,500.00
03-22	Various Capital Improvements	11/30/22	1,100,000.00	11/29/23	4.500%		1,100,000.00		1,100,000.00
08-22	Various School Improvements	11/30/22	2,650,000.00	11/29/23	4.500%		2,650,000.00		2,650,000.00
			\$ 10,850,000.00	\$ 14,600,000.00		\$ 10,850,000.00	\$ 10,850,000.00	\$ 14,600,000.00	
					REF	C	C-2	C-2	C-C-5

"C-16"

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
13-14	Type I School Improvements	\$ 197,226.72
04-15	Various Capital Improvements	403,574.00
05-16	Various Capital Improvements	751,585.00
07-17	Various School Improvements	103,535.53
22-18	Various Capital Improvements	1,644,091.10
07-19	Various Capital Improvements	332,891.01
02-22	Capital Improvements to Municipal Building	1,900,000.00
03-22	Various Capital Improvements	1,180,000.00
04-22	Various School Improvements	<u>3,350,000.00</u>
		<u>\$ 9,862,903.36</u>

CITY OF MARGATE CITY

WATER AND SEWER UTILITY FUND

SCHEDULE OF CASH

	<u>REF.</u>	<u>WATER AND SEWER UTILITY</u>	<u>WATER AND SEWER UTILITY CAPITAL</u>
Balance December 31, 2021	D	\$ 2,941,034.50	\$ -0-
Increased by Receipts:			
Consumer Accounts Receivable	D-6	\$ 5,137,790.25	\$
Miscellaneous Revenue Anticipated	D-1:D-3	18,691.19	
Miscellaneous Revenue Not Anticipated	D-1:D-3	57,188.15	
Due General Capital Fund	D-18		4,629,632.45
Bond Anticipation Notes Payable	D-22		5,400,000.00
Water and Sewer Overpayments	D-14	41,206.79	
Water Meter Installations	D-8	210,300.00	
Fixed Capital Authorized & Uncomplete	D-23		111,645.66
Reserve to Pay Bond Anticipation Notes	D-25		55,620.00
		\$ <u>5,465,176.38</u>	\$ <u>10,196,898.11</u>
		\$ <u>8,406,210.88</u>	\$ <u>10,196,898.11</u>
Decreased by Disbursements:			
2022 Budget Appropriations	D-4	\$ 4,448,901.50	\$
Appropriation Reserves	D-12	51,815.26	
Bond Anticipation Notes Payable	D-22		4,400,000.00
Water Meter Installations	D-8	144,876.55	
Contracts Payable	D-19		229,632.45
Due General Capital Fund	D-18		5,567,265.56
Accounts Payable	D-7	7,900.00	
Accrued Interest on Bonds	D-9	170,075.00	
Accrued Interest on Notes	D-10	54,847.21	
Fund Balance	D-1	200,000.00	
		\$ <u>5,078,415.52</u>	\$ <u>10,196,898.01</u>
Balance, December 31, 2022	D	\$ <u><u>3,327,795.36</u></u>	\$ <u><u>-0-</u></u>

CITY OF MARGATE CITY

WATER AND SEWER UTILITY FUND

SCHEDULE OF WATER AND SEWER USE CHARGES RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2021	D	\$	115,755.99
Increased by:			
Water and Sewer Charges Levied (Net)			<u>5,248,502.19</u>
		\$	<u>5,364,258.18</u>
Decreased By:			
Prepaid Applied	D-13	\$	77,711.03
Overpayments Applied	D-14		52,920.11
Canceled			919.98
Receipts	D-5		<u>5,137,790.25</u>
			<u>5,269,341.37</u>
Balance, December 31, 2022	D	\$	<u><u>94,916.81</u></u>

"D-7"

CITY OF MARGATE CITY

WATER AND SEWER UTILITY FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES/ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2021	D		\$ 154,414.37
Increased by:			
2022 Appropriations	D-4		145,116.94
			\$ <u>299,531.31</u>
Decreased by:			
Transfer to Appropriation Reserves	D-12	146,514.37	
Disbursements	D-5	<u>7,900.00</u>	
			<u>154,414.37</u>
Balance, December 31, 2022	D		\$ <u><u>145,116.94</u></u>

"D-8"

RESERVE FOR WATER METER INSTALLATIONS

Balance, December 31, 2021	D		\$ 420,796.33
Increased by:			
Receipts	D-5		210,300.00
			\$ <u>631,096.33</u>
Decreased by:			
Disbursements	D-5		<u>144,876.55</u>
Balance, December 31, 2022	D		\$ <u><u>486,219.78</u></u>

"D-9"

CITY OF MARGATE CITY
WATER AND SEWER UTILITY FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS

	<u>REF.</u>	
Balance, December 31, 2021	D	\$ 76,328.01
Increased by:		
Budget Appropriations	D-4	163,925.00
		<u>\$ 240,253.01</u>
Decreased by:		
Disbursements	D-5	170,075.00
Balance, December 31, 2022	D	<u><u>\$ 70,178.01</u></u>

"D-10"

SCHEDULE ACCRUED INTEREST ON NOTES

Increased by:		
Budget Appropriations	D-4	\$ 73,438.80
		<u>\$ 73,438.80</u>
Decreased by:		
Disbursements	D-5	54,847.21
Balance, December 31, 2022	D	<u><u>\$ 18,591.59</u></u>

"D-11"

CITY OF MARGATE CITY

WATER AND SEWER UTILITY FUND

SCHEDULE OF DUE WATER AND SEWER UTILITY CAPITAL FUND

REF.

Balance, December 31, 2021
and December 31, 2022 (Due To)

D

\$ 14,946.28

CITY OF MARGATE CITY

WATER AND SEWER UTILITY FUND

SCHEDULE OF 2021 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2021</u>	<u>PRIOR YEAR ACCOUNTS PAYABLE</u>	<u>MODIFIED</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
	\$ 59,902.42	\$	\$ 59,902.42	\$	\$ 59,902.42
	111,564.48	146,514.37	258,078.85	51,815.26	206,263.59
	<u>171,466.90</u>	<u>146,514.37</u>	<u>317,981.27</u>	<u>51,815.26</u>	<u>266,166.01</u>

Operating:

Salaries and Wages

Other Expenses

REF.

D

D-7

D-5

D-1

"D-13"

CITY OF MARGATE CITY
WATER AND SEWER UTILITY FUND
SCHEDULE OF PREPAID WATER AND SEWER CHARGES

	<u>REF.</u>		
Balance, December 31, 2021	D	\$	77,711.03
Decreased by:			
Applied to Receivable	D-6		<u>77,711.03</u>

"D-14"

SCHEDULE OF RESERVE FOR WATER AND SEWER OVERPAYMENTS

Balance, December 31, 2021	D	\$	52,920.11
Increased by:			
Receipts	D-5		<u>41,206.79</u>
		\$	94,126.90
Decreased by:			
Applied to Receivable	D-6		<u>52,920.11</u>
Balance, December 31, 2022	D	\$	<u><u>41,206.79</u></u>

"D-15"

CITY OF MARGATE CITY

WATER AND SEWER UTILITY FUND

SCHEDULE OF CHANGE FUND

Balance, December 31, 2021
and December 31, 2022

D

\$ 100.00

"D-16"

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2021

D

\$ 5,868,041.69

Increased by:

Bonds Payable

D-21

530,000.00

Balance, December 31, 2022

D

\$ 6,398,041.69

"D-17"

CITY OF MARGATE CITY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF DUE WATER AND SEWER UTILITY FUND

REF.

Balance, December 31, 2021 and December 31, 2022 (Due From)	D	\$ <u>14,946.28</u>
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"D-18"

SCHEDULE OF DUE GENERAL CAPITAL FUND

Balance, December 31, 2021 (Due from)	D	\$ 1,070,326.44
Increased by		
Disbursements	D-5	<u>5,567,265.66</u>
		\$ <u>6,637,592.10</u>
Decreased by:		
Receipts	D-5	<u>4,629,632.45</u>
and December 31, 2022 (Due From)	D	\$ <u>2,007,959.65</u>

CITY OF MARGATE CITY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2021	D	\$	868,323.91
Increased by:			
Improvement Authorizations	D-20		860,725.60
		\$	<u>1,729,049.51</u>
Decreased by:			
Disbursements	D-5	\$	229,632.45
Canceled to Improvement Authorizations	D-20		<u>5,866.46</u>
			<u>235,498.91</u>
Balance, December 31, 2022	D	\$	<u><u>1,493,550.60</u></u>

CITY OF MARGATE CITY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2021		2022 AUTHORIZATIONS	CONTRACTS PAYABLE	BALANCE DECEMBER 31, 2022	
					UNFUNDED				UNFUNDED
08-18	Various Water and Sewer Improvements	06/07/18	\$ 1,400,000.00	\$	12,983.04	\$	\$	\$	12,983.04
23-18	Various Water and Sewer Improvements	10/04/18	1,400,000.00		114,791.12		218.82		114,572.30
08-19	Various Water and Sewer Improvements	09/05/19	1,678,000.00		358,323.60		(5,866.46)		364,190.06
03-20	Various Water and Sewer Improvements	03/09/20	145,000.00		86,807.45		1,749.20		85,058.25
02-21	Various Water and Sewer Improvements	02/18/21	1,300,000.00		649,875.87		450,547.30		199,328.57
04-22	Various Water and Sewer Improvements	02/17/22	1,150,000.00			1,150,000.00	408,210.28		741,789.72
20-22	Clean Water Project-Replacement of Water Meters	10/20/22	2,500,000.00			2,500,000.00			2,500,000.00
					<u>1,222,781.08</u>	<u>\$ 3,650,000.00</u>	<u>854,859.14</u>		<u>4,017,921.94</u>
			REF.	D		D-23			D
	Transfer to Contracts Payable		D-19				\$ 860,725.60		
	Less: Transfer from Contracts Payable		D-19				<u>5,866.46</u>		
							<u>\$ 854,859.14</u>		

CITY OF MARGATE CITY

WATER & SEWER UTILITY CAPITAL FUND

SCHEDULE OF UTILITY SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>OUTSTANDING DECEMBER 31, 2021</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2022</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Water & Sewer Utility Bonds	7/15/16	\$ 4,900,000.00	7/15/23	330,000.00	2.000%			
			7/15/24	350,000.00	2.000%			
			7/15/25-27	370,000.00	2.000%			
			7/15/28-30	380,000.00	2.000%			
			7/15/31	380,000.00	2.150%	\$ 3,630,000.00	\$ 320,000.00	\$ 3,310,000.00
Water & Sewer Utility Bonds	8/5/19	4,350,000.00	8/1/23	220,000.00	2.000%			
			8/1/24	240,000.00	2.000%			
			8/1/25	260,000.00	2.000%			
			8/1/26	280,000.00	2.000%			
			8/1/27	300,000.00	2.000%			
			8/1/28	320,000.00	3.000%			
			8/1/29	340,000.00	3.000%			
			8/1/30	340,000.00	3.000%			
			8/1/31	350,000.00	2.125%			
			8/1/32	350,000.00	2.250%			
			8/1/33	370,000.00	2.375%			
			8/1/34	380,000.00	2.500%			
						3,960,000.00	210,000.00	3,750,000.00
						\$ 7,590,000.00	\$ 530,000.00	\$ 7,060,000.00
					<u>REF.</u>	D	D-16	D

CITY OF MARGATE CITY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2021	INCREASED	DECREASED	BALANCE DECEMBER 31, 2022
23-18	Various Water & Sewer Utility Improvements	12/17/20	12/15/21	12/14/22	1.250%	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00
23-18	Various Water & Sewer Utility Improvements	12/17/20	11/30/22	11/29/23	4.500%	1,500,000.00	400,000.00	1,500,000.00	1,500,000.00
09-19	Various Water & Sewer Utility Improvements	12/17/20	12/15/21	12/14/22	1.250%	1,200,000.00	1,500,000.00	1,200,000.00	1,200,000.00
09-19	Various Water & Sewer Utility Improvements	12/17/20	11/30/22	11/29/23	4.500%	1,300,000.00	1,300,000.00	1,300,000.00	1,300,000.00
03-20	Various Water & Sewer Utility Improvements	12/17/20	12/15/21	12/14/22	1.250%	1,200,000.00	1,000,000.00	1,200,000.00	1,200,000.00
03-20	Various Water & Sewer Utility Improvements	12/17/20	11/30/22	11/29/23	4.500%	1,300,000.00	1,300,000.00	1,300,000.00	1,300,000.00
02-21	Various Water & Sewer Utility Improvements	12/15/21	12/15/21	12/14/22	1.250%	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
02-21	Various Water & Sewer Utility Improvements	12/15/21	11/30/22	11/29/23	4.500%	400,000.00	400,000.00	400,000.00	400,000.00
04-22	Various Water & Sewer Utility Improvements	11/30/22	11/30/22	11/29/23	4.500%				
						<u>\$ 4,400,000.00</u>	<u>\$ 5,400,000.00</u>	<u>\$ 4,400,000.00</u>	<u>\$ 5,400,000.00</u>

REF.

D

D-6

D-6

D

"D-23"

CITY OF MARGATE CITY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL - AUTHORIZED AND UNCOMPLETE

	<u>REF.</u>	
Balance, December 31, 2021	D	\$ 12,623,282.65
Increased by:		
Improvement Authorizations	D-20	<u>3,650,000.00</u>
		\$ <u>16,273,282.65</u>
Decreased by:		
Receipts- State Aid	D-5	<u>111,645.66</u>
Balance December 31, 2022	D	\$ <u><u>16,384,928.31</u></u>

"D-24"

CITY OF MARGATE CITY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2022</u>
45-07	Improvements to Water & Sewer Utility System	\$ 1,490.30
01-09	Improvements to Water & Sewer Utility System	2,210.54
08-14	Various Water and Sewer Improvements	60,259.80
08-18	Various Water and Sewer Improvements	200,000.00
23-18	Various Water and Sewer Improvements	670,585.00
08-19	Various Water and Sewer Improvements	95,769.34
03-20	Various Water and Sewer Improvements	184,800.00
04-22	Various Water and Sewer Improvements	150,000.00
20-22	Clean Water Project- Replacment of Water Meters	<u>2,500,000.00</u>
		\$ <u><u>3,865,114.98</u></u>

"D-25"

CITY OF MARGATE CITY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE TO PAY BOND ANTICIPATION NOTES

	<u>REF.</u>	
Balance, December 31, 2021	D	\$ 40,964.00
Increased by:		
Receipts	D-5	<u>55,620.00</u>
Balance, December 31, 2022	D	\$ <u><u>96,584.00</u></u>

"D-26"

SCHEDULE OF RESERVE TO PAY BONDS

Balance, December 31, 2021 and December 31, 2022	D	\$ <u><u>135,110.14</u></u>
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"D-27"

CITY OF MARGATE CITY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

REF.

Balance, December 31, 2021
and Balance December 31, 2022

D

\$ 6,561,519.68

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PART II

CITY OF MARGATE CITY

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

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

	YEAR 2022		YEAR 2021	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 4,335,000.00	6.01%	\$ 3,913,000.00	5.63%
Miscellaneous - From Other Than				
Local Property Tax Levies	6,368,887.89	8.83%	6,359,512.27	9.14%
Collection of Delinquent Taxes				
and Tax Title Liens	626,446.08	0.87%	483,220.74	0.69%
Collections of Current Tax Levy	60,784,818.46	84.29%	58,790,728.11	84.54%
<u>Total Revenue</u>	<u>\$ 72,115,152.43</u>	<u>100.00%</u>	<u>\$ 69,546,461.12</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 32,932,327.43	48.88%	\$ 32,066,710.36	49.38%
County Taxes	23,832,556.96	35.38%	22,372,377.79	34.45%
Local School District Taxes	10,498,077.00	15.58%	10,498,077.00	16.16%
Other Expenditures	104,571.68	0.16%	7,235.50	0.01%
<u>Total Expenditures</u>	<u>\$ 67,367,533.07</u>	<u>100.00%</u>	<u>\$ 64,944,400.65</u>	<u>100.00%</u>
Excess in Revenue	\$ 4,747,619.36		\$ 4,602,060.47	
Fund Balance - January 1	8,772,649.88		8,083,589.41	
	<u>\$ 13,520,269.24</u>		<u>\$ 12,685,649.88</u>	
Less: Utilization as Anticipated Revenue	4,335,000.00		3,913,000.00	
Fund Balance, December 31	<u>\$ 9,185,269.24</u>		<u>\$ 8,772,649.88</u>	

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

	YEAR 2022		YEAR 2021	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 243,130.00	4.15%	\$ 372,800.00	6.15%
Collection of Water and Sewer Rents	5,268,421.39	90.00%	5,220,616.83	86.14%
Miscellaneous	342,045.35	5.85%	467,284.52	7.71%
<u>Total Revenue</u>	<u>\$ 5,853,596.74</u>	<u>100.00%</u>	<u>\$ 6,060,701.35</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 4,051,766.20	77.12%	\$ 3,957,800.00	77.67%
Capital Improvements				
Deferred Charges and Statutory Expenditures	135,000.00	2.57%	135,000.00	2.65%
Debt Service	767,363.80	14.60%	702,727.59	13.79%
Surplus (General Budget)	100,000.00	1.90%	100,000.00	1.96%
Surplus - Anticipated Revenue Current Fund	200,000.00	3.81%	200,000.00	3.93%
<u>Total Expenditures</u>	<u>\$ 5,254,130.00</u>	<u>100.00%</u>	<u>\$ 5,095,527.59</u>	<u>100.00%</u>
Excess in Revenue	\$ 599,466.74		\$ 965,173.76	
Fund Balance - January 1	1,972,551.47		1,380,177.71	
	\$ 2,572,018.21		\$ 2,345,351.47	
Decreased by:				
Utilization as Anticipated Revenue	243,130.00		372,800.00	
Fund Balance, December 31	<u>\$ 2,328,888.21</u>		<u>\$ 1,972,551.47</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>\$1.578</u>	<u>\$1.556</u>	<u>\$1.548</u>
Appointment of Tax Rate:			
Municipal	\$0.617	\$0.616	\$0.617
Municipal Library	0.041	0.038	0.037
County	0.612	0.587	0.573
Local School	<u>0.308</u>	<u>0.315</u>	<u>0.321</u>

Assessed Valuation:

Year 2022	\$ <u>3,858,574,400.00</u>		
Year 2021		\$ <u>3,797,014,200.00</u>	
Year 2020			\$ <u>3,747,197,700.00</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 COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2022	\$61,416,575.00	\$60,784,818.46	98.97%
2021	\$59,426,453.70	\$58,790,728.11	98.93%
2020	\$58,371,275.57	\$57,861,522.19	99.13%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>DECEMBER 31, 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>
2022	\$-0-	\$627,799.33	\$627,799.33	1.02%
2021	\$-0-	\$626,481.89	\$626,481.89	1.05%
2020	\$-0-	\$492,630.24	\$492,630.24	0.85%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>YEAR</u>	<u>AMOUNT</u>
2022	\$246,257.50
2021	\$246,257.50
2020	\$138,557.50

COMPARISON OF UTILITY LEVIES

<u>YEAR</u>	<u>SEWER LEVY</u>
2022	\$5,252,495.03
2021	\$5,204,989.43
2020	\$5,158,917.38

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2022	\$9,185,269.24	\$5,389,000.00
	2021	8,772,649.88	4,335,000.00
	2020	8,083,589.41	3,913,000.00
	2019	11,323,589.41	3,240,000.00
	2018	6,083,026.96	3,000,000.00
Water and Sewer Utility Operating Fund	2022	\$2,328,888.21	\$182,600.00
	2021	1,972,551.47	243,130.00
	2020	1,380,177.71	372,800.00
	2019	1,948,377.71	368,200.00
	2018	1,067,967.13	368,200.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>
Michael Becker	Mayor - Commissioner of Public Works	*
John Amodeo	Commissioner of Public Safety	*
Maury Blumberg	Commissioner of Revenue and Finance	*
Richard Deaney	Business Administrator	*
Lisa McLaughlin	Certified Municipal Finance Officer	*
Tara Mazza	Tax Collector	*
Kay Vo	Water and Sewer Collector	*
James Manghan	Tax Assessor	*
Johanna Casey	City Clerk, Registrar	*
John Scott Abbott	City Solicitor	*
John H. Rosenberger	Magistrate	*
Maureen Larkin	Court Administrator	*
Deanna Krupp	Deputy Court Administrator	*
James Galantino	Construction Code Official	*
Roger McLarnon	Zoning Officer, Qualified Purchasing Agent	*
Matthew Hankinson	Police Chief	*
Frank Ricciotti	Director of Public Works	*

All of the bonds were examined and were properly executed.

*Covered by Honesty Blanket Position Bond of the Atlantic County Municipal
Joint Insurance Fund - \$1,000,000.00.

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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 was increased to \$17,500.00 or up to \$44,000.00 with a qualified purchasing agent. The City has a qualified purchasing agent and has raised the 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 \$44,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the City Solicitor's opinion should be sought before a commitment is made.

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

- Historic City Hall Façade Repair
- Municipal Building Interior Renovations
- Road Improvement Program
- HVAC Replacement at Municipal Library
- Installation of Security Cameras
- Firewall Security & Migrate of E-Mil Service to the Cloud
- Software, Maintenance and Cloud Housing
- Janitorial Services
- Cleaning and Televising of Sewer System

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

- Bond Counsel Services
- Eye Care Insurance
- Dental Care Insurance
- Municipal Solicitor
- Planning Board Solicitor
- Municipal Auditor
- Planning and Grant Assistance
- Municipal Prosecutor

GENERAL COMMENTS (CONTINUED)

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$44,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.40A:11-6.

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 6, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

BE IT RESOLVED, by the Board of Commissioners of the City of Margate City, County of Atlantic, New Jersey, that all delinquent taxes for the year shall have added to them, by the Tax Collector of the City of Margate City, from the date of delinquency to the date of payment, interest at a rate of 8% on the first \$1,500.00 and 18% on any excess over \$1,500.00; and

WHEREAS, it appears that Chapter 105, P.L. 1965 of the Laws of the State of New Jersey has amended R.S. 54:4-67 thereby giving the people a ten (10) day grace period from the taxes due date.

THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Margate City that the Tax Collector is hereby authorized to add eight percent (8%) on the first \$1,500.00 and 18% on any excess over \$1,500.00 giving the people a ten (10) day grace period from the taxes due date, on any and all liens for any improvements by the Municipality from the date of delinquency.

BE IT FURTHER RESOLVED, that so long as said taxes are paid within the ten (10) day grace period by any person, firm, corporation or association that payment shall be considered to have been made within the ten (10) day grace period and therefore no interest shall be charged.

BE IT FURTHER RESOLVED that this resolution shall become effective January 6, 2022.

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 December 9, 2022 and was complete.

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

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 2023 Taxes	5
Payments of 2022 Taxes	5
Delinquent Taxes	5
Payment of Sewer Utility Charges	5
Delinquent Sewer Utility Charges	5

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 City's policy to review and liquidate all interfund balances on a periodic basis.

Budget

The City made a budget transfer from the contingent budget line. NJSA 40A:4-58 prohibits the transfer of funds from the contingent budget line.

RECOMMENDATIONS

That no budget transfers be made from the contingent budget line item.

