

**BOROUGH OF SURF CITY**  
**COUNTY OF OCEAN, NEW JERSEY**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**



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COUNTY OF OCEAN, NEW JERSEY  
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**BOROUGH OF SURF CITY  
COUNTY OF OCEAN, NEW JERSEY**

**PART I**

**INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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

### Opinions

We have audited the accompanying financial statements of the various funds and account group of the Borough of Surf City, which comprise the statements of assets, liabilities, reserves and fund balance – regulatory basis as of December 31, 2023 and 2022, and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2023, and the related notes to the financial statements, as listed in the table of contents.

### Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance – regulatory basis of the Borough of Surf City, as of December 31, 2023 and 2022, and the results of its operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis, statements of expenditures – regulatory basis for the year ended December 31, 2023, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Surf City, as of December 31, 2023 and 2022, or the results of its operations and changes in fund balance for the years then ended.

### Basis for Opinions

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

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

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

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control(s) relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Surf City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Surf 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 Borough of Surf City's basic financial statements. The accompanying supplemental schedules presented for the various funds and letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024, on our consideration of the Borough of Surf City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Surf City internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Surf City's internal control over financial reporting and compliance.

Respectfully submitted,

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

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

Lakewood, New Jersey  
June 28, 2024

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

Honorable Mayor and Members  
of the Borough Committee  
Borough of Surf City  
Surf City, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Borough of Surf City, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough of Surf City’s basic financial statements, and have issued our report thereon dated June 28, 2024. Our report indicated that the Borough of Surf City’s financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Report on Internal Control Over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully Submitted,

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

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

Lakewood, New Jersey  
June 28, 2024

**BASIC FINANCIAL STATEMENTS**

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**BOROUGH OF SURF CITY  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2023 AND 2022**

<u>Assets</u>	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Cash - Treasurer	A-4	\$ 10,340,950.12	\$ 10,366,042.44
Cash - Change Funds	A	600.00	600.00
Investment - Bond Anticipation Notes	C, C-11	250,000.00	-
		<u>10,591,550.12</u>	<u>10,366,642.44</u>
Receivables With Full Reserves:			
Taxes Receivable	A-6	154,642.32	137,013.35
Tax Title Liens Receivable	A-7	1,092.19	1,044.95
Property Acquired for Taxes - Assessed Value	A	4,725.00	4,725.00
Revenue Accounts Receivable	A-8	1,337.80	468.62
Due From Dog License Fund	B	-	162.29
Due from Capital Fund	C	-	1,500.71
		<u>161,797.31</u>	<u>144,914.92</u>
		<u>10,753,347.43</u>	<u>10,511,557.36</u>
Federal and State Grant Fund:			
Due From Current Fund	A	27,927.61	28,603.77
		<u>27,927.61</u>	<u>28,603.77</u>
Total Assets		<u>\$ 10,781,275.04</u>	<u>\$ 10,540,161.13</u>

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

**BOROUGH OF SURF CITY**  
**CURRENT FUND**  
**STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2023 AND 2022**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Appropriation Reserves	A-3, A-9	\$ 948,508.43	\$ 912,839.52
Encumbrances Payable	A-10	45,815.46	98,205.35
Accounts Payable	A-11	69.13	-
Tax Overpayments	A	2,275.97	16,562.37
Prepaid Taxes	A-12	455,128.59	402,908.29
Local District School Tax Payable	A-14	56,827.73	53,421.98
Regional School Tax Payable	A-15	2,340,981.91	2,489,718.91
Due To:			
Federal & State Grant Fund	A	27,927.61	28,603.77
Trust Other Fund	B	48,357.93	58,262.68
Animal Control Trust	B	19.16	-
Capital Fund	C	72,732.25	-
County for Added Tax	A-13	102,401.75	86,835.99
State of NJ for Exemptions	A-5	802.75	802.75
Reserve for Tax Appeal	A-16	86,856.05	77,641.20
Reserve for Prepaid Beach Badges	A-16	39,040.00	32,000.00
Reserve for Hurricane Expense	A-16	293,931.50	321,623.24
Reserve for Library Aid	A-16	14.00	14.00
Reserve for Municipal Aid	A-16	17,151.36	-
Reserve for Ocean County CARES Grant	A-16	-	187,862.99
		<hr/>	<hr/>
		4,538,841.58	4,767,303.04
Reserve for Receivables	A	161,797.31	144,914.92
Fund Balance	A-1	6,052,708.54	5,599,339.40
		<hr/>	<hr/>
		10,753,347.43	10,511,557.36
Federal and State Grant Fund:			
Reserve for Grant Expenditures:			
Appropriated	A-18	7,813.50	7,813.50
Unappropriated	A-19	20,114.11	20,790.27
		<hr/>	<hr/>
		27,927.61	28,603.77
		<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balance		<u>\$ 10,781,275.04</u>	<u>\$ 10,540,161.13</u>

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



**BOROUGH OF SURF CITY**  
**CURRENT FUND**  
**STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 2,000,000.00	\$ 1,672,500.00
Miscellaneous Revenue Anticipated	A-2	1,399,489.53	1,198,931.60
Receipts From Delinquent Taxes	A-2	150,244.43	100,317.08
Non-Budget Revenue	A-2	704,144.16	376,104.00
Receipts From Current Taxes	A-2, A-6	20,409,978.09	19,586,639.91
Other Credits To Income:			
Unexpended Balance of Appropriation			
Reserves	A-9	822,835.18	923,740.66
Cancellation of Grant Appropriations	A-18	-	7,813.50
Prior Years Interfunds Returned	A-1	1,663.00	174,944.70
Statutory Excess in Dog License Fund	A-1	143.13	-
Total Revenues		<u>25,488,497.52</u>	<u>24,040,991.45</u>
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	3,165,027.20	3,007,853.52
Other Expenses	A-3	3,027,022.80	2,879,696.48
Deferred Charges and Statutory			
Expenditures	A-3	747,950.00	634,998.00
Appropriations Excluded From "CAPS":			
Other Expenses	A-3	81,790.27	111,927.18
Capital Improvements	A-3	125,000.00	125,000.00
Deferred Charges	A-3	200,964.26	203,968.65
County Taxes	A-13	9,184,756.65	8,074,427.00
County Share of Added Taxes	A-13	102,401.75	86,835.99
Local District School Tax	A-14	914,904.00	901,281.00
Regional High School Tax	A-15	5,474,381.00	5,771,855.00
Cancellation of Grant Receivables	A-17	-	7,493.40
Reserve for Tax Appeals	A-16	9,214.85	77,641.20
Refund of Prior Year Revenues	A-4	1,715.60	11,825.84
Total Expenditures		<u>23,035,128.38</u>	<u>21,894,803.26</u>
Excess in Revenue		<u>2,453,369.14</u>	<u>2,146,188.19</u>
Statutory Excess To Fund Balance		2,453,369.14	2,146,188.19
Fund Balance, January 1	A	<u>5,599,339.40</u>	<u>5,125,651.21</u>
Decreased By:		8,052,708.54	7,271,839.40
Utilized as Anticipated Revenue	A-2	<u>2,000,000.00</u>	<u>1,672,500.00</u>
Fund Balance, December 31	A	<u><u>\$ 6,052,708.54</u></u>	<u><u>\$ 5,599,339.40</u></u>

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

**BOROUGH OF SURF CITY**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2023**

	BUDGET	REALIZED	EXCESS/ (DEFICIT)
Fund Balance Anticipated	\$ 2,000,000.00	\$ 2,000,000.00	\$ -
Miscellaneous Revenues:			
Licenses:			
Alcohol Beverages	1,400.00	1,400.00	-
Fees & Permits	10,000.00	24,089.50	14,089.50
Interest & Costs on Taxes	20,999.74	35,234.97	14,235.23
Beach Badge Fees	575,000.00	855,380.00	280,380.00
Energy Receipts Taxes	165,567.00	165,566.60	(0.40)
Uniform Construction Code Fees	95,000.00	109,165.20	14,165.20
Reserve for Ocean County Cares	187,862.99	187,862.99	-
Recycling Tonnage Grant	5,942.77	5,942.77	-
Clean Communities Program	11,554.03	11,554.03	-
Body Armor Replacement Fund	3,293.47	3,293.47	-
	<u>1,076,620.00</u>	<u>1,399,489.53</u>	<u>322,869.53</u>
Receipts From Delinquent Taxes	<u>100,000.00</u>	<u>150,244.43</u>	<u>50,244.43</u>
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	<u>4,765,000.00</u>	<u>5,298,389.69</u>	<u>533,389.69</u>
Budget Totals	<u>7,941,620.00</u>	<u>8,848,123.65</u>	<u>906,503.65</u>
Non-Budget Revenue	<u>-</u>	<u>704,144.16</u>	<u>704,144.16</u>
	<u>\$ 7,941,620.00</u>	<u>\$ 9,552,267.81</u>	<u>\$ 1,610,647.81</u>

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

**BOROUGH OF SURF CITY  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023**

Analysis of Realized Revenue

## Allocation of Current Tax Collection:

Revenue From Collections	\$ 20,409,978.09
Allocated To School and County Taxes	<u>15,676,443.40</u>

Balance for Support of Municipal Budget 4,733,534.69

## Add:

Appropriation Reserve for Uncollected Taxes	<u>564,855.00</u>
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Balance for Support of Municipal Budget

Appropriations	<u>\$ 5,298,389.69</u>
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## Delinquent Taxes:

Taxes Receivable	<u>\$ 150,244.43</u>
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Analysis of Non-Budget Revenue

## Miscellaneous revenue not anticipated:

Revenue Accounts Receivable:	
Municipal Court Fines & Costs	\$ 23,412.87

Interst on Investments & Deposits	\$ 307,420.14	
Insurance Refunds	110,789.66	
Cable TV Franchise Fees	30,657.80	
Recycling Receipts	7,060.60	
Local Zoning and Occupancy	28,845.00	
Land Use Board Reimbursement and Fees	2,450.00	
Vendor Licenses	5,000.00	
Prior Year Health Insurance Premium Refunds	8,222.05	
Miscellaneous	7,150.88	
Auction Proceeds	17,507.61	
School Resource Officers	28,377.04	
Settlement Payment - Monsanto Co.	17,414.03	
Resilent Grant	3,193.42	
Sale of Land	67,000.00	
Refund of Prior Period Expense	<u>39,643.06</u>	
		<u>680,731.29</u>
		<u>\$ 704,144.16</u>

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

**BOROUGH OF SURF CITY  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS			EXPENDED			CANCELLED
	ORIGINAL BUDGET	BUDGET AFTER MODIFICATIONS	PAID OR CHARGED	ENCUMBERED	RESERVED		
General Appropriations	\$ 75,000.00	\$ 90,000.00	\$ 87,749.67	\$ -	\$ 2,250.33	\$ -	
Operations - Within "CAPS"	40,000.00	40,000.00	36,741.90	207.00	3,051.10	-	
GENERAL GOVERNMENT							
General Administration							
Salaries & Wages	5,000.00	5,000.00	-	-	5,000.00	-	
Other Expenses							
Human Resources							
Other Expenses							
Mayor and Council	78,000.00	58,000.00	53,216.00	-	4,784.00	-	
Salaries & Wages	5,750.00	5,750.00	4,440.13	-	1,309.87	-	
Other Expenses							
Municipal Clerk	90,000.00	90,000.00	89,928.98	-	71.02	-	
Salaries & Wages	15,500.00	15,500.00	11,562.08	2,879.35	1,058.57	-	
Other Expenses							
Financial Administration							
Salaries & Wages	97,500.00	72,500.00	59,296.60	-	13,203.40	-	
Other Expenses	20,000.00	20,000.00	12,057.73	-	7,942.27	-	
Audit Services							
Other Expenses - Annual Audit	22,000.00	22,000.00	21,166.66	-	833.34	-	
Collection of Taxes							
Salaries & Wages	57,500.00	57,500.00	53,262.19	-	4,237.81	-	
Other Expenses	21,500.00	21,500.00	9,490.23	172.03	11,837.74	-	
Assessment of Taxes							
Salaries & Wages	22,000.00	22,000.00	18,404.87	-	3,595.13	-	
Other Expenses	10,000.00	10,000.00	6,083.56	139.50	3,776.94	-	
Legal Services							
Other Expenses	17,000.00	17,000.00	7,888.15	697.50	8,414.35	-	
Revision of Ordinances							
Other Expenses	2,500.00	2,500.00	-	-	2,500.00	-	
Engineering Services							
Other Expenses	11,500.00	11,500.00	8,796.55	-	2,703.45	-	
Review/Revision of Master Plan							
Other Expenses	5,000.00	5,000.00	-	-	5,000.00	-	
Municipal Court							
Salaries & Wages	78,000.00	78,000.00	76,728.73	-	1,271.27	-	
Other Expenses	9,000.00	9,000.00	5,866.98	2,516.00	617.02	-	
Public Defender							
Other Expenses	1,850.00	1,850.00	378.00	-	1,472.00	-	
Land Use Administration:							
Land Use Board							
Salaries & Wages	11,000.00	11,000.00	-	-	11,000.00	-	
Other Expenses	7,000.00	7,000.00	392.00	2,498.40	4,109.60	-	

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

**BOROUGH OF SURF CITY  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS			EXPENDED			CANCELLED
	ORIGINAL BUDGET	BUDGET AFTER MODIFICATIONS	PAID OR CHARGED	ENCUMBERED	RESERVED		
Code Enforcement & Administration:							
Other Code Enforcement Functions							
Salaries & Wages	25,000.00	27,500.00	25,681.70	-	1,818.30	-	-
Other Expenses	3,000.00	3,000.00	410.62	-	2,589.38	-	-
Zoning Officer							
Salaries & Wages	25,000.00	25,000.00	23,638.60	-	1,361.40	-	-
Other Expenses	3,000.00	3,000.00	762.30	-	2,237.70	-	-
Insurance:							
General Liability	100,000.00	100,000.00	83,354.66	-	16,645.34	-	-
Workers Compensation	115,000.00	115,000.00	112,000.00	-	3,000.00	-	-
Employee Group Health	1,350,000.00	1,350,000.00	1,076,512.70	100.00	273,387.30	-	-
Health Benefit Waiver							
Salaries & Wages	50,000.00	50,000.00	42,916.67	-	7,083.33	-	-
Public Safety Functions:							
Police Department							
Salaries & Wages	1,385,000.00	1,385,000.00	1,344,327.16	-	40,672.84	-	-
Other Expenses	54,050.00	54,050.00	35,247.54	6,277.32	12,525.14	-	-
Police clothing allowance	15,950.00	15,950.00	14,500.00	-	1,450.00	-	-
Police Dispatch/911							
Other Expenses	65,000.00	65,000.00	54,561.60	-	10,438.40	-	-
Office of Emergency Management							
Salaries & Wages	3,500.00	3,500.00	3,000.00	-	500.00	-	-
Other Expenses	5,000.00	5,000.00	-	-	5,000.00	-	-
Aid to Volunteer Fire Company	30,000.00	30,000.00	30,000.00	-	-	-	-
Fire Hydrant Service	120,000.00	120,000.00	120,000.00	-	-	-	-
Municipal Prosecutor's Office							
Other Expenses	12,500.00	12,500.00	7,083.30	1,416.70	4,000.00	-	-
Public Work Functions:							
Streets and Road Maintenance							
Salaries & Wages	105,000.00	115,000.00	114,719.82	-	280.18	-	-
Other Expenses	23,000.00	23,000.00	15,611.74	1,765.37	5,622.89	-	-
Schedule C							
Other Expenses	15,000.00	15,000.00	8,973.55	-	6,026.45	-	-
Solid Waste Collection							
Salaries & Wages	320,000.00	345,000.00	331,931.41	-	13,068.59	-	-
Other Expenses	85,000.00	85,000.00	46,877.49	1,760.00	36,362.51	-	-
Building and Grounds							
Salaries & Wages	165,000.00	155,000.00	154,674.90	-	325.10	-	-
Other Expenses	62,500.00	62,500.00	52,444.65	9,087.52	967.83	-	-
Vehicle Maintenance (Incl. Police Vehicles)							
Salaries & Wages	55,000.00	55,000.00	42,980.74	-	12,019.26	-	-
Other Expenses	80,000.00	90,000.00	66,909.44	7,281.91	15,808.65	-	-

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

**BOROUGH OF SURF CITY  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS			EXPENDED		
	ORIGINAL BUDGET	BUDGET AFTER MODIFICATIONS	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Health & Human Services Functions:						
Board of Health						
Salaries & Wages	3,250.00	3,250.00	2,144.00	-	1,106.00	-
Other Expenses	70,000.00	70,000.00	66,652.64	-	3,347.36	-
Environmental Health Services						
Salaries & Wages	4,000.00	4,000.00	1,591.00	-	2,409.00	-
Other Expenses	1,000.00	1,000.00	-	-	1,000.00	-
Animal Control Services						
Other Expenses	10,000.00	10,000.00	7,500.00	750.00	1,750.00	-
Contributions to Social Service Agencies						
Senior Citizen Center (NJS 40:48-9.4)	5,000.00	5,000.00	-	-	5,000.00	-
Health Care Facilities (NJS 44:5-2)	100.00	100.00	-	-	100.00	-
Mental Health Facilities (NJS 40:48-9.4a)	100.00	100.00	-	-	100.00	-
Recreation of Services and Programs						
Salaries & Wages	7,500.00	7,500.00	-	-	7,500.00	-
Other Expenses	2,000.00	2,000.00	765.00	-	1,235.00	-
Maintenance of Parks						
Salaries & Wages	35,000.00	35,000.00	34,796.55	-	203.45	-
Other Expenses - Veterans' Memorial Park	2,500.00	2,500.00	448.07	-	2,051.93	-
Other Expenses - Other Facilities	4,000.00	4,000.00	2,000.00	-	2,000.00	-
Beach & Boardwalk Operations						
Salaries & Wages	425,000.00	410,000.00	399,220.65	-	10,779.35	-
Other Expenses	82,500.00	82,500.00	78,153.43	119.88	4,226.69	-
Other Common Operating Functions (Unclassified)						
Municipal Bus Service						
Other Expenses	20,000.00	20,000.00	20,000.00	-	-	-
Accumulated Leave Compensation						
Salaries & Wages	8,000.00	8,000.00	8,000.00	-	-	-
Celebration of Public Events						
Other Expenses	1,000.00	1,000.00	463.23	-	536.77	-
Utility Expenses & Bulk Purchases						
Electricity	32,000.00	32,000.00	16,088.88	3,813.60	12,097.52	-
Street Lighting	58,000.00	58,000.00	55,494.82	2,505.18	0.00	-
Telephone	40,000.00	40,000.00	19,601.20	-	20,398.80	-
Gas (natural or propane)	30,000.00	30,000.00	14,289.26	373.15	15,337.59	-
Telecommunications	8,500.00	8,500.00	4,336.86	-	4,163.14	-
Gasoline	80,000.00	80,000.00	44,873.63	1,455.05	33,671.32	-
Landfill/Solid Waste Disposal Costs:						
Landfill/Solid Waste Disposal Costs	180,000.00	180,000.00	148,447.84	-	31,552.16	-
Other Expenses						
Construction Official						
Salaries & Wages	27,500.00	35,000.00	29,465.61	-	5,534.39	-
Other Expenses	80,000.00	80,000.00	5,335.99	-	74,664.01	-
Total Operations Including Contingent Within CAPS	6,192,050.00	6,192,050.00	5,332,240.26	45,815.46	813,994.28	-

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

**BOROUGH OF SURF CITY  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS		EXPENDED			CANCELLED
	ORIGINAL BUDGET	BUDGET AFTER MODIFICATIONS	PAID OR CHARGED	ENCUMBERED	RESERVED	
Detail:						
Salaries & Wages	3,152,750.00	3,142,750.00	2,997,675.85	-	167,351.35	-
Other Expenses	3,039,300.00	3,049,300.00	2,334,564.41	45,815.46	646,642.93	-
	6,192,050.00	6,192,050.00	5,332,240.26	45,815.46	813,994.28	-
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	86,591.00	86,591.00	86,590.80	-	0.20	-
Social Security System (O.A.S.I)	237,500.00	237,500.00	223,537.31	-	13,962.69	-
Police and Firemen's System of NJ	406,614.00	406,614.00	406,614.00	-	-	-
Unemployment Insurance	15,000.00	15,000.00	11,411.05	-	3,588.95	-
Defined Contribution Retirement Program	2,245.00	2,245.00	1,397.04	-	847.96	-
Total Statutory Expenditures Within CAPS	747,950.00	747,950.00	729,550.20	-	18,399.80	-
Total General Appropriations Within CAPS	6,940,000.00	6,940,000.00	6,061,790.46	45,815.46	832,394.08	-
Operations Excluded from CAPS:						
Length of Service Awards Program (L.O.S.A.P.)						
Other Expenses	52,000.00	52,000.00	-	-	52,000.00	-
Recycling Tax (P.L. 2007, c. 311)	9,000.00	9,000.00	5,110.65	-	3,889.35	-
Other Expenses						
Public & Private Programs Offset by Revenues:						
Clean Communities Program	11,554.03	11,554.03	11,554.03	-	-	-
Recycling Tonnage Grant	5,942.77	5,942.77	5,942.77	-	-	-
Body Armor Replacement Fund	3,293.47	3,293.47	3,293.47	-	-	-
State & Federal Programs - Local Match	4,010.47	4,010.47	-	-	-	4,010.47
Total Operations Excluded from CAPS	85,800.74	85,800.74	25,900.92	-	55,889.35	4,010.47
Detail:						
Other Expenses	85,800.74	85,800.74	25,900.92	-	55,889.35	4,010.47
	85,800.74	85,800.74	25,900.92	-	55,889.35	4,010.47

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

**BOROUGH OF SURF CITY  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS		EXPENDED			
	ORIGINAL BUDGET	BUDGET AFTER MODIFICATIONS	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Capital Improvements - Excluded from CAPS:						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00	-	-	-
Rehabilitation of / Enhancement to Borough Property	75,000.00	75,000.00	14,775.00	-	60,225.00	-
Total Capital Improvements	125,000.00	125,000.00	64,775.00	-	60,225.00	-
Municipal Debt Service - Excluded from CAPS:						
Interest of Notes	25,000.00	25,000.00	-	-	-	25,000.00
Total Municipal Debt Services	25,000.00	25,000.00	-	-	-	25,000.00
Deferred Charges to Future Taxation - Unfunded:						
18-15&19-19 Repair/Resurface Various Rds.	42,500.00	42,500.00	42,500.00	-	-	-
21-03&13 Acquisition of Beach Equipment	134,511.26	134,511.26	134,511.26	-	-	-
22-08 Acquisition of Livescan Machine	23,953.00	23,953.00	23,953.00	-	-	-
Total Deferred Charges	200,964.26	200,964.26	200,964.26	-	-	-
Total General Appropriations Excluded from CAPS	436,765.00	436,765.00	291,640.18	-	116,114.35	29,010.47
Subtotal General Appropriations	7,376,765.00	7,376,765.00	6,353,430.64	45,815.46	948,508.43	29,010.47
Reserve for Uncollected Taxes	564,855.00	564,855.00	564,855.00	-	-	-
Total General Appropriations	\$ 7,941,620.00	\$ 7,941,620.00	\$ 6,918,285.64	\$ 45,815.46	\$ 948,508.43	\$ 29,010.47
Budget	\$ 7,941,620.00	\$ 7,941,620.00				
Federal & State Grants			\$ 20,790.27			
Due to Trust Fund			8,000.00			
Reserve for Uncollected Taxes			564,855.00			
Cash			6,324,640.37			
			\$ 6,918,285.64			

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



**BOROUGH OF SURF CITY  
TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2023 AND 2022**

<u>Assets</u>	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Animal Control Fund:			
Cash	B-1	\$ 324.64	\$ 551.09
Due From State Department of Health	B	3.00	3.00
Due Current Fund	B-4	19.16	-
		<u>346.80</u>	<u>554.09</u>
Trust - Other Fund:			
Cash	B-1	332,100.04	420,235.32
Due from Water/Sewer Capital	B-3	1,151.86	12.65
Due from Current Fund	B-2	48,357.93	58,262.68
		<u>381,609.83</u>	<u>478,510.65</u>
Length of Service Award Program Fund ("LOSAP"):			
Investments	B-7	1,233,598.67	1,044,088.31
		<u>1,233,598.67</u>	<u>1,044,088.31</u>
Total Assets		<u>\$ 1,615,555.30</u>	<u>\$ 1,523,153.05</u>
<u>Reserves</u>			
Animal Control Fund:			
Due Current Fund	B-4	\$ -	\$ 162.29
Reserve for Dog Fund Expendiures	B-5	346.80	391.80
		<u>346.80</u>	<u>554.09</u>
Trust - Other Fund:			
Various Reserves	B-6	381,609.83	478,510.65
		<u>381,609.83</u>	<u>478,510.65</u>
Length of Service Award Program Fund ("LOSAP"):			
Miscellaneous Reserve	B-8	1,233,598.67	1,044,088.31
		<u>1,233,598.67</u>	<u>1,044,088.31</u>
Total Reserves		<u>\$ 1,615,555.30</u>	<u>\$ 1,523,153.05</u>

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

**BOROUGH OF SURF CITY  
GENERAL CAPITAL FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2023 AND 2022**

<u>Assets</u>	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Cash	C-2	\$ 94,870.98	\$ 601,506.33
Due From Current Fund	C-4	72,732.25	-
Grant Receivable	C-5	128,450.00	128,450.00
Deferred Charges To Future Taxation:			
Unfunded	C-6	4,092,100.54	3,318,160.86
 Total Assets		 <u>\$ 4,388,153.77</u>	 <u>\$ 4,048,117.19</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Improvement Authorizations:			
Funded	C-7	\$ 346,340.69	\$ 561,194.16
Unfunded	C-7	2,271,332.08	2,333,800.82
Reserve for Encumbrances	C-7	434,562.50	25,453.00
Due To Current Fund	C-4	-	1,500.71
Capital Improvement Fund	C-8	820,182.50	860,432.50
Bond Anticipation Notes	C-11	250,000.00	-
Reserve for Debt Service	C-9	36,683.33	36,683.33
Reserve for Purchase of Lifeguard Boat	C-9	18,150.00	18,150.00
Reserve for Grant Receivable	C-5	128,450.00	128,450.00
Capital Fund Balance	C-1	82,452.67	82,452.67
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 4,388,153.77</u>	 <u>\$ 4,048,117.19</u>

There were bonds and notes authorized but not issued on December 31, 2023 of \$3,842,100.54 and on December 31, 2022 of \$3,318,160.86.

**BOROUGH OF SURF CITY  
GENERAL CAPITAL FUND  
STATEMENT OF CAPITAL FUND BALANCE -  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Balance, December 31, 2023 and 2022

\$ 82,452.67

**BOROUGH OF SURF CITY**  
**WATER/SEWER UTILITY FUND**  
**STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2023 AND 2022**

<u>Assets</u>	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Operating Fund:			
Cash	D-4	\$ 3,389,223.80	\$ 2,988,594.82
Change Fund	D	<u>250.00</u>	<u>250.00</u>
Subtotal		3,389,473.80	2,988,844.82
 Water/Sewer Rents Receivable	 D-6	 <u>37,247.96</u>	 <u>34,424.20</u>
Total Operating Fund		<u>3,426,721.76</u>	<u>3,023,269.02</u>
Capital Fund:			
Cash	D-4	132,307.93	595,092.87
Due from Water/Sewer Operating Fund	D-13	47,174.47	61,892.31
Fixed Capital - Completed	D-7	8,731,476.14	8,360,588.16
Fixed Capital - Authorized and Uncompleted	D-8	<u>825,000.00</u>	<u>1,195,887.98</u>
Total Capital Fund		<u>9,735,958.54</u>	<u>10,213,461.32</u>
Total Assets		<u>\$ 13,162,680.30</u>	<u>\$ 13,236,730.34</u>
 <u>Liabilities, Reserves and Fund Balances</u>			
Operating Fund:			
Accounts Payable	D-12	\$ 7,644.37	\$ 7,644.37
Encumbrances Payable	D-10	16,459.43	33,169.87
Appropriation Reserves	D-3	766,925.81	738,558.08
Due to Utility Capital Fund	D-13	47,174.47	61,892.31
Due to Trust-Other Fund		1,151.86	12.65
Prepaid Rents	D-11	<u>13,209.05</u>	<u>16,553.52</u>
Subtotal		852,564.99	857,830.80
 Reserve for Water/Sewer Rents Receivables		 37,247.96	 34,424.20
Operating Fund Balance	D-1	<u>2,536,908.81</u>	<u>2,131,014.02</u>
Total Operating Fund		<u>3,426,721.76</u>	<u>3,023,269.02</u>
Capital Fund:			
Capital Improvement Fund	D-16	553,315.51	528,315.51
Improvement Authorizations:			
Funded	D-14	-	158,099.42
Unfunded	D-14	161,942.82	706,346.18
Reserve for Amortization	D-16	8,941,973.74	8,741,973.74
Reserve for Deferred Amortization	D-17	71,250.00	71,250.00
Capital Fund Balance	D-1(a)	<u>7,476.47</u>	<u>7,476.47</u>
Total Capital Fund		<u>9,735,958.54</u>	<u>10,213,461.32</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 13,162,680.30</u>	<u>\$ 13,236,730.34</u>

There were bonds and notes authorized but not issued on December 31, 2023 of \$543,252.40 and on December 31, 2022 was \$743,252.40.

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

**BOROUGH OF SURF CITY**  
**WATER/SEWER UTILITY OPERATING FUND**  
**STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized:			
Fund Balance Anticipated	D-2	\$ 1,000,000.00	\$ 980,000.00
Water/Sewer Rents	D-2	2,172,144.98	2,163,884.72
Fire Hydrant Service	D-2	138,400.00	118,400.00
Miscellaneous Revenues Not Anticipated	D-2	176,242.23	122,254.23
Other Credits to Income:			
Appropriation Reserves Lapsed	D-9	734,107.58	676,166.41
		<u>4,220,894.79</u>	<u>4,060,705.36</u>
Total Revenues			
Expenditures:			
Budget Appropriations:			
Operating	D-3	2,400,000.00	2,325,000.00
Capital Improvements	D-3	110,000.00	110,000.00
Deferred Charges and Statutory Expenditures	D-3	305,000.00	275,000.00
		<u>2,815,000.00</u>	<u>2,710,000.00</u>
Total Expenditures			
Excess in Revenue		1,405,894.79	1,350,705.36
Fund Balance, January 1	D	2,131,014.02	1,760,308.66
		3,536,908.81	3,111,014.02
Decreased By:			
Utilized as Anticipated Revenue	D-1	1,000,000.00	980,000.00
Fund Balance, December 31	D	<u>\$ 2,536,908.81</u>	<u>\$ 2,131,014.02</u>

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

**BOROUGH OF SURF CITY  
WATER/SEWER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Balance, December 31, 2023 and 2022

\$ 7,476.47

**BOROUGH OF SURF CITY**  
**WATER/SEWER UTILITY OPERATING FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS/ (DEFICIT)</u>
Surplus Anticipated	\$ 1,000,000.00	\$ 1,000,000.00	\$ -
Rents	1,740,000.00	2,172,144.98	432,144.98
Fire Hydrant Service	100,000.00	138,400.00	38,400.00
Miscellaneous Revenues Not Anticipated	-	176,242.23	176,242.23
	<u>\$ 2,840,000.00</u>	<u>\$ 3,486,787.21</u>	<u>\$ 646,787.21</u>

Analysis of Miscellaneous Revenue Not Anticipated

Miscellaneous	\$ 159,383.55
Interest on Delinquents	<u>2,140.84</u>
	161,524.39
Interest Earned in Utility Capital Fund	<u>14,717.84</u>
Total Miscellaneous Revenue Not Anticipated	<u>\$ 176,242.23</u>

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

**BOROUGH OF SURF CITY  
WATER/SEWER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS			PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
	ORIGINAL BUDGET	BUDGET AFTER MODIFICATION					
Operating:							
Salaries and Wages	\$ 600,000.00	\$ 600,000.00	\$ 294,054.04	\$ -	\$ 305,945.96	\$ -	
Other Expenses	1,800,000.00	1,800,000.00	1,373,036.63	16,459.43	410,503.94	-	
<b>Total Operating</b>	<b>2,400,000.00</b>	<b>2,400,000.00</b>	<b>1,667,090.67</b>	<b>16,459.43</b>	<b>716,449.90</b>	<b>-</b>	
Capital Improvements:							
Capital Improvement Fund	25,000.00	25,000.00	25,000.00	-	-	-	
Capital Outlay	85,000.00	85,000.00	64,098.72	-	20,901.28	-	
<b>Total Capital Improvements</b>	<b>110,000.00</b>	<b>110,000.00</b>	<b>89,098.72</b>	<b>-</b>	<b>20,901.28</b>	<b>-</b>	
Debt Service:							
Interest on Notes	25,000.00	25,000.00	-	-	-	25,000.00	
<b>Total Debt Service</b>	<b>25,000.00</b>	<b>25,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,000.00</b>	
Deferred Charges & Statutory Expenditures:							
Deferred Charges:							
Costs of Improvements Authorized:							
Improvements to Water/Sewer System	85,000.00	85,000.00	85,000.00	-	-	-	
Rehabilitation of Water Tower	115,000.00	115,000.00	115,000.00	-	-	-	
<b>Total Deferred Charges</b>	<b>200,000.00</b>	<b>200,000.00</b>	<b>200,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Statutory Expenditures:							
Contribution To:							
Public Employees' Retirement System	57,727.20	57,727.20	57,727.20	-	-	-	
Social Security System (O.A.S.I.)	41,893.00	41,893.00	16,489.32	-	25,403.68	-	
Defined Contribution Retirement Plan	800.00	800.00	-	-	800.00	-	
Unemployment Compensation Insurance	4,579.80	4,579.80	1,208.85	-	3,370.95	-	
<b>Total Statutory Expenditures</b>	<b>105,000.00</b>	<b>105,000.00</b>	<b>75,425.37</b>	<b>-</b>	<b>29,574.63</b>	<b>-</b>	
<b>Total Water/Sewer Utility Fund Appropriations</b>	<b>\$ 2,840,000.00</b>	<b>\$ 2,840,000.00</b>	<b>\$ 2,031,614.76</b>	<b>\$ 16,459.43</b>	<b>\$ 766,925.81</b>	<b>\$ 25,000.00</b>	
Cash Disbursements			\$ 2,031,614.76				
			\$ 2,031,614.76				

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



**BOROUGH OF SURF CITY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
STATEMENTS OF GENERAL FIXED ASSETS -  
REGULATORY BASIS  
DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	BALANCE DECEMBER 31, <u>2023</u>	BALANCE DECEMBER 31, <u>2022</u>
Land	E-1	\$ 748,506.36	\$ 748,506.36
Buildings	E-1	1,017,160.67	1,017,160.67
Equipment	E-1	912,001.18	797,707.63
Motor Vehicles	E-1	<u>3,074,150.02</u>	<u>3,062,894.62</u>
Total General Fixed Assets		<u>\$ 5,751,818.23</u>	<u>\$ 5,626,269.28</u>
Investment in General Fixed Assets	E	<u>\$ 5,751,818.23</u>	<u>\$ 5,626,269.28</u>

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

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**BOROUGH OF SURF CITY  
COUNTY OF OCEAN, NEW JERSEY**

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

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

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

**Description of Financial Reporting Entity**

The Borough of Surf City, County of Ocean, New Jersey (hereafter referred to as the “Borough”) is incorporated under the laws of the State of New Jersey. The financial statements of the reporting entity include those of the Borough of Surf City only.

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

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

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

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

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

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

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

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

**LOSAP Fund** – This fund accounts for the receipts and disbursements of the Length of Service Awards Program Fund. This Fund is not an audited opinion unit.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Deferred Charges** – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally overexpenditures of legally adopted budget appropriations

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

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

or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

Accounting Pronouncements Adopted in Current Year

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

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

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

Accounting Pronouncements Effective in Future Reporting Periods

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

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

**Note 2. Deposits and Investments**

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

**Deposits**

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

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

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

As of December 31, 2023, the Borough’s bank balance of \$14,698,461.45 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 14,221,048.83
NJ Cash Management Fund	144,637.94
Uninsured and Uncollateralized	332,774.68
	\$ 14,698,461.45

**Investments**

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

Investments at Fair Value – The fair value measurements of investments are required to be reported based on the hierarchy established by GAAP. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available. As of December 31, 2023 the Borough had investments held at Level 2 or 3.

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

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

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

The Borough’s fair value, hierarchy level and maturities of its investments at December 31, 2023 was as follows:

<u>Investment Type</u>	<u>Carrying Value</u>	Fair Value as of December 31, 2023	
		<u>Level 1</u>	<u>Total</u>
Mutual Funds	\$ 865,711.30	\$ 865,711.30	\$ 865,711.30
Money Market	30,136.75	30,136.75	30,136.75
	\$ 895,848.05	\$ 895,848.05	\$ 895,848.05
 <u>Fund</u>			
Trust Fund - LOSAP	\$ 895,848.05	\$ 895,848.05	\$ 895,848.05
	\$ 895,848.05	\$ 895,848.05	\$ 895,848.05

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

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

Investments at Contract Value - The Borough held a fully benefit-responsive investment contract with the Lincoln Financial Group (Lincoln) totaling \$337,750.62 as of December 31, 2023. Lincoln maintains the contributions in the group fixed annuity contracts (fixed accounts). The accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contracts held by the Borough are guaranteed investment contracts. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rates that are guaranteed to the LOSAP Plan. The Borough’s ability to receive amounts due in accordance with the fully benefit-responsive investment contracts is dependent on the contract issuer’s ability to meet its financial obligations. The fixed accounts continue in-force until they are terminated by Lincoln or the LOSAP Plan and do not define a maturity date.

The total Trust Fund LOSAP value held by the Borough at December 31, 2023 was as follows:

Trust Fund - LOSAP (Fair Value)	\$ 895,848.05
Trust Fund - LOSAP (Contract Value)	<u>337,750.62</u>
Total Trust Fund - LOSAP	<u><u>\$ 1,233,598.67</u></u>

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

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

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

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

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

**Note 3. Property Taxes**

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

**Comparison Schedule of Tax Rates**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	<u>\$ 1.005</u>	<u>\$ 0.980</u>	<u>\$ 0.902</u>
Apportionment of Tax Rate:			
Municipal	0.235	0.239	0.239
County	0.454	0.406	0.381
Local School	0.045	0.045	0.044
Regional School	0.271	0.290	0.238

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2023	\$ 2,024,091,100.00
2022	1,992,808,604.00
2021	1,970,216,404.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2023	\$ 20,556,669.32	\$ 20,409,978.09	99.28%
2022	19,739,031.45	19,586,639.91	99.22%
2021	17,086,731.38	16,951,067.20	99.20%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2023	\$ 1,092.19	\$ 154,642.32	\$ 155,734.51	0.76%
2022	1,044.95	137,013.35	138,058.30	0.70%
2021	998.89	95,422.21	96,421.10	0.56%

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

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

**Number of Tax Title Liens**

<u>Year</u>	<u>Number</u>
2023	0
2022	1
2021	1

The last tax sale was held on October 20, 2017. There was no tax sale held in 2023.

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

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

<u>Year</u>	<u>Amount</u>
2023	\$ 4,725.00
2022	4,725.00
2021	4,725.00

**Note 5. Water/Sewer Utility Service Charges**

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

<u>Year</u>	<u>Beginning Balance</u>	<u>Billings</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2023	\$ 34,424.20	\$ 2,174,968.74	\$ 2,209,392.94	\$ 2,172,144.98	98.31%
2022	48,713.14	2,149,595.78	2,198,308.92	2,163,884.72	98.43%
2021	35,800.00	2,149,972.56	2,185,772.56	2,137,059.82	97.77%

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

**Note 6. Fund Balances Appropriated**

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

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
<b>Current Fund:</b>			
2023	\$ 6,052,708.54	\$ 2,385,000.00	39.40%
2022	5,599,339.40	2,000,000.00	35.72%
2021	5,125,651.21	1,672,500.00	32.63%
<b>Utility Operating Fund:</b>			
2023	\$ 2,536,908.81	\$ 1,100,000.00	43.36%
2022	2,131,014.02	1,000,000.00	46.93%
2021	1,760,308.66	980,000.00	55.67%

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

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

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

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

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ -	\$ 149,036.95
State and Federal Grant Fund	27,927.61	-
Animal Control Trust	19.16	-
Trust Other Fund	49,509.79	-
Capital Fund	72,732.25	-
Utility Operating Fund	-	47,174.47
Utility Capital Fund	47,174.47	1,151.86
	<u>\$ 197,363.28</u>	<u>\$ 197,363.28</u>

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

Interfund transfers for the year ended December 31, 2023 are as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 324,725.21	\$ 9,904.75
Animal Control Trust	-	492.25
Trust Other Fund	9,904.75	1,139.21
Capital Fund	-	324,232.96
Utility Operating Fund	1,139.21	14,717.84
Utility Capital Fund	14,717.84	-
	<u>\$ 350,487.01</u>	<u>\$ 350,487.01</u>

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

**Note 9. Fixed Assets**

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

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2023</u>
Land	\$ 748,506.36	\$ -	\$ -	\$ 748,506.36
Buildings	1,017,160.67	-	-	1,017,160.67
Equipment	797,708.23	114,293.55	-	912,001.78
Motor Vehicles	3,062,894.62	76,735.00	65,479.60	3,074,150.02
	<u>\$ 5,626,269.88</u>	<u>\$ 191,028.55</u>	<u>\$ 65,479.60</u>	<u>\$ 5,751,818.83</u>

**Note 10. Pension Obligations**

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

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

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

The following represents the membership tiers for PERS:

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

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



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

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

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

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2022, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2022, the Borough's contractually required contribution to PERS plan was \$144,318.

**Components of Net Pension Liability** - At December 31, 2022, the Borough's proportionate share of the PERS net pension liability was \$1,727,101. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Borough's proportion measured as of June 30, 2022, was 0.01144429% which was an increase of 0.0007239% from its proportion measured as of June 30, 2021.

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

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

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

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

	<u>12/31/2022</u>	<u>12/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Deferred Outflows of Resources	\$ 268,872	\$ 170,776
Deferred Inflows of Resources	789,784	1,507,582
Net Pension Liability	1,727,101	1,269,989
Borough's portion of the Plan's total Net Pension Liability	0.01144%	0.01072%

**Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources** - At December 31, 2022, the Borough's proportionate share of the PERS expense/(credit), calculated by the plan as of the June 30, 2022 measurement date is (214,464). This expense/(credit) is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$144,318 to the plan in 2022.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 12,465	\$ 10,993
Changes of Assumptions	5,351	258,615
Net Difference between Projected and Actual Earnings on Pension Plan Investments	71,483	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	179,573	520,176
	<u>\$ 268,872</u>	<u>\$ 789,784</u>

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

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

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

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

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2023	\$ (216,270)
2024	(143,598.00)
2025	(104,930.00)
2026	12,182.00
2027	<u>(68,296.00)</u>
	<u>\$ (520,912)</u>

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

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation. At December 31, 2022, the State's proportionate share of the PERS expense, associated with the Borough, calculated by the plan as of the June 30, 2022 measurement date was \$0.00.

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

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

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

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

Inflation:

Price	2.75%
Wage	3.25%

Salary Increases:

2.75 - 6.55%  
Based on Years of Service

Investment Rate of Return

7.00%

Mortality Rate Table

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

Study upon which Actuarial

Assumptions were Based

July 1, 2018 - June 30, 2021

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

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

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

**BOROUGH OF SURF CITY  
NOTES TO FINANCIAL STATEMENTS  
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**Note 10. Pension Obligations (continued)**

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

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

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

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 2,237,610	\$ 1,727,101	\$ 1,319,712

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

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

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

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

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

The following represents the membership tiers for PFRS:

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

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

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

**Contributions** - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2021, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

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

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

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

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2022, the Borough’s contractually required contributions to PFRS plan was \$406,614.

**Net Pension Liability and Pension Expense** - At December 31, 2022 the Borough’s proportionate share of the PFRS net pension liability was \$3,578,668. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The Borough’s proportion of the net pension liability was based on the Borough’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2022. The Borough’s proportion measured as of June 30, 2022, was 0.0126469%, which was an increase of 0.002664414% from its proportion measured as of June 30, 2021.

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

	<u>12/31/2022</u>	<u>12/30/2021</u>
	June 30, 2022	June 30, 2021
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 1,136,605	\$ 517,779
Deferred Inflows of Resources	704,923	1,867,259
Net Pension Liability	3,578,668	2,090,438
Borough's portion of the Plan's total net pension Liability	0.03126%	0.02860%

**Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources** – At December 31, 2022, the Borough’s proportionate share of the PFRS expense/(credit), calculated by the plan as of the June 30, 2022 measurement date was (113,758). This expense/(credit) is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$406,614 to the plan in 2022.

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

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

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

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 161,980	\$ 219,242
Changes of Assumptions	9,808	450,484
Net Difference between Projected and Actual Earnings on Pension Plan Investments	327,701	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	637,116	35,197
	\$ 1,136,605	\$ 704,923

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ (58,606)
2024	5,998
2025	11,419
2026	347,996
2027	122,578
Thereafter	2,297
	\$ 431,682

**Special Funding Situation** – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001.



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

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

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

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

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the Borough is \$636,898 as of December 31, 2022. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The State’s proportion of the net pension liability associated with the Borough was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2022 was 0.03126469%, which was an increase of 0.0026644% from its proportion measured as of June 30, 2021, which is the same proportion as the Borough’s. At December 31, 2022, the Borough’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 3,578,668
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>636,898</u>
	<u><u>\$ 4,215,566</u></u>

At December 31, 2022, the State’s proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2022 measurement date was \$73,481.

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

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

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

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

Inflation

Price	2.75%
Wage	3.25%

Salary Increases:

Through	All future years 3.25 - 16.25%
	Based on Years of Service

Investment Rate of Return	7.00%
---------------------------	-------

Mortality Rate Table

PFRS	PubS-2010 amount-weighted mortality table using Scale MP-2021
------	--

Period of Actuarial Experience

Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021
--	------------------------------

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2022 are summarized in the following table:

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

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

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

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

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

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

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

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

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 4,910,319	\$ 3,578,668	\$ 10,817,033
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>873,893</u>	<u>636,898</u>	<u>1,925,115</u>
	<u>\$ 5,784,212</u>	<u>\$ 4,215,566</u>	<u>\$ 12,742,148</u>

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

**Note 11. Municipal Debt**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Issued:</b>			
General:			
Bonds, Notes and Loans	\$ 250,000.00	\$ -	\$ -
Total Debt Issued	<u>250,000.00</u>	<u>-</u>	<u>-</u>
<b>Authorized but not issued:</b>			
General:			
Bonds, Notes and Loans	\$ 3,842,100.54	\$ 3,318,160.86	\$ 2,477,129.51
Utility:			
Bonds, Notes and Loans	<u>543,252.40</u>	<u>743,252.40</u>	<u>1,043,750.00</u>
Total Authorized But Not Issued	<u>4,385,352.94</u>	<u>4,061,413.26</u>	<u>3,520,879.51</u>
<b>Total Gross Debt</b>	<u>\$ 4,635,352.94</u>	<u>\$ 4,061,413.26</u>	<u>\$ 3,520,879.51</u>

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

**Note 11. Municipal Debt (continued):**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Deductions:</b>			
General:			
Funds on Hand For			
Payment of Bonds and Notes:			
Reserve for Debt Service	\$ 36,683.33	\$ 36,683.33	\$ 36,683.33
Utility:			
Self Liquidating Debt	543,252.40	743,252.40	1,043,750.00
Total Deductions	579,935.73	779,935.73	1,080,433.33
<b>Total Net Debt</b>	<b>\$ 4,055,417.21</b>	<b>\$ 3,281,477.53</b>	<b>\$ 2,440,446.18</b>

Summary of Statutory Debt Condition - Annual Debt Statement

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 4,092,100.54	\$ 36,683.33	\$ 4,055,417.21
Utility Debt	543,252.40	543,252.40	-
	\$ 4,635,352.94	\$ 579,935.73	\$ 4,055,417.21

Net Debt \$4,055,417.21 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$2,645,062,077.00, equals 0.153%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2023 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 92,577,172.70
Net Debt	4,055,417.21
Remaining Borrowing Power	\$ 88,521,755.49

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

**Note 11. Municipal Debt (continued)**

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

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 3,472,734.52
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Deductions:

Operating and Maintenance Costs	\$ 2,530,000.00	
Debt Service	25,000.00	
Total Deductions		2,555,000.00
Excess/(Deficit) in Revenue		\$ 917,734.52

\*If Excess in Revenues all Utility Debt is Deducted

**General Debt**

**A. Serial Bonds Payable**

The Borough had no serial bonds payable outstanding in the General Capital Fund at December 31, 2023.

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

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2023.

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2023</u>
19-11	Repair/Resurfacing of Various Bulkheads	12/29/2023	12/29/2024	0.00%	\$ 250,000.00
					\$ 250,000.00

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

As of December 31, 2023, the Borough had \$4,092,100.54 in various General Capital bonds and notes authorized but not issued.

**Water/Sewer Utility Debt**

**A. Serial Bonds Payable**

The Borough had no serial bonds payable outstanding in the Water/Sewer Utility Capital Fund at December 31, 2023.

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

**Note 11. Municipal Debt (continued)**

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

The Borough had no bond anticipation notes outstanding in the Utility Capital Fund at December 31, 2022.

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

As of December 31, 2023 the Borough had \$743,252.40 in various Utility bonds and notes authorized but not issued.

**Note 12. Deferred School Taxes**

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

<u>Local Taxes</u>	Balance, December 31,	
	<u>2023</u>	<u>2022</u>
Total Balance of Local Tax	\$ 228,727.00	\$ 225,321.25
Deferred Taxes	171,899.27	171,899.27
Local Tax Payable	\$ 56,827.73	\$ 53,421.98
<u>Regional Tax</u>		
Total Balance of Regional Tax	\$ 2,735,190.39	\$ 2,885,927.39
Deferred Taxes	396,208.48	396,208.48
Regional Tax Payable	\$ 2,338,981.91	\$ 2,489,718.91

**Note 13. Accrued Sick, Vacation and Compensation Time**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation, sick pay and compensation time. The Borough permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$106,930.93 at December 31, 2023.

The Borough has established a Trust Fund in accordance with NJSA 40A:4-39 to set aside funds for future payments of compensated absences. As of December 31, 2023, the Borough has reserved in the Other Trust Fund \$114,676.82 to fund compensated absences in accordance with NJSA 40A:4-39.

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

**Note 14. Risk Management**

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

**Joint Insurance Pool**

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

Crime	\$50,000
Commercial General Liability	\$300,000

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

Worker’s Compensation	\$2,000,000
Commercial General Liability	\$300,000
Auto Liability	\$300,000
Crime	\$1,000,000

Contributions to the Funds are payable in two installments and are based on actuarial assumptions determined by the Funds’ actuaries. The Fund publishes its own financial report for the year ended December 31, 2022 which can be obtained on the Fund’s website.

**Note 15. Contingencies**

**Grantor Agencies**

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2023, the Borough estimates that no material liabilities will result from such audits.

**Litigation**

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

**Tax Appeals**

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

**Note 16. Length of Service Awards Program**

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



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

**Note 16. Length of Service Awards Program (Continued)**

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

**Contributions** - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Borough elected to contribute between \$0.00 and \$1,150.00 for the year ended December 31, 2023 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2023, the Borough contributed a total of \$44,850.00 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

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

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

**Payment of Benefits** - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2023 payouts of \$41,233.66 were made to vested participants.

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

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

**Note 17. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2023 and June 28, 2024, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

On February 14, 2024 the Borough adopted an ordinance providing an appropriation of \$700,000.00 for Road Reconstruction in and around the Borough and authorizing the issuance of \$665,000.00 in bonds or notes of the Township to finance a portion of the costs.

On March 13, 2024 the Borough adopted an ordinance providing an appropriation of \$300,000.00 for the Acquisition of an Ambulance and authorizing the issuance of \$285,000.00 in bonds or notes of the Township to finance a portion of the costs.

On March 13, 2024 the Borough adopted an ordinance providing an appropriation of \$40,000.00 for the Acquisition of a Beach Patrol Vehicle and authorizing the issuance of \$38,000.00 in bonds or notes of the Township to finance a portion of the costs.

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**SUPPLEMENTARY EXHIBITS**

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**CURRENT FUND**

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**BOROUGH OF SURF CITY  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR/TREASURER  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 10,366,042.44
Increased By:		
Miscellaneous Revenue Not Anticipated	\$ 680,731.29	
Due from State for Exemptions	19,750.00	
Taxes Receivable	20,107,698.51	
Revenue Accounts Receivable	1,182,249.14	
Prepaid Taxes	455,128.59	
Tax Overpayments	2,275.97	
Reserve for Grants Unappropriated	20,114.11	
Due from Animal Control Fund	418.25	
Due to Trust Other Fund	38,453.18	
Due from General Capital Fund	755,400.63	
Various Reserves	56,191.36	
	23,318,411.03	23,318,411.03
Decreased By:		
2023 Budget Appropriations	6,324,640.37	
2022 Appropriation Reserves	188,140.56	
County Taxes	9,271,592.64	
Local District School Tax	911,498.25	
Regional School Tax	5,623,118.00	
Investment in Bond Anticipation Notes	250,000.00	
Reserve for Grants Appropriated	20,790.27	
Due to Trust Other Fund	48,357.93	
Due to General Capital Fund	677,673.59	
Various Reserves	27,691.74	
	23,343,503.35	23,343,503.35
Balance, December 31, 2023		\$ 10,340,950.12

**BOROUGH OF SURF CITY  
CURRENT FUND  
SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY -  
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ (802.75)
Increased By:		
Senior Citizens' Deductions per Tax Billings	\$ 750.00	
Veterans' Deductions per Tax Billing	<u>19,000.00</u>	
		<u>19,750.00</u>
		18,947.25
Decreased By:		
Cash Receipts	<u>19,750.00</u>	
		<u>19,750.00</u>
Balance, December 31, 2023		<u><u>\$ (802.75)</u></u>



**BOROUGH OF SURF CITY  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
YEAR ENDED DECEMBER 31, 2023**

YEAR	BALANCE DECEMBER 31, 2022	2023 LEVY	COLLECTIONS 2022	COLLECTIONS 2023	SENIOR CITIZENS' AND VETERANS' DEDUCTIONS ALLOWED/ (DISALLOWED)	TRANSFER TO TAX TITLE LIENS	ADJUSTMENTS/ (CANCELLED)	BALANCE DECEMBER 31, 2023
2022	\$ 137,013.35	\$ -	\$ -	\$ 136,941.08	\$ -	\$ -	\$ (72.27)	\$ -
2023	-	20,556,669.32	402,908.29	19,987,319.80	19,750.00	47.24	7,998.33	154,642.32
	\$ 137,013.35	\$ 20,556,669.32	\$ 14,409,110.79	\$ 20,124,260.88	\$ 19,750.00	\$ 47.24	\$ 7,926.06	\$ 154,642.32

Analysis of Property Tax Levy

Tax Yield:					
General Purpose Tax	\$	20,342,121.08			
Added and Omitted Taxes (N.J.S.A. 54:4-63.1 et seq)		<u>214,548.24</u>			
	\$	<u><u>20,556,669.32</u></u>			
Tax Levy:					
Local School Taxes	\$	914,904.00			
Regional School Taxes		5,474,381.00			
County Taxes	\$	9,184,756.65			
Due To County for Added and Omitted Taxes		<u>102,401.75</u>			
			9,287,158.40		
Local Tax for Municipal Purposes		4,765,000.00			
Additional Tax Levied		<u>115,225.92</u>			
			<u>4,880,225.92</u>		
Total	\$	<u><u>20,556,669.32</u></u>			

**BOROUGH OF SURF CITY  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 1,044.95
Increased By:	
Transfers From Taxes Receivable	<u>47.24</u>
Balance, December 31, 2023	<u><u>\$ 1,092.19</u></u>

**BOROUGH OF SURF CITY  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, <u>2022</u>	ACCRUED IN <u>2023</u>	<u>COLLECTED</u>	BALANCE DECEMBER 31, <u>2023</u>
Liquor License	\$ -	\$ 1,400.00	\$ 1,400.00	\$ -
Other Fees & Permits	-	24,089.50	24,089.50	-
Interest & Costs on Taxes	-	35,234.97	35,234.97	-
Municipal Court Fines & Costs	468.62	24,282.05	23,412.87	1,337.80
Beach Badge Fees	-	855,380.00	855,380.00	-
Energy Receipts Taxes	-	165,566.60	165,566.60	-
Uniform Construction Code Fees	-	109,165.20	109,165.20	-
	<u>\$ 468.62</u>	<u>\$ 1,215,118.32</u>	<u>\$ 1,214,249.14</u>	<u>\$ 1,337.80</u>

Cash Receipts	\$ 1,182,249.14
Prior Year Prepaid Beach Badges	<u>32,000.00</u>
	<u><u>\$ 1,214,249.14</u></u>

**BOROUGH OF SURF CITY  
CURRENT FUND  
SCHEDULE OF 2022 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, <u>2022</u>	BALANCE AFTER <u>TRANSFER</u>	PAID OR <u>CHARGED</u>	BALANCE <u>LAPSED</u>
<b>GENERAL GOVERNMENT</b>				
General Administration				
Salaries & Wages	\$ 3,164.54	\$ 3,164.54	\$ -	\$ 3,164.54
Other Expenses	693.47	693.47	445.00	248.47
Human Resources				
Other Expenses	4,000.00	4,000.00	-	4,000.00
Mayor and Council				
Salaries & Wages	570.08	570.08	-	570.08
Other Expenses	763.40	763.40	-	763.40
Municipal Clerk				
Salaries & Wages	20,147.91	20,147.91	-	20,147.91
Other Expenses	4,151.29	4,151.29	1,070.99	3,080.30
Financial Administration				
Salaries & Wages	15,891.36	15,891.36	-	15,891.36
Other Expenses	5,678.18	5,678.18	254.78	5,423.40
Audit Services				
Other Expenses	2,083.34	2,083.34	-	2,083.34
Collection of Taxes				
Salaries & Wages	6,845.14	6,845.14	-	6,845.14
Other Expenses	13,973.69	13,973.69	338.22	13,635.47
Assessment of Taxes				
Salaries & Wages	4,097.50	4,097.50	-	4,097.50
Other Expenses	7,605.92	7,605.92	1,848.19	5,757.73
Legal Services				
Other Expenses	8,808.00	8,808.00	806.00	8,002.00
Revision of Ordinances				
Other Expenses	2,500.00	2,500.00	-	2,500.00
Engineering Services				
Other Expenses	1,754.30	1,754.30	1,675.00	79.30
Municipal Court				
Salaries & Wages	5,386.97	5,386.97	-	5,386.97
Other Expenses	6,241.80	6,241.80	111.32	6,130.48
Public Defender				
Other Expenses	1,235.75	1,235.75	-	1,235.75
Land Use Administration:				
Land Use Board				
Salaries & Wages	24.91	24.91	-	24.91
Other Expenses	7,072.51	7,072.51	-	7,072.51
Code Enforcement & Administration:				
Other Code Enforcement Functions				
Salaries & Wages	573.23	573.23	-	573.23
Other Expenses	3,000.00	3,000.00	-	3,000.00
Zoning Officer				
Salaries & Wages	573.24	573.24	-	573.24
Other Expenses	1,503.95	1,503.95	1,273.58	230.37
Insurance:				
General Liability	25,612.00	25,612.00	-	25,612.00
Workers Compensation	4,950.67	4,950.67	-	4,950.67
Employee Group Health	191,281.01	191,281.01	200.00	191,081.01
Health Benefit Waiver				
Salaries & Wages	12,500.00	12,500.00	-	12,500.00

**BOROUGH OF SURF CITY  
CURRENT FUND  
SCHEDULE OF 2022 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, <u>2022</u>	BALANCE AFTER <u>TRANSFER</u>	PAID OR <u>CHARGED</u>	BALANCE <u>LAPSED</u>
Public Safety Functions:				
Police Department				
Salaries & Wages	76,134.24	76,134.24	-	76,134.24
Other Expenses	29,787.45	29,787.45	16,464.79	13,322.66
Police Dispatch/911				
Other Expenses	6,938.40	6,938.40	-	6,938.40
Office of Emergency Management				
Salaries & Wages	500.00	500.00	-	500.00
Other Expenses	5,000.00	5,000.00	-	5,000.00
Municipal Prosecutor's Office				
Other Expenses	5,229.10	5,229.10	1,801.70	3,427.40
Public Work Functions:				
Streets and Road Maintenance				
Salaries & Wages	7,426.57	7,426.57	4,618.58	2,807.99
Other Expenses	16,565.42	16,565.42	13,615.32	2,950.10
Solid Waste Collection				
Salaries & Wages	18,114.07	18,114.07	-	18,114.07
Other Expenses	28,431.29	28,431.29	1,233.18	27,198.11
Building and Grounds				
Salaries & Wages	3,306.20	3,306.20	-	3,306.20
Other Expenses	17,489.92	17,489.92	12,336.15	5,153.77
Vehicle Maintenance (Incl. Police Vehicles)				
Salaries & Wages	1,479.78	1,479.78	-	1,479.78
Other Expenses	38,275.22	38,275.22	10,787.12	27,488.10
Health & Human Services Functions:				
Board of Health				
Salaries & Wages	887.00	887.00	-	887.00
Other Expenses	7,039.60	7,039.60	-	7,039.60
Environmental Health Services				
Salaries & Wages	4,502.27	4,502.27	-	4,502.27
Other Expenses	1,000.00	1,000.00	-	1,000.00
Animal Control Services				
Other Expenses	1,750.00	1,750.00	750.00	1,000.00
Contributions to Social Service Agencies				
Senior Citizen Center (NJS 40:48-9.4)	5,000.00	5,000.00	-	5,000.00
Health Care Facilities (NJS 44:5-2)	100.00	100.00	-	100.00
Mental Health Facilities (NJS 40:48-9.4a)	100.00	100.00	-	100.00
Recreation of Services and Programs				
Other Expenses	1,895.01	1,895.01	-	1,895.01
Maintenance of Parks				
Salaries & Wages	4,381.22	4,381.22	-	4,381.22
Other Expenses - Veterans' Memorial Park	1,617.59	1,617.59	3.99	1,613.60
Other Expenses - Other Facilities	2,444.27	2,444.27	-	2,444.27
Beach & Boardwalk Operations				
Salaries & Wages	1,000.00	1,000.00	-	1,000.00
Other Expenses	12,073.83	12,073.83	-	12,073.83

**BOROUGH OF SURF CITY  
CURRENT FUND  
SCHEDULE OF 2022 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2023**

	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE AFTER TRANSFER</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Other Common Operating Functions (Unclassified)				
Celebration of Public Events				
Other Expenses	1,000.00	1,000.00	-	1,000.00
Utility Expenses & Bulk Purchases				
Electricity	9,337.67	9,337.67	-	9,337.67
Street Lighting	8,780.00	8,780.00	-	8,780.00
Telephone	12,049.55	12,049.55	1,984.59	10,064.96
Gas (natural or propane)	15,243.80	15,243.80	-	15,243.80
Telecommunications	3,019.35	3,019.35	-	3,019.35
Gasoline	12,446.17	12,446.17	2,173.71	10,272.46
Landfill/Solid Waste Disposal Costs:				
Other Expenses	59,677.24	59,677.24	-	59,677.24
Uniform Construction Code:				
Salaries & Wages	6,321.90	6,321.90	-	6,321.90
Other Expenses	75,890.67	75,890.67	-	75,890.67
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	12,636.21	12,636.21	-	12,636.21
Unemployment	3,445.58	3,445.58	-	3,445.58
Defined Contribution Retirement Program	1,143.94	1,143.94	-	1,143.94
Length of Service Awards Program (L.O.S.A.P.)				
Other Expenses	52,000.00	52,000.00	39,936.00	12,064.00
Recycling Tax (P.L. 2007, c. 311):				
Other Expenses	2,340.18	2,340.18	-	2,340.18
Capital Improvements:				
Rehabilitation of / Enhancement to Borough Property	74,560.00	74,560.00	74,481.48	78.52
	<u>\$ 1,011,044.87</u>	<u>\$ 1,011,044.87</u>	<u>\$ 188,209.69</u>	<u>\$ 822,835.18</u>

Appropriation Reserves	\$ 912,839.52
Encumbrances Payable	98,205.35
	<u>\$ 1,011,044.87</u>

Accounts Payable	\$ 69.13
Cash Disbursed	188,140.56
	<u>\$ 188,209.69</u>

**BOROUGH OF SURF CITY  
CURRENT FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$	98,205.35
Increased By:		
Current Appropriations		45,815.46
		144,020.81
Decreased By:		
Transferred To Appropriation Reserves		98,205.35
Balance, December 31, 2023	\$	45,815.46

**BOROUGH OF SURF CITY  
CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ -
Increased By:	
Transferred from Appropriation Reserves	<u>69.13</u>
Balance, December 31, 2023	<u><u>\$ 69.13</u></u>



**BOROUGH OF SURF CITY  
CURRENT FUND  
SCHEDULE OF PREPAID TAXES  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 402,908.29
Increased By:	
Prepaid Taxes Collected	<u>455,128.59</u>
	858,036.88
Decreased By:	
Applied To Taxes Receivable	<u>402,908.29</u>
Balance, December 31, 2023	<u><u>\$ 455,128.59</u></u>

**BOROUGH OF SURF CITY  
CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$	86,835.99
Increased By:			
2023 Tax Levy:			
County Taxes	\$	8,096,647.85	
County Library Taxes		766,391.24	
County Open Space Taxes		321,717.56	
Due To County for Added and Omitted Taxes		<u>102,401.75</u>	
			<u>9,287,158.40</u>
			9,373,994.39
Decreased By:			
Cash Disbursements			<u>9,271,592.64</u>
Balance, December 31, 2023		\$	<u><u>102,401.75</u></u>

**BOROUGH OF SURF CITY  
CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES  
BALANCE, DECEMBER 31, 2023**

Balance, December 31, 2022:		
School Tax Payable	\$ 53,421.98	
School Tax Deferred	171,899.27	
		\$ 225,321.25
Increased By:		
Levy - July 1, 2023 to June 30, 2024		914,904.00
		1,140,225.25
Decreased By:		
Cash Disbursements		911,498.25
Balance, December 31, 2023:		
School Tax Payable	56,827.73	
School Tax Deferred	171,899.27	
		\$ 228,727.00
 <u>2022 Liability for Regional High School Tax</u>		
Tax Payable, December 31, 2023		\$ 56,827.73
Tax Paid		911,498.25
		968,325.98
Less:		
Tax Payable, December 31, 2022		53,421.98
Amount Charged to 2023 Operations		\$ 914,904.00

**BOROUGH OF SURF CITY  
CURRENT FUND  
SCHEDULE OF REGIONAL SCHOOL TAXES  
BALANCE, DECEMBER 31, 2023**

Balance, December 31, 2022:		
School Tax Payable	\$ 2,489,718.91	
School Tax Deferred	<u>396,208.48</u>	
		\$ 2,885,927.39
Increased By:		
Levy - July 1, 2023 to June 30, 2024		<u>5,474,381.00</u>
		8,360,308.39
Decreased By:		
Cash Disbursements		<u>5,623,118.00</u>
Balance, December 31, 2023:		
School Tax Payable	2,340,981.91	
School Tax Deferred	<u>396,208.48</u>	
		<u>\$ 2,737,190.39</u>
 <u>2022 Liability for Regional School Tax</u>		
Tax Payable, December 31, 2023		\$ 2,340,981.91
Tax Paid		<u>5,623,118.00</u>
		7,964,099.91
Less:		
Tax Payable, December 31, 2022		<u>2,489,718.91</u>
Amount Charged to 2023 Operations		<u>\$ 5,474,381.00</u>

**BOROUGH OF SURF CITY  
CURRENT FUND  
SCHEDULE OF VARIOUS RESERVES  
BALANCE DECEMBER 31, 2023**

	BALANCE DECEMBER 31, <u>2022</u>	<u>INCREASED</u>	<u>DECREASED</u>	BALANCE DECEMBER 31, <u>2023</u>
Library Aid	\$ 14.00	\$ -	\$ -	\$ 14.00
Tax Appeal	77,641.20	9,214.85	-	86,856.05
Hurricane Expense (Special Emergency)	321,623.24	-	27,691.74	293,931.50
Prepaid Beach Badges	32,000.00	39,040.00	32,000.00	39,040.00
Municipal Aid	-	17,151.36	-	17,151.36
Reserve for Ocean County CARES Grant	187,862.99	-	187,862.99	-
	<u>\$ 619,141.43</u>	<u>\$ 65,406.21</u>	<u>\$ 247,554.73</u>	<u>\$ 436,992.91</u>

Transferred from Current Taxes	9,214.85
Cash Receipts	56,191.36
	<u>\$ 65,406.21</u>

Expended	\$ 27,691.74
Anticipated as Revenue	219,862.99
	<u>\$ 219,862.99</u>

**BOROUGH OF SURF CITY  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE  
BALANCE DECEMBER, 31, 2023**

<u>Program</u>	<u>BALANCE AS OF DECEMBER 31, 2022</u>	<u>REVENUE ANTICIPATED 2023</u>	<u>TRANSFERRED FROM UNAPPROPRIATED</u>	<u>BALANCE AS OF DECEMBER 31, 2023</u>
<b>State Grants:</b>				
Body Armor Replacement Fund	-	\$ 3,293.47	\$ 3,293.47	\$ -
Recycling Tonnage Grant	-	5,942.77	5,942.77	-
Clean Communities	-	11,554.03	11,554.03	-
<b>Total State Grants</b>	-	20,790.27	20,790.27	-
	\$ -	\$ 20,790.27	\$ 20,790.27	\$ -

**BOROUGH OF SURF CITY  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF RESERVE FOR GRANT EXPENDITURES - APPROPRIATED  
BALANCE DECEMBER 31, 2023**

<u>Program</u>	BALANCE DECEMBER 31, <u>2022</u>	TRANSFERRED FROM <u>BUDGET</u>	<u>EXPENDED</u>	BALANCE DECEMBER 31, <u>2023</u>
<b>Federal Grants:</b>				
Municipal Public Access Plan Grant	\$ 7,813.50	\$ -	\$ -	\$ 7,813.50
Total Federal Grants	7,813.50	-	-	7,813.50
<b>State Grants:</b>				
Clean Communities Program	-	11,554.03	11,554.03	-
Body Armor Replacement	-	3,293.47	3,293.47	-
Recycling Tonnage Grant	-	5,942.77	5,942.77	-
Total State Grants	-	20,790.27	20,790.27	-
	<u>\$ 7,813.50</u>	<u>\$ 20,790.27</u>	<u>\$ 20,790.27</u>	<u>\$ 7,813.50</u>

Original Budget                   \$    20,790.27

  \$    20,790.27

**BOROUGH OF SURF CITY  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF RESERVE FOR GRANT EXPENDITURES - UNAPPROPRIATED  
BALANCE DECEMBER 31, 2023**

<u>Program</u>	BALANCE DECEMBER 31, <u>2022</u>	CASH <u>RECEIPTS</u>	REALIZED IN <u>2023 BUDGET</u>	BALANCE DECEMBER 31, <u>2023</u>
Body Armor Replacement Fund	\$ 3,293.47	\$ 1,203.87	\$ 3,293.47	\$ 1,203.87
Clean Communities Program	11,554.03	12,959.29	11,554.03	12,959.29
Recycling Tonnage Grant	5,942.77	5,950.95	5,942.77	5,950.95
	<u>\$ 20,790.27</u>	<u>\$ 20,114.11</u>	<u>\$ 20,790.27</u>	<u>\$ 20,114.11</u>



**TRUST FUND**

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**BOROUGH OF SURF CITY**  
**TRUST FUND**  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>ANIMAL CONTROL</u>	<u>TRUST- OTHER</u>
Balance, December 31, 2022	\$ 551.09	\$ 420,235.32
Increased By Receipts:		
Dog License Fees Collected	174.00	-
State Registration Fees	78.60	-
Due to Water/Sewer Operating Fund	-	12.65
Various Reserves	-	3,897,386.93
	<u>270.40</u>	<u>3,897,399.58</u>
	<u>821.49</u>	<u>4,317,634.90</u>
Decreased By Disbursements:		
State Registration Fees	78.60	-
Due to Current Fund	418.25	-
Due to Water/Sewer Operating Fund	-	1,151.86
Various Reserves	-	3,984,383.00
	<u>496.85</u>	<u>3,985,534.86</u>
Balance, December 31, 2023	<u>\$ 324.64</u>	<u>\$ 332,100.04</u>

**BOROUGH OF SURF CITY  
 SCHEDULE OF DUE FROM CURRENT FUND  
 TRUST - OTHER FUND  
 YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$	58,262.68
Increased By:		
Cash Receipts in Current Fund		38,453.18
		96,715.86
Decreased By:		
Cash Disbursed by Current Fund		48,357.93
Balance, December 31, 2023	\$	48,357.93

**BOROUGH OF SURF CITY**  
**SCHEDULE OF DUE (TO)/FROM WATER SEWER OPERATING FUND**  
**TRUST - OTHER FUND**  
**YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 12.65
Increased By:	
Cash Disbursements	<u>1,151.86</u>
	1,164.51
Decreased By:	
Cash Receipts	<u>12.65</u>
Balance, December 31, 2023	<u><u>\$ 1,151.86</u></u>

**BOROUGH OF SURF CITY  
TRUST - OTHER FUND  
SCHEDULE OF DUE TO/(FROM) CURRENT FUND  
DOG LICENSE FUND  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 162.29
Increased By:		
Interest Earned	\$ 17.80	
Cash Disbursed by Current Fund	69.13	
Statutory Excess Due To Current Fund	149.87	
		236.80
		399.09
Decreased By:		
Cash Disbursement		418.25
Balance, December 31, 2023		\$ (19.16)

**BOROUGH OF SURF CITY  
ANIMAL CONTROL FUND  
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 391.80
Increased By:		
Dog License Fees Collected		174.00
		565.80
Decreased By:		
Dog Fund Expenditures Paid by Current Fund	\$ 69.13	
Statutory Excess Due Current Fund	149.87	
		219.00
Balance, December 31, 2023		\$ 346.80

<u>Year</u>	<u>Amount</u>
2022	\$ 168.00
2021	178.80
	\$ 346.80

**BOROUGH OF SURF CITY  
TRUST - OTHER FUND  
SCHEDULE OF TRUST - OTHER RESERVES  
YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, 2022	INCREASES	DECREASES	BALANCE DECEMBER 2023
Confiscated Funds Reserve	\$ 1,093.71	\$ -	\$ 1.85	\$ 1,091.86
Cash Bonds & Escrowed Fees	281,025.43	231,044.85	308,022.73	204,047.55
P.O.A.A.	1,331.05	140.00	-	1,471.05
Veterans' Memorial Park	17,924.92	200.00	436.11	17,688.81
Public Defender Fund	400.00	200.00	-	600.00
Beach Wheels	2,245.50	110.00	3.35	2,352.15
Memorial Benches	25,013.72	18,900.00	27,023.61	16,890.11
Accumulated Absences	106,676.82	8,000.00	-	114,676.82
Payroll Deductions	11,308.50	3,606,355.46	3,616,450.68	1,213.28
Construction Inspection Fees	31,491.00	70,889.80	80,802.60	21,578.20
	<u>\$ 478,510.65</u>	<u>\$ 3,935,840.11</u>	<u>\$ 4,032,740.93</u>	<u>\$ 381,609.83</u>
Cash Receipts		\$ 3,897,386.93		
Due From Current Fund		38,453.18		
		<u>\$ 3,935,840.11</u>		
Cash Disbursements			\$ 3,984,383.00	
Due To Current Fund			48,357.93	
			<u>\$ 4,032,740.93</u>	



**BOROUGH OF SURF CITY  
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")  
SCHEDULE OF INVESTMENTS  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 1,044,088.31
Increased By:		
Contributions	\$ 44,850.00	
Investment Earnings	187,594.02	
		232,444.02
		1,276,532.33
Decreased By:		
Withdrawals	\$ 41,233.66	
Accounting Charges	1,700.00	
		42,933.66
Balance, December 31, 2023		\$ 1,233,598.67

**SCHEDULE OF LOSAP RESERVE  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 1,044,088.31
Increased By:		
Board Contributions	\$ 44,850.00	
Investment Earnings	187,594.02	
Contributions		232,444.02
		1,276,532.33
Decreased By:		
Withdrawals	\$ 41,233.66	
Accounting Charges	1,700.00	
		42,933.66
Balance, December 31, 2023		\$ 1,233,598.67

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**GENERAL CAPITAL FUND**

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**BOROUGH OF SURF CITY  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 601,506.33
Increased By:		
Grants Received	\$ 663,866.06	
Capital Improvement Fund	50,000.00	
Deferred Charges Raised by Budget Appropriation	200,964.26	
Interest on Deposits	15,554.57	
Bond Anticipation Note	<u>250,000.00</u>	
		<u>1,180,384.89</u>
		1,781,891.22
Decreased By:		
Improvement Authorizations	1,673,212.71	
Interest Due To Current Fund	<u>13,807.53</u>	
		<u>1,687,020.24</u>
Balance, December 31, 2023		<u><u>\$ 94,870.98</u></u>

**BOROUGH OF SURF CITY  
GENERAL CAPITAL FUND  
SCHEDULE OF ANALYSIS OF CASH  
YEAR ENDED DECEMBER 31, 2023**

	<u>BALANCE DECEMBER 31, 2023</u>																																																			
Capital Improvement Fund	\$ 820,182.50																																																			
Reserve for Debt Service	36,683.33																																																			
Reserve for Purchase of Lifeguard Boat	18,150.00																																																			
Reserve for Encumbrances	434,562.50																																																			
Due (From)/To Current Fund	(72,732.25)																																																			
Capital Fund Balance	82,452.67																																																			
Bond Anticipation Note	250,000.00																																																			
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%; text-align: left;"><u>Ordinance</u></th> <th style="width: 60%;"></th> <th style="width: 25%;"></th> </tr> <tr> <th style="text-align: left;"><u>Ordinance</u></th> <th style="text-align: left;"><u>Improvement Authorizations</u></th> <th></th> </tr> </thead> <tbody> <tr> <td>15-04</td> <td>Rehabilitation of DPW Facilities</td> <td style="text-align: right;">298,358.12</td> </tr> <tr> <td>18-04</td> <td>Removal of Underground Storage Tank</td> <td style="text-align: right;">2,060.07</td> </tr> <tr> <td>19-11</td> <td>Repair/Resurfacing of Various Roads &amp; Related Expenses</td> <td style="text-align: right;">(114,516.26)</td> </tr> <tr> <td>19-13</td> <td>Replacement/Repair of Various Roads &amp; Related Expenses</td> <td style="text-align: right;">(206,509.61)</td> </tr> <tr> <td>20-02</td> <td>Road Improvement Project</td> <td style="text-align: right;">(593,750.00)</td> </tr> <tr> <td>21-03/13</td> <td>Acquisition of Beach Equipment</td> <td style="text-align: right;">(1,236.83)</td> </tr> <tr> <td>21-11</td> <td>Road Improvement Project</td> <td style="text-align: right;">(284,600.00)</td> </tr> <tr> <td>22-04</td> <td>Road Reconstruction and Improvements</td> <td style="text-align: right;">(137,262.22)</td> </tr> <tr> <td>22-09/23-14</td> <td>Various Capital Improvements &amp; Equipment Acquisition for Beach and Recreation Areas</td> <td style="text-align: right;">(43,938.92)</td> </tr> <tr> <td>23-02</td> <td>Road Reconstruction &amp; Improvements</td> <td style="text-align: right;">38,422.50</td> </tr> <tr> <td>23-06</td> <td>Acquisition of Trash Truck</td> <td style="text-align: right;">(267,308.40)</td> </tr> <tr> <td>23-10</td> <td>Acquisition of Various Beach Equipment</td> <td style="text-align: right;">7,500.00</td> </tr> <tr> <td>23-11</td> <td>Acquisition of Police Vehicle</td> <td style="text-align: right;">(51,781.36)</td> </tr> <tr> <td>23-13</td> <td>Various Improvements to Municipal Buildings</td> <td style="text-align: right;">(119,864.86)</td> </tr> <tr> <td colspan="2"></td> <td style="text-align: right; border-top: 1px solid black;"><u>\$ 94,870.98</u></td> </tr> </tbody> </table>		<u>Ordinance</u>			<u>Ordinance</u>	<u>Improvement Authorizations</u>		15-04	Rehabilitation of DPW Facilities	298,358.12	18-04	Removal of Underground Storage Tank	2,060.07	19-11	Repair/Resurfacing of Various Roads & Related Expenses	(114,516.26)	19-13	Replacement/Repair of Various Roads & Related Expenses	(206,509.61)	20-02	Road Improvement Project	(593,750.00)	21-03/13	Acquisition of Beach Equipment	(1,236.83)	21-11	Road Improvement Project	(284,600.00)	22-04	Road Reconstruction and Improvements	(137,262.22)	22-09/23-14	Various Capital Improvements & Equipment Acquisition for Beach and Recreation Areas	(43,938.92)	23-02	Road Reconstruction & Improvements	38,422.50	23-06	Acquisition of Trash Truck	(267,308.40)	23-10	Acquisition of Various Beach Equipment	7,500.00	23-11	Acquisition of Police Vehicle	(51,781.36)	23-13	Various Improvements to Municipal Buildings	(119,864.86)			<u>\$ 94,870.98</u>
<u>Ordinance</u>																																																				
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18-04	Removal of Underground Storage Tank	2,060.07																																																		
19-11	Repair/Resurfacing of Various Roads & Related Expenses	(114,516.26)																																																		
19-13	Replacement/Repair of Various Roads & Related Expenses	(206,509.61)																																																		
20-02	Road Improvement Project	(593,750.00)																																																		
21-03/13	Acquisition of Beach Equipment	(1,236.83)																																																		
21-11	Road Improvement Project	(284,600.00)																																																		
22-04	Road Reconstruction and Improvements	(137,262.22)																																																		
22-09/23-14	Various Capital Improvements & Equipment Acquisition for Beach and Recreation Areas	(43,938.92)																																																		
23-02	Road Reconstruction & Improvements	38,422.50																																																		
23-06	Acquisition of Trash Truck	(267,308.40)																																																		
23-10	Acquisition of Various Beach Equipment	7,500.00																																																		
23-11	Acquisition of Police Vehicle	(51,781.36)																																																		
23-13	Various Improvements to Municipal Buildings	(119,864.86)																																																		
		<u>\$ 94,870.98</u>																																																		

**BOROUGH OF SURF CITY  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE FROM/(TO) CURRENT FUND  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ (1,500.71)
Increased by:		
Grants Received in Current Fund	\$ 739,846.06	
Cash Disbursed to Current Fund	<u>1,673,212.71</u>	
		<u>2,413,058.77</u>
		2,411,558.06
Decreased By:		
Cash Disbursed by Current Fund	1,673,212.71	
Interest Due to Current	1,747.04	
Grants Received	<u>663,866.06</u>	
		<u>2,338,825.81</u>
Balance, December 31, 2023		<u><u>\$ 72,732.25</u></u>

**BOROUGH OF SURF CITY  
GENERAL CAPITAL FUND  
SCHEDULE OF GRANTS RECIEVABLE  
YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, <u>2022</u>	BALANCE DECEMBER 31, <u>2023</u>
21-11 Road Improvement Project	<u>\$ 128,450.00</u>	<u>\$ 128,450.00</u>
	<u>\$ 128,450.00</u>	<u>\$ 128,450.00</u>



**BOROUGH OF SURF CITY  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
YEAR ENDED DECEMBER 31, 2023**

Improvement Authorizations	Ordinance Date	BALANCE DECEMBER 31, 2022	2023 AUTHORIZED	FUNDED BY		GRANT RECEIPTS	BALANCE DECEMBER 31, 2023	Bond Anticipation Notes	Analysis of Balance	
				BUDGET APPROPRIATION	BUDGET APPROPRIATION				EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
06-15 Beach Replenishment	11/30/06	\$ 126,463.23	\$ -	\$ -	\$ -	\$ -	\$ 126,463.23	-	\$ -	\$ 126,463.23
11-03 Acquisition of Trash Truck	05/11/11	32,000.00	-	-	-	-	32,000.00	-	-	32,000.00
13-05 Acquisition of Trash Truck	10/09/13	29,231.00	-	-	-	-	29,231.00	-	-	29,231.00
13-06 Acquisition of a Beach Rake	10/09/13	13,997.36	-	-	-	-	13,997.36	-	-	13,997.36
14-05 Acquisition of Fire Apparatus & Related Equipment	09/10/14	37,352.67	-	-	-	-	37,352.67	-	-	37,352.67
18-02 Acquisition of Trash Truck	03/14/18	14,116.60	-	-	-	-	14,116.60	-	-	14,116.60
18-04 Removal of Underground Storage Tank	03/14/18	118,750.00	-	-	-	-	118,750.00	-	-	118,750.00
18-15 Repair/Resurfacing of Various Roads	12/12/18	42,500.00	-	42,500.00	-	-	-	-	-	-
19-11 Repair/Resurfacing of Various Roads & Related Expenses	08/14/19	380,000.00	-	-	-	-	380,000.00	250,000.00	-	130,000.00
19-13 Replacement/Repair of Various Roads & Related Expenses	09/11/19	321,250.00	-	-	95,000.00	-	226,250.00	-	111,509.61	114,740.39
20-02 Road Improvement Project	04/08/20	593,750.00	-	-	-	-	593,750.00	-	593,750.00	-
21-03/13 Acquisition of Beach Equipment	12/13/21	142,500.00	-	134,511.26	-	-	7,988.74	-	1,236.83	6,751.91
21-11 Road Improvement Project	12/13/21	563,750.00	-	-	279,150.00	-	284,600.00	-	284,600.00	-
22-04 Road Reconstruction and Improvements	08/10/22	665,000.00	-	-	289,716.06	-	375,283.94	-	137,262.22	238,021.72
22-08 Acquisition of Livescan Machine	09/14/22	28,500.00	-	23,953.00	-	-	4,547.00	-	-	4,547.00
22-09 Various Capital Improvements & Equipment Acquisition for Beach and Recreation Areas	10/11/23	209,000.00	133,000.00	-	75,980.00	-	266,020.00	-	43,938.92	222,081.08
23-02 Road Reconstruction & Improvements	02/08/23	-	760,000.00	-	-	-	760,000.00	-	-	760,000.00
23-06 Acquisition of Trash Truck	04/12/23	-	332,500.00	-	-	-	332,500.00	-	267,308.40	65,191.60
23-10 Acquisition of Various Beach Equipment	07/12/23	-	142,500.00	-	-	-	142,500.00	-	-	142,500.00
23-11 Acquisition of Police Vehicle	07/12/23	-	61,750.00	-	-	-	61,750.00	-	51,781.36	9,968.64
23-13 Various Improvements to Municipal Buildings	09/13/23	-	285,000.00	-	-	-	285,000.00	-	119,864.86	165,135.14
		\$ 3,318,160.86	\$ 1,714,750.00	\$ 200,964.26	\$ 739,846.06	\$ 4,092,100.54	\$ 250,000.00	\$ 1,611,252.20	\$ 2,230,848.34	
								Improvement Authorizations - Unfunded		\$ 2,271,332.08
								Less: Unexpended Proceeds - :		40,483.74
										\$ 2,230,848.34

**BOROUGH OF SURF CITY  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2023**

Improvement Authorizations	Ordinance Date	Ordinance Amount	Balance December 31, 2022		2023 Authorizations	Transferred From Encumbrances		Transferred To Encumbrances		Balance December 31, 2023	
			Funded	Unfunded		Expenditures	Encumbrances	Funded	Unfunded	Funded	Unfunded
06-15 Beach Replenishment	11/30/06	\$ 350,000.00	\$ -	\$ 126,463.23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,463.23
11-03 Acquisition of Trash Truck	05/11/11	200,000.00	-	32,000.00	-	-	-	-	-	-	32,000.00
13-05 Acquisition of Trash Truck	10/09/13	200,000.00	-	29,231.00	-	-	-	-	-	-	29,231.00
13-06 Acquisition of a Beach Rake	10/09/13	65,000.00	-	13,997.36	-	-	-	-	-	-	13,997.36
14-05 Acquisition of Fire Apparatus & Related Equipment	09/10/14	800,000.00	-	37,352.67	-	-	-	-	-	-	37,352.67
15-04 Rehabilitation of DPW Facilities	03/11/15	450,000.00	298,358.12	-	-	-	-	-	-	298,358.12	-
15-09 Removal of Underground Storage Tank/Monitoring	12/09/15	50,000.00	-	-	-	-	-	-	-	-	-
18-02 Acquisition of Trash Truck	03/14/18	200,000.00	-	14,116.60	-	-	-	-	-	-	14,116.60
18-04 Removal of Underground Storage Tank	03/14/18	125,000.00	5,520.07	118,750.00	-	-	-	-	-	2,060.07	118,750.00
18-15 Repair/Resurfacing of Various Roads	12/12/18	500,000.00	-	-	-	-	-	-	-	-	-
19-11 Repair/Resurfacing of Various Roads & Related Expenses	08/14/19	700,000.00	-	178,979.99	-	-	-	-	-	-	170,483.74
19-13 Replacement/Repair of Various Roads & Related Expenses	09/11/19	400,000.00	-	235,272.94	-	-	-	-	-	-	114,740.39
20-02 Road Improvement Project	04/08/20	625,000.00	-	74,851.29	-	-	-	-	-	-	-
21-03/13 Acquisition of Beach Equipment	12/13/21	150,000.00	7,500.00	488.74	-	-	-	-	-	-	6,751.91
21-11/22-03 Road Improvement Project	08/11/21	850,000.00	203,815.97	593,750.00	-	-	-	-	-	-	-
22-04 Road Reconstruction and Improvements	08/10/22	-	35,000.00	665,000.00	-	-	-	-	-	-	238,021.72
22-08 Acquisition of Livescan Machine	09/14/22	-	-	4,547.00	-	-	25,453.00	-	-	-	4,547.00
22-09/23-14 Various Capital Improvements & Equipment											
Acquisition for Beach and Recreation Areas	10/11/23	700,000.00	11,000.00	209,000.00	140,000.00	-	-	-	-	-	222,081.08
23-02 Road Reconstruction & Improvements	02/08/23	800,000.00	-	-	800,000.00	-	-	-	-	38,422.50	760,000.00
23-06 Acquisition of Trash Truck	04/12/23	350,000.00	-	-	350,000.00	-	-	284,808.40	-	-	65,191.60
23-10 Acquisition of Various Beach Equipment	07/12/23	150,000.00	-	-	150,000.00	-	-	-	-	7,500.00	142,500.00
23-11 Acquisition of Police Vehicle	07/12/23	65,000.00	-	-	65,000.00	-	-	40,142.12	-	-	9,968.64
23-13 Various Improvements to Municipal Buildings	09/13/23	300,000.00	-	-	300,000.00	-	-	134,864.86	-	-	165,135.14
			\$ 561,194.16	\$ 2,333,800.82	\$ 1,805,000.00	\$ 25,453.00	\$ 1,673,212.71	\$ 434,562.50	\$ 346,340.69	\$ 2,271,332.08	

Deferred Charges - Unfunded \$ 1,714,750.00  
Capital Improvement Fund 90,250.00

\$ 1,805,000.00

**BOROUGH OF SURF CITY  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 860,432.50
Increased By:	
2023 Budget Appropriation	<u>50,000.00</u>
	910,432.50
Decreased By:	
Utilized To Finance Improvement Authorizations	<u>90,250.00</u>
Balance, December 31, 2023	<u><u>\$ 820,182.50</u></u>

**BOROUGH OF SURF CITY  
GENERAL CAPITAL FUND  
SCHEDULE OF VARIOUS RESERVES  
YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, <u>2022</u>	BALANCE DECEMBER 31, <u>2023</u>
Reserve for Debt Service	\$ 36,683.33	\$ 36,683.33
Reserve for Purchase of Lifeguard Boat	18,150.00	18,150.00
	\$ 54,833.33	\$ 54,833.33
	\$ 54,833.33	\$ 54,833.33

**BOROUGH OF SURF CITY  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2023**

Ordinance Number	Improvement Authorizations	BALANCE		AUTHORIZATIONS		Decreased	BALANCE DECEMBER 31, 2023
		DECEMBER 31, 2022	2023	2023	2023		
06-15	Beach Replenishment	\$ 126,463.23	\$ -	\$ -	\$ -		\$ 126,463.23
11-03	Acquisition of Trash Truck	32,000.00	-	-	-		32,000.00
13-05	Acquisition of Trash Truck	29,231.00	-	-	-		29,231.00
13-06	Acquisition of a Beach Rake	13,997.36	-	-	-		13,997.36
15-03	Acquisition of Fire Apparatus & Related Equipment	37,352.67	-	-	-		37,352.67
18-02	Acquisition of Trash Truck	14,116.60	-	-	-		14,116.60
18-04	Removal of Underground Storage Tank	118,750.00	-	-	-		118,750.00
18-15	Repair/Resurfacing of Various Roads	42,500.00	-	-	42,500.00		-
19-11	Repair/Resurfacing of Various Roads & Related Expenses	380,000.00	-	-	345,000.00		35,000.00
19-13	Replacement/Repair of Various Roads & Related Expense:	321,250.00	-	-	-		321,250.00
20-02	Road Improvement Project	593,750.00	-	-	-		593,750.00
21-03/13	Acquisition of Beach Equipment	142,500.00	-	-	134,511.26		7,988.74
21-11	Road Improvement Project	563,750.00	-	-	279,150.00		284,600.00
22-04	Road Reconstruction and Improvements	665,000.00	-	-	289,716.06		375,283.94
22-08	Acquisition of Livescan Machine	28,500.00	-	-	23,953.00		4,547.00
22-09/23-14	Various Capital Improvements & Equipment Acquisition for Beach and Recreation Areas	209,000.00	133,000.00	-	75,980.00		266,020.00
23-02	Road Reconstruction & Improvements	-	760,000.00	-	-		760,000.00
23-06	Acquisition of Trash Truck	-	332,500.00	-	-		332,500.00
23-10	Acquisition of Various Beach Equipment	-	142,500.00	-	-		142,500.00
23-11	Acquisition of Police Vehicle	-	61,750.00	-	-		61,750.00
23-13	Various Improvements to Municipal Buildings	-	285,000.00	-	-		285,000.00
		\$ 3,318,160.86	\$ 1,714,750.00	\$ 1,190,810.32	\$ 1,190,810.32		\$ 3,842,100.54
	Community Development Black Grant		\$	\$ 35,980.00			
	NJ DOT Receipts			663,866.06			
	New Jersey Local Recreation Improvement Grant			40,000.00			
	Funded By Budget Appropriations			200,964.26			
	Bond Anticipation Note			250,000.00			
			\$	\$ 1,190,810.32			

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Issue Date</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2022</u>	<u>Increased</u>	<u>Balance December 31, 2023</u>
19-11	Repair/Resurfacing of Various Bulkheads & Related Expenses	12/29/2023	12/29/2023	12/29/2024	0.00%	\$ -	\$ 250,000.00	\$ 250,000.00
						\$ -	\$ 250,000.00	\$ 250,000.00

**WATER/SEWER UTILITY FUND**

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**BOROUGH OF SURF CITY**  
**WATER/SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF CASH - TREASURER**  
**YEAR ENDED DECEMBER 31, 2023**

	OPERATING	CAPITAL
Balance, December 31, 2022	\$ 2,988,594.82	\$ 595,092.87
Increased By Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 176,242.23	\$ -
Fire Hydrant Service	138,400.00	-
Water/Sewer Rents Receivable	2,151,688.13	-
Prepaid Rents	17,112.38	-
Capital Improvement Fund	-	25,000.00
Budget Appropriations - Deferred Charges	-	200,000.00
Due From Trust - Other Fund	1,139.21	-
Due To/From Utility Operating Fund	-	14,717.84
	2,484,581.95	239,717.84
	5,473,176.77	834,810.71
Decreased By Disbursements:		
2023 Budget Appropriations	2,031,614.76	-
2022 Appropriation Reserves	37,620.37	-
Due To Utility Capital Fund	14,717.84	-
Improvement Authorization	-	702,502.78
	2,083,952.97	702,502.78
Balance, December 31, 2023	\$ 3,389,223.80	\$ 132,307.93

**BOROUGH OF SURF CITY  
 WATER/SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF ANALYSIS OF WATER/SEWER UTILITY CAPITAL FUND CASH  
 YEAR ENDED DECEMBER 31, 2023**

		<u>BALANCE</u> <u>DECEMBER 31, 2023</u>
Capital Improvement Fund		\$ 553,315.51
Due From Utility Operating Fund		(47,174.47)
Fund Balance		7,476.47
<u>Ordinance</u>	<u>Improvement Authorizations</u>	
<u>Number</u>		
21-15	Rehabilitation of Borough Water Tower	<u>(381,309.58)</u>
		<u>\$ 132,307.93</u>

**BOROUGH OF SURF CITY  
 WATER/SEWER UTILITY OPERATING FUND  
 SCHEDULE OF WATER/SEWER RENTS  
 YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 34,424.20
Increased By:		
2023 Billings		<u>2,174,968.74</u>
		2,209,392.94
Decreased By:		
Cash Collections	\$ 2,151,688.13	
Prepaid Rents Applied	<u>20,456.85</u>	
		<u>2,172,144.98</u>
Balance, December 31, 2023		<u><u>\$ 37,247.96</u></u>

**BOROUGH OF SURF CITY  
SCHEDULE OF FIXED CAPITAL  
YEAR ENDED DECEMBER 31, 2023**

	Balance, December 31, <u>2022</u>	<u>Additions</u>	Balance, December 31, <u>2023</u>
Water Fund:			
Land	\$ 5,623.38	\$ -	\$ 5,623.38
Springs and Wells	1,170,538.06	-	1,170,538.06
Pumping Station & Equipment	169,915.01	-	169,915.01
Distribution Mains & Accessories	921,335.92	-	921,335.92
Meters & Accessories	96,475.00	-	96,475.00
Garage & Storage Building	72,384.87	-	72,384.87
Tower, Standpipe & Storage Tanks	2,321,164.07	-	2,321,164.07
Fire Hydrants	49,213.51	-	49,213.51
Trucks & Other Equipment	181,239.47	-	181,239.47
Water Plant & Equipment	578,742.57	370,887.98	949,630.55
Office Facilities	13,938.13	-	13,938.13
Computer System	8,973.23	-	8,973.23
Wells	863,592.15	-	863,592.15
Sewer Fund:			
Collection System	1,600,045.63	-	1,600,045.63
Landscaping	2,774.20	-	2,774.20
Meters & Accessories	6,573.45	-	6,573.45
Trucks & Other Equipment	201,415.82	-	201,415.82
Garage & Storage Building	74,202.32	-	74,202.32
Office Facilities	13,938.12	-	13,938.12
Computer System	8,503.25	-	8,503.25
	<u>\$ 8,360,588.16</u>	<u>\$ 370,887.98</u>	<u>\$ 8,731,476.14</u>

**BOROUGH OF SURF CITY  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
YEAR ENDED DECEMBER 31, 2023**

<u>Ordinance Number</u>	<u>Purpose</u>	<u>ORDINANCE</u>		<u>BALANCE DECEMBER 31, 2022</u>	<u>TRANSFERRED TO FIXED CAPITAL</u>	<u>BALANCE DECEMBER 31, 2023</u>
		<u>DATE</u>	<u>AMOUNT</u>			
18-16	Improvements to Water/Sewer System	12/12/18	\$ 600,000.00	\$ 370,887.98	\$ 370,887.98	\$ -
21-15	Rehabilitation of Borough Water Tower	12/13/21	825,000.00	825,000.00	-	825,000.00
				<u>\$ 1,195,887.98</u>	<u>\$ 370,887.98</u>	<u>\$ 825,000.00</u>

**BOROUGH OF SURF CITY  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2022 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2023**

<u>Appropriation</u>	BALANCE DECEMBER 31, 2022	BALANCE AFTER TRANSFERS	<u>EXPENDED</u>	BALANCE <u>LAPSED</u>
Operating:				
Salaries and Wages	\$ 282,374.63	\$ 282,374.63	\$ -	\$ 282,374.63
Other Expenses	380,672.33	380,672.33	19,975.47	360,696.86
Capital Improvements:				
Capital Outlay	85,000.00	85,000.00	17,644.90	67,355.10
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	20,312.88	20,312.88	-	20,312.88
Defined Contribution Retirement Plan	524.74	524.74	-	524.74
Unemployment Compensation Insurance	2,843.37	2,843.37	-	2,843.37
	<u>\$ 771,727.95</u>	<u>\$ 771,727.95</u>	<u>\$ 37,620.37</u>	<u>\$ 734,107.58</u>

Appropriation Reserves  
Encumbrances Payable

\$ 738,558.08
<u>33,169.87</u>
<u>\$ 771,727.95</u>

**BOROUGH OF SURF CITY  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 33,169.87
Increased By:	
Current Appropriations	<u>16,459.43</u>
	49,629.30
Decreased By:	
Transferred To Appropriation Reserves	<u>33,169.87</u>
Balance, December 31, 2023	<u><u>\$ 16,459.43</u></u>

**BOROUGH OF SURF CITY  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF PREPAID RENTS  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 16,553.52
Increased By:	
Cash Receipts	<u>17,112.38</u>
	33,665.90
Decreased By:	
Applied To Rents Receivable	<u>20,456.85</u>
Balance, December 31, 2023	<u><u>\$ 13,209.05</u></u>



**BOROUGH OF SURF CITY  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 and 2022

\$ 7,644.37

**BOROUGH OF SURF CITY  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF DUE TO WATER/SEWER UTILITY CAPITAL FUND  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 61,892.31
Increased By:		
Cash Disbursed by Utility Operating		<u>702,502.78</u>
		764,395.09
Decreased By:		
Cash Disbursed to Utility Operating Fund	\$ 702,502.78	
Interest Earned in Water/Sewer Utility Capital Fund	<u>14,717.84</u>	
		<u>717,220.62</u>
Balance, December 31, 2023		<u><u>\$ 47,174.47</u></u>

**BOROUGH OF SURF CITY  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2023**

Ordinance Number	Purpose	Ordinance		Balance December 31, 2022		Paid or Charged	Balance December 31, 2023 Unfunded
		Date	Amount	Funded	Unfunded		
18-16	Improvements to Water/Sewer System	12/12/18	\$ 600,000.00	\$ -	\$ 48,093.78	\$ 48,093.78	\$ -
21-15	Rehabilitation of Borough Water Tower	12/13/21	825,000.00	158,099.42	658,252.40	654,409.00	161,942.82
				<u>\$ 158,099.42</u>	<u>\$ 706,346.18</u>	<u>\$ 702,502.78</u>	<u>\$ 161,942.82</u>

**BOROUGH OF SURF CITY  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 528,315.51
Increased By:	
2023 Budget Appropriations	<u>25,000.00</u>
Balance, December 31, 2023	<u><u>\$ 553,315.51</u></u>

**BOROUGH OF SURF CITY  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 8,741,973.74
Increased By:	
Funding of Costs of Improvements Authorized By Budget	<u>200,000.00</u>
Balance, December 31, 2023	<u><u>\$ 8,941,973.74</u></u>

**BOROUGH OF SURF CITY  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION  
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 and 2022

\$ 71,250.00

**BOROUGH OF SURF CITY  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2023**

<u>Ordinance Number</u>	<u>Purpose</u>	BALANCE DECEMBER 31, <u>2022</u>	BALANCE DECEMBER 31, <u>2023</u>
2018-16	Improvements to Water & Sewer System	\$ 85,000.00	\$ -
2021-15	Rehabilitation of Borough Water Tower	658,252.40	543,252.40
		<u>\$ 743,252.40</u>	<u>\$ 543,252.40</u>

Funded By Budget Appropriations \$ 200,000.00

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**GENERAL FIXED ASSETS ACCOUNT GROUP**

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**BOROUGH OF SURF CITY**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, <u>2022</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	BALANCE DECEMBER 31, <u>2023</u>
Land	\$ 748,506.36	\$ -	\$ -	\$ 748,506.36
Buildings	1,017,160.67	-	-	1,017,160.67
Equipment	797,707.63	114,293.55	-	912,001.18
Motor Vehicles	3,062,894.62	76,735.00	65,479.60	3,074,150.02
	<u>\$ 5,626,269.28</u>	<u>\$ 191,028.55</u>	<u>\$ 65,479.60</u>	<u>\$ 5,751,818.23</u>

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**BOROUGH OF SURF CITY**

**PART II**

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

**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

None.

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

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

**FINANCIAL STATEMENT FINDINGS**

**Finding 2022-01**

Condition:

The general ledger was not properly maintained in the Borough's main financial reporting system (Edmunds).

Current Status:

This finding has been corrected.

**FEDERAL AWARDS**

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

**STATE FINANCIAL ASSISTANCE**

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



**BOROUGH OF SURF CITY**

**PART III**

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

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## OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name of Official</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Corporate Surety</u>
Francis R. Hodgson, Sr.	Mayor		
William D. Hodgson	Council President		
John McMenamin	Councilman		
Gerry Little	Councilman		
Peter M. Hartney	Councilman		
James B. Russell	Councilman		
Jacqueline Siciliano	Councilwoman		
Christine Hannemann	Borough Administrator	*	JIF
	Municipal Clerk		
	Assessment Search Officer		
	Registrar of Vital Statistics		
Michael Gross	Chief Financial Officer, Treasurer Water/Sewer Rents	*	JIF
Daniel Sahin	Municipal Court Judge	*	JIF
Tracey Figueiras	Court Administrator	*	JIF
Walter R. Higgins, Jr.	Assessor		
Christopher J. Connors, Esq.	Solicitor		
Frank Little	Engineer		

All of the bonds were examined and appear to be properly executed.

\* Joint Insurance Fund (JIF) Blanket Crime coverage in the amount of \$1,000,000.00

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Honorable Mayor and Members  
of the Borough Council  
Borough of Surf City  
County of Ocean  
Farmingdale, New Jersey

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

#### **GENERAL COMMENTS:**

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

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

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

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

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

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

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

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

The governing body on January 3, 2023 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

**OTHER COMMENTS (FINDINGS):**

None.

**RECOMMENDATIONS:**

None.

## Appreciation

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

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

Lakewood, New Jersey  
June 28, 2024