

**CITY OF GLOUCESTER CITY
COUNTY OF CAMDEN**

REPORT OF AUDIT

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



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CITY OF GLOUCESTER CITY
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Gloucester City
Gloucester City, New Jersey 08030

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City of Gloucester City, in the County of Camden, State of New Jersey, as of December 31, 2022 and 2021, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City of Gloucester City, in the County of Camden, State of New Jersey, as of December 31, 2022 and 2021, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2022, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the City of Gloucester City, in the County of Camden, State of New Jersey, as of December 31, 2022 and 2021, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

We conducted our audit in accordance with 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 in compliance with audit requirements as prescribed by 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 State of New Jersey. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City 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 Accounting Principles Generally Accepted in the United States of America

As described in note 1 to the financial statements, the financial statements are prepared by the 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 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in note 1 to the financial statements, during the year ended December 31, 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The adoption of this new accounting principle resulted in material note disclosure. As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Consistency of Financial Statements

Because of the implementation of GASB Statement No. 87, the City has determined that lease agreements in which they are the lessor have now been disclosed in accordance with the statement (note 6). Our opinions are not modified with respect to this matter.

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Supplementary Information

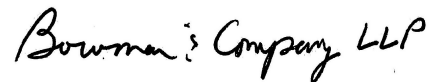
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes 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. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 is also 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 accompanying supplemental statements and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2023 on our consideration of the City of Gloucester City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Gloucester City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Gloucester City's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
September 25, 2023

**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**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Gloucester City
Gloucester City, New Jersey 08030

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 the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the City of Gloucester City, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 25, 2023. That report indicated that the City of Gloucester City's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle and an additional paragraph on the consistency of financial statements resulting from the new accounting principle.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs*, as Finding No. 2022-001, Finding No. 2022-002, Finding No. 2022-003 and Finding No. 2022-005 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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, and which are described in the accompanying *Schedule of Findings and Questioned Costs* as Finding No. 2022-001, Finding No. 2022-002, Finding No. 2022-003 and Finding No. 2022-004.

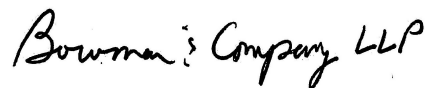
The City of Gloucester City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
September 25, 2023

CITY OF GLOUCESTER CITY

CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

As of December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Regular Fund:			
Cash - Treasurer	SA-1	\$ 5,509,640.03	\$ 5,565,120.86
Cash - Collector	SA-2	1,497.36	563.44
Prepaid Payroll	SA-1	184,296.23	
Petty Cash	A	1,000.00	1,000.00
Change Funds	SA-3	2,200.00	2,100.00
		<u>5,698,633.62</u>	<u>5,568,784.30</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	374,785.91	441,467.94
Tax Title Liens Receivable	SA-6	11,154.45	14,565.96
Property Acquired for Taxes - Assessed Valuation	SA-7	2,220,500.00	2,491,700.00
Miscellaneous Charges Receivable	SA-8	9,780.30	19,493.52
Revenue Accounts Receivable	SA-10	25,457.79	246,533.51
Due Federal and State Grant Fund	SA-26	84,903.37	
Due Water and Sewer Operating Fund	D		25,084.05
Due Water and Sewer Capital Fund	D	165,001.52	165,001.52
Due Trust Other Fund	B	88,520.26	205,425.24
Due Animal Control Fund	B	9,489.09	5,827.80
		<u>2,989,592.69</u>	<u>3,615,099.54</u>
		<u>8,688,226.31</u>	<u>9,183,883.84</u>
Federal and State Grant Fund:			
Due Current Fund	SA-23		740,912.29
Federal, State and Other Grants Receivable	SA-19	4,438,383.45	2,665,594.78
		<u>4,438,383.45</u>	<u>3,406,507.07</u>
		<u>\$ 13,126,609.76</u>	<u>\$ 12,590,390.91</u>

(Continued)

CITY OF GLOUCESTER CITY

CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

As of December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3 & SA-12	\$ 1,541,651.18	\$ 371,425.01
Reserve for Encumbrances	A-3 & SA-12	372,128.57	137,053.72
Accounts Payable	SA-12	51,647.50	
Payroll Taxes Payable	SA-11	18,995.02	125,218.77
Prepaid Taxes	SA-13	289,082.22	240,582.44
Tax Overpayments	SA-14	10,353.64	19,837.56
Due to School District	SA-18	200,814.54	977,842.87
Due State of New Jersey			
Veterans' and Senior Citizens' Deductions	SA-4	72,509.95	72,061.32
Due County for Added and Omitted Taxes	SA-17	16,343.07	30,174.28
Due Federal and State Grant Fund	SA-24		740,912.29
Due Community Development Trust Fund	B	187,352.12	216,234.62
Due General Capital Fund	C	122,391.19	122,391.19
Due Utility Operating Fund	D	28,186.07	
Due CCMUA	SA-9	1,239.76	1,239.76
Reserve for Master Plan	A	2,184.83	2,184.83
Other Reserves for:			
Municipal Relief Fund Aid	SA-1	139,720.76	
Opioid Settlement Funds	SA-1	27,233.38	
Deposits on Sale of Property	A	20.00	20.00
Revaluation	A	13,978.00	13,978.00
		3,095,831.80	3,071,156.66
Reserve for Receivables and Other Assets	A	2,989,592.69	3,615,099.54
Fund Balance	A-1	2,602,801.82	2,497,627.64
		8,688,226.31	9,183,883.84
Federal and State Grant Fund:			
Reserve for Encumbrances	SA-22	187,874.82	140,945.68
Due Current Fund	SA-23	84,903.37	
Due General Capital Fund	C	147,342.63	147,342.63
Reserve for Federal, State and Other Grants:			
Unappropriated	SA-20	2,272.67	626,505.70
Appropriated	SA-21	4,015,989.96	2,491,713.06
		4,438,383.45	3,406,507.07
		\$ 13,126,609.76	\$ 12,590,390.91

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF GLOUCESTER CITY
CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,800,000.00	\$ 1,175,000.00
Miscellaneous Revenue Anticipated	9,408,926.05	7,339,955.21
Receipts from Delinquent Taxes and Tax Title Liens	476,607.91	600,964.05
Receipts from Current Taxes	24,180,350.78	23,907,636.75
Non Budget Revenues	659,821.06	1,315,650.31
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	258,778.99	480,552.89
Cancel Excess Balance- Payroll Deductions Payable		55,081.31
Statutory Excess in Dog License Fund	3,862.20	4,072.00
Reserves Liquidated:		
Due Water and Sewer Utility Operating Fund	25,084.05	275.23
Due Trust Other Fund	116,904.98	
Due General Capital Fund		255,713.19
	<hr/>	<hr/>
Total Income	36,930,336.02	35,134,900.94
	<hr/>	<hr/>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	7,929,696.50	8,636,541.00
Other Expenses	8,914,502.50	6,891,237.00
Deferred Charges and Statutory Expenditures Within "CAPS"	2,519,042.02	2,189,719.00
Operations - Excluded from "CAPS":		
Other Expenses	2,931,521.30	2,435,663.02
Capital Improvements - Excluded from "CAPS"	300,000.00	334,600.00
Municipal Debt Service - Excluded from "CAPS"	1,191,629.49	1,307,691.23
Transferred to Board of Education	31,208.00	31,991.00
County Taxes	4,469,165.30	4,341,409.81
County Share of Added and Omitted Taxes	16,343.07	30,174.28
Local District School Tax	6,625,239.00	6,499,884.00
Deductions Disallowed by Tax Collector - Prior Year	8,250.00	5,864.38
Refund of Prior Year Revenues		7,455.81
Reserves Created:		
Due Animal Control Fund	3,661.29	3,943.22
Due Water and Sewer Capital Fund		1,008.10
Due Federal and State Grant Fund	84,903.37	
Due Trust Other Fund		104,174.11
	<hr/>	<hr/>
Total Expenditures	35,025,161.84	32,821,355.96
	<hr/>	<hr/>
Statutory Excess to Fund Balance (Carried Forward)	1,905,174.18	2,313,544.98

CITY OF GLOUCESTER CITY

CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Statutory Excess to Fund Balance (Brought Forward)	\$ 1,905,174.18	\$ 2,313,544.98
<u>Fund Balance</u>		
Balance Jan. 1	<u>2,497,627.64</u>	<u>1,359,082.66</u>
	4,402,801.82	3,672,627.64
Utilized as Revenue	<u>1,800,000.00</u>	<u>1,175,000.00</u>
Balance Dec. 31	<u>\$ 2,602,801.82</u>	<u>\$ 2,497,627.64</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2022

	Anticipated			
	Budget	Special N.J.S.A. 40A:4-87	Realized	Excess (Deficit)
Fund Balance Anticipated	\$ 1,800,000.00	\$ -	\$ 1,800,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	30,000.00		30,914.00	914.00
Other	6,000.00		10,555.61	4,555.61
Fees and Permits	550,000.00		663,585.44	113,585.44
Fines and Costs - Municipal Court	220,000.00		247,263.53	27,263.53
Interest and Costs on Taxes	80,000.00		88,267.27	8,267.27
Interest on Investments and Deposits	4,000.00		54,114.26	50,114.26
Anticipated Utility Operating Surplus	65,000.00		65,000.00	
State Aid without Offsetting Appropriations:				
Energy Receipts Tax	2,678,496.00		2,678,496.00	
Uniform Construction Code Fees	165,000.00		322,604.00	157,604.00
Special Items of General Revenue Anticipated with Prior Written				
Consent of Director of Local Government Services:				
Assistance to Firefighters Grant - 2021		89,144.00	89,144.00	
Bulletproof Vest		2,000.00	2,000.00	
Distracted Driving Prevention		8,750.00	8,750.00	
Community Development Block Grant:				
Small Cities		400,000.00	400,000.00	
COVID-19		370,684.00	370,684.00	
Clean Communities Program		21,675.33	21,675.33	
Recycling Tonnage Grant		29,425.05	29,425.05	
NJ Dept. of Community Affairs - Inclusive Park		247,000.00	247,000.00	
Body Armor Replacement Fund		1,698.33	1,698.33	
Urban Enterprise Zone		636,983.00	636,983.00	
Local Recreation Improvement		75,000.00	75,000.00	
New Jersey Department of Transportation:				
Municipal Aid Program:				
Road Improvements		384,073.00	384,073.00	
Discretionary Aid		225,000.00	225,000.00	
Delaware Valley Regional Planning Commission - TCDI		25,088.59	25,088.59	
County of Camden - Recreation - Open Space		25,000.00	25,000.00	
Other Items of Revenue:				
Uniform Fire Safety Act	75,000.00		78,798.21	3,798.21
Cable TV Franchise Fee	50,000.00		43,688.57	(6,311.43)
School District for Police Services	70,000.00		133,000.00	63,000.00
Rental Revenue - Lease of Former Coast Guard Station	150,000.00		152,000.04	2,000.04
Hotel Occupancy Taxes	50,000.00		44,425.50	(5,574.50)
American Rescue Plan Act- Revenue Replacement	1,174,276.50		1,174,276.50	
Interfund- Due from Utility Capital Fund	76,269.55			(76,269.55)
Payment in Lieu of Taxes	1,000,000.00		1,080,415.82	80,415.82
Total Miscellaneous Revenues	6,444,042.05	2,541,521.30	9,408,926.05	423,362.70
Receipts from Delinquent Taxes	371,337.00	-	476,607.91	105,270.91
Subtotal General Revenues	8,615,379.05	2,541,521.30	11,685,533.96	528,633.61
Amount to be Raised for Support of Municipal Budget:				
Local Tax for Municipal Purpose	13,194,216.17		13,542,749.61	348,533.44
Minimum Library Tax	198,853.80		198,853.80	
	13,393,069.97	-	13,741,603.41	348,533.44
Budget Totals	22,008,449.02	2,541,521.30	25,427,137.37	877,167.05
Non Budget Revenues			659,821.06	659,821.06
	\$ 22,008,449.02	\$ 2,541,521.30	\$ 26,086,958.43	\$ 1,536,988.11

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2022

Allocation of Current Tax Collections:		
Revenue from Collections		\$ 24,180,350.78
Allocated to:		
School and County Taxes		<u>11,110,747.37</u>
Balance for Support of Municipal Budget Appropriations		13,069,603.41
Add: Appropriation "Reserve for Uncollected Taxes"		<u>672,000.00</u>
Amount for Support of Municipal Budget Appropriations		<u><u>\$ 13,741,603.41</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	\$ 448,105.84	
Tax Title Liens	<u>28,502.07</u>	
		<u><u>\$ 476,607.91</u></u>
Fees and Permits - Other:		
Police Department - Accident Reports	\$ 870.00	
Planning and Zoning Board Fees	4,860.00	
Marriage/Civil Union Fees	425.00	
Housing Fees	629,756.94	
Registrar of Vital Statistics	<u>27,673.50</u>	
		<u><u>\$ 663,585.44</u></u>
Analysis of Non Budget Revenues:		
Treasurer:		
Marina Rentals and Fees	\$ 26,395.00	
Agency Reimbursements	163,928.90	
Senior & Veterans Administration Fee	1,485.00	
Tax Premiums	4,900.00	
PSE&G Rentals	49,500.00	
Fireworks Contributions	17,500.00	
Calendar Advertisements	4,432.68	
Miscellaneous	44,789.63	
Prior Year Refunds	6,008.29	
Insurance Dividends & Reimbursements	49,496.29	
Sale of Municipal Property	<u>30,300.00</u>	
		\$ 398,735.79
Tax Collector:		
Miscellaneous Charges Receivable	20,171.71	
Property Acquired for Taxes	159,500.00	
Cost of Tax Sale	<u>9,320.55</u>	
		188,992.26
Off Duty Admin Fees Realized		<u>72,093.01</u>
		<u><u>\$ 659,821.06</u></u>

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

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"						
GENERAL GOVERNMENT						
Administrative and Executive						
Salaries and Wages						
City Administrator's Office	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00			
Mayor and Common Council	9,500.00	9,500.00	8,816.63		\$ 683.37	
City Clerk's Office	150,000.00	150,000.00	140,529.54		9,470.46	
Other Expenses:						
City Administrator's Office	7,500.00	7,500.00	5,262.43	\$ 749.97	1,487.60	
City Clerk's Office	65,000.00	80,000.00	76,057.30	2,896.70	1,046.00	
Postage	30,000.00	35,000.00	30,000.00		5,000.00	
Financial Administration						
Salaries and Wages	98,800.00	98,800.00	40,023.34		58,776.66	
Other Expenses	110,000.00	130,000.00	125,238.42	1,179.94	3,581.64	
Audit Services						
Other Expenses	65,000.00	65,000.00	65,000.00			
Collection of Taxes						
Salaries and Wages	128,000.00	128,000.00	114,433.20		13,566.80	
Other Expenses	20,000.00	20,000.00	13,163.26	745.66	6,091.08	
Assessment of Taxes						
Salaries and Wages	60,000.00	75,000.00	65,982.28		9,017.72	
Other Expenses	9,025.00	9,025.00	6,345.90		2,679.10	
Legal Services and Costs						
Other Expenses	275,000.00	275,000.00	246,833.47	1,733.33	26,433.20	
Municipal Court						
Salaries and Wages	323,000.00	323,000.00	276,934.11		46,065.89	
Other Expenses	37,000.00	37,000.00	10,597.99	702.00	25,700.01	
Public Defender (P.L. 1997, C.256)						
Other Expenses	20,800.00	20,800.00	7,306.84		13,493.16	
Engineering Services and Costs						
Other Expenses	83,000.00	43,000.00	27,806.79	13,163.21	2,030.00	

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (CONT'D)						
GENERAL GOVERNMENT (CONT'D)						
Community Development						
Salaries and Wages	\$ 85,000.00	\$ 85,000.00	\$ 70,880.16		\$ 14,119.84	
Other Expenses	75,000.00	75,000.00	60,678.56	\$ 7,814.87	6,506.57	
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Combined Planning and Zoning Boards						
Salaries and Wages	11,000.00	11,000.00	375.00		10,625.00	
Other Expenses	10,000.00	10,000.00	7,813.80	823.64	1,362.56	
INSURANCE						
General Liability	400,000.00	400,000.00	210,283.50		189,716.50	
Workers Compensation	405,000.00	405,000.00	362,507.86	8,448.00	34,044.14	
Group Insurance for Employees	2,829,000.00	2,723,000.00	2,606,391.63	441.80	116,166.57	
Health Benefit Waiver	100,000.00	106,000.00	99,589.42		6,410.58	
PUBLIC SAFETY FUNCTIONS						
Police						
Salaries and Wages	2,825,723.50	2,825,723.50	2,682,261.65		143,461.85	
ARPA - Salaries and Wages	1,174,276.50	1,174,276.50	1,174,276.50			
Other Expenses	178,000.00	293,000.00	207,485.33	59,498.33	26,016.34	
Crossing Guards						
Salaries and Wages	110,000.00	110,000.00	109,923.00		77.00	
Other Expenses	500.00	500.00			500.00	
Office of Emergency Management						
Salaries and Wages	10,000.00	10,000.00			10,000.00	
Other Expenses	10,000.00	10,000.00	9,995.71		4.29	
Fire						
Salaries and Wages	2,496,337.00	2,496,337.00	2,381,729.08		114,607.92	
Other Expenses	165,000.00	165,000.00	107,502.86	50,493.82	7,003.32	
Uniform Fire Safety Act (PL 1983, C383)						
Salaries and Wages	15,000.00	15,000.00			15,000.00	
Other Expenses	16,500.00	16,500.00	7,211.06	3,100.00	6,188.94	

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (CONT'D)						
PUBLIC WORKS FUNCTIONS						
Streets and Road Maintenance						
Salaries and Wages	\$ 503,723.00	\$ 503,723.00	\$ 496,228.89		\$ 7,494.11	
Other Expenses	200,000.00	200,000.00	180,898.35	\$ 13,536.79	5,564.86	
Public Buildings and Grounds						
Salaries and Wages	520,612.00	520,612.00	472,910.77		47,701.23	
Other Expenses	76,200.00	76,200.00	53,435.93	9,935.80	12,828.27	
Solid Waste Collection						
Other Expenses	930,000.00	930,000.00	740,990.30	141,396.12	47,613.58	
Animal Control Services						
Other Expenses	55,000.00	55,000.00	42,259.75	800.00	11,940.25	
PARKS & RECREATION FUNCTIONS						
Recreation Services and Programs						
Other Expenses	1,000.00	1,000.00			1,000.00	
UTILITY EXPENSES AND BULK PURCHASES						
Gasoline and Diesel Fuel	125,000.00	125,000.00	108,283.01	9,254.11	7,462.88	
Street Lighting	400,000.00	400,000.00	386,114.92		13,885.08	
Electricity	120,000.00	80,000.00	61,632.27		18,367.73	
Telephone	120,000.00	120,000.00	114,859.67		5,140.33	
Fuel Oil	20,000.00	55,000.00	40,150.92	3,690.44	11,158.64	
Sewerage Disposal	10,000.00	15,000.00	10,395.66		4,604.34	
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Landfill Costs						
Other Expenses	600,000.00	600,000.00	446,963.67		153,036.33	
UNIFORM CONSTRUCTION CODE						
Construction Officials						
Salaries and Wages	159,000.00	159,000.00	155,079.59		3,920.41	
Other Expenses	98,700.00	98,700.00	25,790.94	890.68	72,018.38	
Other Code Enforcement						
Salaries and Wages	359,000.00	359,000.00	331,063.33		27,936.67	
Other Expenses	10,000.00	10,000.00			10,000.00	

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>OTHER COMMON OPERATING FUNCTIONS</u>						
Salary Adjustment	\$ 1.00	\$ 1.00			\$ 1.00	
Celebration of Public Events or Holidays						
Other Expenses	48,000.00	48,000.00	\$ 47,186.40		813.60	
Total Operations - Within "CAPS"	16,814,198.00	16,844,198.00	15,123,480.99	\$ 331,295.21	1,389,421.80	\$ -
Contingent	1.00	1.00	-	-	1.00	-
Total Operations Including Contingent - Within "CAPS"	16,814,199.00	16,844,199.00	15,123,480.99	331,295.21	1,389,422.80	-
Detail:						
Salaries and Wages	7,914,696.50	7,929,696.50	7,397,170.57	-	532,525.93	-
Other Expenses	8,899,502.50	8,914,502.50	7,726,310.42	331,295.21	856,896.87	-
<u>DEFERRED CHARGES AND STATUTORY</u>						
<u>EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>						
<u>Statutory Expenditures</u>						
Contribution to:						
Social Security System (O.A.S.I.)	350,000.00	320,000.00	302,771.62		17,228.38	
Public Employees Retirement System	400,000.00	400,000.00	400,000.00			
Unemployment Compensation	10,000.00	10,000.00			10,000.00	
Police and Firemen's Retirement System	1,789,042.02	1,789,042.02	1,789,042.02			
Total Deferred Charges and Statutory Expenditures						
Municipal - Within "CAPS"	2,549,042.02	2,519,042.02	2,491,813.64	-	27,228.38	-
Total General Appropriations for Municipal Purposes						
Within "CAPS"	19,363,241.02	19,363,241.02	17,615,294.63	331,295.21	1,416,651.18	-
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>						
Maintenance of Free Public Library	490,000.00	490,000.00	449,166.64	40,833.36	-	-

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - EXCLUDED FROM "CAPS" (CONT'D)						
Public and Private Programs Offset by Revenues:						
Interlocal Camden Imp Authority Flooding Study	\$ 100,000.00	\$ 100,000.00			\$ 100,000.00	
Matching Funds for Grants	25,000.00	25,000.00			25,000.00	
Appropriation by N.J.S.A. 40A:4-87						
Federal Emergency Management Agency:						
Assistance to Firefighters Grant - 2021		89,144.00	\$ 89,144.00			
Bulletproof Vest		2,000.00	2,000.00			
Distracted Driving Prevention		8,750.00	8,750.00			
Community Development Block Grant:						
Small Cities		400,000.00	400,000.00			
COVID-19		370,684.00	370,684.00			
Clean Communities Program		21,675.33	21,675.33			
Recycling Tonnage		29,425.05	29,425.05			
NJ Dept. of Community Affairs - Inclusive Park		247,000.00	247,000.00			
Body Armor Replacement Fund		1,698.33	1,698.33			
Urban Enterprise Zone		636,983.00	636,983.00			
Local Recreation Improvement		75,000.00	75,000.00			
New Jersey Department of Transportation:						
Municipal Aid Program:						
Road Improvements		384,073.00	384,073.00			
Delaware Valley Regional Planning						
Commission - TCDI		25,088.59	25,088.59			
County of Camden - Recreation - Open Space		25,000.00	25,000.00			
Total Public and Private Programs Offset by Revenues	125,000.00	2,441,521.30	2,316,521.30	\$ -	125,000.00	\$ -
Total Operations - Excluded from "CAPS"	615,000.00	2,931,521.30	2,765,687.94	40,833.36	125,000.00	-
Detail:						
Other Expenses	615,000.00	2,931,521.30	2,765,687.94	40,833.36	125,000.00	-

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00			
Public and Private Programs Offset by Revenues:						
Appropriation by N.J.S.A. 40A:4-87						
New Jersey Department of Transportation:						
Discretionary Aid		225,000.00	225,000.00			
Total Capital Improvements--Excluded from "CAPS"	75,000.00	300,000.00	300,000.00	\$ -	\$ -	\$ -
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	720,000.00	720,000.00	720,000.00			
Interest on Bonds	320,000.00	320,000.00	319,693.52			306.48
NJ DCA Demolition Loan Program:						
Loan Repayments for Principal and Interest	60,000.00	60,000.00	57,659.52			2,340.48
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	152,000.00	152,000.00	94,276.45			57,723.55
Total Municipal Debt Service - Excluded from "CAPS"	1,252,000.00	1,252,000.00	1,191,629.49	-	-	60,370.51
<u>TRANSFERRED TO BOARD OF EDUCATION</u>						
Use of Local Schools (N.J.S.A. 40:48-17.1 & 17.3)	31,208.00	31,208.00	31,208.00	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,973,208.00	4,514,729.30	4,288,525.43	40,833.36	125,000.00	60,370.51
Subtotal General Appropriations	21,336,449.02	23,877,970.32	21,903,820.06	372,128.57	1,541,651.18	60,370.51
Reserve for Uncollected Taxes	672,000.00	672,000.00	672,000.00	-	-	-
Total General Appropriations (Carried Forward)	\$ 22,008,449.02	\$ 24,549,970.32	\$ 22,575,820.06	\$ 372,128.57	\$ 1,541,651.18	\$ 60,370.51

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u> <u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total General Appropriations (Brought Forward)	\$ 22,008,449.02	\$ 24,549,970.32	\$ 22,580,690.22	\$ 372,128.57	\$ 1,536,781.02	\$ 60,370.51
Budget		\$ 22,008,449.02				
Appropriation by N.J.S.A. 40A:4-87		<u>2,541,521.30</u>				
		<u>\$ 24,549,970.32</u>				
<u>Analysis of Paid or Charged</u>						
Reserve for Federal and State Grants - Appropriated			\$ 2,541,521.30			
Payroll and Payroll Deductions Payable			12,948,313.44			
Local District School Tax Payable			31,208.00			
Reserve for Uncollected Taxes			672,000.00			
Disbursed			<u>6,382,777.32</u>			
			<u>\$ 22,575,820.06</u>			

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

**CITY OF GLOUCESTER CITY
TRUST FUND**

Statements of Assets, Liabilities and Reserves - Regulatory Basis
As of December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Animal Control Trust Fund:			
Cash - Treasurer	SB-1	\$ 16,883.69	\$ 14,133.60
Accounts Receivable - Due Clerk	B	8.40	8.40
Total Animal Control Trust Fund		<u>16,892.09</u>	<u>14,142.00</u>
Trust Other Fund:			
Cash - Treasurer	SB-1	663,785.39	701,146.73
Cash - Collector	SB-2	412,912.89	263,496.60
Regional Contribution Agreement Loans Receivable	SB-6	1,565,733.00	1,479,153.00
Off Duty Police Fees Receivable	SB-9	40,785.00	160,923.75
Total Trust Other Funds		<u>2,683,216.28</u>	<u>2,604,720.08</u>
Community Development Fund:			
Cash - Treasurer	SB-1	630,268.84	543,944.59
Mortgages and Loans Receivable	SB-14	2,405,902.59	2,687,856.06
Due Trust Other Fund	SB-17	244,232.32	169,534.32
Due Current Fund	SB-15	187,352.12	216,234.62
Total Community Development Fund		<u>3,467,755.87</u>	<u>3,617,569.59</u>
		<u>\$ 6,167,864.24</u>	<u>\$ 6,236,431.67</u>

(Continued)

CITY OF GLOUCESTER CITY
TRUST FUND

Statements of Assets, Liabilities and Reserves - Regulatory Basis
As of December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Trust Fund:			
Accounts Payable	SB-1		\$ 250.00
Due Current Fund	SB-4	\$ 9,489.09	5,827.80
Reserve for Animal Control Trust Fund Expenditures	SB-3	7,403.00	8,064.20
Total Animal Control Trust Fund		16,892.09	14,142.00
Trust Other Fund:			
Accounts Payable	SB-7	41,874.50	60,301.45
Due Current Fund	SB-5	88,520.26	205,425.24
Due Community Development Trust Fund	SB-17	244,232.32	169,534.32
Miscellaneous Trust Reserves:			
Reserve for Parking Offenses Adjudication Act Funds	SB-12	7,067.83	4,089.83
Disposal of Forfeited Property	SB-12	32,210.86	26,092.69
Community Playground	SB-12	3,196.60	3,196.60
Uniform Fire Safety Act Penalties	SB-12	2,125.00	
Unemployment Compensation Insurance	SB-12	22,991.50	7,962.65
Reserve for Escrow Deposits	SB-11	103,449.61	74,924.10
Reserve for Tax Title Lien Premiums and Redemptions	SB-13	411,040.20	262,145.72
Reserve for Regional Contribution Agreements	SB-10	159,568.42	310,688.30
Reserve for Regional Contribution			
Agreement Loans Receivable	B	1,565,733.00	1,479,153.00
Unallocated Lien Deposits	B	1,000.00	1,000.00
Interest Due East Greenwich Township	B	206.18	206.18
Total Trust Other Funds		2,683,216.28	2,604,720.08
Community Development Fund:			
Reserve for Mortgages and Loans Receivable	B	2,405,902.59	2,687,856.06
Reserve for CDBG Revolving Loan Fund	SB-16	431,397.26	400,038.01
Reserve for UDAG Projects and Revolving Loan Fund	SB-18	521,333.03	472,956.01
Accounts Payable	SB-19	109,122.99	56,719.51
Total Community Development Fund		3,467,755.87	3,617,569.59
		\$ 6,167,864.24	\$ 6,236,431.67

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2022 and 2021

<u>ASSETS</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Cash - Treasurer	SC-1	\$ 2,127,030.77	\$ 2,674,741.41
Due Water and Sewer Utility Capital Fund	SC-1	123,193.35	
Due Federal, State and Local Grant Fund	A	147,342.63	147,342.63
Due Current Fund	SC-5	122,391.19	122,391.19
Due State of New Jersey - Community Affairs	SC-2	413,102.57	413,102.57
Deferred Charges to Future Taxation:			
Funded	SC-3	10,691,753.53	11,558,952.58
Unfunded	SC-4	3,880,793.74	2,752,593.74
		<u>\$ 17,505,607.78</u>	<u>\$ 17,669,124.12</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>			
Serial Bonds Payable	SC-12	\$ 9,970,000.00	\$ 10,690,000.00
Green Trust Loans Payable	SC-10	151,274.96	241,426.15
Demolition Loan Payable	SC-11	570,478.57	627,526.43
Improvement Authorizations:			
Funded	SC-8	1,306,456.70	1,784,378.74
Unfunded	SC-8	3,655,614.74	2,752,593.74
Reserve for Encumbrances	SC-9	788,055.44	509,471.69
Capital Improvement Fund	SC-6	1,135.82	1,135.82
Reserve to Pay Debt	C	147,342.63	147,342.63
Reserve to Pay Green Trust Loans	C	7,083.39	7,083.39
Reserve for Payment of Bonds - Excess Proceeds	C	488,950.00	488,950.00
Fund Balance	C	<u>419,215.53</u>	<u>419,215.53</u>
		<u>\$ 17,505,607.78</u>	<u>\$ 17,669,124.12</u>

There were bonds and notes authorized but not issued on December 31, 2022 totaling \$3,880,793.74 and 2021 totaling \$2,752,593.74.

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2022 and 2021

<u>ASSETS</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Operating Fund:			
Cash - Treasurer	SD-1	\$ 1,018,209.78	\$ 1,427,726.47
Change Fund - Collector	D	75.00	75.00
Due from Current Fund	SD-6	28,186.07	
		<u>1,046,470.85</u>	<u>1,427,801.47</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	733,189.69	484,509.00
Deferred Charges:			
Overexpenditures of Appropriations	A-3	64,777.05	
Total Operating Fund		<u>1,844,437.59</u>	<u>1,912,310.47</u>
Capital Fund:			
Cash - Treasurer	SD-1	3,554,135.24	4,160,532.51
Due State of New Jersey - NJEIT	SD-10		12,453.02
Due Water & Sewer Operating Fund	SD-5	50,672.81	38,219.79
Fixed Capital	SD-12	19,596,652.15	19,596,652.15
Fixed Capital Authorized and Uncompleted	SD-13	24,621,847.40	23,321,847.40
Total Capital Fund		<u>47,823,307.60</u>	<u>47,129,704.87</u>
		<u>\$ 49,667,745.19</u>	<u>\$ 49,042,015.34</u>

(Continued)

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2022 and 2021

<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3 & SD-8	\$ 304,841.99	\$ 309,537.83
Encumbrances Payable	D-3 & SD-8	104,327.15	38,197.20
Water & Sewer Rent Overpayments	SD-7	17,975.50	14,996.10
Accrued Interest on Bonds, Loans and Notes	SD-9	117,614.00	88,382.23
Due Current Fund	SD-6		25,084.05
Due Water & Sewer Capital Fund	SD-5	50,672.81	38,219.79
		<hr/>	<hr/>
		595,431.45	514,417.20
Reserves for Receivables	D	733,189.69	484,509.00
Fund Balance	D-1	515,816.45	913,384.27
		<hr/>	<hr/>
Total Operating Fund		1,844,437.59	1,912,310.47
		<hr/>	<hr/>
Capital Fund:			
Serial Bonds Payable	SD-20	5,940,000.00	6,195,000.00
New Jersey Environmental Infrastructure Loans	SD-19	6,110,951.48	6,886,298.84
Improvement Authorizations:			
Funded	SD-18	2,112,676.76	3,002,096.82
Unfunded	SD-18	1,332,550.77	32,550.77
Capital Improvement Fund	D	57,469.60	57,469.60
Reserve for Encumbrances	SD-14	1,060,214.64	900,385.20
Reserve to Pay Debt	D	81,286.72	81,286.72
Due General Capital Fund	SD-1 & 15	123,193.35	
Due Current Fund	SD-11	165,001.52	165,001.52
Reserve for Amortization	SD-16	28,558,369.19	27,528,021.83
Deferred Reserve for Amortization	SD-17	2,033,207.00	2,033,207.00
Fund Balance	D	248,386.57	248,386.57
		<hr/>	<hr/>
Total Capital Fund		47,823,307.60	47,129,704.87
		<hr/>	<hr/>
		\$ 49,667,745.19	\$ 49,042,015.34
		<hr/>	<hr/>

There were bonds and notes authorized but not issued on December 31, 2022 totaling \$1,575,971.88 and 2021 totaling \$275,971.88.

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2022 and 2021

<u>Income Realized</u>	<u>2022</u>	<u>2021</u>
Fund Balance Utilized	\$ 600,000.00	\$ 550,000.00
Rents	4,185,770.51	4,218,003.10
Miscellaneous	132,909.54	165,568.23
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>256,352.59</u>	<u>409,576.76</u>
 Total Income	 <u>5,175,032.64</u>	 <u>5,343,148.09</u>
 <u>Expenditures</u>		
Operating	3,342,829.98	3,149,000.00
Capital Improvements		100,000.00
Debt Service	1,332,600.46	1,460,031.69
Statutory Expenditures	296,947.07	265,000.00
Surplus to Current Fund	<u>65,000.00</u>	<u>65,000.00</u>
 Total Expenditures	 <u>5,037,377.51</u>	 <u>5,039,031.69</u>
 Excess in Revenue	 137,655.13	 304,116.40
Adjustments to Income Before Surplus:		
Expenditures Included Above which are by Statute Deferred Charges to Budget of Succeeding Year	<u>64,777.05</u>	<u> </u>
 Statutory Excess to Fund Balance	 202,432.18	 304,116.40
 <u>Fund Balance</u>		
Balance Jan. 1	<u>913,384.27</u>	<u>1,159,267.87</u>
	1,115,816.45	1,463,384.27
Decreased by:		
Realized as Revenue	<u>600,000.00</u>	<u>550,000.00</u>
 Balance Dec. 31	 <u><u>\$ 515,816.45</u></u>	 <u><u>\$ 913,384.27</u></u>

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2022

	<u>Anticipated</u>	<u>Realized</u>	<u>(Deficit)</u>
Operating Surplus Anticipated	\$ 600,000.00	\$ 600,000.00	
Rents	4,217,000.00	4,185,770.51	\$ (31,229.49)
Miscellaneous	160,000.00	132,909.54	(27,090.46)
	<u>\$ 4,977,000.00</u>	<u>\$ 4,918,680.05</u>	<u>\$ (58,319.95)</u>

Analysis of Realized Revenue

Rents:

Consumer Accounts Receivable:

Collected	\$ 4,170,774.41
Overpayments Applied	<u>14,996.10</u>
	<u>\$ 4,185,770.51</u>

Miscellaneous Revenue Anticipated:

Collector:

Penalties and Delinquent Fees	\$ 7,291.81	
Materials, Parts and Labor	4,590.00	
Turn On / Off Fees	1,388.00	
Final Readings	20,401.00	
Connection and Disconnect Fees	14,240.00	
Other	60,618.45	
NSF Fees	<u>160.00</u>	
		\$ 108,689.26
Treasurer:		
Interest on Investments	<u>24,220.28</u>	
		<u>24,220.28</u>
		<u>\$ 132,909.54</u>

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

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2022

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>	<u>Overexpended</u>
	<u>Budget</u>	<u>Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>		
Operating:							
Salaries and Wages	\$ 1,178,052.93	\$ 1,178,052.93	\$ 903,531.12		\$ 274,521.81		
Other Expenses	2,100,000.00	2,100,000.00	2,060,449.90	\$ 104,327.15			\$ 64,777.05
Total Operating	3,278,052.93	3,278,052.93	2,963,981.02	104,327.15	274,521.81	\$ -	64,777.05
Debt Service:							
Payment of Bond Principal	255,000.00	255,000.00	255,000.00				
Interest on Bonds	152,000.00	152,000.00	151,329.88			670.12	
NJ Infrastructure Bank Loans	930,000.00	930,000.00	926,270.58			3,729.42	
Total Debt Service	1,337,000.00	1,337,000.00	1,332,600.46	-	-	4,399.54	-
Statutory Expenditures:							
Contribution to:							
Public Employees Retirement System	201,947.07	201,947.07	201,947.07				
Social Security System (O.A.S.I.)	95,000.00	95,000.00	64,679.82		30,320.18		
Surplus to General Budget	65,000.00	65,000.00	65,000.00				
Total Statutory Expenditures	361,947.07	361,947.07	331,626.89	-	30,320.18	-	-
	<u>\$ 4,977,000.00</u>	<u>\$ 4,977,000.00</u>	<u>\$ 4,628,208.37</u>	<u>\$ 104,327.15</u>	<u>\$ 304,841.99</u>	<u>\$ 4,399.54</u>	<u>\$ 64,777.05</u>
Accrued Interest Adjustment on Bonds, Loans and Notes			\$ 289,800.08				
Disbursed			4,260,955.27				
Due Water & Sewer Utility Capital Fund			12,453.02				
Due Current Fund			65,000.00				
			<u>\$ 4,628,208.37</u>				

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

CITY OF GLOUCESTER CITY
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts - Regulatory Basis
For the Year Ended December 31, 2022

	Balance <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2022</u>
General Fixed Assets:				
Land & Land Improvements	\$ 13,654,610.24	\$ 271,463.92		\$ 13,926,074.16
Building	2,039,830.16			2,039,830.16
Equipment	<u>7,489,669.05</u>	<u>405,943.10</u>	<u>\$ 164,607.00</u>	<u>7,731,005.15</u>
Total General Fixed Assets	<u>\$ 23,184,109.45</u>	<u>\$ 677,407.02</u>	<u>\$ 164,607.00</u>	<u>\$ 23,696,909.47</u>
Total Investment in General Fixed Assets	<u>\$ 23,184,109.45</u>	<u>\$ 677,407.02</u>	<u>\$ 164,607.00</u>	<u>\$ 23,696,909.47</u>

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

CITY OF GLOUCESTER CITY
Notes to Financial Statements
For the Year Ended December 31, 2022

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The City of Gloucester City (hereafter referred to as the "City") was incorporated by an act of the New Jersey Legislature on February 25, 1868, from the remaining portions of Union City, which was then dissolved. The City, which is located in Camden County, has a total area of approximately three square miles, and is centrally located directly across the Delaware River from Philadelphia and the Port of Philadelphia. The City borders the Boroughs of Brooklawn, Bellmawr, Mount Ephraim, the City of Camden and Haddon Township in addition to bordering Gloucester County. According to the 2020 census, the population is 11,484.

The City has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the City Administrator.

Component Units - The financial statements of the component units of the City are not presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statement, as amended had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the City, the primary government:

Gloucester City Library
50 North Railroad
Gloucester City, New Jersey 08030

Gloucester City Economic Development Corporation
P.O. Box 602
Gloucester City, New Jersey 08030

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the City contain all funds and account groups in accordance with the *Requirements of Audit* (the "*Requirements*") 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* 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 States of America applicable to local government units. The more significant differences are explained in this note.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd) - In accordance with the *Requirements*, the City accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

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

Trust Funds - The various trust funds account for receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

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

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

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Budgets and Budgetary Accounting - The City must adopt an annual budget for its current and water and sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 for fiscal year of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and 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 the Division of Local Government Services, with the permission of the Local Finance Board.

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

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. Investments are stated at cost; 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 authorities and other state agencies.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash, Cash Equivalents and Investments (Cont'd) - 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 ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

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

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

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various 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's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The City has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The City is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the City's basic financial statements.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Foreclosed Property - Foreclosed property 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 municipality 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 asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

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

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund balances included in the current fund and water and sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

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

School Taxes - The City is responsible for levying, collecting, and remitting school taxes for the Gloucester City School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

County Taxes - The City is responsible for levying, collecting, and remitting county taxes for the County of Camden. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 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 of the current year, and due to be paid to the County by February 15 of the following year.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Library Taxes - The City is responsible for levying, collecting, and remitting library taxes to the Gloucester City Library. Effective 2011, the amount of library tax is a separate local levy tax and is remitted to the library through the municipal budget.

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

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

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.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

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

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

The City implemented the following GASB Statement for the year ended December 31, 2022:

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to measure and disclose a lease liability and a lessor is required to measure and disclose a lease receivable; thereby enhancing the relevance and consistency of information about governments' leasing activities. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only required financial statement disclosures. Because of the implementation of GASB Statement No. 87, the City has determined that lease agreements in which they are the lessor are now disclosed in accordance with the Statement (note 6).

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The Statement will become effective for the City's year ending December 31, 2023. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the City, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the City.

Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the City in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the City, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the City.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. Although the City does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2022, the City's bank balances of \$15,297,918.65 were insured by FDIC and GUDPA.

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>\$ 4.705</u>	<u>\$ 4.658</u>	<u>\$ 4.498</u>	<u>\$ 4.406</u>	<u>\$ 4.320</u>
Apportionment of Tax Rate:					
Municipal	\$ 2.535	\$ 2.535	\$ 2.381	\$ 2.289	\$ 2.219
Municipal Library	.038	.035	0.035	0.035	0.033
County Open Space	.023	.021	0.021	0.021	0.021
County	.836	.815	0.821	0.842	0.846
Local School	1.273	1.252	1.240	1.219	1.201

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2022	\$ 520,532,950.00
2021	519,128,250.00
2020	518,138,650.00
2019	518,017,950.00
2018	517,477,250.00

Comparison of Tax Levies and Collections

	<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
	2022	\$ 24,581,115.04	\$24,180,350.78	98.37%
	2021	24,365,909.82	23,907,636.75	98.12%
	2020	23,354,515.99	22,814,614.63	97.69%
	2019	22,877,306.83	22,341,268.31	97.66%
	2018	22,418,895.02	21,686,180.89	96.73%

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>
2022	\$ 11,154.45	\$ 374,785.91	\$ 385,940.36	1.57%
2021	14,565.96	441,467.94	456,033.90	1.87%
2020	43,369.04	510,328.22	553,697.26	2.37%
2019	84,532.95	442,523.48	527,056.43	2.30%
2018	289,957.16	586,067.24	876,024.40	3.91%

Note 3: PROPERTY TAXES (CONT'D)

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2022	3
2021	5
2020	9
2019	12
2018	27

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2022	\$ 2,220,500.00
2021	2,491,700.00
2020	2,716,700.00
2019	2,548,800.00
2018	1,958,700.00

Note 5: WATER AND SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Beginning Receivable</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2022	\$ 484,509.00	\$ 4,434,451.20	\$ 4,918,960.20	\$ 4,185,770.51
2021	440,420.69	4,262,091.41	4,702,512.10	4,218,003.10
2020	194,242.87	4,572,736.59	4,766,979.46	4,326,558.77
2019	223,604.96	4,519,197.47	4,742,802.43	4,422,227.20
2018	192,920.93	4,537,026.83	4,729,947.76	4,298,722.25

Note 6: LEASES RECEIVABLE

The City, as lessor, has entered into the following leases which meet the requirements of GASB 87:

Cell Towers Lease - On January 1, 2006, the City entered into a five-year lease agreement with 5 five-year renewals with T-Mobile for the lease of cell towers with an incremental borrowing rate of 4.35%. Based on this agreement, the City is receiving payments of \$2,462.35 on a monthly basis with a 2% increase at every renewal through December 31, 2035.

Cell Towers Lease - On October 1, 2015, the City entered into a twenty five-year lease agreement with AT&T for the lease of cell towers with an incremental borrowing rate of 0.74%. Based on this agreement, the City is receiving payments of \$2,250.00 on a monthly basis with a 7.5% increase at every renewal through December 31, 2040.

Note 6: LEASES RECEIVABLE (CONT'D)

Cell Towers Lease - On November 1, 2021, the City entered into a twenty-year lease agreement with Verizon for the lease of cell towers with an incremental borrowing rate of 2.732%. Based on this agreement, the City is receiving payments of \$42,960 on a yearly basis through November 30, 2040.

Under the provisions of GASB 87, as of December 31, 2022, the balance of the lease's receivable is \$1,410,972.74. As a result of the regulatory basis of accounting previously described in note 1, such balance is not recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund.

The following is a summary of the leases as of December 31, 2022:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Cell Towers	<u>\$ 1,410,972.74</u>	<u>\$ 74,331.68</u>	<u>\$ 34,459.32</u>

Under the provisions of GASB 87, for the year ended December 31, 2022, the City would have recognized \$65,048.88 in a reduction of lease receivable and \$34,459.32 in interest revenue related to the leases. In addition, \$74,331.68 would have been recognized as both lease revenue and a reduction in deferred inflows of resources related to leases.

As a result of the regulatory basis of accounting previously described in note 1, the rental payments collected of \$99,508.20 were reported as revenue in the current fund.

The following schedule represents future payments for those leases:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 66,640.96	\$ 32,867.24	\$ 99,508.20
2024	68,285.35	31,222.85	99,508.20
2025	70,490.54	29,523.91	100,014.45
2026	74,377.42	27,746.78	102,124.20
2027	76,232.56	25,891.64	102,124.20
2028-2032	417,433.53	99,291.06	516,724.59
2033-2037	424,086.51	44,214.24	468,300.75
2038-2040	<u>213,425.87</u>	<u>7,694.06</u>	<u>36,300.00</u>
Total	<u>\$ 1,410,972.74</u>	<u>\$ 298,451.78</u>	<u>\$ 1,524,604.59</u>

Note 7: FUND BALANCES APPROPRIATED

The following schedules detail 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:

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2022	\$ 2,602,801.82	\$ 1,440,000.00	55.32%
2021	2,497,627.64	1,800,000.00	72.07%
2020	1,359,082.66	1,175,000.00	86.46%
2019	2,853,069.84	2,220,000.00	77.81%
2018	2,916,816.04	2,220,000.00	76.11%

Water & Sewer Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Succeeding Year</u>		<u>Percentage of Fund Balance Used</u>
		<u>Utility Budget</u>	<u>Current Fund Budget</u>	
2022	\$ 515,816.45	\$ 400,000.00		77.55%
2021	913,384.27	600,000.00	\$ 65,000.00	72.81%
2020	1,159,267.87	550,000.00	65,000.00	53.05%
2019	1,088,022.82	530,000.00	65,000.00	54.69%
2018	786,853.00	530,000.00	65,000.00	75.62%

Note 8: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2022:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 347,914.24	\$ 337,929.38
Federal and State Grant		232,246.00
Trust - Community Development	431,584.44	
Trust - Animal Control		9,489.09
Trust - Other		332,752.58
General Capital	392,927.17	
Utility - Operating	28,186.07	50,672.81
Utility - Capital	50,672.81	288,194.87
Totals	<u>\$ 1,251,284.73</u>	<u>\$ 1,251,284.73</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2023, the City expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 9: PENSION PLANS

A substantial number of the City's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, certain City employees may be eligible to participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Empower (formerly Prudential Financial) for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the City, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the City. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

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

The following represents the membership tiers for PERS:

Tier Definition

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 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.

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 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 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 of 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.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, 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. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

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 nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The City's contractually required contribution rate for the year ended December 31, 2022 was 16.71% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the City's contractually required contribution to the pension plan for the year ended December 31, 2022 is \$534,702.00, and is payable by April 1, 2023. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2021, the City's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$555,952.00, which was paid on April 1, 2022.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) – Employee contributions to the Plan for the year ended December 31, 2022 were \$244,668.42.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the City, under Chapter 133, P.L. 2001, for the year ended December 31, 2022 was .42% of the City's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the City, to the pension plan for the year ended December 31, 2022 was \$13,464.00, and is payable by April 1, 2023.

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. 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.

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

The City's contractually required contribution rate for the year ended December 31, 2022 was 35.91% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2022, the City's contractually required contribution to the pension plan for the year ended December 31, 2022 is \$1,853,150.00, and is payable by April 1, 2023. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2021, the City's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$1,640,180.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$518,715.12.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the City, for the year ended December 31, 2022 was 7.00% of the City's covered payroll.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2022 was \$361,369.00, and is payable by April 1, 2023. For the prior year measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2021 was \$251,315.00, which was paid on April 1, 2022.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the City contributes 3% of the employees' base salary, for each pay period.

The City adopted a Defined Contribution Retirement Program on March 23, 2017. Currently, there are no participants in the program.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Public Employees' Retirement System**

Pension Liability - As of December 31, 2022, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The City's proportionate share of the PERS net pension liability was \$6,398,955.00. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the City's proportion was .0424013987%, which was a decrease of .0050705762% from its proportion measured as of June 30, 2021.

Pension (Benefit) Expense - For the year ended December 31, 2022, the City's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was (\$640,164.00). This (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the City's contribution to PERS was \$555,952.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PERS pension (benefit) expense, associated with the City, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2022 measurement date, was \$13,464.00. This on-behalf (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Police and Firemen's Retirement System**

Pension Liability - As of December 31, 2022, the City's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 16,309,839.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>2,902,673.00</u>
	<u>\$ 19,212,512.00</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2022 measurement date, the City's proportion was .1424893500%, which was an increase of .0017574563% from its proportion measured as of June 30, 2021. Likewise, at June 30, 2022, the State of New Jersey's proportion, on-behalf of the City, was .1424894800%, which was an increase of .0017574708% from its proportion, on-behalf of the City, measured as of June 30, 2021.

Pension (Benefit) Expense - For the year ended December 31, 2022, the City's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was \$135,012.00. This (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the City's contribution to PFRS was \$1,640,180.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PFRS pension (benefit) expense, associated with the City, calculated by the Plan as of the June 30, 2022 measurement date, was \$334,892.00. This on-behalf (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2022, the City had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 46,185.00	\$ 738,227.00	\$ 784,412.00	\$ 40,728.00	\$ 999,199.00	\$ 1,039,927.00
Changes of Assumptions	19,826.00	44,699.00	64,525.00	958,177.00	2,053,086.00	3,011,263.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	264,847.00	1,493,502.00	1,758,349.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	499,390.00	1,491,371.00	1,990,761.00	914,148.00	119,199.00	1,033,347.00
Contributions Subsequent to the Measurement Date	267,351.00	926,575.00	1,193,926.00	-	-	-
	<u>\$ 1,097,599.00</u>	<u>\$ 4,694,374.00</u>	<u>\$ 5,791,973.00</u>	<u>\$ 1,913,053.00</u>	<u>\$ 3,171,484.00</u>	<u>\$ 5,084,537.00</u>

Deferred outflows of resources in the amounts of \$267,351.00 and \$926,575.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2023. These amounts were based on an estimated April 1, 2024 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2022 to the City's year end of December 31, 2022.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The City will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04		6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
June 30, 2021	5.00	-	5.00	-
June 30, 2022	5.00	-	5.00	-
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending				
Dec 31,	PERS	PFRS	Total	
2023	\$ (681,038.00)	\$ (473,630.00)	\$ (1,154,668.00)	
2024	(346,663.00)	(244,168.00)	(590,831.00)	
2025	(173,697.00)	(171,296.00)	(344,993.00)	
2026	126,900.00	1,368,905.00	1,495,805.00	
2027	(8,307.00)	97,713.00	89,406.00	
Thereafter	-	18,791.00	18,791.00	
	<u>\$ (1,082,805.00)</u>	<u>\$ 596,315.00</u>	<u>\$ (486,490.00)</u>	

Actuarial Assumptions

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 6.55%	3.25% - 16.25%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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.

Police and Firemen's Retirement System

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

For both PERS and PFRS, 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' and PFRS' target asset allocation as of June 30, 2022 are summarized in the table that follows:

<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-US Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate -**

Public Employees' Retirement System - 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 would 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.

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

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the City's proportionate share of the net pension liability as of the June 30, 2022 measurement date, calculated using a discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	<u>\$ 8,220,782.00</u>	<u>\$ 6,398,955.00</u>	<u>\$ 4,848,506.00</u>

Note 9: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the City's annual required contribution. As such, the net pension liability as of the June 30, 2022 measurement date, for the City and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 22,378,860.00	\$ 16,309,839.00	\$ 11,257,349.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>3,982,781.00</u>	<u>2,902,673.00</u>	<u>2,003,478.00</u>
	<u>\$ 26,361,641.00</u>	<u>\$ 19,212,512.00</u>	<u>\$ 13,260,827.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. These schedules are presented to illustrate the requirements to show information for 10 years.

Schedule of the Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Ten Plan Years)

	<u>Measurement Date Ended June 30,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.0424013987%	0.0474719749%	0.0437191088%	0.0445080272%	0.0445939774%
Proportionate Share of the Net Pension Liability	\$ 6,398,955.00	\$ 5,623,767.00	\$ 7,129,443.00	\$ 8,019,671.00	\$ 8,780,332.00
Covered Payroll (Plan Measurement Period)	\$ 3,112,840.00	\$ 3,480,284.00	\$ 3,166,148.00	\$ 3,157,752.00	\$ 3,136,828.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	205.57%	161.59%	225.18%	253.97%	279.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
	<u>Measurement Date Ended June 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion of the Net Pension Liability	0.0470573402%	0.0476726485%	0.0450152010%	0.0453950203%	0.0420294074%
Proportionate Share of the Net Pension Liability	\$ 10,954,197.00	\$ 14,119,271.00	\$ 10,105,011.00	\$ 8,499,189.00	\$ 8,032,655.00
Covered Payroll (Plan Measurement Period)	\$ 6,812,684.00	\$ 3,255,632.00	\$ 3,135,224.00	\$ 3,166,288.00	\$ 2,793,580.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	160.79%	433.69%	322.31%	268.43%	287.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)***

	<u>Year Ended December 31,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 534,702.00	\$ 555,952.00	\$ 478,265.00	\$ 432,932.00	\$ 443,566.00
Contribution in Relation to the Contractually Required Contribution	(534,702.00)	(555,952.00)	(478,265.00)	(432,932.00)	(443,566.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 3,200,276.00	\$ 3,211,757.00	\$ 3,463,661.00	\$ 3,139,127.00	\$ 3,130,108.00
Contributions as a Percentage of Covered Payroll	16.71%	17.31%	13.81%	13.79%	14.17%
	<u>Year Ended December 31,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 435,936.00	\$ 423,517.00	\$ 387,010.00	\$ 374,230.00	\$ 316,683.00
Contribution in Relation to the Contractually Required Contribution	(435,936.00)	(423,517.00)	(387,010.00)	(374,230.00)	(316,683.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 3,167,194.00	\$ 6,777,154.00	\$ 3,243,986.00	\$ 3,131,526.00	\$ 3,071,813.00
Contributions as a Percentage of Covered Payroll	13.76%	6.25%	11.93%	11.95%	10.31%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Ten Plan Years)***

	Measurement Date Ended June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.1424893500%	0.1407318937%	0.1290457046%	0.1293029699%	0.1312327009%
Proportionate Share of the Net Pension Liability	\$ 16,309,839.00	\$ 10,286,308.00	\$ 16,674,407.00	\$ 15,823,863.00	\$ 17,757,948.00
State's Proportionate Share of the Net Pension Liability	2,902,673.00	2,893,022.00	2,587,792.00	2,498,618.00	2,412,124.00
Total	<u>\$ 19,212,512.00</u>	<u>\$ 13,179,330.00</u>	<u>\$ 19,262,199.00</u>	<u>\$ 18,322,481.00</u>	<u>\$ 20,170,072.00</u>
Covered Payroll (Plan Measurement Period)	\$ 5,061,052.00	\$ 4,933,372.00	\$ 4,452,864.00	\$ 4,303,652.00	\$ 4,353,476.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	322.26%	208.50%	374.46%	367.68%	407.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.33%	77.26%	63.52%	65.00%	62.48%
	Measurement Date Ended June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion of the Net Pension Liability	0.1277907811%	0.1355526769%	0.1372918547%	0.1237413458%	0.1200273727%
Proportionate Share of the Net Pension Liability	\$ 19,728,426.00	\$ 25,894,029.00	\$ 22,868,037.00	\$ 15,565,514.00	\$ 15,956,556.00
State's Proportionate Share of the Net Pension Liability	2,209,750.00	2,174,456.00	2,005,450.00	1,676,144.00	1,487,345.00
Total	<u>\$ 21,938,176.00</u>	<u>\$ 28,068,485.00</u>	<u>\$ 24,873,487.00</u>	<u>\$ 17,241,658.00</u>	<u>\$ 17,443,901.00</u>
Covered Payroll (Plan Measurement Period)	\$ 4,195,388.00	\$ 4,299,392.00	\$ 3,135,224.00	\$ 3,908,352.00	\$ 3,690,696.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	470.24%	602.27%	729.39%	398.26%	432.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%	62.41%	58.70%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Ten Years)***

	Year Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 1,853,150.00	\$ 1,640,180.00	\$ 1,441,661.00	\$ 1,306,103.00	\$ 1,282,993.00
Contribution in Relation to the Contractually Required Contribution	(1,853,150.00)	(1,640,180.00)	(1,441,661.00)	(1,306,103.00)	(1,282,993.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 5,161,072.00	\$ 5,139,044.00	\$ 5,023,726.00	\$ 4,476,238.00	\$ 4,367,690.00
Contributions as a Percentage of Covered Payroll	35.91%	31.92%	28.70%	29.18%	29.37%
	Year Ended December 31,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 1,130,972.00	\$ 1,105,216.00	\$ 1,115,978.00	\$ 950,419.00	\$ 875,693.00
Contribution in Relation to the Contractually Required Contribution	(1,130,972.00)	(1,105,216.00)	(1,115,978.00)	(950,419.00)	(875,693.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 4,349,934.00	\$ 4,146,258.00	\$ 4,294,647.00	\$ 3,131,526.00	\$ 3,915,664.00
Contributions as a Percentage of Covered Payroll	26.00%	26.66%	25.99%	30.35%	22.36%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

The June 30, 2022 measurement date included three changes to the plan provisions, only one of which had an impact on the Total Pension Liability (TPL). Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Changes in Assumptions

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%
2019	6.28%	2014	5.39%	2019	7.00%	2014	7.90%
2018	5.66%			2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

Police and Firemen's Retirement System (PFRS)**Changes in Benefit Terms**

None.

Changes in Assumptions

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%
2019	6.85%	2014	6.32%	2019	7.00%	2014	7.90%
2018	6.51%			2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**STATE HEALTH BENEFITS POSTEMPLOYMENT BENEFIT PLAN**

In May 2023, the New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. As of the date of this report, the information for the measurement period ended June 30, 2022 was not available; therefore, the information from the measurement period June 30, 2021 is disclosed below.

General Information about the State Health Benefit Local Government Retired Employees Plan

Plan Description and Benefits Provided - The City does not provide postemployment benefits to its retirees, however, the State of New Jersey (the "State") provides these benefits to certain City retirees and their dependents under a special funding situation as described below.

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

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB Plan.

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

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

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the City is not known; however, under the special funding situation, the State's OPEB expense (benefit), on-behalf of the City, is (\$1,751,025.00) for the year ended December 31, 2021, representing -34.07% of the City's covered payroll.

OPEB Liability

OPEB Liability - At December 31, 2021 the State's proportionate Share of the Net OPEB liability associated with the City is \$12,832,373.00. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

The State's proportion of the net OPEB liability, on-behalf of the City, was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2020 through June 30, 2021. For the June 30, 2021 measurement date, the State's proportion on-behalf of the City was .332328% which was an increase of .105935% from its proportion measured as of the June 30, 2020 measurement date.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021, used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PFRS:	
Rate for all Future Years	3.25% to 15.25%

* salary increases are based on years of service within the respective Plan

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the valuation were based on the results of the PFRS experience study prepared for July 1, 2013 to June 30, 2018.

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

All of the Plan's investments are in the State of New Jersey Cash Management Fund (the "CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. government and agency obligations, commercial paper, corporate obligations and certificates of deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) at the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pays interest to participants on a monthly basis.

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Actuarial Assumptions (Cont'd)**

The health care trend assumptions used is as follows:

Fiscal Year Ending	Annual Rate of Increase			
	Medical Trend			Prescription Drug Trend
	Pre-65	PPO Post-65	HMP Post-65	
2021	5.65%	13.08%	13.76%	6.75%
2022	5.55%	3.34%	3.22%	6.50%
2023	5.45%	0.52%	0.17%	6.25%
2024	5.35%	7.56%	7.79%	6.00%
2025	5.20%	14.43%	15.23%	5.50%
2026	5.00%	12.55%	13.19%	5.00%
2027	4.75%	8.95%	9.29%	4.75%
2028	4.50%	5.92%	6.04%	4.50%
2029	4.50%	5.38%	5.46%	4.50%
2030	4.50%	4.86%	4.89%	4.50%
2031	4.50%	4.55%	4.56%	4.50%
2032 and Later	4.50%	4.50%	4.50%	4.50%

Sensitivity of the net OPEB Liability to Changes in the Discount Rate

The net OPEB liability, calculated using a discount rate of 2.16%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
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State of New Jersey's Proportionate Share
of the Net OPEB Liability Associated
with the City

\$ 15,101,242.00	\$ 12,832,373.00	\$ 11,034,246.00
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Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

1% Decrease	Healthcare Cost Trend Rate	1% Increase
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State of New Jersey's Proportionate Share
of the Net OPEB Liability Associated
with the City

\$ 10,706,521.00	\$ 12,832,373.00	\$ 15,606,347.00
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Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****OPEB Plan Fiduciary Net Position**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Supplementary OPEB Information

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the State's Proportionate Share of the net OPEB Liability Associated with the City (Last Five Plan Years)

	Measurement Date Ended June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the City	100.00%	100.00%	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%
City's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the City	12,832,373.00	12,366,272.00	9,638,290.00	11,152,360.00	15,931,997.00
Total	\$ 12,832,373.00	\$ 12,366,272.00	\$ 9,638,290.00	\$ 11,152,360.00	\$ 15,931,997.00
City's Covered Payroll (Plan Measurement Period)	\$ 5,137,980.00	\$ 4,668,403.00	\$ 4,457,024.00	\$ 4,315,772.00	\$ 4,218,315.00
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	249.76%	264.89%	216.25%	258.41%	377.69%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	0.91%	1.98%	1.97%	1.03%

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Other Notes to Supplementary OPEB Information**

Changes in Benefit Terms - The actuarial valuation as of June 30, 2020 included changes due to employers adopting and/or changing Chapter 48 provisions.

Changes in Assumptions - The discount rate used as of the June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%
2019	3.50%		

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend and updated mortality improvement assumptions.

In October 2021, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2021. The MP-2021 scale reflects more recent mortality data for the U.S. population.

CITY OF GLOUCESTER POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided - The City provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, and prescription plan. The City's provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: eligible retirees who retire from active employment with the City under various classifications and who have at least twenty five (25) years of service with the City. Coverage is provided for the retirees and their spouse up to age sixty-five, providing the retirees annually certify that they have no other medical coverage. This provision is part of a labor agreement between the City and the I.A.F.F. Locals 3198 and 2663. The Plan is administered by the City; therefore, premium payments are made directly to the insurance carriers. Reimbursements by the retirees are paid in monthly installments after the City provides the retirees with a detailed accounting of the costs.

Employees Covered by Benefit Terms - As of December 31, 2022, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

	<u>December 31, 2022</u>
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	93
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	90
	<u>183</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**CITY OF GLOUCESTER POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Total OPEB Liability**

The City's total OPEB liability of \$52,494,054.00 was measured as of December 31, 2022 and was determined by an actuarial valuation as of this same date.

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% Annually
Salary Increases	2.50% Annually
Discount Rate	2.06% as of December 31, 2021 3.72% as of December 31, 2022
Healthcare Cost Trend Rates	5.3% in 2022, Reducing by 0.2% per annum, leveling at 4.5% per annum in 2026
Drug	6.5% in 2022, Reducing by 0.5% per annum, leveling at 4.5% per annum in 2026
Medicare Advantage	4.5% per annum
Dental	3.5% per annum
Retirees' Share of Benefit-Related Costs	Retiree's who retired before the passage of Chapter 78 or those employees who had 25 years of service on the date of passage are grandfathered. All others are subject to contribution rates in effect when they retired, but not less than 1.5% of their annual retirement allowance from PERS.

The discount rates were based on the Bond Buyer 20 Index.

Mortality rates were based on the PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2021.

An experience study was not performed on the actuarial assumptions used in the December 31, 2022 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables issued by Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**CITY OF GLOUCESTER POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Changes in Total OPEB Liability**

	<u>December 31, 2022</u>
Balance at Beginning of Year	\$ 55,410,210.00
Changes for the Year:	
Service Cost	\$ 734,825.00
Interest Cost	1,143,996.00
Benefit Payments	(1,222,392.00)
Actuarial Assumption Changes	(5,340,855.00)
Difference between expected and actual experience	1,768,270.00
Net Changes	<u>(2,916,156.00)</u>
Balance at End of Year	<u><u>\$ 52,494,054.00</u></u>

Changes of benefit terms reflect no increase in the retirees' share of health insurance premiums.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.06% at December 31, 2021 to 3.72% at December 31, 2022.

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

	<u>December 31, 2022</u>		
	<u>1.00% Decrease (2.72%)</u>	<u>Current Discount Rate (3.72%)</u>	<u>1.00% Increase (4.72%)</u>
Total OPEB Liability	<u>\$59,427,545.00</u>	<u>\$52,494,054.00</u>	<u>\$ 46,902,669.00</u>

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

	<u>December 31, 2022</u>		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
Total OPEB Liability	<u>\$47,235,098.00</u>	<u>\$52,494,054.00</u>	<u>\$58,280,010.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**CITY OF GLOUCESTER POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2022, the City recognized OPEB (benefit) expense of \$1,891,712.00. As of December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions or Other Inputs	\$ 7,733,564.00	\$10,111,986.00
Difference between expected and actual experience	<u>1,661,959.00</u>	<u>-</u>
	<u><u>\$ 9,395,523.00</u></u>	<u><u>\$10,111,986.00</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (benefit) expense as follows:

<u>Year Ending December 31,</u>	
2023	\$ 12,891.00
2024	12,891.00
2025	12,891.00
2026	12,891.00
2027	12,891.00
Thereafter	<u>(780,918.00)</u>
	<u><u>\$ (716,463.00)</u></u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**CITY OF GLOUCESTER POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Supplementary OPEB Information**

In accordance with GASB No. 75, the following information is also presented for the City's OPEB Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of Changes in the City's Total OPEB Liability and Related Ratios (Last Five Years)

	Plan Measurement Date December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 734,825.00	\$ 769,183.00	\$ 769,183.00	\$ 577,890.00	\$ 577,890.00
Interest Cost	1,143,996.00	1,283,917.00	1,526,946.00	1,971,033.00	1,919,825.00
Benefit Payments	(1,222,392.00)	(1,146,744.00)	(1,261,701.00)	(1,335,648.00)	(1,161,840.00)
Actuarial Assumption Changes	(5,340,855.00)	(5,862,439.00)	3,742,263.00	6,212,427.00	-
Differences Between Expected and Actual Experience	1,768,270.00	-	-	-	-
Net Change in Total OPEB Liability	(2,916,156.00)	(4,956,083.00)	4,776,691.00	7,425,702.00	1,335,875.00
Total OPEB Liability - Beginning of Year	55,410,210.00	60,366,293.00	55,589,602.00	48,163,900.00	46,828,025.00
Total OPEB Liability - End of Year	<u>\$ 52,494,054.00</u>	<u>\$ 55,410,210.00</u>	<u>\$ 60,366,293.00</u>	<u>\$ 55,589,602.00</u>	<u>\$ 48,163,900.00</u>
Covered-Employee Payroll	\$ 6,703,000.00	\$ 6,139,000.00	\$ 6,603,000.00	\$ 6,603,139.27	\$ 6,426,000.00
Total OPEB Liability as a Percentage of Covered-Employee Payroll	783.14%	902.59%	914.23%	841.87%	749.52%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - None Noted.

Changes in Assumptions - The discount rate used as of the June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.72%	2019	2.74%
2021	2.06%	2018	4.10%
2020	2.12%		

Note 11: COMPENSATED ABSENCES

The City permits employees to carry over vacations days from year to year. Additionally, union contracts and personnel policy allows employees to accrue unused sick days. Compensated absence packages differ according to the various union contracts.

The City does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2022, accrued benefits for compensated absences are valued at \$2,102,711.85.

Note 12: DEFERRED COMPENSATION SALARY ACCOUNT

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the City or its creditors. Since the City does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the City's financial statements.

Note 13: CAPITAL DEBT**General Improvement Bonds**

General Improvement Bonds, Series 2018 - On April 11, 2018, the City issued \$2,708,000.00 of callable general improvement bonds, with interest rates ranging from 3.00% to 3.125%. The bonds were issued for the purpose of funding various capital projects in the City. The final maturity of the bonds is February 15, 2030.

Taxable General Improvement Bonds, Series 2018 - On April 11, 2018, the City issued \$4,590,000.00 of callable taxable general improvement bonds, with interest rates ranging from 4.00% to 4.25%. The bonds were issued for the purpose of funding various capital projects in the City. The final maturity of the bonds is February 15, 2043.

General Improvement Bonds, Series 2021 - On November 4, 2021, the City issued \$4,375,000.00 of callable general improvement bonds, with interest rates ranging from 2.00% to 4.00%. The bonds were issued for the purpose of funding various capital projects in the City. The final maturity of the bonds is July 15, 2032.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 710,000.00	\$ 337,312.52	\$ 1,047,312.52
2024	725,000.00	314,487.52	1,039,487.52
2025	745,000.00	291,021.89	1,036,021.89
2026	765,000.00	266,590.64	1,031,590.64
2027	780,000.00	241,478.14	1,021,478.14
2028-2032	3,755,000.00	817,265.67	4,572,265.67
2033-2037	1,020,000.00	420,656.26	1,440,656.26
2038-2042	1,215,000.00	186,681.25	1,401,681.25
2043	255,000.00	5,418.75	260,418.75
Totals	<u>\$ 9,970,000.00</u>	<u>\$ 2,880,912.64</u>	<u>\$ 12,850,912.64</u>

Note 13: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Green Acres Loans**

On April 19, 2002, the City entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$250,000.00, at an interest rate of 2.0%. The proceeds were used to fund improvements to Johnson Boulevard recreation complex. The loan matured in 2022.

On January 19, 2005, the City entered into a second loan agreement with the New Jersey Department of Environmental Protection to provide \$1,250,000.00, at an interest rate of 2.0%. The proceeds were used to fund the Riverfront Park Project. The loan matured in 2022.

On December 19, 2007, the City entered into a third loan agreement with the New Jersey Department of Environmental Protection to provide \$450,000.00, at an interest rate of 2.0%. The proceeds were used to fund the completion of the Riverfront Park Project. Semiannual debt payments are due March 21st and September 21st through 2024.

On September 10, 2012, the City entered into a fourth loan agreement with the New Jersey Department of Environmental Protection to provide \$170,000.00, at an interest rate of 2.0%. The proceeds were used to fund the construction of a walkway at Freedom Pier. Semiannual debt payments are due June 13th and December 13th through 2031.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 40,127.74	\$ 2,825.86	\$ 42,953.60
2024	40,934.33	2,019.29	42,953.62
2025	9,441.63	1,357.29	10,798.92
2026	9,631.40	1,167.51	10,798.91
2027	9,825.00	973.92	10,798.92
2028-2032	41,314.86	1,880.75	43,195.61
Totals	<u>\$ 151,274.96</u>	<u>\$ 10,224.62</u>	<u>\$ 161,499.58</u>

Note 13: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Demolition Loans**

On October 15, 2018, the City entered into an agreement with the New Jersey Department of Community Affairs to provide \$856,329.53 at an interest rate of 1.0%. The proceeds were used to fund the demolition of various structures. Annual debt payments are due October 13th through 2032.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Demolition loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 57,047.86	\$ 611.66	\$ 57,659.52
2024	57,047.86	611.66	57,659.52
2025	57,047.86	611.66	57,659.52
2026	57,047.86	611.66	57,659.52
2027	57,047.86	611.66	57,659.52
2028-2032	285,239.28	3,058.30	288,297.58
Totals	<u>\$ 570,478.57</u>	<u>\$ 6,116.60</u>	<u>\$ 576,595.17</u>

Water and Sewer Utility Debt - Serial Bonds

Water and Sewer Utility Bonds, Series 2018 - On April 11, 2018, the City issued \$904,000.00 of callable water and sewer utility bonds, with interest rates ranging from 3.00% to 3.50%. The bonds were issued for the purpose of funding various water and sewer utility improvements. The final maturity of the bonds is February 15, 2039.

General Improvement Bonds, Series 2021 – On November 4, 2021, the City issued \$5,385,000.00 of callable general improvement bonds, with interest rates ranging from 2.00% to 4.00%. The bonds were issued for the purpose of funding various sewer utility projects in the City. The final maturity of the bonds is July 15, 2041.

The following schedule represents the remaining debt service, through maturity, for the Water and Sewer Utility serial bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 255,000.00	\$ 151,731.26	\$ 406,731.26
2024	260,000.00	144,081.26	404,081.26
2025	265,000.00	136,259.38	401,259.38
2026	275,000.00	128,265.63	403,265.63
2027	285,000.00	119,893.76	404,893.76
2028-2032	1,515,000.00	464,215.66	1,979,215.66
2033-2037	1,695,000.00	268,512.50	1,963,512.50
2038-2041	1,390,000.00	75,331.26	1,465,331.26
Totals	<u>\$ 5,940,000.00</u>	<u>\$ 1,488,290.71</u>	<u>\$ 7,428,290.71</u>

Note 13: CAPITAL DEBT (CONT'D)**Water and Sewer Utility Debt - New Jersey Environmental Infrastructure Loans**

On October 15, 2002, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$274,572.00, at no interest, from the fund loan, and \$275,000.00 at interest rates ranging from 3.00% to 5.25% from the trust loan. The proceeds were used to fund the upgrading of various water and sewer mains. The loan matured in 2022.

On November 6, 2008, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$4,562,738.00, at no interest, from the fund loan, and \$4,765,000.00 at interest rates ranging from 5.0% to 5.5% from the trust loan. The proceeds were used to fund the replacement of the City's water treatment plant. Semiannual debt payments are due February 1st and August 1st through 2028.

On May 21, 2014, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$901,614.00, at no interest, from the fund loan, and \$295,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund the removal and replacement of water mains and automatic water meter reading system. Semiannual debt payments are due February 1st and August 1st through 2033.

In addition, on May 21, 2014, the City entered into a second loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,005,218.00 with principal forgiveness of \$670,415.00 leaving a remaining balance of \$335,073.00, at no interest, from the fund loan, and \$330,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund the removal and replacement of sanitary sewer main systems. Semiannual debt payments are due February 1st and August 1st through 2033.

On May 26, 2016, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$338,377.00, at no interest, from the fund loan, and \$110,000.00 at interest rates ranging from 2.0% to 5.0% from the trust loan. The proceeds were used to fund the removal and replacement of water mains. Semiannual debt payments are due February 1st and August 1st through 2035.

In addition, on May 26, 2016, the City entered into a second loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$452,626.00, at no interest, from the fund loan, and \$145,000.00 at interest rates ranging from 2.0% to 5.0% from the trust loan. The proceeds were used to fund the removal and replacement of sanitary sewer main systems. Semiannual debt payments are due February 1st and August 1st through 2035.

On November 21, 2017, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$164,784.00 at no interest, from the fund loan, and \$55,000.00 at interest rates ranging from 2.125% to 5.000% from the trust loan. The proceeds were used to fund the removal and/or replacement of water mains and the looping of said water mains to Freedom Pier. Semiannual debt payments are due February 1st and August 1st through 2029.

In addition, on November 21, 2017, the City entered into a second loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$136,874.00 at no interest, from the fund loan, and \$45,000.00 at interest rates ranging from 2.125% to 5.000% from the trust loan. The proceeds were used to fund the removal and/or replacement of sanitary sewer mains and relate appurtenances at Freedom Pier. Semiannual debt payments are due February 1st and August 1st through 2027.

Note 13: CAPITAL DEBT (CONT'D)**Water and Sewer Utility Debt – New Jersey Environmental Infrastructure Loans (Cont'd)**

On May 23, 2019, the City entered into a loan agreement with the New Jersey Infrastructure Bank to provide \$660,270.00 at no interest, from the fund loan, and \$215,000.00 at interest rates ranging from 2.000% to 5.000% from the trust loan. The proceeds were used to fund the removal and/or replacement of water meters. Semiannual debt payments are due February 1st and August 1st through 2038.

In addition, on May 23, 2019, the City entered into a second loan agreement with the New Jersey Infrastructure Bank to provide \$399,019.00 at no interest, from the fund loan, and \$135,000.00 at interest rates ranging from 2.00% to 5.00% from the trust loan. The proceeds were used to fund the various improvements to sanitary sewer system. Semiannual debt payments are due February 1st and August 1st through 2038.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 754,688.11	\$ 118,157.54	\$ 872,845.65
2024	756,074.37	101,657.54	857,731.91
2025	782,501.61	84,657.54	867,159.15
2026	795,598.01	67,007.54	862,605.55
2027	810,242.60	50,202.54	860,445.14
2028-2032	1,633,673.56	83,852.64	1,717,526.20
2033-2037	499,310.65	19,937.50	519,248.15
2038	78,862.57	750.00	79,612.57
Totals	<u>\$ 6,110,951.48</u>	<u>\$ 526,222.84</u>	<u>\$ 6,637,174.32</u>

Note 13: CAPITAL DEBT (CONT'D)

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 10,691,753.53	\$ 11,558,952.58	\$ 10,931,137.47
Water & Sewer Utility:			
Bonds, Loans and Notes	12,050,951.48	13,081,298.84	12,134,406.39
Total Issued	22,742,705.01	24,640,251.42	23,065,543.86
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	3,880,793.74	2,752,593.74	2,752,193.74
Water & Sewer Utility:			
Bonds, Loans and Notes	1,575,971.88	275,971.88	1,372,797.68
Total Authorized but not Issued	5,456,765.62	3,028,565.62	4,124,991.42
Total Issued and Authorized but not Issued	28,199,470.63	27,668,817.04	27,190,535.28
<u>Deductions</u>			
General:			
Excess Proceeds from Issuance of Bonds and Notes	488,950.00	643,376.02	154,426.02
Other Reserves to Pay Debt	154,426.02		
Water & Sewer Utility:			
Self-Liquidating	12,634,260.88	13,357,270.72	13,507,204.07
Total Deductions	13,277,636.90	14,000,646.74	13,661,630.09
<u>Net Debt</u>	<u>\$ 14,921,833.73</u>	<u>\$ 13,668,170.30</u>	<u>\$ 13,528,905.19</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 2.507%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 1,255,000.00	\$ 1,255,000.00	
Self-Liquidating	13,626,923.36	12,634,260.88	\$ 992,662.48
General	14,572,547.27	643,376.02	13,929,171.25
	<u>\$ 29,454,470.63</u>	<u>\$ 14,532,636.90</u>	<u>\$ 14,921,833.73</u>

Net debt \$14,921,833.73 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$595,269,977.33, equals 2.507%

Note 13: CAPITAL DEBT (CONT'D)**Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$	20,834,449.21
Less: Net Debt		<u>14,921,833.73</u>
Remaining Borrowing Power	\$	<u>5,912,615.48</u>

Calculation of "Self-Liquidating Purpose," Water & Sewer Utility Per N.J.S.A. 40:2-45

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year		\$	4,918,680.05
Deductions:			
Operating and Maintenance Costs	\$	3,639,777.05	
Debt Service		<u>1,332,600.46</u>	
Total Deductions			<u>4,972,377.51</u>
Deficit in Revenue	\$		<u>(53,697.46)</u>

Note 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2022, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

<u>Description</u>	<u>Balance December 31, 2022</u>	<u>2023 Budget Appropriation</u>	<u>Subsequent Budget Appropriations</u>
Water & Sewer Utility Fund:			
Overexpenditure Appropriation	\$ 64,777.05	\$ -	\$ 64,777.05

The over expenditure was not recognized as of the date of 2023 budget adoption. The deferred charge will be raised in the subsequent budget.

Note 15: RISK MANAGEMENT

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

New Jersey Unemployment Compensation Insurance - The City has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the City is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The City is billed quarterly for amounts due to the State.

The following is a summary of City contributions, reimbursements to the State for benefits paid and the ending balance of the City's trust fund for the current and previous two years:

<u>Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 14,902.52	\$ 126.33		\$ 22,991.50
2021	14,070.91	8.49	\$ 7,737.69	7,962.65
2020	13,625.60	19.93	27,897.25	1,620.94

Joint Insurance Pool - The City of Gloucester City is a member of the Camden County Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation including Employer's Liability
 General Liability including Police Professional and Employee Benefit Liability
 Automobile Liability
 Blanket Crime including Public Employee Dishonesty
 Property Including Boiler and Machinery
 Public Officials and Employment Practices Liability
 Volunteer Directors and Officers Liability
 Cyber Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation
 Excess General Liability
 Non-Owned Aircraft Liability
 Excess Auto Liability
 Fidelity and Performance (Blanket)
 Excess Property including Boiler and Machinery
 Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

Note 15: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool (Cont'd) - The City's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended December 31, 2022, which can be obtained from:

Camden County Municipal Joint Insurance Fund
PERMA, Inc.
Park 80 West – Plaza One
Saddle Brook, New Jersey 07662

Liability Insurance - The City maintains commercial insurance coverage for various other types of risk.

Note 16: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amount, if any, to be immaterial.

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

Note 17: CONCENTRATIONS

The City depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 18: TAX ABATEMENTS

The City enters into property tax abatement agreements with various local businesses, residential properties and Not for Profit entities, under several New Jersey Statutes that permit the City to enter into these agreements. The tax abatements are considered long term tax exemptions and their types of abatements vary between entities but include affordable housing and commercial/industrial properties.

For the year ended December 31, 2022, the City abated \$1,443,216.28 in local purpose taxes and received in the aggregate of \$1,080,415.82 in lieu of local purpose taxes. The following is a recapitulation of the total amount of taxes abated under the four aforementioned tax abatement programs:

<u>Tax Abatement</u>	<u>Amount of Taxes Abated</u>
Holt Hauling & Warehousing Systems	\$ 680,815.80
Gloucester Elderly Housing Association	169,789.70
Gloucester City Housing Authority	392,719.56
Riverpointe Holdings LLC	199,891.22
	<u>\$ 1,443,216.28</u>

Note 19: SUBSEQUENT EVENTS

COVID-19 - As a result of the spread of the COVID-19 coronavirus in New Jersey, economic uncertainties have arisen which could negatively impact the financial position of the City. While the impact that COVID-19 will have is expected to be temporary, as of the date of the financial statements, the related financial impact and duration cannot be reasonably estimated.

The Federal American Rescue Plan Act of 2021 (the Act), was signed into law on March 11, 2021, was enacted to provide funding for COVID-19 pandemic response and recovery. Among the key elements of the Act is the Coronavirus Local Fiscal Recovery Fund (LFRF). All municipalities and counties will receive LFRF funds in two tranches, with the federal government releasing the second tranche next year. Municipalities and counties with populations greater than 50,000 will receive funds directly from the Federal government. Those municipalities and counties with populations less than 50,000 will receive their funds through their respective State. Since the City of Gloucester's population is less than 50,000, LFRF funds will be passed through the State of New Jersey.

The City has been allocated \$1,174,276.51 in LFRF funding with half of it received during the year ended December 31, 2021 and the other half was received before December 31, 2022.

The United States Department of Treasury (U.S. Treasury) has issued an Interim Final Rule regulating county and municipal use of LFRF funds. Permitted use of LFRF funds for municipalities and counties may be for the one or more of the following purposes:

- Replacing lost public sector revenue
- Investing in water, sewer, and broadband infrastructure
- Providing premium pay for essential workers
- Supporting public health expenditures
- Addressing COVID-19 related negative economic impacts
- Addressing the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households

For expenditures outside of revenue replacement to be LFRF-eligible under the U.S. Treasury Interim Final Rule, costs must be incurred on or after March 3, 2021 but must be obligated no later than December 31, 2024. The "period of performance" will run until December 31, 2026 to allow recipients a reasonable amount of time to complete LFRF-funded projects.

Authorization of Debt - Subsequent to December 31, the City authorized additional bonds and notes as follows:

<u>Purpose - Authorization of Bonds</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Capital Equipment & Various Capital Improvements	8/23/2023	\$ 1,425,000.00
Water & Sewer Utility System Improvements	8/23/2023	\$ 1,725,000.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Current Cash
Per N.J.S.A. 40A:5-5 - Treasurer
For the Year Ended December 31, 2022

	<u>Regular Fund</u>
Balance Dec. 31, 2021	\$ 5,565,120.86
Increased by Receipts:	
Collector	\$ 24,905,930.11
Revenue Accounts Receivable	5,539,841.89
Miscellaneous Revenue Not Anticipated	398,735.79
Due State of NJ - Veterans' and Senior Citizens' Deductions	74,250.00
Due State of NJ - DCA Training Fees	13,024.00
Due Water and Sewer Utility Operating Fund	118,270.12
Due Animal Control Fund	220.00
Due Trust Other Fund	499,307.76
Due Community Development Fund	14,456.25
Prepaid State Aid	139,720.76
Opioid Settlement Funds	27,233.38
Federal and State Grants Receivable	<u>1,318,776.10</u>
	<u>33,049,766.16</u>
	38,614,887.02
Decreased by Disbursements:	
2022 Appropriations	6,382,777.32
2021 Appropriation Reserves and Encumbrances	198,052.24
Payroll Deductions Payable	13,054,537.19
Prepaid Payroll	184,296.23
Due State of NJ - DCA Fees	13,024.00
Local School District Tax	7,433,475.33
County Taxes Payable	4,469,165.30
Due County Added & Omitted Taxes	30,174.28
Tax Overpayments	15,681.32
Change Funds	100.00
Due Community Development Trust Fund	43,338.75
Due Trust Other Fund	310,309.77
Federal and State Grants Appropriated	<u>970,315.26</u>
	<u>33,105,246.99</u>
Balance Dec. 31, 2022	<u><u>\$ 5,509,640.03</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Current Cash
Per N.J.S.A. 40A:5-5 - Collector
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 563.44
Increased by Receipts:		
Taxes Receivable	\$ 24,305,822.81	
Tax Title Liens	28,502.07	
Prepaid Taxes	289,082.22	
Tax Overpayments	6,197.40	
Interest and Costs on Taxes	88,267.27	
Miscellaneous Revenue Not Anticipated	<u>188,992.26</u>	
		<u>24,906,864.03</u>
		24,907,427.47
Decreased by Disbursements:		
Payments to Treasurer		<u>24,905,930.11</u>
Balance Dec. 31, 2022		<u><u>\$ 1,497.36</u></u>

All funds are deposited directly to the Treasurer's bank account.

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Change Funds
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 2,100.00
Increased by:	
Disbursements	<u>100.00</u>
Balance Dec. 31, 2022	<u><u>\$ 2,200.00</u></u>

<u>Analysis of Balance Dec. 31, 2022</u>	<u>Amount</u>
Tax Office	\$ 1,400.00
Marina	200.00
Municipal Court	400.00
Municipal Clerk	<u>200.00</u>
	<u><u>\$ 2,200.00</u></u>

Exhibit SA-4

CURRENT FUND
Statement of Due State of New Jersey Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 72,061.32
Increased by:	
Receipts	\$ 74,250.00
Deductions Disallowed by Collector - Prior Year Taxes	<u>8,250.00</u>
	<u>82,500.00</u>
	154,561.32
Decreased by:	
Accrued in 2022:	
Senior Citizens' and Veterans' Deductions per Billings	\$ 81,750.00
Deductions Allowed by Collector	<u>2,000.00</u>
	83,750.00
Less:	
Deductions Disallowed by Collector - Current Year Taxes	<u>1,698.63</u>
	<u>82,051.37</u>
Balance Dec. 31, 2022	<u><u>\$ 72,509.95</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2022

Year	Balance	2022 Levy	Added Taxes	Collections		Due from State of New Jersey	Canceled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2021			2021	2022				Dec. 31, 2022
2020	\$ 6,993.96				\$ 6,993.96				
2021	434,473.98		\$ 8,250.00		441,111.88				\$ 1,612.10
	441,467.94		8,250.00		448,105.84				1,612.10
2022	\$ 24,581,115.04			\$ 240,582.44	23,857,716.97	\$ 82,051.37	\$ 24,823.91	\$ 2,766.54	373,173.81
	<u>\$ 441,467.94</u>	<u>\$ 24,581,115.04</u>	<u>\$ 8,250.00</u>	<u>\$ 240,582.44</u>	<u>\$ 24,305,822.81</u>	<u>\$ 82,051.37</u>	<u>\$ 24,823.91</u>	<u>\$ 2,766.54</u>	<u>\$ 374,785.91</u>

Analysis of 2022 Property Tax Levy

Tax Yield

General Property Tax	\$ 24,491,075.30
Added Taxes (54:4-63.1 et. seq.)	90,039.74
	<u>\$ 24,581,115.04</u>

Tax Levy

Local School Tax	\$ 6,625,239.00
County Taxes:	
County Tax	\$ 4,469,165.30
Due County for Added and Omitted Taxes	<u>16,343.07</u>
Total County Taxes	4,485,508.37

Local Tax for Municipal Purposes	\$ 13,194,216.17
Library Tax	<u>198,853.80</u>

	13,393,069.97
Add: Additional Tax Levied	<u>77,297.70</u>

Local Tax for Municipal Purposes Levied	<u>13,470,367.67</u>
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\$ 24,581,115.04

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Tax Title Liens Receivable
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 14,565.96
Increased by:		
Transfer from Taxes Receivable	\$ 2,766.54	
Transfers from City Charges	9,213.64	
Interest and Costs	<u>13,110.38</u>	
		<u>25,090.56</u>
		39,656.52
Decreased by:		
Receipts		<u>28,502.07</u>
Balance Dec. 31, 2022		<u><u>\$ 11,154.45</u></u>

Exhibit SA-7

CURRENT FUND
Statement of Property Acquired for Taxes - Assessed Valuation
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 2,491,700.00
Decreased by:		
Property Sold - Miscellaneous Revenue Not Anticipated	\$ 159,500.00	
Loss on Sale of Property - Adjustment to Assessed Value	<u>111,700.00</u>	
		<u>271,200.00</u>
Balance Dec. 31, 2022		<u><u>\$ 2,220,500.00</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Miscellaneous Charges Receivable
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 19,493.52
Increased by:		
Charges Assessed		<u>21,612.36</u>
		41,105.88
Decreased by:		
Received - Collector -- Miscellaneous Revenue Not Anticipated	\$ 20,171.71	
Transferred to Tax Title Liens	9,213.64	
Canceled	<u>1,940.23</u>	
		<u>31,325.58</u>
Balance Dec. 31, 2022		<u><u>\$ 9,780.30</u></u>

Exhibit SA-9

CURRENT FUND
Schedule of Due CCMUA
As of December 31, 2022

Balance Dec. 31, 2022	<u><u>\$ 1,239.76</u></u>
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CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2022

	Balance Dec. 31, 2021	Accrued in 2022	Collected By		Balance Dec. 31, 2022
			Treasurer	Collector	
<u>Miscellaneous Revenue Anticipated:</u>					
Licenses:					
Alcoholic Beverages		\$ 30,914.00	\$ 30,914.00		
Other		10,555.61	10,555.61		
Fees and Permits	\$ 198,895.14	464,690.30	663,585.44		
Fines and Costs:					
Municipal Court	28,094.37	270,084.74	247,263.53		\$ 25,457.79 *
Interest on Costs and Taxes		88,267.27		\$ 88,267.27	
Interest on Investments		54,114.26	54,114.26		
Anticipated Utility Operating Surplus		65,000.00	65,000.00		
Energy Receipts Tax		2,678,496.00	2,678,496.00		
Uniform Construction Code Official	19,544.00	303,060.00	322,604.00		
Uniform Fire Safety Act		78,798.21	78,798.21		
Cable TV Franchise Fee		43,688.57	43,688.57		
School District for Police Services		133,000.00	133,000.00		
Rentals - Lease of Former Coast					
Guard Station		152,000.04	152,000.04		
Hotel Occupancy Taxes		44,425.50	44,425.50		
Payments in Lieu of Taxes on					
Real Property		1,080,415.82	1,080,415.82		
	<u>\$ 246,533.51</u>	<u>\$ 5,497,510.32</u>	<u>\$ 5,604,860.98</u>	<u>\$ 88,267.27</u>	<u>\$ 25,457.79</u>
Treasurer Receipts			\$ 5,539,841.89		
Due Utility Operating Fund			65,000.00		
Due Animal Control Fund			19.09		
			<u>\$ 5,604,860.98</u>		

*December 2022

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2022

<hr/>		
Balance Dec. 31, 2021		\$ 125,218.77
Increased by:		
Payroll Deductions Charged to Budget		<u>12,948,313.44</u>
		13,073,532.21
Decreased by:		
Disbursed:		
Payroll Deductions Payments	\$ 13,039,888.40	
Unemployment Trust Fund	<u>14,648.79</u>	
		<u>13,054,537.19</u>
Balance Dec. 31, 2022		<u><u>\$ 18,995.02</u></u>

CITY OF GLOUCESTER CITY

CURRENT FUND

Statement of 2021 Appropriation Reserves and Encumbrances
For the Year Ended December 31, 2022

	Balance Dec. 31, 2021		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserve for Encumbrances	Appropriation Reserves			
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries and Wages					
City Administrator's Office		\$ 888.70	\$ 888.70		\$ 888.70
Mayor and Common Council					
City Clerk's Office		5,074.23	2,574.23		2,574.23
Other Expenses:					
City Administrator's Office		1,166.67	1,166.67	\$ 194.95	971.72
City Clerk's Office	\$ 36.20	159.45	195.65	170.41	25.24
Financial Administration					
Salaries and Wages		2,426.45	2,426.45		2,426.45
Other Expenses	301.77	1,314.97	1,616.74	1,051.77	564.97
Collection of Taxes					
Salaries and Wages		168.83	168.83		168.83
Other Expenses		8,502.89	502.89		502.89
Assessment of Taxes					
Salaries and Wages		1,136.22	1,136.22		1,136.22
Other Expenses	10.85	490.56	501.41	10.85	490.56
Legal Services and Costs					
Other Expenses	197.50	60,566.14	60,763.64	15,433.90	45,329.74
Municipal Court					
Salaries and Wages		12,738.03	2,738.03		2,738.03
Other Expenses	768.75	1,300.63	2,069.38	1,185.75	883.63
Public Defender (P.L. 1997, C.256)					
Other Expenses		1,352.21	1,352.21		1,352.21
Engineering Services and Costs					
Other Expenses		80.53	12,680.53	12,341.88	338.65
Community Development					
Salaries and Wages		3,499.36	3,499.36		3,499.36
Other Expenses	250.00	323.90	573.90	500.00	73.90
Municipal Land Use Law (N.J.S.A. 40:55D-1)					
Combined Planning and Zoning Boards					
Salaries and Wages		4,371.33	371.33		371.33
Other Expenses		42,206.97	46,206.97	42,000.00	4,206.97
INSURANCE					
General Liability					
Workers Compensation		5,096.00	5,096.00		5,096.00
Group Insurance for Employees		1,314.24	1,314.24		1,314.24
Health Benefit Waiver	2,673.00	14,659.34	17,332.34	2,673.00	14,659.34
		1,882.66	1,882.66		1,882.66
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages		7,207.78	7,207.78		7,207.78
Other Expenses	18,348.99	24,094.97	42,443.96	19,741.49	22,702.47
Crossing Guards					
Salaries and Wages		5,220.00	2,220.00		2,220.00
Other Expenses		500.00	500.00		500.00
Office of Emergency Management					
Salaries and Wages		6,000.00			
Other Expenses	3,375.00	975.87	4,350.87	2,698.34	1,652.53

(Continued)

CITY OF GLOUCESTER CITY

CURRENT FUND

Statement of 2021 Appropriation Reserves and Encumbrances
For the Year Ended December 31, 2022

	Balance Dec. 31, 2021		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserve for Encumbrances	Appropriation Reserves			
PUBLIC SAFETY FUNCTIONS (CONT'D)					
Fire					
Other Expenses	\$ 28,507.97	\$ 18,853.06	\$ 47,361.03	\$ 21,360.42	\$ 26,000.61
Uniform Fire Safety Act (PL 1983, C383)					
Salaries and Wages		3,900.00	400.00		400.00
Other Expenses	8,044.50	773.55	8,818.05	7,213.98	1,604.07
PUBLIC WORKS FUNCTIONS					
Streets and Road Maintenance					
Salaries and Wages		3,504.01	3,504.01		3,504.01
Other Expenses	2,397.29	11,528.26	8,925.55	2,707.19	6,218.36
Public Buildings and Grounds					
Salaries and Wages		2,603.73	2,603.73		2,603.73
Other Expenses	7,521.96	17,473.31	19,395.27	11,521.96	7,873.31
Solid Waste Collection					
Other Expenses		491.91	491.91		491.91
Animal Control Services					
Other Expenses	265.64	3,882.56	4,148.20	425.39	3,722.81
UTILITY EXPENSES AND BULK PURCHASES					
Gasoline and Diesel Fuel		3,488.80	3,488.80	1,053.39	2,435.41
Street Lighting		13,487.23	35,487.23	34,821.01	666.22
Electricity		3,150.64	8,150.64	7,332.21	818.43
Telephone	907.28	1,566.94	4,974.22	3,849.67	1,124.55
Fuel Oil	1,146.17	145.88	1,292.05	1,146.17	145.88
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Landfill Costs					
Other Expenses	44,500.00	31,969.67	76,469.67	37,911.43	38,558.24
UNIFORM CONSTRUCTION CODE					
Construction Officials					
Salaries and Wages		2,610.36	2,610.36		2,610.36
Other Expenses	17,525.15		19,025.15	18,448.14	577.01
Other Code Enforcement					
Salaries and Wages		169.14	169.14		169.14
OTHER COMMON OPERATING FUNCTIONS					
Salary Adjustment		1.00	1.00		1.00
Celebration of Public Events or Holidays					
Other Expenses	275.70	434.02	709.72	275.70	434.02
CONTINGENT					
		1.00	1.00		1.00
STATUTORY EXPENDITURES					
Contribution to:					
Social Security System (O.A.S.I.)		26,671.01	26,671.01	3,630.74	23,040.27
Unemployment Compensation		10,000.00	10,000.00		10,000.00
	\$ 137,053.72	\$ 371,425.01	\$ 508,478.73	\$ 249,699.74	\$ 258,778.99
				\$ 198,052.24	
Disbursed				51,647.50	
Charged to Accounts Payable					
				\$ 249,699.74	

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 240,582.44
Increased by:	
Collections	<u>289,082.22</u>
	529,664.66
Decreased by:	
Application to 2022 Taxes	<u>240,582.44</u>
Balance Dec. 31, 2022	<u><u>\$ 289,082.22</u></u>

Exhibit SA-14

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 19,837.56
Increased by:	
Collections	<u>6,197.40</u>
	26,034.96
Decreased by:	
Refunds	<u>15,681.32</u>
Balance Dec. 31, 2022	<u><u>\$ 10,353.64</u></u>

Exhibit SA-15

CURRENT FUND
Statement of Due State of New Jersey - DCA Training Fees
For the Year Ended December 31, 2022

Receipts	\$ 13,024.00
Decreased by:	
Disbursed	<u><u>\$ 13,024.00</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Due County Taxes Payable
For the Year Ended December 31, 2022

2022 Levy	\$ 4,469,165.30
Decreased by:	
Payments	<u>\$ 4,469,165.30</u>

Exhibit SA-17

CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	
2021 Added Taxes (R.S. 54:4-63.1 and seq.)	\$ 30,174.28
Increased by:	
County Share of Levy:	
2022 Added Taxes (R.S. 54:4-63.1 and seq.)	<u>16,343.07</u>
	46,517.35
Decreased by:	
Payments	<u>30,174.28</u>
Balance Dec. 31, 2022	<u>\$ 16,343.07</u>

Exhibit SA-18

CURRENT FUND
Statement of Local District School Tax Payable
For the Year Ended December 31, 2022

Balance Dec 31, 2021		\$ 977,842.87
Increased by:		
Budget Appropriation:		
Use of Local Schools (N.J.S.A. 40:48-17.1 & 17.3)	\$ 31,208.00	
2022 Levy	<u>6,625,239.00</u>	
		<u>6,656,447.00</u>
		7,634,289.87
Decreased by:		
Payments		<u>7,433,475.33</u>
Balance Dec 31, 2022		<u>\$ 200,814.54</u>

CITY OF GLOUCESTER CITY
FEDERAL AND STATE GRANT FUND
Statement of Federal, State and Other Grants Receivable
For the Year Ended December 31, 2022

<u>Program</u>	<u>Balance Dec. 31, 2021</u>	<u>Accrued</u>	<u>Received in Current Fund</u>	<u>Balance Dec. 31, 2022</u>
Federal Grants:				
American Rescue Plan		\$ 587,138.25	\$ 587,138.25	
Federal Emergency Management Agency:				
Assistance to Firefighters - 2019	\$ 16,593.66		16,593.66	
Assistance to Firefighters - 2020	116,488.11			\$ 116,488.11
Assistance to Firefighters - 2021		89,144.00	30,758.53	58,385.47
Bulletproof Vest	2,000.00	2,000.00		4,000.00
Distracted Driving Prevention		8,750.00	8,750.00	
Community Development Block Grant:				
Small Cities	107,000.00	400,000.00	212,377.52	294,622.48
Hudson Street	400,000.00			400,000.00
COVID-19		370,684.00		370,684.00
Safe Routes to Schools	343,000.00			343,000.00
Safe Routes to Schools - Planning & Design	45,931.39		40,640.95	5,290.44
Total Federal Grants	1,342,406.16	1,457,716.25	896,258.91	1,592,470.50
State Grants:				
Clean Communities Program		21,675.33		21,675.33
Recycling Tonnage		15,146.19	15,146.19	
Neighborhood Preservation Program	12,500.00			12,500.00
NJ Department of Community Affairs - Inclusive Park		247,000.00	222,300.00	24,700.00
Body Armor Replacement Fund		3,971.00	3,971.00	
Urban Enterprise Zone	311,393.00		181,100.00	130,293.00
Urban Enterprise Zone		636,983.00		636,983.00
Local Recreation Improvement		75,000.00		75,000.00
New Jersey Department of Transportation:				
Municipal Aid Program:				
Reconstruction of Center, 8th and 9th Streets	12,561.00			12,561.00
Reconstruction of Barlowe Park	331,907.00			331,907.00
Filmore Street Phase 2	154,706.50			154,706.50
Road Improvements		384,073.00		384,073.00

(Continued)

CITY OF GLOUCESTER CITY
FEDERAL AND STATE GRANT FUND
Statement of Federal, State and Other Grants Receivable
For the Year Ended December 31, 2022

<u>Program</u>	<u>Balance Dec. 31, 2021</u>	<u>Accrued</u>	<u>Received in Current Fund</u>	<u>Balance Dec. 31, 2022</u>
State Grants (Cont'd):				
New Jersey Department of Transportation (Cont'd):				
Discretionary Aid		\$ 225,000.00		\$ 225,000.00
Local Freight Impact Fund:				
Reconstruction of Water Street	\$ 440,000.00			440,000.00
Charles Street Roadway Improvements	346,514.12			346,514.12
	<hr/>			
Total State Grants	1,298,188.62	1,608,848.52	\$ 422,517.19	2,795,912.95
	<hr/>			
Other Grants:				
County of Camden - Recreation - Open Space	25,000.00	25,000.00	-	50,000.00
	<hr/>			
Total All Grants	\$ 2,665,594.78	\$ 3,091,564.77	\$ 1,318,776.10	\$ 4,438,383.45
	<hr/>			

CITY OF GLOUCESTER CITY
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal, State and Other Grants - Unappropriated
For the Year Ended December 31, 2022

<u>Program</u>	<u>Balance Dec. 31, 2021</u>	<u>Grant Receivable</u>	<u>Realized as Revenue in 2022 Budget</u>	<u>Balance Dec. 31, 2022</u>
Federal Grants:				
American Rescue Plan	\$ 587,138.25	\$ 587,138.25	\$ 1,174,276.50	
Federal Emergency Management Agency:				
Assistance to Firefighters - 2021		89,144.00	89,144.00	
Bulletproof Vest		2,000.00	2,000.00	
Distracted Driving Prevention		8,750.00	8,750.00	
Community Development Block Grant:				
Small Cities		400,000.00	400,000.00	
COVID-19		370,684.00	370,684.00	
Total Federal Grants	587,138.25	1,457,716.25	2,044,854.50	\$ -
State Grants:				
Clean Communities Program		21,675.33	21,675.33	
Recycling Tonnage	14,278.86	15,146.19	29,425.05	
NJ Department of Community Affairs - Inclusive Park		247,000.00	247,000.00	
Body Armor Replacement Fund		3,971.00	1,698.33	2,272.67
Urban Enterprise Zone		636,983.00	636,983.00	
Local Recreation Improvement		75,000.00	75,000.00	
New Jersey Department of Transportation:				
Municipal Aid Program:				
Road Improvements		384,073.00	384,073.00	
Discretionary Aid		225,000.00	225,000.00	
Total State Grants	14,278.86	1,608,848.52	1,620,854.71	2,272.67
Other Grants:				
Delaware Valley Regional Planning Commission - TCDI	25,088.59		25,088.59	
County of Camden - Recreation - Open Space		25,000.00	25,000.00	
Total Other Grants	25,088.59	25,000.00	50,088.59	-
Total All Grants	\$ 626,505.70	\$ 3,091,564.77	\$ 3,715,797.80	\$ 2,272.67

CITY OF GLOUCESTER CITY
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal, State and Other Grants - Appropriated
For the Year Ended December 31, 2022

<u>Program</u>	<u>Balance Dec. 31, 2021</u>	<u>Transferred from 2022 Budget Appropriation</u>	<u>Encumbrances Restored</u>	<u>Disbursed</u>	<u>Encumbered</u>	<u>Balance Dec. 31, 2022</u>
Federal Grants:						
Federal Emergency Management Agency:						
Assistance to Firefighters - 2019	\$ 2,658.85		\$ 41,800.00	\$ 36,193.77	\$ 8,265.08	
Assistance to Firefighters - 2020	116,488.11			35,484.47		\$ 81,003.64
Assistance to Firefighters - 2021		\$ 89,144.00				89,144.00
Safer Retention	270.00					270.00
Bulletproof Vest	557.11	2,000.00			2,217.67	339.44
Distracted Driving Prevention		8,750.00		8,750.00		
Community Development Block Grant:						
Hudson Street	400,000.00					400,000.00
Small Cities	107,000.00				450.00	106,550.00
Small Cities		400,000.00		377,186.80	22,813.20	
COVID-19		370,684.00		15,992.68	78,298.38	276,392.94
Safe Routes to School Program - Planning & Design			41,314.38	18,108.02	23,206.36	
Safe Routes to School Program	343,000.00					343,000.00
Total Federal Grants	969,974.07	870,578.00	83,114.38	491,715.74	135,250.69	1,296,700.02
State Grants:						
Clean Communities Program	36,073.76	21,675.33	4,200.00	29,983.11	5,000.00	26,965.98
Recycling Tonnage	80,798.55	29,425.05	2,275.00	21,635.35	4,397.50	86,465.75
Recycling Tonnage - Abandoned Tires	2,500.00					2,500.00
Drunk Driving Enforcement	2,500.00				162.00	2,338.00
NJ Department of Community Affairs - Inclusive Park		247,000.00		247,000.00		
Body Armor Replacement Fund		1,698.33			1,698.33	
Urban Enterprise Zone	311,393.00			6,077.42		305,315.58
Urban Enterprise Zone		636,983.00				636,983.00
Urban Enterprise Zone - Administration	23,163.47					23,163.47
Local Recreation Improvement		75,000.00				75,000.00
Neighborhood Preservation Program	124,815.00			114,359.73	8,305.00	2,150.27
Municipal Alliance on Alcohol and Drug Abuse	29,206.60		1,091.00		1,091.00	29,206.60
Municipal Court Alcohol Education and Rehabilitation Fund	7,998.87					7,998.87

(Continued)

CITY OF GLOUCESTER CITY
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal, State and Other Grants - Appropriated
For the Year Ended December 31, 2022

<u>Program</u>	<u>Balance Dec. 31, 2021</u>	<u>Transferred from 2022 Budget Appropriation</u>	<u>Encumbrances Restored</u>	<u>Disbursed</u>	<u>Encumbered</u>	<u>Balance Dec. 31, 2022</u>
State Grants (Cont'd):						
New Jersey Department of Transportation:						
Municipal Aid Program:						
Reconstruction of Barlowe Park	\$ 331,907.00					\$ 331,907.00
Reconstruction of Filmore Street			\$ 359.00	\$ 334.13	\$ 24.87	
Filmore Street	7,694.66		42,102.31	27,098.61	13,003.70	9,694.66
Road Improvements		\$ 384,073.00				384,073.00
Discretionary Aid		225,000.00				225,000.00
Local Freight Impact Fund						
Reconstruction of Water Street	440,000.00					440,000.00
Charles Street Roadway Improvements	37,233.00		3.99		7.98	37,229.01
Total State Grants	1,435,283.91	1,620,854.71	50,031.30	446,488.35	33,690.38	2,625,991.19
Other Grants:						
Delaware Valley Regional Planning Commission - TCDI	9,859.34			9,859.34		
Delaware Valley Regional Planning Commission - TCDI		25,088.59		7,676.83		17,411.76
Delaware River Port Authority - Resheathing Freedom Pier	39,062.00					39,062.00
PSEG Sustainable			2,000.00			2,000.00
County of Camden - Recreation - Proprietor's Park	37,533.74		5,800.00	5,800.00	18,933.75	18,599.99
County of Camden - Recreation - Open Space		25,000.00		8,775.00		16,225.00
Total Other Grants	86,455.08	50,088.59	7,800.00	32,111.17	18,933.75	93,298.75
Total All Grants	\$ 2,491,713.06	\$ 2,541,521.30	\$ 140,945.68	\$ 970,315.26	\$ 187,874.82	\$ 4,015,989.96

CITY OF GLOUCESTER CITY
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 140,945.68
Increased by:	
Encumbrances Charged	<u>187,874.82</u>
	328,820.50
Decreased by:	
Encumbrances Restored	<u>140,945.68</u>
Balance Dec. 31, 2022	<u><u>\$ 187,874.82</u></u>

Exhibit SA-23

FEDERAL AND STATE GRANT FUND
Statement of Due Current Fund
For the Year Ended December 31, 2022

Balance Dec. 31, 2021 (Due from)	\$ 740,912.29
Increased by:	
Grants Receivable Received in the Current Fund	<u>1,318,776.10</u>
	2,059,688.39
Decreased by:	
Grants Appropriated Disbursed by Current Fund	\$ 970,315.26
Unappropriated Grants- Utilized in 2022 Budget	<u>1,174,276.50</u>
	<u>2,144,591.76</u>
Balance Dec. 31, 2022 (Due to)	<u><u>\$ 84,903.37</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

CITY OF GLOUCESTER CITY
TRUST FUND
Statement of Trust Cash
Per N.J.S.A. 40A: 5-5 - Treasurer
For the Year Ended December 31, 2022

	Animal Control	Trust Other	Community Development
Balance Dec. 31, 2021	\$ 14,133.60	\$ 701,146.73	\$ 543,944.59
Increased by Receipts:			
Animal Control Licenses Issued	\$ 3,031.00		
Due Current Fund	19.09	\$ 7,814.96	
Reserve for U.D.A.G.			\$ 201,322.36
Due Community Development		74,698.00	
Reserve for Regional Contribution Agreement		56,165.00	
Reserve for Escrow Deposits		93,683.22	
Reserve for Miscellaneous Trust Reserves		33,459.18	
	<u>3,050.09</u>	<u>265,820.36</u>	<u>201,322.36</u>
	17,183.69	966,967.09	745,266.95
Decreased by Disbursements:			
Animal Control Expenses	50.00		
Accounts Payable	250.00	60,301.45	48,740.76
Due Current Fund			14,456.25
Reserve for U.D.A.G.			51,801.10
Reserve for Regional Contribution Agreement		167,639.88	
Reserve for Escrow Deposits		62,928.21	
Reserve for Miscellaneous Trust Reserves		12,312.16	
	<u>300.00</u>	<u>303,181.70</u>	<u>114,998.11</u>
Balance Dec. 31, 2022	<u><u>\$ 16,883.69</u></u>	<u><u>\$ 663,785.39</u></u>	<u><u>630,268.84</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Trust Cash
Per N.J.S.A. 40A:5-5 - Collector
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 263,496.60
Increased by Receipts:		
Due Current Fund	\$ 521.81	
Redemption of Tax Certificates	747,059.78	
Premiums Received for Tax Sale	<u>697,100.00</u>	
		<u>1,444,681.59</u>
		1,708,178.19
Decreased by Disbursements:		
Redemption of Tax Certificates	722,765.30	
Premiums Received for Tax Sale	<u>572,500.00</u>	
		<u>1,295,265.30</u>
Balance Dec. 31, 2022		<u><u>\$ 412,912.89</u></u>

CITY OF GLOUCESTER CITY
ANIMAL CONTROL TRUST FUND
Statement of Reserve for Animal Control Trust Fund Expenditures
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 8,064.20
Increased by:		
Receipts	\$ 3,031.00	
Late Fees Collected in Current Fund	220.00	
		<u>3,251.00</u>
		11,315.20
Decreased by:		
Disbursed	50.00	
Statutory Excess Due Current Fund	3,862.20	
		<u>3,912.20</u>
Balance Dec. 31, 2022		<u><u>\$ 7,403.00</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2021	\$ 3,724.00
2020	<u>3,679.00</u>
	<u><u>\$ 7,403.00</u></u>

Exhibit SB-4

ANIMAL CONTROL TRUST FUND
Statement of Due Current Fund
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 5,827.80
Increased by:		
Interest Earned	\$ 19.09	
Statutory Excess	3,862.20	
		<u>3,881.29</u>
		9,709.09
Decreased by:		
Late Fees Deposited In Current Fund		<u>220.00</u>
Balance Dec. 31, 2022		<u><u>\$ 9,489.09</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Due Current Fund
For the Year Ended December 31, 2022

Balance Dec. 31, 2021			\$ 205,425.24
Increased by:			
Interest Earned - Collector Cash		\$ 521.81	
Off Duty Admin Fees Realized		72,093.01	
Disbursed by Current Fund on Behalf of Trust Other Fund:			
Off Duty Police Fees	\$ 301,973.00		
Miscellaneous Trust Reserves	7,814.96		
		<u>309,787.96</u>	
			<u>382,402.78</u>
			587,828.02
Decreased by:			
Trust Receipts Collected by Current Fund Treasurer:			
Off Duty Police	494,204.76		
Miscellaneous Trust Reserves	5,103.00		
		<u>499,307.76</u>	
			<u>499,307.76</u>
Balance Dec. 31, 2022			<u><u>\$ 88,520.26</u></u>
<u>Analysis of Balance Dec. 31, 2022</u>			
Tax Sale Premium		\$ 609.19	
Redemption		263.50	
Off Duty Police		40,785.00	
POAA		(7,067.83)	
Law Enforcement Trust		(6,136.74)	
Regional Contribution Agreements		21,243.56	
Community Playground		(3,196.60)	
Unemployment		5,961.91	
Uniform Fire Code		2,741.61	
Escrow		<u>33,316.66</u>	
			<u><u>\$ 88,520.26</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Regional Contribution Agreement Loans Receivable
For the Year Ended December 31, 2022

<hr/>		
Balance Dec. 31, 2021		\$ 1,479,153.00
Increased by:		
Loans Issued		<u>178,610.00</u>
		1,657,763.00
Decreased by:		
Receipts for Payment of Loans	\$ 56,165.00	
Loans Canceled	<u>35,865.00</u>	
		<u>92,030.00</u>
Balance Dec. 31, 2022		<u><u>\$ 1,565,733.00</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Accounts Payable
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 60,301.45
Increased by:		
Charged:		
Reserve for Escrow Deposits	\$ 2,229.50	
Reserve for Regional Contribution Agreements	<u>39,645.00</u>	
		<u>41,874.50</u>
		102,175.95
Decreased by:		
Disbursements		<u>60,301.45</u>
Balance Dec. 31, 2022		<u><u>\$ 41,874.50</u></u>

Exhibit SB-8

TRUST OTHER FUND
Statement of Reserve for Off Duty Police
For the Year Ended December 31, 2022

Off Duty Police Fees Received By Current Fund		\$ 374,066.01
Decreased by:		
Off Duty Police Fees Disbursed by Current Fund	\$ 301,973.00	
Off Duty Police Admin Fees Realized in Current Fund	<u>72,093.01</u>	
		<u><u>\$ 374,066.01</u></u>

Exhibit SB-9

TRUST OTHER FUND
Statement of Off Duty Police Fees Receivable
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 160,923.75
Increased by:		
Charges for Off Duty Police Fees		<u>374,066.01</u>
		534,989.76
Decreased by:		
Collected in Current Fund		<u>494,204.76</u>
Balance Dec. 31, 2022		<u><u>\$ 40,785.00</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Reserve for Regional Contribution Agreements
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 310,688.30
Increased by:		
Loans Receivable Collected		<u>56,165.00</u>
		366,853.30
Decreased by:		
Disbursements	\$ 167,639.88	
Accounts Payable	<u>39,645.00</u>	
		<u>207,284.88</u>
Balance Dec. 31, 2022		<u><u>\$ 159,568.42</u></u>

Exhibit SB-11

TRUST OTHER FUND
Statement of Reserve for Escrow Deposits
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 74,924.10
Increased by:		
Receipts:		
Reserve for Escrow Deposits		<u>93,683.22</u>
		168,607.32
Decreased by:		
Disbursements	\$ 62,928.21	
Accounts Payable	<u>2,229.50</u>	
		<u>65,157.71</u>
Balance Dec. 31, 2022		<u><u>\$ 103,449.61</u></u>
<u>Analysis of Balance, Dec 31, 2022</u>		
Escrow Deposits		\$ 103,445.94
Remediation Escrow		<u>3.67</u>
		<u><u>\$ 103,449.61</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2022

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Due From</u> <u>Current Fund</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Disposal of Forfeited Property	\$ 26,092.69	\$ 13,560.17	\$ 7,442.00		\$ 32,210.86
Unemployment Compensation Insurance	7,962.65	15,028.85			22,991.50
Reserve for Public Defender		4,870.16	4,870.16		
Reserve for Parking Offenses					
Adjudication Act Funds	4,089.83			2,978.00	7,067.83
Uniform Fire Safety Act Penalties				2,125.00	2,125.00
Community Playground	3,196.60				3,196.60
	<u>\$ 41,341.77</u>	<u>\$ 33,459.18</u>	<u>\$ 12,312.16</u>	<u>\$ 5,103.00</u>	<u>\$ 67,591.79</u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Reserve for Tax Title Lien Premiums and Redemptions
For the Year Ended December 31, 2022

	Balance Dec. 31, 2021	Collector		Balance Dec. 31, 2022
		Receipts	Disbursements	
Premiums Received at Tax Sale	\$ 232,400.00	\$ 697,100.00	\$ 572,500.00	\$ 357,000.00
Tax Certificates	29,745.72	747,059.78	722,765.30	54,040.20
	<u>\$ 262,145.72</u>	<u>\$ 1,444,159.78</u>	<u>\$ 1,295,265.30</u>	<u>\$ 411,040.20</u>

Exhibit SB-14

COMMUNITY DEVELOPMENT TRUST FUND
Statement of Loans and Mortgages Receivable
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 2,687,856.06
Decreased by:	
Reserve for UDAG Revolving Loan Fund - Receipts	\$ 180,573.25
Reserve for Small Cities Rehabilitation - Trust Other Receipts	74,698.00
Reserve for Small Cities Rehabilitation - Cancellation of Receivable	<u>26,682.22</u>
	<u>281,953.47</u>
Balance Dec. 31, 2022	<u><u>\$ 2,405,902.59</u></u>
<u>Analysis of Balance Dec. 31, 2022</u>	
Loans Receivable - Urban Development Action Grant	\$ 1,652,777.44
Mortgages Receivable - Small Cities Rehabilitation Grant	<u>753,125.15</u>
	<u><u>\$ 2,405,902.59</u></u>

CITY OF GLOUCESTER CITY
COMMUNITY DEVELOPMENT TRUST FUND
Statement of Due Current Fund
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 216,234.62
Increased by:	
Disbursed to Current Fund	<u>14,456.25</u>
	230,690.87
Decreased by:	
Disbursed by Current Fund	<u>43,338.75</u>
Balance Dec. 31, 2022	<u><u>\$ 187,352.12</u></u>

Exhibit SB-16

COMMUNITY DEVELOPMENT TRUST FUND
Statement of Reserve for CDBG Revolving Loan Fund
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 400,038.01
Increased by:	
Small Cities Mortgage Payoffs Collected by Trust Other Fund Fund	<u>74,698.00</u>
	474,736.01
Decreased by:	
Disbursed by Current Fund on Behalf of Small Cities	<u>43,338.75</u>
Balance Dec. 31, 2022	<u><u>\$ 431,397.26</u></u>

Exhibit SB-17

COMMUNITY DEVELOPMENT TRUST FUND
Statement of Due Trust Other Fund
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 169,534.32
Increased by:	
Small Cities Mortgage Payoffs Collected by Trust Other Fund Fund	<u>74,698.00</u>
Balance Dec. 31, 2022	<u><u>\$ 244,232.32</u></u>

CITY OF GLOUCESTER CITY
COMMUNITY DEVELOPMENT TRUST FUND
Statement of Reserve for Projects and Revolving Loan Fund - U.D.A.G.
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 472,956.01
Increased by:		
Receipts:		
Loans Receivable - Collected	\$ 180,573.25	
Interest and Late Fees	17,278.89	
Interest on Deposits	<u>3,470.22</u>	
		\$ 201,322.36
Cancelled Prior Year Accounts Payable	<u>6,631.25</u>	
		<u>207,953.61</u>
		680,909.62
Decreased by:		
Disbursements:		
Administrative & Other Expenses	51,801.10	
Accounts Payable	<u>107,775.49</u>	
		<u>159,576.59</u>
Balance Dec. 31, 2022		<u><u>\$ 521,333.03</u></u>

COMMUNITY DEVELOPMENT TRUST FUND
Statement of Accounts Payable
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 56,719.51
Increased by:		
Accounts Payable Created:		
Reserve for UDAG Revolving Loan Fund		<u>107,775.49</u>
		164,495.00
Decreased by:		
Accounts Payable Canceled:		
Reserve for UDAG Revolving Loan Fund	\$ 6,631.25	
Disbursements	<u>48,740.76</u>	
		<u>55,372.01</u>
Balance Dec. 31, 2022		<u><u>\$ 109,122.99</u></u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of General Capital Cash
Per N.J.S.A. 40A:5-5 - Treasurer
For the Year Ended December 31, 2022

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Balance Dec. 31, 2021		\$ 2,674,741.41
Increased by Receipts:		
Capital Improvement Fund		<u>75,000.00</u>
		2,749,741.41
Decreased by Disbursements:		
Due Utility Capital Fund	\$ 123,193.35	
Improvement Authorizations	<u>499,517.29</u>	
		<u>622,710.64</u>
Balance Dec. 31, 2022		<u><u>\$ 2,127,030.77</u></u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2022

	Ordinance Number	Balance (Deficit) Dec. 31, 2021	Receipts Miscellaneous	Disbursements Improvement Authorizations	Miscellaneous	Transfers From	To	Balance (Deficit) Dec. 31, 2022
Fund Balance		\$ 419,215.53						\$ 419,215.53
Capital Improvement Fund		1,135.82	\$ 75,000.00			\$ 75,000.00		1,135.82
Accounts Receivable - Community Affairs		(413,102.57)						(413,102.57)
Due Current Fund		(122,391.19)						(122,391.19)
Due Federal, State and Local Grant Fund		(147,342.63)						(147,342.63)
Due Water and Sewer Utility Capital Fund					\$ 123,193.35			(123,193.35)
Reserve to Pay Debt		147,342.63						147,342.63
Reserve to Pay Green Loan		7,083.39						7,083.39
Reserve for Payment of Bonds - Excess Proceeds		488,950.00						488,950.00
Reserve for Encumbrances		509,471.69				509,471.69	\$ 788,055.44	788,055.44
Improvement Authorizations:								
Various Improvements	14-00	6,337.85						6,337.85
Acquisition of Apartments	05-08	112.92						112.92
Walkway Along Freedom Pier	09-10	23,904.27						23,904.27
Various Improvements	06-11	379.42						379.42
Improvements to City Clerk's Office	19-11	2,470.05						2,470.05
Southport Redevelopment Project	03-12	23,008.00						23,008.00
Various Improvements	10-12	88,847.23		\$ 21,015.10		15,743.90		52,088.23
Various Improvements	12-13	42,204.89						42,204.89
Landscaping Improvements	21-13	150.96				81.00	81.00	150.96
Various Improvements	14-14	1,157.59						1,157.59
Various Improvements	13-15	10,872.74						10,872.74
Various Improvements	19-15	27,093.17						27,093.17
Various Improvements	17-16	2,624.05				74,940.47	74,940.47	2,624.05
Acquisition and Installation of HVAC Systems	25-16	15,943.96						15,943.96
Demolition of Existing City Structures	26-16	292,365.62		1,859.40		5,810.80	5,810.80	290,506.22
Acquisition of Public Works Tractor	20-17	1,887.98						1,887.98
Various Improvements	21-17	61,650.27				19,063.14	19,063.14	61,650.27
Various Improvements	11-18	77,205.36		41,820.00		150,776.61	149,276.61	33,885.36
Various Improvements	14-18	403.65						403.65
Various Improvements	10-19	88,471.86		55,131.80		30,875.01	45,248.81	47,713.86
Various Improvements	29-19					56.86	56.86	
Various Improvements	10-20	106,634.36		141,905.28		5,680.68	44,949.90	3,998.30
Various Improvements	11-21	910,652.54		237,785.71		184,847.97	170,044.10	658,062.96
Various Improvements	19-22					300,179.00	75,000.00	(225,179.00)
		\$ 2,674,741.41	\$ 75,000.00	\$ 499,517.29	\$ 123,193.35	\$ 1,372,527.13	\$ 1,372,527.13	\$ 2,127,030.77

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 11,558,952.58
Decreased By:		
Budget Appropriations:		
Payment of Serial Bonds	\$ 720,000.00	
Payment of Loans Payable	<u>147,199.05</u>	
		<u>867,199.05</u>
Balance Dec. 31, 2022		<u><u>\$ 10,691,753.53</u></u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2022

					<u>Analysis of Balance Dec. 31, 2022</u>	
<u>Improvement Description:</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2021</u>	<u>2022 Authorizations</u>	<u>Balance Dec. 31, 2022</u>	<u>Expended</u>	<u>Unexpended Improvement Authorizations</u>
Various Improvements	14-00	\$ 405.74		\$ 405.74		\$ 405.74
Various Improvements	06-11	383.00		383.00		383.00
Southport Redevelopment Project	03-12	2,750,000.00		2,750,000.00		2,750,000.00
Various Improvements	19-15	600.00		600.00		600.00
Various Improvements	17-16	805.00		805.00		805.00
Various Improvements	11-18	400.00		400.00		400.00
Various Improvements	19-2022		\$ 1,128,200.00	1,128,200.00	\$ 225,179.00	903,021.00
		<u>\$ 2,752,593.74</u>	<u>\$ 1,128,200.00</u>	<u>\$ 3,880,793.74</u>	<u>\$ 225,179.00</u>	<u>\$ 3,655,614.74</u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Schedule of Due from Current Fund
As of December 31, 2022

Balance Dec. 31, 2022	\$ 122,391.19
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Exhibit SC-6

GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 1,135.82
Increased by:	
2022 Budget Appropriation	75,000.00
	76,135.82
Decreased by:	
Appropriations to Improvement Authorizations	75,000.00
	76,135.82
Balance Dec. 31, 2022	\$ 1,135.82

Exhibit SC-7

GENERAL CAPITAL FUND
Schedule of Due from Water & Sewer Utility Capital Fund
As of December 31, 2022

Balance Dec. 31, 2022	\$ 123,193.35
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CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2022

Improvement Description	Ordinance Number	Date	Amount	Balance Dec. 31, 2021		2022 Authorizations	Encumbrances Restored	Paid or Charged	Balance Dec. 31, 2022	
				Funded	Unfunded				Funded	Unfunded
Various Improvements:	14-00	07-06-00	\$ 486,000.00	\$ 6,337.85	\$ 405.74				\$ 6,337.85	\$ 405.74
Acquisition of Apartments	05-08	03-20-08	4,350,000.00	112.92					112.92	
Walkway Along Freedom Pier	09-10	04-30-10	600,000.00	23,904.27					23,904.27	
Various Improvements	06-11	06-16-11	1,638,666.00	379.42	383.00				379.42	383.00
Improvements to City Clerk's Office	19-11	12-05-11	6,000.00	2,470.05					2,470.05	
Southport Redevelopment Project	03-12	02-16-12	5,000,000.00	23,008.00	2,750,000.00				23,008.00	2,750,000.00
Various Improvements	10-12	06-28-12	716,000.00	88,847.23				\$ 36,759.00	52,088.23	
Various Improvements	12-13	07-25-13	543,500.00	42,204.89					42,204.89	
Landscaping Improvements	21-13	09-26-13	79,555.00	150.96			\$ 81.00	81.00	150.96	
Various Improvements	14-14	07-24-14	634,000.00	1,157.59					1,157.59	
Various Improvements	13-15	05-28-15	820,000.00	10,872.74					10,872.74	
Various Improvements	19-15	06-25-15	131,500.00	27,093.17	600.00				27,093.17	600.00
Various Improvements	17-16	07-21-16	610,400.00	2,624.05	805.00		74,940.47	74,940.47	2,624.05	805.00
Acquisition and Installation of HVAC Systems	25-16	10-27-16	76,671.08	15,943.96					15,943.96	
Demolition of Existing City Structures	26-16	11-22-16	856,329.53	292,365.62			5,810.80	7,670.20	290,506.22	
Acquisition of Public Works Tractor	20-17	07-20-17	31,787.98	1,887.98					1,887.98	
Various Improvements	21-17	09-05-17	538,000.00	61,650.27			19,063.14	19,063.14	61,650.27	
Various Improvements	11-18	07-19-18	1,052,000.00	77,205.36	400.00		149,276.61	192,596.61	33,885.36	400.00
Acquisition of Sport Utility Vehicles	14-18	08-16-18	74,767.15	403.65					403.65	
Various Improvements	10-19	06-27-19	1,377,000.00	88,471.86			45,248.81	86,006.81	47,713.86	
Various Improvements	29-19	12-23-19	245,920.20				56.86	56.86		
Various Improvements	10-20	07-23-20	462,000.00	106,634.36			44,949.90	147,585.96	3,998.30	
Various Improvements	11-21	09-23-21	1,200,000.00	910,652.54			170,044.10	422,633.68	658,062.96	
Various Improvements	19-22	10-27-22	1,203,200.00			\$ 1,203,200.00		300,179.00		903,021.00
				\$ 1,784,378.74	\$ 2,752,593.74	\$ 1,203,200.00	\$ 509,471.69	\$ 1,287,572.73	\$ 1,306,456.70	\$ 3,655,614.74
Disbursed								\$ 499,517.29		
Charged to Improvement Authorizations								788,055.44		
								\$ 1,287,572.73		
Deferred Charges to Future Taxation - Unfunded						\$ 1,128,200.00				
Capital Improvement Fund						75,000.00				
						\$ 1,203,200.00				

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 509,471.69
Increased by:	
Charged to Improvement Authorizations	<u>788,055.44</u>
	1,297,527.13
Decreased by:	
Restored to Improvement Authorizations	<u>509,471.69</u>
Balance Dec. 31, 2022	<u><u>\$ 788,055.44</u></u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Green Trust Loans Payable
For the Year Ended December 31, 2022

	Johnson Blvd	Point Riverfront	Riverfront	Freedom Pier	Total
Balance Dec. 31, 2021	\$ 7,695.32	\$ 43,118.80	\$ 93,175.90	\$ 97,436.13	\$ 241,426.15
Decreased by:					
Loan Payments	7,695.32	43,118.80	30,442.64	8,894.43	90,151.19
Balance Dec. 31, 2022	\$ -	\$ -	\$ 62,733.26	\$ 88,541.70	\$ 151,274.96

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Demolition Loan Payable
For the Year Ended December 31, 2022

	Ordinance Number	Maturities of Loan Outstanding Dec. 31, 2022		Balance Dec. 31, 2021	Decreased	Balance Dec. 31, 2022
		Date	Amount			
Demolition of Existing City Structures	26-16	10-15-23-32	\$ 57,047.86	\$ 627,526.43	\$ 57,047.86	\$ 570,478.57

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2022

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2022</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Bonds, Series 2018 (Callable after 2-15-2028)	4-11-18	\$ 2,708,000.00	2-15-23	\$ 215,000.00	3.00%			
			2-15-24	220,000.00	3.00%			
			2-15-25	225,000.00	3.125%			
			2-15-26	235,000.00	3.125%			
			2-15-27	240,000.00	3.125%			
			2-15-28	250,000.00	3.125%			
			2-15-29	260,000.00	3.125%			
			2-15-30	265,000.00	3.125%	\$ 2,115,000.00	\$ 205,000.00	\$ 1,910,000.00
Taxable General Obligation Bonds, Series 2018 (Callable after 2-15-2028)	4-11-18	4,590,000.00	2-15-23	135,000.00	4.000%			
			2-15-24	140,000.00	4.000%			
			2-15-25	145,000.00	4.000%			
			2-15-26	150,000.00	4.125%			
			2-15-27	155,000.00	4.125%			
			2-15-28	160,000.00	4.125%			
			2-15-29	165,000.00	4.125%			
			2-15-30	170,000.00	4.125%			
			2-15-31	175,000.00	4.125%			
			2-15-32	180,000.00	4.125%			
			2-15-33	190,000.00	4.125%			
			2-15-34	195,000.00	4.125%			
			2-15-35	205,000.00	4.125%			
			2-15-36	210,000.00	4.125%			
			2-15-37	220,000.00	4.125%			
			2-15-38	225,000.00	4.250%			
			2-15-39	235,000.00	4.250%			
			2-15-40	245,000.00	4.250%			
			2-15-41	255,000.00	4.250%			
			2-15-42	255,000.00	4.250%			
			2-15-43	255,000.00	4.250%	4,200,000.00	135,000.00	4,065,000.00

(Continued)

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2022

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2022</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2022</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Bonds, Series 2021 (Callable after 7-15-2031)	11-4-21	\$ 4,375,000.00	7-15-23	\$ 360,000.00	3.00%			
			7-15-24	365,000.00	3.00%			
			7-15-25	375,000.00	3.00%			
			7-15-26	380,000.00	3.00%			
			7-15-27	385,000.00	3.00%			
			7-15-28	400,000.00	3.00%			
			7-15-29	415,000.00	3.00%			
			7-15-30	420,000.00	4.000%			
			7-15-31	440,000.00	2.000%			
			7-15-32	455,000.00	2.00%	\$ 4,375,000.00	\$ 380,000.00	\$ 3,995,000.00
						<u>\$ 10,690,000.00</u>	<u>\$ 720,000.00</u>	<u>\$ 9,970,000.00</u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2022

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2021</u>	<u>2022 Authorization</u>	<u>Balance Dec. 31, 2022</u>
<u>General Improvements:</u>				
Various Improvements	14-00	\$ 405.74		\$ 405.74
Various Improvements	06-11	383.00		383.00
Southport Redevelopment Project	03-12	2,750,000.00		2,750,000.00
Various Improvements	19-15	600.00		600.00
Various Improvements	17-16	805.00		805.00
Various Improvements	11-18	400.00		400.00
Various Improvements	19-22		\$ 1,128,200.00	1,128,200.00
		<u>\$ 2,752,593.74</u>	<u>\$ 1,128,200.00</u>	<u>\$ 3,880,793.74</u>

SUPPLEMENTAL EXHIBITS
WATER & SEWER UTILITY FUND

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY FUND
Statement of Water & Sewer Utility Cash
Per N.J.S.A. 40A:5-5 - Water Treasurer
For the Year Ended December 31, 2022

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2021	\$ 1,427,726.47	\$ 4,160,532.51
Increased by Receipts:		
Transfer from Collector	\$ 4,297,439.17	
Miscellaneous Revenues	24,220.28	
Due General Capital Fund		<u>\$ 123,193.35</u>
	<u>4,321,659.45</u>	<u>123,193.35</u>
	5,749,385.92	4,283,725.86
Decreased by Disbursements:		
2022 Budget Appropriations	4,260,955.27	
2021 Appropriation Reserves		
and Encumbrances	91,382.44	
Accrued Interest on Bonds, Loans and Notes	260,568.31	
Due Current Fund	118,270.12	
Improvement Authorizations		<u>729,590.62</u>
	<u>4,731,176.14</u>	<u>729,590.62</u>
Balance Dec. 31, 2022	<u><u>\$ 1,018,209.78</u></u>	<u><u>\$ 3,554,135.24</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Water & Sewer Utility Cash
Per N.J.S.A. 40A:5-5 - Water Collector
For the Year Ended December 31, 2022

Consumer Accounts Receivable	\$ 4,170,774.41	
Overpayments	17,975.50	
Miscellaneous Revenues	<u>108,689.26</u>	
		\$ 4,297,439.17
Disbursed to Treasurer		<u><u>\$ 4,297,439.17</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
 Analysis of Water & Sewer Utility Capital Cash
 For the Year Ended December 31, 2022

	Balance (Deficit) Dec. 31, 2021	Receipts Miscellaneous	Disbursements Improvement Authorizations	Transfers		Balance (Deficit) Dec. 31, 2022
				From	To	
Capital Improvement Fund	\$ 57,469.60					\$ 57,469.60
Fund Balance	248,386.57					248,386.57
Due State of New Jersey - NJEIT	(12,453.02)				\$ 12,453.02	
Due Current Fund	165,001.52					165,001.52
Due General Capital Fund		\$ 123,193.35				123,193.35
Due Water Utility Operating Fund	(38,219.79)			\$ 12,453.02		(50,672.81)
Encumbrances Payable	900,385.20			900,385.20	1,060,214.64	1,060,214.64
Reserve to Pay Debt	81,286.72					81,286.72
Improvement Authorizations:						
WATER:						
09-07 Replacement of Water Treatment Plant	(116,012.00)					(116,012.00)
03-09 Water Plant Supplement	606.90					606.90
24-10 Acquisition of Utility Vehicle	1,013.00					1,013.00
07-11 Improvements to the Broadway Water Tank	2,000.00					2,000.00
11-12a Replacement of Water Valves	1,502.40					1,502.40
11-12c Acquisition of Various Equipment	2,866.06					2,866.06
09-13a Water Mains	(87,050.88)					(87,050.88)
09-13b Automatic Water Meter Reading System	(40,358.23)		\$ 28,500.00	5,300.00	33,800.00	(40,358.23)
11-13b Well No. 42 Upgrades	79,720.80		59,753.00			19,967.80
15-14b Upgrades to Wells 42 and 43	2,630.14					2,630.14
20-15c Acquisition of SCADA System	6,425.18					6,425.18
11-16b Water Main Improvements to Freedom Pier	91,781.98					91,781.98
18-16b Acquisition of Equipment and Various Improvements	52,000.00					52,000.00
24-16 Removal and Replacement of Water Mains	544,030.33		2,894.55	6,409.95	9,304.50	544,030.33

(Continued)

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
 Analysis of Water & Sewer Utility Capital Cash
 For the Year Ended December 31, 2022

		Balance	Receipts	Disbursements	Transfers		Balance
		(Deficit)					(Deficit)
		<u>Dec. 31, 2021</u>	<u>Miscellaneous</u>	<u>Improvement</u> <u>Authorizations</u>	<u>From</u>	<u>To</u>	<u>Dec. 31, 2022</u>
SEWER:							
11-12b	Improvements to Gravity Sewers	\$ 1,115.12					\$ 1,115.12
08-13a	Main Systems - Cumberland, Monmouth and Hudson				\$ 335,649.47	\$ 335,649.47	
08-13b	Sewer System - Water Street	13,909.54			36,931.53	229,291.53	206,269.54
11-13d	SCADA Sewer System Upgrades	11,123.00		\$ 10,260.70		9,877.00	10,739.30
13-13	King Street Pumping Station	70,572.49		27,150.00	27,213.35	54,363.35	70,572.49
15-14a	Improvements to Wet Wells and Gravity Sewers	37,805.00		6,195.00		6,195.00	37,805.00
20-15b	Pump Station Improvements	14,022.50					14,022.50
11-16a	Sanitary Sewer Main Improvements to Freedom Pier	100,630.55			5,261.00	5,261.00	100,630.55
18-16a	Various Improvements to Goldy Street Pump Station	19,840.00		12,197.08			7,642.92
23-16	Various Improvements to Sanitary Sewer System	511,593.96		23,384.51	70,297.78	5,182.29	423,093.96
09-19a	Replacement of Various Sewer Mains	270,242.81		1,195.28	15,364.73	25,364.73	279,047.53
12-21a	Replacement of Various Sewer Mains	938,888.65		477,517.57	335,108.43		126,262.65
EQUIPMENT:							
11-13c	Back Hoe and Various Equipment	5,526.07		28,602.93		28,602.93	5,526.07
15-14d	Pole Barn	40,000.00		14,394.00	2,731.00		22,875.00
15-14e	Various Vehicles	61,792.19					61,792.19
09-19b	Various Equipment	370.16		17,000.00	140,493.40	157,493.40	370.16
09-20	Acq. Of Heavy Equipment incl Jet Vac	20,087.99					20,087.99
12-21b	Construction of a Pole Barn	100,000.00		20,546.00	79,454.00		
		\$ 4,160,532.51	\$ 123,193.35	\$ 729,590.62	\$ 1,973,052.86	\$ 1,973,052.86	\$ 3,554,135.24

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 484,509.00
Increased by:		
Utility Rents Levied		<u>4,434,451.20</u>
		4,918,960.20
Decreased by:		
Rent Collections	\$ 4,170,774.41	
Overpayments Applied	<u>14,996.10</u>	
		<u>4,185,770.51</u>
Balance Dec. 31, 2022		<u><u>\$ 733,189.69</u></u>

Exhibit SD-5

WATER & SEWER UTILITY CAPITAL FUND
Statement of Due from Water & Sewer Utility Operating Fund
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 38,219.79
Increased by:		
Water & Sewer Budget Appropriation		<u>12,453.02</u>
Balance Dec. 31, 2022		<u><u>\$ 50,672.81</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Due to/from Current Fund
For the Year Ended December 31, 2022

Balance Dec. 31, 2021 (Due to)	\$ 25,084.05
Increased by:	
Current Year Operating Charges:	
Water & Sewer Utility Appropriations	<u>65,000.00</u>
	90,084.05
Decreased by:	
Disbursements	<u>118,270.12</u>
Balance Dec. 31, 2022 (Due from)	<u><u>\$ 28,186.07</u></u>

Exhibit SD-7

WATER & SEWER UTILITY OPERATING FUND
Statement of Water & Sewer Rent Overpayments
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 14,996.10
Increased by:	
Collections	<u>17,975.50</u>
	32,971.60
Decreased by:	
Applied to 2022 Rents	<u>14,996.10</u>
Balance Dec. 31, 2022	<u><u>\$ 17,975.50</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of 2021 Appropriation Reserves and Encumbrances
For the Year Ended December 31, 2022

	<u>Balance Dec. 31, 2022</u>		<u>Balance After Transfer</u>	<u>Disbursed</u>	<u>Balance Lapsed</u>
	<u>Reserves</u>	<u>Encumbrances</u>			
Operating:					
Salaries and Wages	\$ 107,920.23		\$ 57,920.23		\$ 57,920.23
Other Expenses	67,626.88	\$ 38,197.20	155,824.08	\$ 91,382.44	64,441.64
Capital Improvements:					
Capital Outlay	100,000.00		100,000.00		100,000.00
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	76.46		76.46		76.46
Social Security System (O.A.S.I)	33,914.26		33,914.26		33,914.26
	<u>\$ 309,537.83</u>	<u>\$ 38,197.20</u>	<u>\$ 347,735.03</u>	<u>\$ 91,382.44</u>	<u>\$ 256,352.59</u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds, Loans and Notes and Analysis of Balance
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 88,382.23
Increased by:	
Budget Appropriation for:	
Interest on Bonds	\$ 151,329.88
Interest on Loans	<u>138,470.20</u>
	<u>289,800.08</u>
	378,182.31
Decreased by:	
Interest Paid	<u>260,568.31</u>
Balance Dec. 31, 2022	<u><u>\$ 117,614.00</u></u>

Analysis of Accrued Interest Dec. 31, 2022

<u>Principal</u> <u>Outstanding</u> <u>Dec. 31, 2022</u>		<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>		<u>Amount</u>
NJ Environmental Infrastructure Trust Loan:							
\$ 2,056,000.00	2008 Project	5.198%	8/1/2022	12/31/2022	152	days	\$ 36,024.00
215,000.00	2014 Project	3.696%	8/1/2022	12/31/2022	152	days	2,818.33
235,000.00	2014 Project	3.676%	8/1/2022	12/31/2022	152	days	3,079.59
85,000.00	2016 Project	3.506%	8/1/2022	12/31/2022	152	days	1,058.20
120,000.00	2016 Project	3.375%	8/1/2022	12/31/2022	152	days	1,501.53
40,000.00	2017 Project	4.273%	8/1/2022	12/31/2022	152	days	570.00
30,000.00	2017 Project	4.681%	8/1/2022	12/31/2022	152	days	467.09
200,000.00	2019 Project	3.587%	8/1/2022	12/31/2022	152	days	2,728.61
125,000.00	2019 Project	3.435%	8/1/2022	12/31/2022	152	days	<u>1,641.39</u>
Total NJ Environmental Infrastructure Trust Loan							<u>49,888.74</u>
Bonds							
\$ 70,000.00	2018 Bonds	3.000%	8/16/2022	12/31/2022	137	days	787.50
425,000.00	2018 Bonds	3.125%	8/16/2022	12/31/2022	137	days	4,980.47
160,000.00	2018 Bonds	3.250%	8/16/2022	12/31/2022	137	days	1,950.00
60,000.00	2018 Bonds	3.375%	8/16/2022	12/31/2022	137	days	759.38
60,000.00	2018 Bonds	3.500%	8/16/2022	12/31/2022	137	days	787.50
1,665,000.00	2021 Bonds	3.000%	7/16/2022	12/31/2022	168	days	22,893.75
260,000.00	2021 Bonds	4.000%	7/16/2022	12/31/2022	168	days	4,766.67
1,970,000.00	2021 Bonds	2.000%	7/16/2022	12/31/2022	168	days	18,058.33
620,000.00	2021 Bonds	2.125%	7/16/2022	12/31/2022	168	days	6,038.54
650,000.00	2021 Bonds	2.250%	7/16/2022	12/31/2022	168	days	<u>6,703.13</u>
Total Bond Accrued Interest							<u>67,725.26</u>
Total Accrued Interest							<u><u>\$ 117,614.00</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Accounts Receivable - Due from State of New Jersey
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 12,453.02
Decreased by:	
Budget Appropriation - Due Operating	<u>12,453.02</u>
Balance Dec. 31, 2022	<u><u>\$ -</u></u>

WATER & SEWER UTILITY CAPITAL FUND
Schedule of Due Current Fund
As of December 31, 2022

Balance Dec. 31, 2022	<u><u>\$ 165,001.52</u></u>
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CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Schedule of Fixed Capital
As of December 31, 2022

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
WATER:	
Distribution System Land	\$ 10,400.00
Springs and Wells	650,947.84
Collecting Reservoir	26,125.40
Settling Basins	3,425.00
Filters	161,484.13
Chemical Treatment Plant	2,051,657.24
Aerating Plant	41,772.47
Pumping Station Structures	158,880.03
Electric Power Pumping Equipment	140,738.19
Miscellaneous Pumping Equipment	41,170.80
Storage, Reservoirs, Tanks, and Standpipes	136,659.47
Distribution Mains and Accessories	4,708,536.94
Service Pipes & Stops	23,847.45
Meters	1,316,191.06
Fire Hydrants	26,772.28
General Equipment	56,910.70
Engineering and Superintendent	100,320.78
Expenditures During Construction	5,985.41
Interest During Construction	22,436.20
Miscellaneous Construction	11,682.21
Emergency Generator	28,820.05
Backwash System	184,000.00
Water Works Building	120,000.00
Rehab of Wells	292,000.00
Design Costs for Water Treatment Plant	460,000.00
Acquisition of Utility Vehicles	302,526.11
Southport Redevelopment Project	270,175.19
SEWER:	
Sewer Plant and Equipment	2,376,738.16
Distribution Mains and Accessories	2,780,139.39
Sewer System Improvements	1,007,373.61
Pumping Station Structures	1,886,536.04
EQUIPMENT:	
Various Equipment	192,400.00
	<u>\$ 19,596,652.15</u>

The Fixed Capital reported is as Taken from the Municipal Records and Does not Necessarily Reflect the True Condition of Such Fixed Capital.

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2022

<u>Improvement Description</u>	<u>Ordinance</u>			<u>Balance</u>	<u>2022</u>	<u>Balance</u>
	<u>Number</u>	<u>Date</u>	<u>Amount</u>	<u>Dec. 31, 2022</u>	<u>Authorizations</u>	<u>Dec. 31, 2022</u>
WATER:						
Replacement of Water Treatment Plant	09-07	05-24-07	\$ 9,445,000.00	\$ 9,445,000.00		\$ 9,445,000.00
Water Plant Supplement	03-09	02-19-09	1,500,000.00	1,500,000.00		1,500,000.00
Acquisition of Utility Vehicle	24-10	10-21-10	78,000.00	78,000.00		78,000.00
Improvements to Broadway Water Tank	07-11	06-06-11	625,000.00	401,481.00		401,481.00
Replacement of Water Valves	11-12a	06-28-12	37,000.00	37,000.00		37,000.00
Acquisition of Various Equipment	11-12c	06-28-12	80,800.00	80,800.00		80,800.00
Water Mains	09-13a	05-23-13	1,155,774.00	1,155,774.00		1,155,774.00
Automatic Water Meter Reading System	09-13b	05-23-13	936,923.00	936,923.00		936,923.00
Well No. 42 Upgrades	11-13b	07-25-13	90,000.00	90,000.00		90,000.00
Upgrades to Wells 42 and 43	15-14b	07-24-14	95,500.00	95,500.00		95,500.00
Replacement of Water Mains	20-15a	06-24-15	88,000.00	88,000.00		88,000.00
Acquisition of SCADA System	20-15c	06-24-15	50,000.00	50,000.00		50,000.00
Water Main Improvements to Freedom Pier	11-16b	06-06-16	310,000.00	310,000.00		310,000.00
Acquisition of Equipment and Various Improvements	18-16b	07-21-16	52,000.00	52,000.00		52,000.00
Removal and Replacement of Water Mains	24-16	10-20-16	1,100,000.00	1,100,000.00		1,100,000.00
Various Utility Improvements on 5th Street	27-16c	12-05-16	223,519.00	223,519.00		223,519.00
Redrilling Various Wells	20-22b	12-15-22	500,000.00		\$ 500,000.00	500,000.00
Redevelopment of Various Wells	20-22c	12-15-22	200,000.00		200,000.00	200,000.00
SEWER						
Improvements to Chestnut Street Pumping Station	07-11	06-06-11	280,000.00	116,182.93		116,182.93
Improvements to Gravity Sewers	11-12b	06-28-12	65,000.00	65,000.00		65,000.00
Main Systems - Cumberland, Monmouth & Hudson	08-13a	05-23-13	1,568,921.00	1,468,921.00		1,468,921.00
Sewer System - Water Street	08-13b	05-23-13	588,596.00	688,596.00		688,596.00
Pump Station Improvements	11-13a	07-25-13	42,000.00	42,000.00		42,000.00
SCADA Sewer System Upgrades	11-13d	07-25-13	21,000.00	21,000.00		21,000.00
King Street Pumping Station	13-13	07-25-13	163,817.07	163,817.07		163,817.07
Improvements to Wet Wells and Gravity Sewers	15-14a	07-24-14	44,000.00	44,000.00		44,000.00
Emergency Generators for Pump Stations	20-15b	06-24-15	75,000.00	75,000.00		75,000.00
Sanitary Sewer Main Improvements to Freedom Pier	11-16a	06-06-16	210,000.00	210,000.00		210,000.00
Various Improvements to Goldy Street Pump Station	18-16a	07-21-16	19,840.00	19,840.00		19,840.00
Various Improvements to Sanitary Sewer System	23-16	10-20-16	2,150,000.00	2,150,000.00		2,150,000.00
Replacement of Various Sewer Mains	09-19a	06-27-19	550,000.00	550,000.00		550,000.00
Replacement of Various Sewer Mains	12-21a	09-23-21	950,000.00	950,000.00		950,000.00
Water and Sewer Main Improvements	20-22a	12-15-22	500,000.00		500,000.00	500,000.00
EQUIPMENT:						
Improvements to Gravity Sewers	11-13c	07-25-13	85,000.00	85,000.00		85,000.00
Calcium Hypo Chlorine System and Various Equipment	15-14c	07-24-14	56,000.00	56,000.00		56,000.00
Pole Barn	15-14d	07-24-14	40,000.00	40,000.00		40,000.00
Various Vehicles	15-14e	07-24-14	180,000.00	180,000.00		180,000.00
Various Equipment	09-19b	06-27-19	330,000.00	202,493.40		202,493.40
Acq. Of Heavy Equipment, Incl Jet Vactor	09-20	07-23-20	450,000.00	450,000.00		450,000.00
Construction of a Pole Barn	12-21b	09-23-21	100,000.00	100,000.00		100,000.00
Acquisition of Equipment, Incl Camera Equipment	20-22d	12-15-22	100,000.00		100,000.00	100,000.00
				<u>\$ 23,321,847.40</u>	<u>\$ 1,300,000.00</u>	<u>\$ 24,621,847.40</u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 900,385.20
Increased by:	
Charged to Improvement Authorizations	<u>1,060,214.64</u>
	1,960,599.84
Decreased by:	
Restored to Improvement Authorization	<u>900,385.20</u>
Balance Dec. 31, 2022	<u><u>\$ 1,060,214.64</u></u>

Exhibit SD-15

WATER & SEWER UTILITY CAPITAL FUND
Schedule of Due General Capital Fund
As of December 31, 2022

Balance Dec. 31, 2022	<u><u>\$ 123,193.35</u></u>
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Exhibit SD-16

WATER & SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$27,528,021.83
Increased by:		
Paid by Budget Appropriation:		
NJ Environmental Infrastructure Trust	\$ 775,347.36	
Serial Bonds	<u>255,000.00</u>	
		<u>1,030,347.36</u>
Balance Dec. 31, 2022		<u><u>\$28,558,369.19</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Schedule of Deferred Reserve for Amortization
As of December 31, 2022

	<u>Ordinance Number</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2022</u>
WATER:			
Various Improvements	21-05	08-04-05	\$ 305,000.00
Preliminary Design Costs for Water Treatment Plant	02-07	02-22-07	99,617.00
Replacement of Water Treatment Plant	09-07	05-24-07	23,000.00
Water Plant Supplement	03-09	02-19-09	1,500,000.00
Acquisition of Utility Vehicle	24-10	10-21-10	3,900.00
Improvements to the Broadway Water Tank	07-11	06-16-11	20,074.00
Replacement of Water Valves	11-12	06-28-12	1,850.00
Acquisition of Various Equipment	11-12	06-28-12	4,040.00
Well No. 42 Upgrades	11-13b	07-25-13	4,500.00
Upgrades to Wells 42 and 43	15-14b	07-24-14	4,775.00
Replacement of Water Mains	20-15a	06-25-15	4,400.00
Acquisition of SCADA System	20-15c	06-25-15	2,500.00
Acquisition of Equipment and Various Improvements	18-16b	07-21-16	2,600.00
Various Utility Improvements on 5th Street	27-16c	12-05-16	11,176.00
SEWER:			
Various Improvements	25-06	11-20-06	383.00
Improvements to Chestnut Street Pumping Station	07-11	06-16-11	14,000.00
Improvements to Gravity Sewers	11-12	06-28-12	3,250.00
Pump Station Improvements	11-13a	07-25-13	2,100.00
SCADA Sewer System Upgrades	11-13d	07-25-13	1,050.00
Improvements to Wet Wells and Gravity Sewers	15-14a	07-24-14	2,200.00
Pump Station Improvements	20-15b	06-25-15	3,750.00
Various Improvements to Goldy Street Pump Station	18-16b	07-21-16	992.00
EQUIPMENT:			
Back Hoe and Various Equipment	11-13c	07-25-13	4,250.00
Calcium Hypo Chlorine System and Various Equipment	15-14c	07-24-14	2,800.00
Pole Barn	15-14d	07-24-14	2,000.00
Various Vehicles	15-14e	07-24-14	9,000.00
			<u>\$ 2,033,207.00</u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2022

Improvement Description	Ordinance			Balance Dec. 31, 2021		2022 Authorizations	Encumbrances Restored	Paid or Charged	Balance Dec. 31, 2022	
	Number	Date	Amount	Funded	Unfunded				Funded	Unfunded
General Improvements:										
WATER:										
Replacement of Water Treatment Plant	09-07	05-24-07	\$ 9,445,000.00		\$ 1,250.00				\$ 1,250.00	
Water Plant Supplement	03-09	02-19-09	1,500,000.00	\$ 606.90					\$ 606.90	
Acquisition of Utility Vehicle	24-10	10-21-10	78,000.00	1,013.00					1,013.00	
Improvements to Broadway Water Tank	07-11b	06-16-11	401,481.00	2,000.00					2,000.00	
Replacement of Water Valves	11-12a	06-28-12	37,000.00	1,502.40					1,502.40	
Acquisition of Various Equipment	11-12c	06-28-12	80,800.00	2,866.06					2,866.06	
Automatic Water Meter Reading System	09-13b	05-23-13	936,923.00		31,300.77		\$ 33,800.00	\$ 33,800.00		31,300.77
Well No. 42 Upgrades	11-13b	07-25-13	90,000.00	79,720.80				59,753.00	19,967.80	
Upgrades to Wells 42 and 43	15-14b	07-24-14	95,000.00	2,630.14					2,630.14	
Acquisition of SCADA System	20-15c	06-25-15	50,000.00	6,425.18					6,425.18	
Water Main Improvements to Freedom Pier	11-16b	06-06-16	310,000.00	91,781.98					91,781.98	
Acquisition of Equipment and Various Improvements	18-16b	07-21-16	52,000.00	52,000.00					52,000.00	
Removal and Replacement of Water Mains	24-16	10-20-16	1,100,000.00	544,030.33			9,304.50	9,304.50	544,030.33	
Redrilling Various Wells	20-22b	12-15-22	500,000.00			\$ 500,000.00				500,000.00
Redevelopment of Various Wells	20-22c	12-15-22	200,000.00			200,000.00				200,000.00
SEWER:										
Improvements to Gravity Sewers	11-12b	06-28-12	65,000.00	1,115.12					1,115.12	
Main Systems- Cumberland, Monmouth and Hudson	08-13a	05-23-13	1,468,921.00				335,649.47	335,649.47		
Sewer System - Water Street	08-13b	05-23-13	688,596.00	13,909.54			229,291.53	36,931.53	206,269.54	
SCADA Sewer System Upgrades	11-13d	07-25-13	21,000.00	11,123.00			9,877.00	10,260.70	10,739.30	
King Street Pumping Station	07-11;13-13	07-25-13	163,817.07	70,572.49			54,363.35	54,363.35	70,572.49	
Improvements to Wet Wells and Gravity Sewers	15-14a	07-24-14	44,000.00	37,805.00			6,195.00	6,195.00	37,805.00	
Pump Station Improvements	20-15b	06-25-15	75,000.00	14,022.50					14,022.50	
Sanitary Sewer Main Improvements to Freedom Pier	11-16a	06-06-16	210,000.00	100,630.55			5,261.00	5,261.00	100,630.55	
Various Improvements to Goldy Street Pump Station	18-16a	07-21-16	19,840.00	19,840.00				12,197.08	7,642.92	
Various Improvements to Sanitary Sewer System	23-16	10-20-16	2,150,000.00	511,593.96			5,182.29	93,682.29	423,093.96	
Replacement of Various Sewer Mains	09-19a	06-27-19	550,000.00	270,242.81			25,364.73	16,560.01	279,047.53	
Replacement of Various Sewer Mains	12-21a	09-23-21	950,000.00	938,888.65				812,626.00	126,262.65	
Water and Sewer Main Improvements	20-22a	12-15-22	500,000.00			500,000.00				500,000.00
EQUIPMENT:										
Back Hoe and Various Equipment	11-13c	07-25-13	85,000.00	5,526.07			28,602.93	28,602.93	5,526.07	
Pole Barn	15-14d	07-24-14	40,000.00	40,000.00				17,125.00	22,875.00	
Various Vehicles	15-14e	07-24-14	180,000.00	61,792.19					61,792.19	
Various Equipment	09-19b	06-27-19	330,000.00	370.16			157,493.40	157,493.40	370.16	
Acq. Of Heavy Equipment incl Jet Vac	09-20	07-23-20	450,000.00	20,087.99					20,087.99	
Construction of a Pole Barn	12-21b	09-23-21	100,000.00	100,000.00				100,000.00		
Acquisition of Equipment	20-22d	12-15-22	100,000.00			100,000.00				100,000.00
				\$ 3,002,096.82	\$ 32,550.77	\$ 1,300,000.00	\$ 900,385.20	\$ 1,789,805.26	\$ 2,112,676.76	\$ 1,332,550.77
Disbursed								\$ 729,590.62		
Reserve for Encumbrances								1,060,214.64		
								\$ 1,789,805.26		

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of New Jersey Environmental Infrastructure Trust Loans
For the Year Ended December 31, 2022

	<u>Year Issued</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding Dec. 31, 2022</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2022</u>
			<u>Year</u>	<u>Amount</u>				
NJEIT Trust Loan	2002	\$ 275,000.00				\$ 19,049.66	\$ 19,049.66	
NJEIT Fund Loan	2002	274,572.00				13,368.63	13,368.63	
NJEIT Trust Loan	2008	4,765,000.00	2023	\$ 265,000.00	5.500%			
			2024	277,000.00	5.000%			
			2025	295,000.00	5.000%			
			2026	309,000.00	5.000%			
			2027	320,000.00	5.000%			
			2028	337,000.00	5.000%	2,056,000.00	253,000.00	\$ 1,803,000.00
NJEIT Fund Loan	2008	4,562,738.00	2023	239,439.44	N/A			
			2024	238,701.50	N/A			
			2025	241,412.31	N/A			
			2026	240,508.71	N/A			
			2027	239,153.30	N/A			
			2028	240,358.31	N/A	1,679,253.97	239,680.40	1,439,573.57
NJEIT Fund Loan	2014	901,614.00	2023-2031	45,844.77	N/A			
			2032	29,424.73	N/A	487,872.43	45,844.77	442,027.66
NJEIT Trust Loan	2014	295,000.00	2023-2026	15,000.00	3.000%			
			2027-2032	20,000.00	3.125%			
			2033	20,000.00	3.250%	215,000.00	15,000.00	200,000.00
NJEIT Fund Loan	2014	1,005,218.00	2023-2031	17,037.60	N/A			
			2032	1,351.40	N/A	171,727.40	17,037.60	154,689.80

(Continued)

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of New Jersey Environmental Infrastructure Trust Loans
For the Year Ended December 31, 2022

	<u>Year Issued</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding Dec. 31, 2022</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2022</u>
			<u>Year</u>	<u>Amount</u>				
NJEIT Trust Loan	2014	\$ 330,000.00	2023-2024	\$ 15,000.00	5.000%			
			2025-2031	20,000.00	3.000%			
			2032	25,000.00	3.125%			
			2033	25,000.00	3.250%	\$ 235,000.00	\$ 15,000.00	\$ 220,000.00
NJEIT Fund Loan	2016	338,377.00	2023-2030	17,205.60	N/A			
			2031	4.20	N/A	154,854.60	17,205.60	137,649.00
NJEIT Trust Loan	2016	110,000.00	2023	5,000.00	5.000%			
			2024-2027	5,000.00	4.000%			
			2028-2031	5,000.00	2.000%			
			2032	5,000.00	2.125%			
			2033-2035	10,000.00	3.000%	85,000.00	5,000.00	80,000.00
NJEIT Fund Loan	2016	452,626.00	2023-2030	23,014.87	N/A			
			2031	23,015.09	N/A	220,833.40	23,014.87	197,818.53
NJEIT Trust Loan	2016	145,000.00	2023	5,000.00	5.000%			
			2024	5,000.00	4.000%			
			2025-2027	10,000.00	4.000%			
			2028-2030	10,000.00	2.000%			
			2031	5,000.00	2.125%			
			2032-2035	10,000.00	3.000%	120,000.00	5,000.00	115,000.00
NJEIT Fund Loan - Sewer Series 2017A-2 CW	2017	136,874.00	2023	14,159.37	N/A			
			2024	4,283.57	N/A	32,602.31	14,159.37	18,442.94
NJEIT Trust Loan - Sewer Series 2017A-2 CW	2017	45,000.00	2023-2026	5,000.00	5.000%			
			2027	5,000.00	2.125%	30,000.00	5,000.00	25,000.00

(Continued)

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of New Jersey Environmental Infrastructure Trust Loans
For the Year Ended December 31, 2022

	<u>Year Issued</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding Dec. 31, 2022</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2022</u>
			<u>Year</u>	<u>Amount</u>				
NJEIT Fund Loan - Water Series 2017A-2 DW	2017	\$ 164,784.00	2023-27 2028	\$ 14,124.33 333.81	N/A N/A	\$ 85,079.79	\$ 14,124.33	\$ 70,955.46
NJEIT Trust Loan - Water Series 2017A-2 DW	2017	55,000.00	2023-2026 2027 2028 2029	5,000.00 5,000.00 5,000.00 5,000.00	5.000% 2.125% 2.375% 2.500%	40,000.00	5,000.00	35,000.00
NJIB Fund Loan - Sewer Series 2019A-1 CW	2019	660,270.00	2023-2037 2038	33,573.04 33,573.25	N/A N/A	570,741.89	33,573.04	537,168.85
NJIB Trust Loan - Sewer Series 2019A-1 CW	2019	215,000.00	2023-2028 2029-2030 2031 2032 2033 2034-2038	10,000.00 10,000.00 10,000.00 10,000.00 15,000.00 15,000.00	5.000% 2.000% 2.125% 2.250% 2.500% 3.000%	200,000.00	10,000.00	190,000.00
NJIB Fund Loan - Water Series 2019A-1 DW	2019	399,019.00	2023-2037 2038	20,289.09 20,289.32	N/A N/A	344,914.76	20,289.09	324,625.67
NJIB Trust Loan - Water Series 2019A-1 DW	2019	135,000.00	2023-2028 2029-2030 2031 2032 2033 2034-2038	5,000.00 5,000.00 10,000.00 10,000.00 10,000.00 10,000.00	5.000% 2.000% 2.125% 2.250% 2.500% 3.000%	125,000.00	5,000.00	120,000.00
						<u>\$ 6,886,298.84</u>	<u>\$ 775,347.36</u>	<u>\$ 6,110,951.48</u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Water & Sewer Capital Serial Bonds Payable
For the Year Ended December 31, 2022

	<u>Date Issued</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2022</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2022</u>
			<u>Year</u>	<u>Amount</u>				
Water & Sewer Obligation Bond (Callable after 02-15-28)	04-11-18	\$ 904,000.00	02-15-23	\$ 35,000.00	3.00%			
			02-15-24	35,000.00	3.00%			
			02-15-25	35,000.00	3.13%			
			02-15-26	35,000.00	3.13%			
			02-15-27	40,000.00	3.13%			
			02-15-28	40,000.00	3.13%			
			02-15-29	40,000.00	3.13%			
			02-15-30	45,000.00	3.13%			
			02-15-31	45,000.00	3.13%			
			02-15-32	45,000.00	3.13%			
			02-15-33	50,000.00	3.13%			
			02-15-34	50,000.00	3.13%			
			02-15-35	50,000.00	3.25%			
			02-15-36	55,000.00	3.25%			
			02-15-37	55,000.00	3.25%			
			02-15-38	60,000.00	3.38%			
			02-15-39	60,000.00	3.50%	\$ 810,000.00	\$ 35,000.00	\$ 775,000.00

(Continued)

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Water & Sewer Capital Serial Bonds Payable
For the Year Ended December 31, 2022

	<u>Date Issued</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2022</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2022</u>
			<u>Year</u>	<u>Amount</u>				
Water & Sewer Utility Bond (Callable after 07-15-31)	11-04-21	\$ 5,385,000.00	07-15-23	\$ 220,000.00	3.000%			
			07-15-24	225,000.00	3.000%			
			07-15-25	230,000.00	3.000%			
			07-15-26	240,000.00	3.000%			
			07-15-27	245,000.00	3.000%			
			07-15-28	250,000.00	3.000%			
			07-15-29	255,000.00	3.000%			
			07-15-30	260,000.00	4.000%			
			07-15-31	265,000.00	2.000%			
			07-15-32	270,000.00	2.000%			
			07-15-33	275,000.00	2.000%			
			07-15-34	280,000.00	2.000%			
			07-15-35	285,000.00	2.000%			
			07-15-36	295,000.00	2.000%			
			07-15-37	300,000.00	2.000%			
			07-15-38	305,000.00	2.125%			
			07-15-39	315,000.00	2.125%			
			07-15-40	320,000.00	2.250%			
			07-15-41	330,000.00	2.250%	\$ 5,385,000.00	\$ 220,000.00	\$ 5,165,000.00

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Bonds and Notes Authorized but Not Issued
For the Year Ended December 31, 2022

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2021</u>	<u>2022 Authorizations</u>	<u>Balance Dec. 31, 2022</u>
General Improvements:				
WATER:				
Replacement of Water Treatment Plant	09-07	\$ 117,262.00		\$ 117,262.00
Water Mains	09-13a	87,050.88		87,050.88
Automatic Water Meter Reading System	09-13b	71,659.00		71,659.00
Redrilling Various Wells	20-22b		\$ 500,000.00	500,000.00
Redevelopment of Various Wells	20-22c		200,000.00	200,000.00
SEWER:				
Water and Sewer Main Improvements	20-22a		500,000.00	500,000.00
EQUIPMENT:				
Acquisition of Equipment	20-22d		100,000.00	100,000.00
		<u>\$ 275,971.88</u>	<u>\$ 1,300,000.00</u>	<u>\$ 1,575,971.88</u>

CITY OF GLOUCESTER CITY
PART II
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2022

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Gloucester City
Gloucester City, New Jersey 08030

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Gloucester City's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2022. The City's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the City of Gloucester City, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with 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; the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for its major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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 auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and Uniform Guidance, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

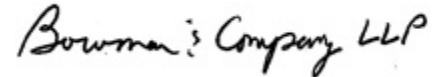
Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.


Report on Internal Control over Compliance (Cont'd)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Bowman & Company LLP".

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink that reads "Robert S. Marrone".

Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
September 25, 2023

GLOUCESTER CITY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

<u>Federal Grantor / Pass-through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Additional Award Identification</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>	
					<u>From</u>	<u>To</u>
U.S. Department of Treasury:						
Pass through New Jersey Department of Community Affairs						
Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	100-022-8030-687	\$ 1,174,276.50	03/03/21	12/31/24
U.S. Department of Housing and Urban Development:						
Community Development Block Grant						
Pass through New Jersey Department of Community Affairs						
Small Cities Block Grant Program	14.228	N/A	100-022-8017-040	400,000.00	01/01/21	12/31/22
Small Cities Owner-Occupied Housing Rehabilitation	14.228	N/A	100-022-8017-040	107,000.00	01/01/21	12/31/22
Small Cities Block Grant Program	14.228	N/A	100-022-8017-040	400,000.00	Unavailable	Unavailable
Small Cities Block Grant Program	14.228	COVID-19	100-022-8017-040	370,684.00	01/21/20	12/31/22
Total U.S. Department of Housing and Urban Development						
U.S. Department of Justice:						
Bulletproof Vest Partnership Program	16.607	N/A	N/A	2,000.00	09/30/21	09/30/23
Bulletproof Vest Partnership Program	16.607	N/A	N/A	2,000.00	09/30/22	09/30/24
Total U.S. Department of Justice						
U.S. Department of Transportation:						
Pass through New Jersey Department of Transportation						
Highway Planning and Construction Cluster						
Safe Routes to School Program	20.205	N/A	480-078-6300-ICT	155,719.40	Unavailable	Unavailable
Safe Routes to School Program	20.205	N/A	480-078-6300-XXX	343,000.00	Unavailable	Unavailable
Total Highway Planning and Construction Cluster						
Pass through New Jersey Department of Law and Public Safety						
Highway Safety Cluster:						
National Priority Safety Programs	20.616	N/A	100-066-1160-158	8,750.00	Unavailable	Unavailable
Total U.S. Department of Transportation						
U.S. Department of Homeland Security:						
Assistance to Firefighters Grant	97.044	N/A	N/A	269,697.27	09/13/20	09/12/22
Assistance to Firefighters Grant	97.044	N/A	N/A	166,488.11	09/13/21	09/12/23
Assistance to Firefighters Grant	97.044	N/A	N/A	89,144.50	09/13/22	09/12/24
Total Assistance to Firefighters Grant						
Staffing for Adequate Fire and Emergency Response	97.083	N/A	N/A	Unavailable	Unavailable	Unavailable
Total U.S. Department of Homeland Security						
Total Federal Financial Awards						

Federal and State Grant Fund - Appropriated Reserves
Federal and State Grant Fund - Unappropriated Reserves

The accompanying notes to financial statements and notes to the schedule of expenditures of federal awards are an integral part of this schedule.

GLOUCESTER CITY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Balance January 1, 2022	Receipts or Revenues Recognized	Adjustments	Passed- Through to Subrecipients	Total Federal Disbursements / Expenditures	Encumbrances	Balance December 31, 2022	(Memo Only)	
							Cash Receipts	Accumulated Expenditures
\$ 587,138.25	\$ 587,138.25	\$ -	\$ -	\$ 1,174,276.50	\$ -	\$ -	\$ 587,138.25	\$ 1,174,276.50
400,000.00 107,000.00	400,000.00 370,684.00			377,186.80 15,992.68	450.00 22,813.20 78,298.38	400,000.00 106,550.00 276,392.94	212,377.52	377,186.80 15,992.68
507,000.00	770,684.00	-	-	393,179.48	101,561.58	782,942.94	212,377.52	393,179.48
557.11	2,000.00				557.11 1,660.56	339.44		1,442.89
557.11	2,000.00	-	-	-	2,217.67	339.44	-	1,442.89
343,000.00		41,314.38		18,108.02	23,206.36	343,000.00	40,640.95	132,513.04
343,000.00	-	41,314.38	-	18,108.02	23,206.36	343,000.00	40,640.95	132,513.04
-	8,750.00	-	-	8,750.00	-	-	8,750.00	8,750.00
343,000.00	8,750.00	41,314.38	-	26,858.02	23,206.36	343,000.00	49,390.95	141,263.04
2,658.85 116,488.11	89,144.00	41,800.00		36,193.77 35,484.47	8,265.08	81,003.64 89,144.00	16,593.66 30,758.53	261,432.19 85,484.47
119,146.96	89,144.00	41,800.00	-	71,678.24	8,265.08	170,147.64	47,352.19	346,916.66
270.00	-	-	-	-	-	270.00	-	-
119,416.96	89,144.00	41,800.00	-	71,678.24	8,265.08	170,417.64	47,352.19	346,916.66
<u>\$ 1,557,112.32</u>	<u>\$ 1,457,716.25</u>	<u>\$ 83,114.38</u>	<u>\$ -</u>	<u>\$ 1,665,992.24</u>	<u>\$ 135,250.69</u>	<u>\$ 1,296,700.02</u>	<u>\$ 896,258.91</u>	<u>\$ 2,057,078.57</u>
\$ 969,974.07 587,138.25	\$ 870,578.00 587,138.25	\$ 83,114.38		\$ 491,715.74 1,174,276.50	\$ 135,250.69	\$ 1,296,700.02		
<u>\$ 1,557,112.32</u>	<u>\$ 1,457,716.25</u>	<u>\$ 83,114.38</u>	<u>\$ -</u>	<u>\$ 1,665,992.24</u>	<u>\$ 135,250.69</u>	<u>\$ 1,296,700.02</u>		

CITY OF GLOUCESTER CITY
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "schedule") include federal award activity of the City of Gloucester City (hereafter referred to as the "City") under programs of the federal government for the year ended December 31, 2022. The City is defined in note 1 to the financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule. Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position and changes in operations of the City.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported in accordance with the *Requirements of Audit* (the "*Requirements*") as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and present expenditures on the modified accrual basis of accounting with minor exceptions as mandated by the *Requirements*. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The expenditures reflected in the schedules are presented at the federal participation level; thus, any matching portion is not included.

Note 3: INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agrees with the amounts reported in the related federal financial reports.

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent encumbered amounts from the previous year that were restored to the grant balance in the current year.

Note 6: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

CITY OF GLOUCESTER CITY
PART III
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

CITY OF GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Adverse and Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	_____ yes <u> x </u> no
Significant deficiency(ies) identified?	<u> x </u> yes _____ none reported
Noncompliance material to financial statements noted?	<u> x </u> yes _____ no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ yes <u> x </u> no
Significant deficiency(ies) identified?	_____ yes <u> x </u> none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance)?	
	_____ yes <u> x </u> no

Identification of major programs:

Assistance Listings Number(s)

21.027

Name of Federal Program or Cluster

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000.00
Auditee qualified as low-risk auditee?	_____ yes <u> x </u> no

CITY OF GLOUCESTER CITY
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2022

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Not Applicable

Internal control over major programs:

Material weakness(es) identified?

_____ yes _____ no

Significant deficiency(ies) identified?

_____ yes _____ none reported

Type of auditor's report issued on compliance for major programs

Any audit findings disclosed that are required to be reported in
 accordance with New Jersey Circular 15-08-OMB?

_____ yes _____ no

Identification of major programs:

GMIS Number(s)

Name of State Program

Dollar threshold used to distinguish between type A and type B programs:

_____ \$ _____

Auditee qualified as low-risk auditee?

_____ yes _____ no

CITY OF GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

Section 2 - Schedule of Financial Statement Findings

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

Finding No. 2022-001 (Prior Year Finding 2021-001)

Criteria or Specific Requirement

Internal controls with respect to the expenditure of funds should be designed for effectiveness, efficiency and compliance with Local Public Contracts Law.

Condition

There were several instances of noncompliance with the expenditure of funds and the Local Public Contracts Law.

Context

The following items were found with respect to the expenditure of funds:

1. There were several instances where an expenditure was charged to an incorrect account.
2. Three expenditures did not have the proper authorization signature, vouchers and / or supporting documentation.
3. Two invoices did not foot properly and the City paid the invoice based off the incorrect total listed.
4. There were two instances where an expenditure did not have documentation that quotes were not obtained.

The following items were found with respect to the award of various bids and contracts:

1. In one instance, the City did not prepare a certificate of available funds and the advertisement of the award of the contract did not include an estimated dollar amount.
2. In one instance, the City did not obtain proper documentation for use of the national cooperative contract.

Effect or Potential Effect

The City did not fully comply with their internal control procedures related to the expenditure of funds and did not fully comply with the Local Public Contracts Law.

Cause

During the calendar year there were several individuals that were responsible for compliance with the City's procedures related to the expenditure of funds and the Local Public Contracts Law.

Recommendation

That greater care be exercised in complying with the expenditure of funds and the Local Public Contracts Law.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

CITY OF GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2022-002 (Prior Year Finding 2021-002)

Criteria or Specific Requirement

Strong internal control practices dictate that outside Police Off Duty billings to vendors should reconcile with the amounts paid to the officers per the City's payroll records. In addition, the City should ensure invoices are properly tracked and classified correctly.

Condition

Due to a lack of proper documentation and record keeping, vendor billings for the use of Off Duty Police were unable to be reconciled with the payroll records and receivables at the end of the year were not accurately recorded.

Context

During our audit of the City's outside Police Off Duty billings, we noted the following issues:

- There continue to be discrepancies between hours worked per invoices to vendors and hours worked per the officer's timesheets.
- Several instances when the City had not properly recorded an invoice as accounts receivable.

Effect or Potential Effect

There is an increased possibility of the City not properly billing outside vendors for police services provided. The proper amount of revenue may not be accurately recognized.

Cause

There was a breakdown in internal controls over the reconciliation between billings and the work that was performed.

Recommendation

The City should review their internal controls over Police Off Duty billings and payments through payroll to ensure the records are properly reconciled and receivables are properly recorded.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

CITY OF GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2022-003 (Prior Year Finding 2021-003)

Criteria or Specific Requirement

N.J.S.A. 40A:5-15 requires that all moneys received shall be deposited or turned over to the Treasurer within forty-eight hours of receipt.

Condition

Several deposits were not deposited within forty-eight hours. Additionally, a receiving date for several other deposits were not able to be determined.

Context

We tested several of the receipts into the City's various funds and determined the City was not in compliance with the Statutes.

Effect or Potential Effect

The City was not in compliance with N.J.S.A. 40A:5-15.

Cause

There was a breakdown in internal controls over receipts.

Recommendation

The City should deposit all receipts within forty-eight hours and ensure that proper documentation is maintained.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

CITY OF GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2022-004

Criteria or Specific Requirement

N.J.S.A. 40A:4-57 requires that the City not expend any money, incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such purpose.

Condition

One appropriation from the City's Utility budget was overexpended.

Context

During our testing of expenditures, we noted charges that needed to be reclassified to the 2022 budget, which resulted in that budget line being overexpanded.

Effect or Potential Effect

The City was not in compliance with N.J.S.A. 40A:4-57.

Cause

There was an oversight of where the expenditures were charged to in the City's Records.

Recommendation

The City should ensure that appropriations from the adopted budget are not overexpended.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

CITY OF GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2022-005

Criteria or Specific Requirement

Regional Contribution Agreement ("RCA") and Small Cities Loan balances are to be collected when the original property owner sells the property, or no longer lives in the home.

Condition

Several properties with RCA and Small Cities loan balances outstanding appear to have been sold or foreclosed during 2022, however, the loan balances were not collected or canceled by City Council.

Context

Of the 137 loan balances outstanding, five properties with loan balances at year-end, appear to have been sold or foreclosed upon, however, no payments were made on outstanding RCA and Small Cities loan balances totaling \$57,265.00.

Effect or Potential Effect

Future loans to property owners in need of assistance may be impacted as a result of not collecting the balances owed.

Cause

In consultation with loan program coordinator and chief financial officer, several properties may have been sold without the title search indicating a lien existed or the City was not notified that a sale of the property was occurring.

Recommendation

The City should implement procedures for identifying when Regional Contribution Agreement and Small Cities properties with loans are sold so that collections of outstanding loans are resolved.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address this matter as part of their corrective action plan.

CITY OF GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

Section 3 - Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

None.

CITY OF GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

Section 4 - Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

This section is not applicable, there is no state single audit.

CITY OF GLOUCESTER CITY
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2021-001

Condition

There were several instances of noncompliance with the expenditure of funds and the Local Public Contracts Law.

Current Status

The condition still exists. See Finding No. 2022-001.

Planned Corrective Action

The City will address this finding in the corrective action plan.

Finding No. 2021-002

Condition

Due to a lack of proper documentation and record keeping, vendor billings were unable to be reconciled with the payroll records and receivables at the end of the year were not accurately recorded.

Current Status

The condition still exists. See Finding No. 2022-002.

Planned Corrective Action

The City will address this finding in the corrective action plan.

Finding No. 2021-003

Condition

Several deposits were not deposited within forty-eight hours. Additionally, a receiving date for several other deposits were not able to be determined.

Current Status

The condition still exists. See Finding No. 2022-003.

Finding No. 2021-004

Condition

The City issued \$488,950.00 of General Capital Bonds for ordinances that had previously been funded.

Current Status

The finding has been resolved.

19700

CITY OF GLOUCESTER CITY
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management (Cont'd)

FEDERAL AWARDS

This section is not applicable, there was no federal single audit in the prior year.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

CITY OF GLOUCESTER CITY
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Dayl Baile	Mayor	
Nancy Randolph Baus	Councilperson	
George Berglund	Councilperson	
John Hutchinson	Councilperson	
James Johnson	Councilperson	
Robert J. Page	Councilperson	
Derek Timm	Councilperson	
James V. Davis	Tax Collector / Acting Chief Financial Officer	\$1,000,000.00 (B)
Lois Riding	Tax Search Officer	(A)
Vanessa Parent	Registered Municipal Clerk and Registrar of Vital Statistics	(A)
Brian Morrell	Acting Administrator / Police Chief	(A)
Charles Shimberg	Municipal Judge	1,000,000.00 (A)
Samantha Schules	Municipal Court Administrator	1,000,000.00 (A)
Howard Long	Solicitor	
John Dymond	Tax Assessor	(A)
Edward Gorman	Construction Code Official and Electrical Sub Code Official	(A)
Michael Hagan	Fire Chief	(A)

(A) Covered by a Public Employee Bond of \$1,000,000.00, with Camden County Joint Insurance Fund as participants in the Municipal Excess Liability Joint Insurance Fund.

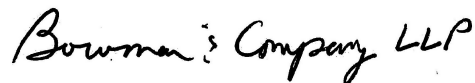
(B) Covered by a Public Employee Statutory Position Bond with Camden County Joint Insurance Fund as participants in the Municipal Excess Liability Joint Insurance Fund.

19700

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the City officials during the course of the audit.

Respectfully submitted,

A handwritten signature in black ink that reads "Bowman & Company LLP". The script is fluid and cursive.

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink that reads "Robert L. Maunre". The script is fluid and cursive.

Certified Public Accountant
Registered Municipal Accountant