

*Report of Audit*

*on the*

*Financial Statements  
and Supplementary Schedules*

*of the*

*Borough of Beachwood*

*in the*

*County of Ocean  
New Jersey*

*for the*

*Year Ended  
December 31, 2022*



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

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BOROUGH OF BEACHWOOD

PART I

INDEPENDENT AUDITOR'S REPORT

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NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2022



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Beachwood  
County of Ocean  
Beachwood, New Jersey 08722

### **Report on the Audit of the Financial Statements**

#### ***Adverse and Unmodified Opinions***

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account groups of the Borough of Beachwood (the "Borough"), as of and for the years ended December 31, 2022 and 2021, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

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

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account groups of the Borough as of December 31, 2022 and 2021, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2022.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets of the various individual funds and account groups as of December 31, 2022 and 2021, the regulatory basis statements of operations and changes in fund balance for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2022 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

# SUPLEE, CLOONEY & COMPANY

## ***Basis for Adverse and Unmodified Opinions***

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

## ***Matter Giving Rise to Adverse Opinion***

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

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

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

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

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

## SUPLEE, CLOONEY & COMPANY

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

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

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

### ***Supplementary Information***

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

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

# SUPLEE, CLOONEY & COMPANY

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2023 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Borough's internal control over financial reporting and compliance.

  
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CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

October 20, 2023

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CURRENT FUND

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**BALANCE SHEET - CURRENT FUND**

**Exhibit A**

**REGULATORY BASIS**

**Sheet 1 of 2**

**DECEMBER 31, 2022 AND 2021**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b><u>Assets</u></b>			
Cash	A-4	\$ 11,612,797.76	\$ 5,344,829.58
Cash - Change Fund		500.00	500.00
Cash - Petty Cash		600.00	600.00
		<u>11,613,897.76</u>	<u>5,345,929.58</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	444,157.79	367,520.89
Tax Title Liens Receivable	A-8	92,840.02	121,604.13
Property Acquired for Taxes		285,731.00	285,731.00
Revenue Accounts Receivable	A-9	5,264.02	15,967.71
Interfunds:			
Animal Control Trust Fund	A-13	15,469.49	10,124.69
Other Trust Fund	A-13	31,845.19	19,833.56
Water Utility Operating Fund	A-13	395,425.87	4,700.08
Payroll Fund	A-13	250,085.24	1,965.00
		<u>1,520,818.62</u>	<u>827,447.06</u>
		<u>13,134,716.38</u>	<u>6,173,376.64</u>
<b><u>Grant Fund</u></b>			
Interfund - Current Fund	A-14	401,144.38	725,035.52
Grants Receivable	A-15	8,276.25	61,264.25
		<u>409,420.63</u>	<u>786,299.77</u>
		<u>\$ 13,544,137.01</u>	<u>\$ 6,959,676.41</u>

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



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**BALANCE SHEET - CURRENT FUND**

Exhibit A

**REGULATORY BASIS**

Sheet 2 of 2

**DECEMBER 31, 2022 AND 2021**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Appropriation Reserves	A-3,10	\$ 503,622.70	\$ 140,780.03
Reserve for Encumbrances	A-3,10	190,875.58	390,266.24
Accounts Payable	A-10	67,739.77	
Due to PBA	A-4	16,720.25	4,327.50
Due to Township of Berkeley	A-4	29,755.00	16,858.80
Due for Performance of Ceremony	A-4	50.00	
Due State of New Jersey:			
Marriage License Fees	A-4	875.00	475.00
Chapter 20, P.L. 1971	A-6	11,224.40	14,828.56
Tax Overpayments	A-4,5	23,766.55	18,545.38
Prepaid Taxes	A-5,7	284,245.22	227,804.30
County Taxes Payable	A-11	27,553.71	12,022.60
Regional District School Tax Payable	A-12	7,287,888.67	2,180,288.51
Reserve for:			
Proceeds from Sale of Municipal Assets	A-4	146,205.00	61,780.00
Interfunds:			
General Capital Fund	A-13	988,884.69	
Grant Fund	A-14	401,144.38	725,035.52
		<u>9,980,550.92</u>	<u>3,793,012.44</u>
Reserve for Receivables and Other Assets		1,520,818.62	827,447.06
Fund Balance	A-1	1,633,346.84	1,552,917.14
		<u>13,134,716.38</u>	<u>6,173,376.64</u>
<b><u>Grant Fund</u></b>			
Appropriated Reserves	A-16	116,105.98	160,814.43
Reserve for Encumbrances	A-16		33,480.00
Unappropriated Reserves	A-17	293,314.65	592,005.34
		<u>409,420.63</u>	<u>786,299.77</u>
		<u>\$ 13,544,137.01</u>	<u>\$ 6,959,676.41</u>

There were deferred school taxes on December 31, 2022 and 2021 of \$2,190,697.00 (Schedule A-12);

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-1

**STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**    Sheet 1 of 2

**REGULATORY BASIS**

	<u>Ref.</u>	<u>Year 2022</u>	<u>Year 2021</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	A-2	\$ 453,725.00	\$ 1,300,000.00
Miscellaneous Revenue Anticipated	A-2	2,382,621.14	1,697,273.94
Receipts from Delinquent Taxes	A-2	391,655.59	441,307.41
Receipts from Current Taxes	A-2	21,367,305.49	20,646,138.03
Non-Budget Revenues	A-2	152,369.71	181,686.44
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	164,725.63	542,645.98
Interfund Loans Returned			5,433.94
Correct Due to Berkeley Township			4,050.40
Return of Prior Year Overpayment Refund	A-4	1,501.52	
Statutory Excess in Animal Control Trust Fund	A-13	5,034.80	4,304.45
Total Income		<u>24,918,938.88</u>	<u>24,822,840.59</u>
<b><u>Expenditures</u></b>			
Budget Appropriations within Caps:			
Operations:			
Salaries and Wages		4,218,100.00	4,007,660.00
Other Expenses		3,450,110.00	3,665,857.00
Deferred Charges and Statutory Expenditures		1,168,104.00	1,173,539.00
Budget Appropriations excluded from Caps:			
Operations:			
Salaries and Wages			32,400.00
Other Expenses		50,039.95	160,647.26
Capital Improvements		90,000.00	90,000.00
Municipal Debt Service		1,318,128.02	1,320,713.41
	A-3	<u>10,294,481.97</u>	<u>10,450,816.67</u>
Refund of Prior Year Revenues			7,416.84
County Taxes	A-11	3,955,514.76	3,729,953.87
Regional District School Taxes	A-12	9,478,585.00	9,121,452.00
Interfund Loans Advanced	A-13	656,202.45	
Total Expenditures		<u>24,384,784.18</u>	<u>23,309,639.38</u>

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-1

**STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE** Sheet 2 of 2

**REGULATORY BASIS**

	<u>Ref.</u>	<u>Year 2022</u>	<u>Year 2021</u>
Excess in Revenue		\$ 534,154.70	\$ 1,513,201.21
Fund Balance January 1	A	<u>1,552,917.14</u>	<u>1,339,715.93</u>
		<u>2,087,071.84</u>	<u>2,852,917.14</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>453,725.00</u>	<u>1,300,000.00</u>
Fund Balance December 31	A	<u>\$ 1,633,346.84</u>	<u>\$ 1,552,917.14</u>

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-2

**STATEMENT OF REVENUES - REGULATORY BASIS**

Sheet 1 of 2

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 453,725.00	\$ 453,725.00	\$
<b><u>Miscellaneous Revenues</u></b>				
Licenses:				
Alcoholic Beverages	A-9	3,801.00	4,161.64	360.64
Fees and Permits	A-9	49,000.00	57,738.10	8,738.10
Fines and Costs:				
Municipal Court	A-9	42,000.00	92,135.77	50,135.77
Interest and Costs on Taxes	A-5	60,000.00	101,952.68	41,952.68
Mercantile Licenses	A-9	7,000.00	5,782.40	(1,217.60)
State Aid:				
Energy Receipts Tax	A-9	664,673.00	664,673.00	
Municipal Relief Fund	A-9	34,672.00	34,671.93	(0.07)
Special Items of Revenue:				
Federal and State Revenues Off-Set with Appropriations:				
Body Armor Grant	A-14	1,189.95	1,189.95	
Uniform Fire Safety Act	A-9	3,000.00	4,434.30	1,434.30
American Rescue Plan Act	A-9	1,184,010.68	1,184,010.69	.01
Lease for Mobile Telephone Cell Site	A-9	200,000.00	231,870.68	31,870.68
Total Miscellaneous Revenues	A-1	2,249,346.63	2,382,621.14	133,274.51
Receipts from Delinquent Taxes	A-1,7	341,000.00	391,655.59	50,655.59
Subtotal General Revenues		3,044,071.63	3,228,001.73	183,930.10
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	8,250,023.38	8,927,518.06	677,494.68
Total General Revenues		11,294,095.01	12,155,519.79	861,424.78
Non-Budget Revenues	A-1,2		152,369.71	152,369.71
		\$ 11,294,095.01	\$ 12,307,889.50	\$ 1,013,794.49

Ref. A-3

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-2

**STATEMENT OF REVENUES - REGULATORY BASIS**

Sheet 2 of 2

	<u>Ref.</u>	
<b><u>Analysis of Realized Revenues</u></b>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,7	\$ 21,367,305.49
Allocated to:		
School and County Taxes	A-1	<u>13,434,099.76</u>
Balance for Support of Municipal Budget Appropriations		7,933,205.73
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>994,312.33</u>
 Amount for Support of Municipal Budget Appropriations	 A-2	 <u>\$ 8,927,518.06</u>
 Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-7	\$ 353,535.23
Tax Title Lien Collections	A-8	<u>38,120.36</u>
	A-1,2	<u>\$ 391,655.59</u>
 <b><u>Analysis of Non-Budget Revenue</u></b>		
Miscellaneous Revenue not Anticipated:		
Administration Charge for Off Duty Police		\$ 5,493.50
Administration Fee (Ch. 20, P.L. 1971)		1,335.00
Beach Badges		5,204.00
Cable Television Franchise Fee		64,614.29
Cost of Advertising		1,841.29
DMV Inspection Fees		250.00
Impound Yard Fees		9,490.00
Interest on Deposits		26,700.05
National Opioids Settlement		10,116.98
Other		6,429.90
Police Reports		2,927.00
Refunds		3,004.43
Refuse Containers		5,715.00
Shared Services - Borough of Pine Beach		<u>9,248.27</u>
	A-2	<u>\$ 152,369.71</u>

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 1 of 7

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b>OPERATIONS WITHIN CAPS</b>					
<b>General Government Functions</b>					
Administrative and Executive					
Salaries and Wages	\$ 100.00	\$ 100.00	\$	100.00	\$
Other Expenses	2,000.00	2,000.00	1,528.25	471.75	
Mayor and Council					
Salaries and Wages	126,275.00	126,275.00	126,234.78	40.22	
Other Expenses	2,375.00	4,375.00	4,298.34	76.66	
Municipal Clerk					
Salaries and Wages	117,300.00	98,300.00	98,058.72	241.28	
Other Expenses:					
Advertising and Public Relations	2,825.00	4,325.00	2,765.16	1,559.84	
Postage	19,400.00	19,400.00	18,927.03	472.97	
Miscellaneous Other Expenses	32,900.00	38,900.00	36,147.39	2,752.61	
Elections					
Other Expenses	3,800.00	3,800.00	3,649.40	150.60	
Financial Administration					
Salaries and Wages	89,500.00	80,500.00	77,337.57	3,162.43	
Other Expenses	44,400.00	44,400.00	44,400.00		
Audit Services					
Other Expenses	34,000.00	34,000.00	32,500.00	1,500.00	
Collection of Taxes					
Salaries and Wages	56,500.00	56,500.00	55,508.65	991.35	
Other Expenses:					
Miscellaneous Other Expenses	4,200.00	4,200.00	3,854.49	345.51	
Tax Sale Costs	850.00	850.00	850.00		
Liquidation of Tax Title Liens and Foreclosed Property					
Other Expenses	2,000.00	2,000.00		2,000.00	
Assessment of Taxes					
Salaries and Wages	27,225.00	27,225.00	27,213.94	11.06	
Other Expenses	3,915.00	3,915.00	3,790.56	124.44	

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 2 of 7

	Appropriated		Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget				Reserved		
Legal Services and Costs	\$	121,000.00	\$	116,364.41	\$	4,635.59	\$
Other Expenses							
Engineering Services and Costs		80,000.00		54,356.25		25,643.75	
Other Expenses							
Planning Board							
Salaries and Wages		17,000.00		16,941.49		58.51	
Other Expenses		4,925.00		3,243.55		1,681.45	
Environmental Commission							
Other Expenses		300.00		129.84		170.16	
Insurance							
General Liability		160,000.00		115,000.00			
Workers Compensation		120,000.00		120,000.00			
Employee Group Insurance		850,000.00		807,994.63		115,005.37	
Unemployment Insurance		50.00		50.00		50.00	
Health Benefit Waivers		50,000.00		27,291.69		22,708.31	
<b><u>Public Safety Functions</u></b>							
Police							
Salaries and Wages:							
Chiefs and Officers		1,212,989.32		1,167,388.85		45,600.47	
Crossing Guards		35,000.00		32,039.14		2,960.86	
American Rescue Plan Act		1,184,010.68		1,184,010.68			
Other Expenses:							
Police Vehicle Acquisition		46,000.00		39,288.00		6,712.00	
Miscellaneous		117,200.00		128,700.72		3,999.28	
Office of Emergency Management							
Salaries and Wages		6,000.00		5,986.72		13.28	
Other Expenses		300.00		825.00		975.00	
Aid to Volunteer Fire Companies							
Other Expenses		46,170.00		46,156.28		13.72	
Aid to Volunteer Ambulance Companies							
Other Expenses		19,000.00		19,000.00			
Other Expenses - Training		5,000.00		5,000.00			

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 3 of 7

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Court	\$ 151,000.00	\$ 158,500.00	\$ 155,653.78	\$ 2,846.22	\$
Salaries and Wages					
Other Expenses	5,300.00	6,300.00	5,473.37	826.63	
Uniform Fire Safety Act Fire Official					
Salaries and Wages	20,000.00	20,000.00	19,792.91	207.09	
Other Expenses	7,550.00	7,550.00	5,885.34	1,664.66	
Fire Services Program					
Fire Hydrant Services	12,600.00	12,600.00	12,600.00		
P.E.O.S.H.A.	19,700.00	19,700.00	18,986.77	713.23	
Municipal Prosecutor					
Other Expenses	17,000.00	17,000.00	16,632.00	368.00	
<b><u>Public Works Functions</u></b>					
Streets and Roads Maintenance					
Salaries and Wages	49,700.00	49,700.00	49,230.93	469.07	
Other Expenses	28,000.00	28,000.00	27,880.88	119.12	
Snow Removal					
Other Expenses	10,000.00	10,000.00	7,934.25	2,065.75	
Other Public Works Functions					
Salaries and Wages	215,000.00	215,000.00	213,253.42	1,746.58	
Other Expenses	26,000.00	26,000.00	22,581.80	3,418.20	
Solid Waste Collection					
Salaries and Wages	395,000.00	395,000.00	393,577.89	1,422.11	
Other Expenses	32,000.00	32,000.00	29,175.78	2,824.22	
Recycling Program					
Salaries and Wages	111,000.00	111,000.00	110,984.47	15.53	
Other Expenses	41,000.00	41,000.00	32,717.86	8,282.14	
Buildings and Grounds					
Salaries and Wages	153,000.00	153,000.00	152,379.28	620.72	
Other Expenses	105,000.00	105,000.00	65,462.94	39,537.06	

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



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 4 of 7

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Equipment Maintenance	\$ 96,000.00	\$ 96,000.00	\$ 95,730.41	\$ 269.59	\$
Salaries and Wages	170,000.00	170,000.00	124,232.24	45,767.76	
Other Expenses					
P.E.O.S.H.A.					
Public Works					
Other Expenses	1,000.00	1,000.00		1,000.00	
<b><u>Health and Human Services</u></b>					
Animal Control Services					
Other Expenses	5,000.00	5,000.00	4,116.20	883.80	
<b><u>Park and Recreation Functions</u></b>					
Board of Recreation Commissioners					
Other Expenses	8,000.00	8,000.00	7,725.01	274.99	
Maintenance of Parks and Playgrounds					
Other Expenses	6,900.00	6,900.00	6,403.76	496.24	
Lifeguards and Special Officers					
Salaries and Wages	14,000.00	14,000.00	12,677.50	1,322.50	
Other Expenses	500.00	500.00		500.00	
Beach Maintenance					
Other Expenses	3,100.00	3,100.00	945.00	2,155.00	
<b><u>Education Functions</u></b>					
Participation in Free County Library					
Other Expenses	5,000.00	5,000.00		5,000.00	
<b><u>Other Common Operating Functions</u></b>					
Celebration of Public Events					
Other Expenses	500.00	500.00	275.00	225.00	
<b><u>Solid Waste Disposal Costs</u></b>					
Disposal Costs					
Other Expenses	600,000.00	600,000.00	581,743.39	18,256.61	

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 5 of 7

	<u>Appropriated</u>			<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>		<u>Paid or Charged</u>	<u>Reserved</u>	
Construction Official						
<u>Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>						
Construction Official						
Salaries and Wages	\$ 55,500.00	\$ 55,500.00	\$	55,115.62	\$ 384.38	\$
Other Expenses	5,500.00	5,500.00		5,005.87	494.13	
Code Enforcement and Zoning Officer						
Salaries and Wages	56,500.00	56,500.00		56,475.88	24.12	
Other Expenses	12,350.00	12,350.00		7,308.85	5,041.15	
<u>Unclassified</u>						
Utilities:						
Electricity	115,000.00	125,500.00		117,531.52	7,968.48	
Street Lighting	65,000.00	65,000.00		61,722.55	3,277.45	
Telephone and Telegraph	38,000.00	38,000.00		32,735.03	5,264.97	
Natural Gas	40,000.00	30,000.00		29,431.26	568.74	
Gasoline, Diesel Fuel and Oil	290,000.00	254,500.00		234,372.07	20,127.93	
Cell Telephones	22,000.00	22,000.00		21,894.40	105.60	
Sick Leave Trust	15,000.00	15,000.00		15,000.00		
Total Operations within Caps	<u>7,668,210.00</u>	<u>7,668,210.00</u>		<u>7,237,426.76</u>	<u>430,783.24</u>	
Detail:						
Salaries and Wages	4,238,600.00	4,218,100.00		4,132,884.32	85,215.68	
Other Expenses	3,429,610.00	3,450,110.00		3,104,542.44	345,567.56	
<u>STATUTORY EXPENDITURES WITHIN CAPS</u>						
Contribution to:						
Public Employees Retirement System	236,733.00	236,733.00		236,733.00		
Social Security System	324,450.00	324,450.00		301,295.92	23,154.08	
Police and Fireman's Retirement System	603,921.00	603,921.00		603,921.00		
Defined Contribution Retirement System	3,000.00	3,000.00		2,164.62	835.38	
Total Statutory Expenditures within Caps	<u>1,168,104.00</u>	<u>1,168,104.00</u>		<u>1,144,114.54</u>	<u>23,989.46</u>	
Total Appropriations within Caps	<u>8,836,314.00</u>	<u>8,836,314.00</u>		<u>8,381,541.30</u>	<u>454,772.70</u>	

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 6 of 7

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b><u>OPERATIONS EXCLUDED FROM CAPS</u></b>					
LOSAP					
Other Expenses	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$
Disposal Costs (P.L. 2007, Ch 311)					
Other Expenses	1,850.00	1,850.00		1,850.00	
<b><u>Public and Private Programs Offset by Revenues</u></b>					
Matching Funds for Grants	7,000.00	7,000.00		7,000.00	
Body Armor Fund	1,189.95	1,189.95	1,189.95		
Total Operations excluded from Caps	50,039.95	50,039.95	1,189.95	48,850.00	
Detail:					
Salaries and Wages	50,039.95	50,039.95	1,189.95	48,850.00	
Other Expenses					
<b><u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u></b>					
Capital Improvement Fund	90,000.00	90,000.00	90,000.00		
<b><u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u></b>					
Payment of Bond Principal	765,000.00	765,000.00	765,000.00		
Payment of Bond Anticipation Notes and Capital Notes	314,000.00	314,000.00	314,000.00		
Interest on Bonds	97,725.00	97,725.00	92,725.00		5,000.00
Interest on Notes	118,690.00	118,690.00	118,690.00		
New Jersey Economic Development Authority					
Municipal Infrastructure Fund Loan					
Principal	10,000.00	10,000.00	10,000.00		
Municipal Infrastructure Trust Loan					
Principal	11,013.73	11,013.73	11,013.73		
Interest	7,000.00	7,000.00	6,699.29		300.71
Total Municipal Debt Service excluded from Caps	1,323,428.73	1,323,428.73	1,318,128.02		5,300.71
Total General Appropriations excluded from Caps	1,463,468.68	1,463,468.68	1,409,317.97	48,850.00	5,300.71

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 7 of 7

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Subtotal General Appropriations	\$ 10,299,782.68	\$ 10,299,782.68	\$ 9,790,859.27	\$ 503,622.70	\$ 5,300.71
Reserve for Uncollected Taxes	994,312.33	994,312.33	994,312.33		
Total General Appropriations	\$ 11,294,095.01	\$ 11,294,095.01	\$ 10,785,171.60	\$ 503,622.70	\$ 5,300.71
		A-1	A-3	A	A-1
Budget		\$ 11,294,095.01			
Disbursements			\$ 9,598,793.74		
Reserve for:					
Uncollected Taxes			994,312.33		
Encumbrances			190,875.58		
Interfunds:					
Grant Fund			1,189.95		
			\$ 10,785,171.60		

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

TRUST FUND

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**BALANCE SHEET - TRUST FUNDS**

**Exhibit B**

**REGULATORY BASIS**

**DECEMBER 31, 2022 AND 2021**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b><u>Assets</u></b>			
<b><u>Animal Control Trust Fund</u></b>			
Cash	B-1	\$ 25,653.29	\$ 21,087.09
<b><u>Other Trust</u></b>			
Cash	B-1	2,318,635.11	2,005,926.14
Grants Receivable	B-4	12,460.31	6,482.01
		<u>2,331,095.42</u>	<u>2,012,408.15</u>
		\$ <u>2,356,748.71</u>	\$ <u>2,033,495.24</u>
<b><u>Liabilities and Reserves</u></b>			
<b><u>Animal Control Trust Fund</u></b>			
Due State of New Jersey	B-2	\$ 1.20	\$
Reserve for Expenditures	B-3	10,182.60	10,962.40
Interfund - Current Fund	B-6	15,469.49	10,124.69
		<u>25,653.29</u>	<u>21,087.09</u>
<b><u>Other Trust</u></b>			
Miscellaneous Reserves	B-5	2,299,250.23	1,992,574.59
Interfund - Current Fund	B-6	31,845.19	19,833.56
		<u>2,331,095.42</u>	<u>2,012,408.15</u>
		\$ <u>2,356,748.71</u>	\$ <u>2,033,495.24</u>

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

GENERAL CAPITAL FUND

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**BALANCE SHEET - GENERAL CAPITAL FUND**

**Exhibit C**

**REGULATORY BASIS**

**DECEMBER 31, 2022 AND 2021**

	<b><u>Ref.</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b><u>Assets</u></b>			
Cash	C-2	\$ 991,440.42	\$ 1,766,252.46
NJEIT Loan Receivable	C-3	101,905.00	101,905.00
Deferred Charges to Future Taxation:			
Funded	C-4	4,926,373.89	2,660,387.62
Unfunded	C-5	9,440,831.15	12,803,716.00
Interfunds:			
Current Fund	C-7	988,884.69	
Water Utility Operating Fund	C-7	238,148.63	
		<u>\$ 16,687,583.78</u>	<u>\$ 17,332,261.08</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Capital Improvement Fund	C-6	\$ 101,769.75	\$ 24,269.75
Interfund - Water Utility Capital Fund	C-7	58,324.99	
Improvement Authorizations:			
Funded	C-8	283,802.18	239,893.62
Unfunded	C-8	2,839,909.69	3,121,587.21
Reserve for Encumbrances	C-8	111,205.51	853,792.97
Serial Bonds	C-9	4,677,000.00	2,390,000.00
NJEIT Loan Payable:			
Trust Loan	C-10	145,000.00	155,000.00
Fund Loan	C-11	104,373.89	115,387.62
Bond Anticipation Notes	C-12	7,912,000.00	10,343,000.00
Reserve for Retirement of Debt	C-3	191,184.84	
Fund Balance	C-1	263,012.93	89,329.91
		<u>\$ 16,687,583.78</u>	<u>\$ 17,332,261.08</u>

There were bonds and notes authorized but not issued on December 31, 2022 of \$1,528,831.15 for general improvements (Schedule C-13) and on December 31, 2021 of \$2,460,716.00 for general improvements.

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



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-1**

**STATEMENT OF FUND BALANCE - REGULATORY BASIS**

	<u>Ref.</u>		
Balance December 31, 2021	<u>C</u>		\$ 89,329.91
Increased by:			
Premium on Sale of Bonds	C-2	\$ 111,991.72	
Premium on Sale of Notes	C-2	<u>61,691.30</u>	
			<u>173,683.02</u>
Balance December 31, 2022	C		<u>\$ 263,012.93</u>

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

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WATER UTILITY FUND

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**BALANCE SHEET - WATER UTILITY FUND**

Exhibit D

**REGULATORY BASIS**

Sheet 1 of 2

**DECEMBER 31, 2022 AND 2021**

	<b><u>Ref.</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b><u>Assets</u></b>			
Operating Fund:			
Cash	D-5	\$ 1,490,752.79	\$ 977,731.01
Cash - Change Fund		200.00	200.00
		<u>1,490,952.79</u>	<u>977,931.01</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	219,512.08	330,162.95
Other Receivables:			
Interfund - Water Utility Capital Fund	D-5	44,600.00	
Total Operating Fund		<u>1,755,064.87</u>	<u>1,308,093.96</u>
Capital Fund:			
Cash	D-5	370,556.50	509,260.95
Fixed Capital	D-8	13,410,998.87	13,410,998.87
Fixed Capital Authorized and Uncompleted	D-9	4,000,000.00	4,000,000.00
Interfund - General Capital Fund	D-13	58,324.99	
Total Capital Fund		<u>17,839,880.36</u>	<u>17,920,259.82</u>
		<u>\$ 19,594,945.23</u>	<u>\$ 19,228,353.78</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Operating Fund:			
Appropriation Reserves	D-4,10	\$ 112,075.54	\$ 27,482.73
Reserve for Encumbrances	D-4,10	48,262.25	121,669.11
Accounts Payable	D-10	20,886.70	
Interfunds:			
Current Fund	D-5	395,425.87	4,700.08
General Capital Fund	D-5	238,148.63	
Payroll Fund	D-5	113,698.38	
Prepaid Rents	D-5,7	71,649.29	97,806.31
Accrued Interest on Bonds, Loans and Notes	D-11	105,299.48	73,107.09
		<u>1,105,446.14</u>	<u>324,765.32</u>
Reserve for Receivables		219,512.08	330,162.95
Fund Balance	D-1	430,106.65	653,165.69
Total Operating Fund		<u>1,755,064.87</u>	<u>1,308,093.96</u>

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**BALANCE SHEET - WATER UTILITY FUND**

**Exhibit D**

**REGULATORY BASIS**

**Sheet 2 of 2**

**DECEMBER 31, 2022 AND 2021**

<b><u>Liabilities, Reserves and Fund Balance (Continued)</u></b>	<b><u>Ref.</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Capital Fund:			
Capital Improvement Fund	D-12	\$ 33,450.00	\$ 30,550.00
Interfund - Water Utility Operating Fund	D-5	44,600.00	
Improvement Authorizations:			
Funded	D-14	9,565.76	
Unfunded	D-14	540,381.42	637,031.63
Reserve for Encumbrances	D-14	119,704.69	171,324.69
Reserve for Amortization	D-15	9,682,293.06	9,339,417.43
Deferred Reserve for Amortization	D-16	355,031.00	223,748.00
Serial Bonds	D-17	3,562,000.00	1,135,000.00
N.J. Environmental Infrastructure:			
Trust Loan	D-18	701,956.80	805,701.13
Fund Loan	D-19	294,083.59	394,497.89
Bond Anticipation Notes	D-20	2,286,000.00	4,983,000.00
Fund Balance	D-2	210,814.04	199,989.05
Total Capital Fund		<u>17,839,880.36</u>	<u>17,920,259.82</u>
		<u>\$ 19,594,945.23</u>	<u>\$ 19,228,353.78</u>

There were bonds and notes authorized but not issued on December 31, 2022 of \$529,634.42 for utility improvements (Schedule D-21) and on December 31, 2021 of \$529,634.42 for utility improvements.

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY OPERATING FUND**

**Exhibit D-1**

**STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**

**REGULATORY BASIS**

	<b><u>Ref.</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	D-3	\$ 496,350.00	\$ 300,000.00
Water Rents	D-3	1,961,561.91	1,835,001.06
Fire Hydrant Services	D-3	12,600.00	12,600.00
Capital Fund - Fund Balance	D-3	47,500.00	47,551.60
Miscellaneous Revenue Anticipated	D-3	49,889.63	60,486.04
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	31,043.85	104,629.13
Total Income		<u>2,598,945.39</u>	<u>2,360,267.83</u>
<b><u>Expenditures</u></b>			
Operating	D-4	1,543,100.00	1,427,100.00
Capital Improvements	D-4	7,900.00	7,900.00
Debt Service	D-4	659,254.43	528,935.54
Deferred Charges and Statutory Expenditures	D-4	115,400.00	109,100.00
Total Expenditures		<u>2,325,654.43</u>	<u>2,073,035.54</u>
Excess in Revenue		273,290.96	287,232.29
Fund Balance January 1	D	653,165.69	665,933.40
		<u>926,456.65</u>	<u>953,165.69</u>
Decreased by:			
Utilization by Water Operating Budget	D-1	496,350.00	300,000.00
Fund Balance December 31	D	<u>\$ 430,106.65</u>	<u>\$ 653,165.69</u>

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY CAPITAL FUND**

**Exhibit D-2**

**STATEMENT OF FUND BALANCE - REGULATORY BASIS**

	<u>Ref.</u>	
Balance December 31, 2021	<u>D</u>	\$ 199,989.05
Increased by:		
Premium on Sale of Bonds and Notes	D-5	<u>58,324.99</u>
		258,314.04
Decreased by:		
Payment to Water Operating Fund as Anticipated Revenue	D-5	<u>47,500.00</u>
Balance December 31, 2022	D	<u><u>\$ 210,814.04</u></u>

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY OPERATING FUND**

**Exhibit D-3**

**STATEMENT OF REVENUES - REGULATORY BASIS**

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 496,350.00	\$ 496,350.00	\$ _____
Miscellaneous	D-1,3	38,500.00	49,889.63	11,389.63
Fire Hydrant Service	D-1,5	12,600.00	12,600.00	
Rents	D-1,7	1,745,000.00	1,961,561.91	216,561.91
Special Items of Revenue:				
Capital Fund - Fund Balance	D-1,5	47,500.00	47,500.00	
		<u>1,843,600.00</u>	<u>2,071,551.54</u>	<u>227,951.54</u>
		\$ <u>2,339,950.00</u>	\$ <u>2,567,901.54</u>	\$ <u>227,951.54</u>
	<u>Ref.</u>	D-4		

**Analysis of Miscellaneous Revenue**

Fire Protection Services		\$ 641.00
Connection Fees		30,000.00
Interest on Deposits		3,676.08
Interest on Delinquent Accounts		<u>15,572.55</u>
	D-3,5	\$ <u>49,889.63</u>

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



BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY OPERATING FUND

Exhibit D-4

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
Operating						
Salaries and Wages	\$ 705,000.00	\$	705,000.00	\$ 660,497.03	\$ 44,502.97	\$
Other Expenses	838,100.00		838,100.00	784,588.91	53,511.09	
Capital Improvements						
Capital Improvement Fund	2,900.00		2,900.00	2,900.00		
Capital Outlay	5,000.00		5,000.00		5,000.00	
Debt Service						
Payment of Bond Principal	120,000.00		120,000.00			
Payment of Bond Anticipation Notes	150,000.00		150,000.00			
Interest on Bonds	52,550.00		52,550.00			
Interest on Notes	105,000.00		105,000.00			7,791.68
Infrastructure Loans:						
Principal	206,000.00		206,000.00			1,841.37
Interest	40,000.00		40,000.00			4,662.52
Deferred Charges and Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	59,200.00		59,200.00			
Social Security System	56,100.00		56,100.00		8,961.48	
Unemployment Compensation Insurance	100.00		100.00		100.00	
	<u>\$ 2,339,950.00</u>		<u>\$ 2,339,950.00</u>	<u>\$ 2,213,578.89</u>	<u>\$ 112,075.54</u>	<u>\$ 14,295.57</u>
	<b>Ref.</b>	D-3	D-1		D	D-1
Reserve for Encumbrances				\$ 48,262.25		
Disbursements				1,980,220.84		
Accrued Interest on Bonds, Loans and Notes				185,095.80		
				<u>\$ 2,213,578.89</u>		

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

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PAYROLL FUND

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**BALANCE SHEET - PAYROLL FUND**

**Exhibit G**

**REGULATORY BASIS**

**DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b><u>Assets</u></b>		
Cash	\$ 310,716.17	\$ 3,126.75
Interfund - Water Operating Fund	<u>113,698.38</u>	<u>                    </u>
	<u>\$ 424,414.55</u>	<u>\$ 3,126.75</u>
<b><u>Liabilities</u></b>		
Interfund - Current Fund	\$ 250,085.24	\$ 1,965.00
Payroll Deductions Payable	<u>174,329.31</u>	<u>1,161.75</u>
	<u>\$ 424,414.55</u>	<u>\$ 3,126.75</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**BALANCE SHEET - GENERAL FIXED ASSETS ACCOUNT GROUP**

**Exhibit H**

**REGULATORY BASIS**

**DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b><u>Assets</u></b>		
General Fixed Assets:		
Land	\$ 20,288,400.00	\$ 20,288,400.00
Buildings	3,438,607.63	3,438,607.63
Improvements - Other than Buildings	1,768,552.78	1,683,948.30
Machinery and Equipment	8,140,492.65	7,897,356.01
	<u>\$ 33,636,053.06</u>	<u>\$ 33,308,311.94</u>
<b><u>Liabilities</u></b>		
Investment in General Fixed Assets	<u>\$ 33,636,053.06</u>	<u>\$ 33,308,311.94</u>

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

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The financial statements of the Borough of Beachwood, County of Ocean, New Jersey (the "Borough"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the regional board of education, first aid organization or volunteer fire companies which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements. The financial statements of the Beachwood Sewerage Authority are reported separately.

**B. Descriptions of Funds**

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

The accounting policies of the Borough conform to the accounting principles applicable to municipalities which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differs from the fund structure required by generally accepted accounting principles ("GAAP"):

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

**Animal Control Trust Fund** - animal control license revenues and expenditures.

**Other Trust Fund** - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

**General Capital Fund** - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Description of Funds (Continued)**

**Water Utility Operating Fund** - revenues and expenditures necessary to operate a municipally owned water supply system from user fees.

**Water Utility Capital Fund** - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of water capital facilities, other than those acquired through the Water Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

**Payroll Fund** - receipt and disbursement for payroll costs and payroll taxes.

**General Fixed Assets Account Group** - used to account for fixed assets used in general government operations.

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. The more significant differences are as follows:

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

**Property Taxes and Other Revenues** - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**Grant Revenues** - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

**Expenditures** - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

**Encumbrances** - contractual orders at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**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 additions to income. Appropriation reserves do not exist under GAAP.

**Deferred Charges** - the regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

**Compensated Absences** - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The expenditures in the Water Utility Operating Fund would be on a full accrual basis. The compensated absence liability at December 31, 2022 is set forth in Note 4.

**Property Acquired for Taxes** - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded at its market value.

**Sale of Municipal Assets** - Cash proceeds from the sale of Borough owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

**Interfunds** - advances in the Current Fund are reported as interfund receivables with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**General Fixed Assets** - In accordance with the New Jersey Administrative Code, as promulgated by the Division, which differs in certain respects from GAAP, the Borough has developed a fixed assets accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are required to be accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

GAAP does not require utilization of a general fixed asset account group.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is not recorded in the General Fixed Assets Account Group.

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

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

**Utility Fixed Assets** - Accounting for utility fund "fixed capital" remains unchanged.

Property and equipment purchased by the Water Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the costs of acquisitions of property, equipment and improvements.

Property and equipment of the Water Utility Fund are not depreciated. Principal payments for Water Utility debt are recorded as expenditures in the Water Utility Statement of Operations.

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**General Fixed Assets (Continued)**

During 2022 and 2021 the following changes occurred in the fixed assets of the Borough:

	<b>Balance</b>	<b>Expended</b>	<b>Balance</b>
	<b>Jan. 1, 2022</b>	<b>from</b>	<b>Dec. 31, 2022</b>
		<b>Current or</b>	
		<b>Capital Fund</b>	
General Fixed Assets Account Group:			
Land	\$ 20,288,400	\$	\$ 20,288,400
Buildings	3,438,608		3,438,608
Improvements - Other than Buildings	1,683,948	84,605	1,768,553
Machinery and Equipment	7,897,356	243,136	8,140,492
	<u>33,308,312</u>	<u>327,741</u>	<u>33,636,053</u>
Water-Sewer Utility Fund:			
Fixed Capital	13,410,999		13,410,999
Fixed Capital Authorized and Uncompleted	4,000,000		4,000,000
	<u>17,410,999</u>		<u>17,410,999</u>
	<u>\$ 50,719,311</u>	<u>\$ 327,741</u>	<u>\$ 51,047,052</u>
		<b>Expended</b>	
		<b>from</b>	
	<b>Balance</b>	<b>Current or</b>	<b>Balance</b>
	<b>Jan. 1, 2021</b>	<b>Capital Fund</b>	<b>Dec. 31, 2021</b>
General Fixed Assets Account Group:			
Land	\$ 20,288,400	\$	\$ 20,288,400
Buildings	3,438,608		3,438,608
Improvements - Other than Buildings	1,683,948		1,683,948
Machinery and Equipment	7,665,007	232,349	7,897,356
	<u>33,075,963</u>	<u>232,349</u>	<u>33,308,312</u>
Water-Sewer Utility Fund:			
Fixed Capital	13,406,097	4,902	13,410,999
Fixed Capital Authorized and Uncompleted	3,500,000	500,000	4,000,000
	<u>16,906,097</u>	<u>504,902</u>	<u>17,410,999</u>
	<u>\$ 49,982,060</u>	<u>\$ 737,251</u>	<u>\$ 50,719,311</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Impact of Recently Issued Accounting Principles**

**Recent Accounting Pronouncements**

The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. There are no recent GASB pronouncements that would have a significant impact on the Borough's financial statements.

**E. Financial Statements**

The GASB Codification requires the financial statements of a governmental unit to be presented in accordance with GAAP. The Borough presents its financial statements in accordance with another comprehensive basis of accounting as promulgated by the Division which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

**F. Budgets and Budgetary Accounting**

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the Division in accordance with applicable statutes.

**NOTE 2. CASH AND CASH EQUIVALENTS**

**A. Deposits**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**A. Deposits (Continued)**

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

At year-end the carrying amount of the Borough's deposits was \$17,120,552 and the bank balance amount was \$17,737,860. Of this amount \$250,000 was covered by federal depository insurance, a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered \$17,435,288. An amount of \$52,572 was on deposit in the name of various developers for escrow and is insured by federal depository insurance or uninsured depending on the deposits of the individual developer in the depository.

**B. Investments**

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Borough may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the Borough:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Municipal investment pools.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**B. Investments (Continued)**

- (8) Agreements for the repurchase of fully collateralized securities, if:
- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the Borough shall be covered by a third-party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.

c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

Other than cash equivalents that would otherwise qualify as investments, except for their maturity or the withdrawal provisions of their deposit, the Borough had no investments in qualified securities at December 31, 2022.

**C. Cash Management Plan**

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**D. Credit Risk Categories**

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2022</u>	<u>2021</u>
Insured:		
FDIC	\$ 250,000	\$ 250,000
GUDPA	17,435,288	10,282,613
Uninsured	<u>52,572</u>	<u>127,013</u>
	<u>\$ 17,737,860</u>	<u>\$ 10,659,626</u>

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk.

State law limits investments as noted above.

During the year, the Borough had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Borough.

**NOTE 3. DEBT**

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 3. DEBT (CONTINUED)**

**A. Long-Term Debt**

The Borough's long-term debt is summarized as follows:

**General Capital Fund**

**Serial Bonds**

3.50% to 5.00% General Improvement Refunding Bonds issued February 6, 2020, installment maturities to April 1, 2024	\$ 1,625,000
3.00% to 5.00% General Improvement Bonds Series 2022A issued August 30, 2022, installment maturities to August 15, 2037	<u>3,052,000</u>
	<u>\$ 4,677,000</u>

The bonds mature serially to 2037. Aggregate debt service requirements are as follows:

	<b><u>General Capital</u></b>	
	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2023	\$ 907,000	\$ 206,344
2024	945,000	160,994
2025	220,000	113,744
2026	220,000	102,744
2027	220,000	91,744
2028-2032	1,100,000	300,320
2033-2037	<u>1,065,000</u>	<u>104,473</u>
Total	<u>\$ 4,677,000</u>	<u>\$ 1,080,363</u>

**New Jersey Environmental Infrastructure Program**

The Borough has two loans with the New Jersey Environmental Infrastructure Program to fund stormwater outflows. The first loan from the New Jersey Environmental Infrastructure Fund amounting to \$209,261 is payable semi-annually until 2034 with no interest. The second loan from the New Jersey Environmental Infrastructure Trust amounting to \$200,000 is payable semi-annually until 2034 with interest from 4% to 5%. A portion of the fund loan of \$27,791 was cancelled in 2017.

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 3. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

**General Capital Fund (Continued)**

**New Jersey Environmental Infrastructure Program (Continued)**

	<u>Infrastructure Fund</u>		<u>Infrastructure Trust</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 11,014.00	\$ -0-	\$ 10,000	\$ 6,500
2024	11,014.00	-0-	10,000	6,000
2025	11,014.00	-0-	10,000	5,500
2026	11,014.00	-0-	10,000	5,000
2027	11,014.00	-0-	10,000	4,500
2028-2032	49,304.00	-0-	65,000	14,700
2033-2034	<u>-0-</u>	<u>-0-</u>	<u>30,000</u>	<u>1,800</u>
Total	\$ <u>104,374</u>	\$ <u>-0-</u>	\$ <u>145,000</u>	\$ <u>44,000</u>

\* The amounts reflected above may be offset by income credits.

**Water Utility Capital Fund**

**Serial Bonds**

3.50% to 5.00% Water Utility Improvement Refunding Bonds issued February 6, 2020, installment maturities to April 1, 2029	\$ 1,015,000
3.00% to 5.00% Water Utility Improvement Bonds Series 2022B issued August 30, 2022, installment maturities to August 15, 2044	<u>2,547,000</u>
	<u>\$ 3,562,000</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 3. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

**Water Utility Capital Fund (Continued)**

The bonds mature serially to the year 2044. Aggregate debt service requirements are as follows:

	<u>Utility Capital</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 192,000	\$ 150,150
2024	195,000	140,550
2025	205,000	130,800
2026	215,000	120,550
2027	220,000	109,800
2028-2032	975,000	376,150
2033-2037	650,000	235,626
2038-2042	650,000	123,988
2043-2044	<u>260,000</u>	<u>15,600</u>
Total	\$ <u>3,562,000</u>	\$ <u>1,403,214</u>

**New Jersey Environmental Infrastructure Program**

The Borough has four loans with the New Jersey Environmental Infrastructure Program to fund water system improvements. The first loan from the New Jersey Environmental Infrastructure Fund amounting to \$292,644 is payable semi-annually until 2024 with no interest. The second loan from the New Jersey Environmental Infrastructure Trust amounting to \$290,000 is payable semi-annually until 2024 with interest from 4% to 5%. The third and fourth loans were issued during 2008. The Trust and Fund Loans are payable semi-annually until 2028 with interest from 5% to 5.5% for the Trust Loan and no interest for the Fund Loan. The aggregate debt service requirements are as follows:

<u>Year</u>	<u>Infrastructure Fund</u>		<u>Infrastructure Trust</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 93,741.00	\$ -0-	\$ 117,236	\$ 35,593
2024	84,676.00	-0-	125,721	29,236
2025	84,243.00	-0-	107,000	22,950
2026	31,424.00	-0-	112,000	17,600
2027	-0-	-0-	120,000	12,000
2028	<u>-0-</u>	<u>-0-</u>	<u>120,000</u>	<u>6,000</u>
Total	\$ <u>294,084</u>	\$ <u>-0-</u>	\$ <u>701,957</u>	\$ <u>123,379</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 3. DEBT (CONTINUED)**

**B. Short-Term Debt**

On December 31, 2022 the Borough's outstanding Bond Anticipation Notes were as follows:

**General Capital Fund**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2022</u>	<u>Interest Rate</u>
2013-08	Various Capital Improvements	\$ 570,000	2.00%
2014-05	Various Capital Improvements	635,000	2.00%
2014-06, 2014-11	Improvements to Mayo Park and Construction of a Recreation Center	977,280	2.00%
2015-09	Various Capital Improvements	858,070	2.00%
2016-09	Various Capital Improvements	700,000	2.00%
2017-04	Various Capital Improvements	582,250	2.00%
2018-02	Acquisition of Real Property	222,150	2.00%
2018-07	Various Capital Improvements	1,021,500	2.00%
2019-08	Various Capital Improvements	1,410,750	2.00%
2021-13	Various Capital Improvements	935,000	2.92%
		<u>\$ 7,912,000</u>	

**Water Utility Capital Fund**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2022</u>	<u>Interest Rate</u>
2015-08	Water Utility Improvements	\$ 437,796	2.00%
2016-10	Water Utility Improvements	461,537	2.00%
2017-05	Water Utility Improvements	284,614	2.00%
2018-06	Water Utility Improvements	391,836	2.00%
2019-03	Water Utility Improvements	300,000	2.00%
2020-05	Water Utility Improvements	410,217	2.00%
		<u>\$ 2,286,000</u>	

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 3. DEBT (CONTINUED)**

**C. Bonds and Notes Authorized but not Issued**

At December 31 the Borough had authorized but not issued bonds and notes as follows:

	<u>2022</u>	<u>2021</u>
General Capital Fund	\$ 1,528,831	\$ 2,460,716
Water Utility Capital Fund	529,634	529,634

**D. Borrowing Power**

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Borough's statutory net debt at December 31, 2022 was 1.352%. The Borough's remaining borrowing power is 2.148%.

The summary of municipal debt for the last three years and the calculation of statutory net debt is presented in the Supplementary Data section of this report.

**E. Summary of Debt Service**

During 2022 and 2021 the following changes occurred in the outstanding debt of the Borough:

	<u>Balance</u> <u>Jan. 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Due within</u> <u>One Year</u>
General Debt:					
Serial Bonds	\$ 2,390,000	\$ 3,052,000	\$ 765,000	\$ 4,677,000	\$ 907,000
Bond Anticipation Notes	10,343,000	935,000	3,366,000	7,912,000	7,912,000
Loans Payable	270,387		21,013	249,374	21,014
Water Utility Fund Debt:					
Serial Bonds	1,135,000	2,547,000	120,000	3,562,000	192,000
Bond Anticipation Notes	4,983,000		2,697,000	2,286,000	2,286,000
Loans Payable	1,200,199		204,158	996,041	210,977
	<u>\$ 20,321,586</u>	<u>\$ 6,534,000</u>	<u>\$ 7,173,171</u>	<u>\$ 19,682,415</u>	<u>\$ 11,528,991</u>
	<u>Balance</u> <u>Jan. 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Due within</u> <u>One Year</u>
General Debt:					
Serial Bonds	\$ 3,125,000		\$ 735,000	\$ 2,390,000	\$ 765,000
Bond Anticipation Notes	10,572,000		229,000	10,343,000	10,343,000
Loans Payable	291,401		21,014	270,387	21,013
Water Utility Fund Debt:					
Serial Bonds	1,250,000		115,000	1,135,000	120,000
Bond Anticipation Notes	4,567,000	475,000	59,000	4,983,000	4,983,000
Loans Payable	1,401,742		201,543	1,200,199	204,158
	<u>\$ 21,207,143</u>	<u>\$ 475,000</u>	<u>\$ 1,360,557</u>	<u>\$ 20,321,586</u>	<u>\$ 16,436,172</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 4. COMPENSATED ABSENCES**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation approximates \$458,218 and \$608,354 at December 31, 2022 and 2021, respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements. The Borough had in reserve, in its' Sick Leave Trust, \$30,231 and \$15,231 at December 31, 2022 and 2021 respectively, to partially fund this liability.

**NOTE 5. FUND BALANCES APPROPRIATED**

The fund balances at December 31 which have been appropriated and included as anticipated revenue in the introduced municipal budget for the year ending December 31 of the succeeding years are as follows:

	<u>2022</u>	<u>2021</u>
Current Fund	\$ 1,480,656	\$ 453,725
Water Utility Fund	367,925	496,350

**NOTE 6. TAXES AND WATER RENTS COLLECTED IN ADVANCE**

Taxes and water rents collected in advance set forth as cash liabilities in the financial statements, are as follows:

	<u>Balance December 31</u>	
	<u>2022</u>	<u>2021</u>
Prepaid Taxes	\$ 284,245	\$ 227,804
Prepaid Water Rents	71,649	97,806

**NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES**

New Jersey statutes require that taxable valuation of real property be prepared by the Borough Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, Regional School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Borough Tax Collector (the "Collector") on or before May 13th.

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES (CONTINUED)**

Tax bills are prepared then mailed by the Collector of the Borough annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The N.J. Statutes allow a grace period of 10 days for each payment period and the Borough granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

**NOTE 8. SCHOOL TAXES**

Regional District School Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 required that any municipality that levied school taxes on a school year basis shall defer from the 1991 municipal purposes tax levy at least 25% of the amount allowable to be deferred (which is 50% (fifty percent) of the levy). The remainder of the allowable amount shall be deferred from the levy in each of the next three years (1992-1994). The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. In 1992 at least 50% of the amount allowable to be deferred from the 1992 tax levy was required to offset the 1993 local property tax levy and the total amount of deferral at December 31, 1993 was 75% of the amount allowable to be deferred based on the 1993 tax levy.

In 1994 Section 13, P.L. 1991, C. 63 was amended to provide municipalities with the option to determine the percentage if any of the amount allowable to be deferred to offset the local property tax levy for local purposes.

	<b><u>Regional District School Tax</u></b>	
	<b><u>Balance December 31</u></b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
Balance of Tax	\$ 9,478,586	\$ 4,370,986
Deferred	<u>2,190,697</u>	<u>2,190,697</u>
Tax Payable	\$ <u>7,287,889</u>	\$ <u>2,180,289</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 9. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Borough pays an actuarially determined annual assessment to Ocean County Municipal Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Borough has not been notified on any supplemental assessments.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

**NOTE 10. INTERFUND RECEIVABLES AND PAYABLES**

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

	<b><u>Interfund Receivable</u></b>	<b><u>Interfund Payable</u></b>
Current Fund	\$ 692,825	\$ 1,390,029
Grant Fund	401,144	
Animal Control Trust Fund		15,469
Other Trust Fund		31,845
General Capital Fund	1,227,034	58,325
Water-Sewer Utility Operating Fund	44,600	747,273
Water-Sewer Utility Capital Fund	58,325	44,600
Payroll Fund	<u>113,698</u>	<u>250,085</u>
	\$ <u>2,537,626</u>	\$ <u>2,537,626</u>

All balances resulted from the time lag between the dates that payments between the funds are made.

**NOTE 11. CONTINGENT LIABILITIES**

**State and Federal Financial Assistance**

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2022, the Borough estimates that no material liabilities will result from such audits.



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 11. CONTINGENT LIABILITIES (CONTINUED)**

**Pending Litigation**

There are actions which have been instituted against the Borough which are either in the discovery stage or whose final outcome cannot be determined at the present time. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Borough.

It is the opinion of the Borough officials that there is no litigation threatened or pending that would materially affect the financial position of the Borough or adversely affect the Borough's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

The Borough officials believe that negligence and other types of liability suits, of which the Borough is aware, appear to be within the stated policy limits and would be deferred by the respective carriers.

**NOTE 12. SERVICE CONTRACT - SEWERAGE AUTHORITY**

The Borough adopted an ordinance dated September 6, 1972, providing for a service contract between the Borough and the Beachwood Sewerage Authority (the "Authority"), which, among other things, obligates the Borough to pay to the Authority such sums of money as may be necessary to provide for deficits which result from failure of the Authority to provide adequate revenues from the operations of the Authority.

The Authority has been self-sustaining since its inception resulting in no payments having ever been made by the Borough to the Authority to cover operating deficits.

**NOTE 13. LENGTH OF SERVICE AWARD PROGRAM ("LOSAP") - UNAUDITED**

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Borough's volunteer fire department. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a length of service award plan under Section 457(e)11 of the Internal Revenue Code".

**Annual Contributions** - The annual contribution to be made by the Borough for each active volunteer member shall be \$750 per year of active fire department service, commencing with the year 2003.

**Appropriations** - Appropriations for the purpose of funding the Borough's LOSAP shall be included as a separate line item in the Borough's budget, commencing with the year 2003.

**Periodic Increases** - Notwithstanding the provisions above, the annual contribution to be made by the Borough for each active volunteer member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 13. LENGTH OF SERVICE AWARD PROGRAM ("LOSAP") - UNAUDITED**  
**(CONTINUED)**

**Criteria for Eligibility; Contributions; Points** - Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member's performance of active voluntary services in the fire department organization. Annual contributions shall only be made by the Borough, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

**Determination as to Eligibility** - Each fire department organization shall provide to the Borough Administrator or Borough Clerk, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as each January 1 thereafter. The Plan Administrator shall forward said certified list to the Borough Council for approval, in accordance with the provision of N.J.A.C. 5:30-14.10. The decision of the Borough Council as to such active member's eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

**Terms of Participation** - The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

**Vesting** - The active volunteer member shall not be permitted to receive a distribution of the fund in his or her LOSAP account until the completion of a five-year vesting period.

**Termination of Service** - Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the fire department organization as an active volunteer member. Any active volunteer member who terminates service with the fire department organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

**Reporting Requirements** - N.J.A.C. 5:30-14.49 requires that the Borough perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 14. DEFERRED COMPENSATION**

The Borough has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C. 381; P.L. 1978, C. 39; P.L. 1980, C. 78; and P.L. 1997, C. 116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Borough has engaged a private contractor to administer the Plan.

**NOTE 15: PENSION PLANS**

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

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

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

*Defined Contribution Retirement Program (DCRP)* - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 15: PENSION PLANS (CONTINUED)**

*Defined Contribution Retirement Program (DCRP) (Continued)*

sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:3B. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

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

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2022, PERS provides for employee contributions of 7.50% of employees' base salary.

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 15: PENSION PLANS (CONTINUED)**

Funding Policy (Continued)

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2022, the State contributed an amount less than the actuarially determined amount. During 2022, PFRS provides for employee contributions of 10.00% of employees' base salary.

The Borough's share of pension, which is based upon the annual billings received from the state, amounted to \$899,854.00 for 2022, \$914,633.00 for 2021 and \$793,748.00 for 2020. Certain Borough employees are also covered by the Federal Insurance Contribution Act.

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2022. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2022

Public Employees Retirement System (PERS)

At June 30, 2022, the State reported a net pension liability of \$4,179,075.00 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Borough's proportion was 0.0276918082 percent, which was an increase of 0.0024224973 percent from its proportion measured as of June 30, 2021.

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 15: PENSION PLANS (CONTINUED)**

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

Public Employees Retirement System (PERS) (Continued)

For the year ended June 30, 2022, the State recognized an actuarially determined pension benefit of \$265,043.00 for the Borough's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statements based on the April 1, 2022 billing was \$295,933.00.

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between expected and actual experience	\$ 30,163.00	\$ 26,599.00
Changes of assumptions	12,948.00	625,773.00
Net difference between projected and actual earnings on pension plan investments	172,968.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>555,410.00</u>	<u>268,712.00</u>
	<u>\$ 771,489.00</u>	<u>\$ 921,084.00</u>

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

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2023	(\$301,137.40)
2024	(125,292.40)
2025	(31,726.40)
2026	251,647.60
2027	<u>56,913.60</u>
	<u>(\$149,595.00)</u>

**BOF OUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 15: PENSION PLANS (CONTINUED)**

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

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

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

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 15: PENSION PLANS (CONTINUED)**

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

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

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



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 15: PENSION PLANS (CONTINUED)**

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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

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

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

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$5,368,887.00	\$4,179,075.00	\$3,166,497.00

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 15: PENSION PLANS (CONTINUED)**

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

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

The amounts contributed by the State on behalf of the Borough under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Borough as of December 31, 2022 was .0278024414%. The non-employer contributing entities' contribution and employer pension expense and related revenue for the year ended June 30, 2022 was \$8,793.00.

Pension plan fiduciary net position

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 15: PENSION PLANS (CONTINUED)**

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

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

At June 30, 2022, the State reported a net pension liability of \$6,551,976.00 for the Borough’s proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough’s proportion of the net pension liability was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2022, the Borough’s proportion was 0.0572407100 percent, which was an increase of 0.0054226500 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State recognized an actuarially determined pension expense of \$294,051.00. The pension expense recognized in the Borough’s financial statements based on the April 1, 2022, billing was \$603,921.00.

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between expected and actual experience	\$ 296,560.00	\$ 401,398.00
Changes of assumptions	17,956.00	824,764.00
Net difference between projected and actual earnings on pension plan investments	599,968.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>1,182,760.00</u>	<u>646,602.00</u>
	<u>\$ 2,097,244.00</u>	<u>\$ 1,872,764.00</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 15: PENSION PLANS (CONTINUED)**

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

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

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

Year Ended		<u>Amount</u>
<u>June 30</u>		
2023	\$	(220,471.40)
2024		(102,191.40)
2025		(92,266.40)
2026		523,952.60
2027		111,246.60
Thereafter		<u>4,210.00</u>
	\$	<u><u>224,480.00</u></u>

Actuarial Assumptions

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	3.25-16.25%
	Based on years of Service
Investment Rate of Return	7.00%

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 15: PENSION PLANS (CONTINUED)**

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

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

Actuarial Assumptions (Continued)

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

Long-Term Rate of Return

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

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 15: PENSION PLANS (CONTINUED)**

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of both 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 non-employer 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 the Borough’s proportionate share of the net pension liability to changes in the discount rate

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

	<u>June 30, 2022</u>		
	<u>1%</u>	<u>At Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the PFRS pension liability	\$8,990,018.00	\$6,551,976.00	\$4,522,293.00

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 15: PENSION PLANS (CONTINUED)**

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

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

Special Funding Situation

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

The non-employer contributing entities’ total proportionate share of the collective net pension liability that is associated with the Borough as of December 31, 2022 and 2021 is 0.05724081% and 0.0518179833% respectively, the non-employer contributing entities’ contribution for the year ended June 30, 2022 and 2021 was \$145,169.00 and \$92,535.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2022 and 2021 was \$134,532.00 and \$118,635.00, respectively.

At June 30, 2022 and 2021, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,166,060.00 and \$1,065,223.00, respectively.

At June 30, 2022, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$6,551,976.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>1,166,060.00</u>
	<u><u>\$7,718,036.00</u></u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 15: PENSION PLANS (CONTINUED)**

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

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

Pension plan fiduciary net position

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

**NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75**

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

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

Plan Description and Benefits Provided

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

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)**

Plan Description and Benefits Provided (Continued)

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.

Contributions

The Borough's contribution to SHBP for the year ended December 31, 2022 was \$65,853 which equaled the required contribution for 2022. Contributions for 2021 and 2020 were not readily determinable.

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)**

Total Net OPEB Liability

At June 30, 2022, the Plan reported a Liability of \$10,335,257.00 for the Borough's proportionate share of the collective Net OPEB liability. The total Net OPEB Liability measured as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

The Borough's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022.

At June 30, 2022, the Borough's proportion was 0.063997 percent, which was an increase of 0.063997 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State reported OPEB expense of \$1,892,570.00. This OPEB expense was based on the OPEB plans June 30, 2022 measurement date.

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$533,724.00	\$1,915,717.00
Changes of assumptions	1,379,283.00	3,527,224.00
Net difference between projected and actual earnings on OPEB plan investments	2,721.00	
Changes in proportion	12,248,468.00	
	<u>\$14,164,196.00</u>	<u>\$5,442,941.00</u>

**NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)**

Total Net OPEB Liability (Continued)

Other local amounts reported by the State as the Borough’s proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the State’s actuarially calculated OPEB (benefit)/expense as follows:

Year Ended	
<u>June 30,</u>	<u>Amount</u>
2023	\$1,513,173.60
2024	1,512,347.60
2025	1,709,484.60
2026	2,119,112.60
2027	2,375,578.60
2028-2029	(508,442.00)
	\$8,721,255.00

Actuarial Assumptions and Other Inputs

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

Salary Increases:

Public Employees Retirement System (PERS):

Initial fiscal year applied  
 Rate for all future years 2.75% to 6.55%

Police and Firemen’s Retirement System (PFRS):

Rate for all future years 3.25% to 16.25%

Mortality

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

**NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)**

Actuarial Assumptions and Other Inputs (Continued)

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

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Discount Rate

The discount rate for June 30, 2022 was 3.54%. 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.

Sensitivity of the Borough’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB Liability associated with the Borough’s as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1.00%	At Discount	1.00%
	<u>Decrease (2.54%)</u>	<u>Rate (3.54%)</u>	<u>Increase (4.54%)</u>
Borough's proportionate share of the Net OPEB Liability	\$11,980,643.01	\$10,335,256.62	\$9,011,389.32

NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Sensitivity of the Borough’s Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the Borough’s as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
Borough's proportionate share of the Net OPEB Liability	\$8,767,709.35	\$10,335,256.62	\$12,342,843.27

Special Funding Situation

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

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

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

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 non-employer 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.

At June 30, 2022, the State's proportionate share of the net OPEB liability attributable to the Borough for the special funding situation is \$1,641,882.00.

**NOTE 16: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)**

Special Funding Situation (Continued)

At June 30, 2022, the Borough's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

Borough's proportionate share of the Net OPEB Liability	\$10,335,257.00
State of New Jersey's proportionate share of Net OPEB Liability associated with the Borough	<u>1,641,763.00</u>
	<u>\$11,977,020.00</u>

OPEB Plan Fiduciary Net Position

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

**NOTE 17: LEASES**

The Borough has entered into five (5) cell tower leases with CC TM PA LLC, Verizon, T-Mobile and Dish Wireless which commenced in 2004, 2011 and 2022 respectively. The agreements all have five (5) year lease terms with the option to renew for four (4) additional lease terms. Payments received by the Borough during 2022 totaled \$231,871.

**NOTE 18. SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events occurring after the financial statement date through October 20, 2023 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that except for the items set forth below, there are no other subsequent events that need to be disclosed.

**DEBT AUTHORIZED**

The Borough adopted the following capital ordinances as of October 20, 2023:

<u>PROJECT</u>	<u>AMOUNT OF DEBT PROPOSED</u>
<u>General Capital Fund:</u> 2023-04 Reconstruction of Various Roads	\$357,000

**NOTE 18. SUBSEQUENT EVENTS (CONTINUED)**

**DEBT AUTHORIZED (CONTINUED)**

**Water Utility Capital Fund:**

2023-03 Construction of a New Replacement Water Treatment Plant and Demolition of the Existing Water Treatment Plant	\$7,446,800
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BOROUGH OF BEACHWOOD

PART II

SUPPLEMENTARY DATA

OFFICIALS IN OFFICE AND SURETY BONDS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2022

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**  
**COMPARATIVE STATEMENT OF OPERATIONS AND**  
**CHANGES IN FUND BALANCE - CURRENT FUND**

	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	\$ 453,725.00	1.82%	\$ 1,300,000.00	5.24%
Miscellaneous - From Other Than Local				
Property Tax Levies	2,706,252.80	10.86%	2,435,395.15	9.81%
Collection of Delinquent Taxes and				
Tax Title Liens	391,655.59	1.57%	441,307.41	1.78%
Collection of Current Tax Levy	<u>21,367,305.49</u>	<u>85.75%</u>	<u>20,646,138.03</u>	<u>83.17%</u>
Total Income	<u>24,918,938.88</u>	<u>100.00%</u>	<u>24,822,840.59</u>	<u>100.00%</u>
<b><u>Expenditures</u></b>				
Budget Expenditures	10,294,481.97	42.22%	10,450,816.67	44.83%
County Taxes	3,955,514.76	16.22%	3,729,953.87	16.00%
Regional School District Taxes	9,478,585.00	38.87%	9,121,452.00	39.13%
Other Expenditures	<u>656,202.45</u>	<u>2.69%</u>	<u>7,416.84</u>	<u>0.03%</u>
Total Expenditures	<u>24,384,784.18</u>	<u>100.00%</u>	<u>23,309,639.38</u>	<u>100.00%</u>
Excess in Revenue	534,154.70		1,513,201.21	
Fund Balance, January 1	<u>1,552,917.14</u>		<u>1,339,715.93</u>	
	2,087,071.84		2,852,917.14	
Decreased by:				
Utilized as Anticipated Revenue	<u>453,725.00</u>		<u>1,300,000.00</u>	
Fund Balance, December 31	<u>\$ 1,633,346.84</u>		<u>\$ 1,552,917.14</u>	

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**  
**COMPARATIVE STATEMENT OF OPERATIONS AND**  
**CHANGES IN FUND BALANCE - WATER UTILITY FUND**

	<b>2022</b>		<b>2021</b>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	\$ 496,350.00	19.10%	\$ 300,000.00	12.71%
Collection of Water Rents	1,961,561.91	75.48%	1,835,001.06	77.75%
Miscellaneous From Other Than Water Rents	141,033.48	5.43%	225,266.77	9.54%
Total Income	<u>2,598,945.39</u>	<u>100.00%</u>	<u>2,360,267.83</u>	<u>100.00%</u>
<b><u>Expenditures</u></b>				
Operating	1,543,100.00	66.35%	1,427,100.00	68.84%
Capital Improvements	7,900.00	0.34%	7,900.00	0.38%
Debt Service	659,254.43	28.35%	528,935.54	25.52%
Deferred Charges and Regulatory Expenditures	115,400.00	4.96%	109,100.00	5.26%
Total Expenditures	<u>2,325,654.43</u>	<u>100.00%</u>	<u>2,073,035.54</u>	<u>100.00%</u>
Excess in Revenue	273,290.96		287,232.29	
Fund Balance, January 1	<u>653,165.69</u>		<u>665,933.40</u>	
	926,456.65		953,165.69	
Decreased by:				
Utilized by Water Utility Operating Budget	<u>496,350.00</u>		<u>300,000.00</u>	
Fund Balance, December 31	<u>\$ 430,106.65</u>		<u>\$ 653,165.69</u>	

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

Tax Rate	<u>2022</u> \$ <u>2.646</u>	<u>2021</u> \$ <u>2.566</u>	<u>2020</u> \$ <u>2.531</u>
Apportionment of Tax Rate			
Municipal	1.008	.992	.958
County	.480	.456	.462
Regional School District	1.158	1.118	1.111
Assessed Valuation			
2022	\$ 818,496,516		
2021		\$ 816,015,346	
2020			\$ 813,057,151

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash</u> <u>Collection of Collection</u>	<u>Percentage</u>
2022	\$ 21,809,469	\$ 21,367,305	97.97%
2021	21,006,436	20,646,138	98.28%
2020	20,670,685	20,213,486	97.78%

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

<u>Year Ended</u> <u>December 31</u>	<u>Amount</u> <u>of Tax</u> <u>Title Liens</u>	<u>Amount of</u> <u>Delinquent</u> <u>Taxes</u>	<u>Total</u> <u>Delinquent</u>	<u>Percentage</u> <u>of Tax Levy</u>
2022	\$ 92,840	\$ 444,158	\$ 536,998	2.46%
2021	121,604	367,521	489,125	2.33%
2020	130,357	437,022	567,379	2.74%

**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 in the year of acquisition, is summarized as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 285,731
2021	285,731
2020	285,731

**COMPARISON OF WATER UTILITY RENTS**

<u>Year</u>	<u>Rents</u>	<u>Prior Year Delinquents</u>	<u>Collections</u>
2022	\$ 1,631,399	\$ 330,163	\$ 1,961,562
2021	1,855,362	309,802	1,835,001
2020	1,926,980	236,910	1,854,088

**COMPARATIVE SCHEDULE OF FUND BALANCES**

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
<b><u>Current Fund</u></b>		
2022	\$ 1,633,347	\$ 1,480,656
2021	1,552,917	453,725
2020	1,339,716	1,300,000
2019	1,576,095	1,567,514
2018	1,878,559	1,800,000
<b><u>Water Utility Operating Fund</u></b>		
2022	\$ 430,107	\$ 367,925
2021	653,166	496,350
2020	665,933	300,000
2019	540,753	250,000
2018	654,961	290,526

**SUMMARY OF MUNICIPAL DEBT**

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<b><u>Issued</u></b>			
General:			
Bonds, Notes and Loans	\$ 12,838,374	\$ 13,003,388	\$ 13,988,401
Water-Sewer Utility:			
Bonds, Notes and Loans	<u>6,844,041</u>	<u>7,318,199</u>	<u>7,218,742</u>
Debt Issued	19,682,415	20,321,587	21,207,143
Less:			
Funds Temporarily Held to Pay Bonds:			
General Capital Fund	<u>191,185</u>		<u>183,058</u>
Net Debt Issued	<u>19,491,230</u>	<u>20,321,587</u>	<u>21,024,085</u>
 <b><u>Authorized and not Issued</u></b>			
General:			
Bonds, Notes and Loans	1,528,831	2,460,716	437,216
Water-Sewer Utility:			
Bonds, Notes and Loans	<u>529,634</u>	<u>529,634</u>	<u>504,634</u>
	<u>2,058,465</u>	<u>2,990,350</u>	<u>941,850</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 21,549,695</u>	<u>\$ 23,311,937</u>	<u>\$ 21,965,935</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 indicates a Statutory Net Debt of 1.352%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 8,573,034	\$ 8,573,034	\$
Water-Sewer Utility Debt	7,373,675	7,373,675	
General Debt	<u>14,367,205</u>	<u>191,185</u>	<u>14,176,020</u>
	<u>\$ 30,313,914</u>	<u>\$ 16,137,894</u>	<u>\$ 14,176,020</u>

Net Debt \$14,176,020 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$1,048,147,747 = 1.352%

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 36,685,171
Net Debt	<u>14,176,020</u>
Remaining Borrowing Power	\$ <u>22,509,151</u>

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

Cash Receipts from Fees, Rents or Other		
Charges for Year		\$ 2,567,901
Deductions:		
Operating and Maintenance Cost	\$ 1,658,500	
Debt Service per Water Account	<u>659,254</u>	
Total Deductions		<u>2,317,754</u>
Excess in Revenue		\$ <u>250,147</u>

\*\*\*\*\*

A revised annual debt statement should be filed by the chief financial officer.

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**OFFICIALS IN OFFICE AND SURETY BONDS**

The following officials were in office at December 31, 2022:

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Amount of Bond</u></b>
Ronald F. Roma, Jr.	Mayor	
Gerald W. La Crosse	Council President	
William J. Cairns	Councilman	
Beverly Clayton	Councilwoman	
Gregory Feeney	Councilman	
Steven Komsa	Councilman	
Edward Zakar	Councilman	
Kathryn Hutchinson	Borough Clerk, Deputy Treasurer and Assessment Search Officer to 01/31/22	*
Susan Minock	Borough Clerk, Deputy Treasurer and Assessment Search Officer from 02/16/22	*
Jeannine Jones	Chief Financial Officer from 03/16/22	*
Elizabeth Sarantinoudis	Deputy Borough Clerk, Treasurer to 03/01/22	
Wendy Prior	Tax Collector	*
Donna LeMore	Accounting Clerk, Water Accounts Clerk to 06/01/22	*
Larissa Santiago	Accounting Clerk, Water Accounts Clerk from 06/01/22	*
Damian G. Murray	Magistrate to 05/31/22	*
James Gluck	Magistrate from 06/01/22	*
Sandra Klumb	Court Administrator	*

\* There was a Statutory Position Bond in the amount of \$1,000,000 (\$1,000 deductible) carried by the Municipal Excess Liability Joint Insurance Fund.

There was a "Public Employees' Dishonesty Blanket Bond" in the amount of \$50,000 (\$2,500 deductible) for Borough employees carried by the Ocean County Municipal Joint Insurance Fund.

There was a "Public Employees' Dishonesty Blanket Bond" in the amount of \$950,000 for Borough employees carried by the Municipal Excess Liability Joint Insurance Fund.

There was a "Public Officials Bond" in the amount of \$1,000,000 carried by the Municipal Excess Liability Joint Insurance Fund.



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-4**

**SCHEDULE OF CASH - TREASURER**

Balance December 31, 2021		\$ 5,344,829.58
Increased by Receipts:		
Tax Collector	\$ 21,858,123.53	
State of New Jersey (Ch. 20, P.L. 1971)	66,750.00	
Revenue Accounts Receivable	2,279,478.52	
Interfunds:		
Grant Fund	347,492.60	
Other	1,020,915.14	
Due to State:		
Marriage Licenses	875.00	
Due for Performance of Ceremony	150.00	
Due to PBA	16,720.25	
Due to Beachwood Sewer Authority	14,971.58	
Due to Township of Berkeley	190,578.00	
Reserve for Sale of Municipal Assets	84,425.00	
Return of Prior Year Overpayment Refund	1,501.52	
Miscellaneous Revenue not Anticipated	152,369.71	
		<u>26,034,350.85</u>
		31,379,180.43
Decreased by Disbursements:		
Budget Appropriations	9,598,793.74	
Appropriation Reserves	298,580.87	
County Taxes Payable	3,939,983.65	
Regional School District Tax	4,370,984.84	
Interfunds:		
Grant Fund	671,383.74	
Other	683,198.11	
Tax Overpayments	5,901.84	
Due to State:		
Marriage Licenses	475.00	
Due for Performance of Ceremony	100.00	
Due to PBA	4,327.50	
Due to Beachwood Sewer Authority	14,971.58	
Due to Township of Berkeley	177,681.80	
		<u>19,766,382.67</u>
Balance December 31, 2022		\$ <u>11,612,797.76</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-5**

**SCHEDULE OF CURRENT CASH - TAX COLLECTOR**

Increased by Receipts:		
Taxes Receivable	\$ 21,422,682.26	
Tax Title Liens	38,120.36	
Tax Overpayments	11,123.01	
Prepaid Taxes	284,245.22	
Interest and Costs on Taxes	<u>101,952.68</u>	
		\$ 21,858,123.53
Decreased by Disbursements:		
Turnover to Treasurer		<u>\$ 21,858,123.53</u>

**SCHEDULE OF DUE FROM STATE OF NEW JERSEY**

**(CHAPTER 20, P.L. 1971)**

**Exhibit A-6**

Balance December 31, 2021 - Due From		\$ (14,828.56)
Increased by:		
2022 Senior Citizens and Veterans Exemptions per Tax Duplicate	\$ 69,750.00	
2022 Deductions Disallowed by Tax Collector	(2,520.84)	
2022 Deductions Allowed by Tax Collector	<u>3,125.00</u>	
		<u>70,354.16</u>
		55,525.60
Decreased by:		
Receipts		<u>66,750.00</u>
Balance December 31, 2022 - (Due To)		<u>\$ (11,224.40)</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-7

**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

<u>Year</u>	<u>Balance</u>	<u>2022 Levy</u>	<u>Collections</u>		<u>Due from</u>	<u>Transferred</u>	<u>Cancelled</u>	<u>Balance</u>
	<u>Dec. 31, 2021</u>		<u>2021</u>	<u>2022</u>	<u>State</u>	<u>to Tax</u>		<u>Dec. 31, 2022</u>
	\$	\$	\$	\$	\$	\$	\$	\$
2008	1,764.10							1,764.10
2009	1,824.83							1,824.83
2010	3,033.45							3,033.45
2020	3,407.88			6.28				3,401.60
2021	357,490.63			353,528.95				3,961.68
	<u>367,520.89</u>			<u>353,535.23</u>				<u>13,985.66</u>
2022		21,826,562.95	227,804.30	21,069,147.03	70,354.16	9,356.25	19,729.08	430,172.13
		<u>21,826,562.95</u>	<u>227,804.30</u>	<u>21,422,682.26</u>	<u>70,354.16</u>	<u>9,356.25</u>	<u>19,729.08</u>	<u>444,157.79</u>

Levy	\$ 21,809,469.05
Other Charges	<u>17,093.90</u>
	<u>\$ 21,826,562.95</u>

**Analysis of 2022 Property Tax Yield and Tax Levy**

Tax Yield:	
General Purpose Tax	\$ 21,657,417.84
Added and Omitted Taxes	<u>152,051.21</u>
	<u>\$ 21,809,469.05</u>

**Tax Levy:**

Regional District School Tax (Abstract)		
County Taxes:		
County Tax (Abstract)	\$ 3,307,346.17	
County Library Tax (Abstract)	325,476.14	
County Health Tax (Abstract)	171,886.10	
County Open Space Tax (Abstract)	123,252.64	
Due County for Added and Omitted Taxes	<u>27,553.71</u>	
Total County Taxes		3,955,514.76
Local Tax for Municipal Purposes		
Add: Additional Tax Levied		<u>8,375,369.29</u>
		<u>\$ 21,809,469.05</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-8**

**SCHEDULE OF TAX TITLE LIENS**

Balance December 31, 2021	\$ 121,604.13
Increased by:	
Transfers from Taxes Receivable	<u>9,356.25</u>
	130,960.38
Decreased by:	
Receipts	<u>38,120.36</u>
Balance December 31, 2022	\$ <u>92,840.02</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-9

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	<u>Balance Dec. 31, 2021</u>	<u>Accrued in 2022</u>	<u>Collected by Treasurer</u>	<u>Balance Dec. 31, 2022</u>
Licenses:				
Alcoholic Beverages	\$	4,161.64	\$ 4,161.64	\$
Fees and Permits		57,738.10	57,738.10	
Fines and Costs:				
Municipal Court	15,967.71	81,432.08	92,135.77	5,264.02
Mercantile Licenses		5,782.40	5,782.40	
State Aid:				
Energy Receipts Tax		664,673.00	664,673.00	
Municipal Relief Fund		34,671.94	34,671.94	
Other Special Items:				
Uniform Fire Safety Act		4,434.30	4,434.30	
American Rescue Plan Act		1,184,010.69	1,184,010.69	
Lease for Mobile Telephone Cell Site		231,870.68	231,870.68	
	<u>\$ 15,967.71</u>	<u>\$ 2,268,774.83</u>	<u>\$ 2,279,478.52</u>	<u>\$ 5,264.02</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 1 of 5

OPERATIONS WITHIN CAPS

	<u>Balance</u>		<u>Reserve for</u>		<u>Balance</u>		<u>Paid or</u>		<u>Balance</u>
	<u>Dec. 31, 2021</u>		<u>Encumbrances</u>		<u>After</u>		<u>Charged</u>		<u>Lapsed</u>
					<u>Transfers</u>				
Mayor and Council	\$ 403.76	\$		\$	403.76	\$		\$	403.76
Salaries and Wages	5.47		75.00		80.47		75.00		5.47
Other Expenses									
Municipal Clerk	342.29				342.29				342.29
Salaries and Wages									
Other Expenses:									
Advertising and Public Relations	305.00		2,544.95		2,849.95		2,544.95		305.00
Postage	250.00				250.00				250.00
Miscellaneous Other Expenses	1,229.80		1,562.00		2,791.80		1,070.22		1,721.58
Elections									
Other Expenses	230.35				230.35				230.35
Financial Administration									
Salaries and Wages	79.27				79.27		36.72		42.55
Other Expenses	274.72		7,383.35		7,658.07		7,658.07		
Audit Services									
Other Expenses			33,000.00		33,000.00		33,000.00		
Collection of Taxes									
Salaries and Wages	41.05				41.05				41.05
Other Expenses:									
Miscellaneous Other Expenses									
Tax Sale Costs	590.44		82.50		672.94		83.00		589.94
Assessment of Taxes	590.80		834.20		1,425.00		834.20		590.80
Salaries and Wages									
Other Expenses	279.13		1,866.00		279.13		1,866.00		279.13
Legal Services and Costs									
Other Expenses	4,830.15		1,250.00		6,080.15		3,750.00		2,330.15
Engineering Services and Costs									
Other Expenses	3.25		13,668.00		13,671.25		13,668.00		3.25
Planning Board									
Salaries and Wages	113.16				113.16				113.16
Other Expenses	1,810.94		27.90		1,838.84		27.90		1,810.94
Environmental Commission									
Other Expenses	1,069.12		5.00		1,074.12		5.00		1,069.12

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 2 of 5

OPERATIONS WITHIN CAPS (CONTINUED)

	<u>Balance</u>	<u>Reserve for</u>	<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Dec. 31, 2021</u>	<u>Encumbrances</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
Insurance	\$	\$	\$	\$	\$
General Liability	853.77	65,000.00	65,853.77	54,390.59	11,463.18
Workers Compensation	.90		.90		.90
Employee Group Insurance	19,501.29	16,254.20	35,755.49	16,254.20	19,501.29
Unemployment Insurance	50.00		50.00		50.00
Police					
Salaries and Wages:					
Chiefs and Officers	21,846.46		21,846.46		21,846.46
Crossing Guards	285.68		285.68		285.68
Other Expenses:					
Police Vehicle Acquisition	764.41	44,235.59	45,000.00	44,235.59	764.41
Miscellaneous	8,682.90	21,866.24	30,549.14	21,886.43	8,662.71
Office of Emergency Management					
Salaries and Wages	11.80		11.80		11.80
Other Expenses	100.00		100.00		100.00
Aid to Volunteer Fire Companies					
Other Expenses	316.15	8,216.21	8,532.36	8,532.36	
Aid to Volunteer Ambulance Companies					
Other Expenses	29.58	5,921.47	5,921.47	5,921.47	
Other Expenses - Training		4,633.42	4,663.00	4,633.42	29.58
Municipal Court					
Salaries and Wages	2,511.86		2,511.86		2,511.86
Other Expenses	105.53	121.79	227.32	121.79	105.53
Uniform Fire Safety Act					
Fire Official					
Salaries and Wages	731.92		731.92		731.92
Other Expenses	2,615.10	2,529.90	5,145.00	5,102.61	42.39
Fire Services Program					
P.E.O.S.H.A.	.51	11,441.20	11,441.71	11,213.45	228.26
Municipal Prosecutor					
Other Expenses	18.00	1,386.00	1,404.00	1,386.00	18.00

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 3 of 5

OPERATIONS WITHIN CAPS (CONTINUED)

	<u>Balance</u>	<u>Reserve for</u>	<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Dec. 31, 2021</u>	<u>Encumbrances</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Transfers</u>		
Streets and Roads Maintenance	\$ 606.95	\$	\$ 606.95	\$	\$ 606.95
Salaries and Wages	2,213.43	2,277.29	4,490.72	277.29	4,213.43
Other Expenses					
Snow Removal					
Other Expenses	1,000.00	5,986.58	6,986.58	5,750.31	1,236.27
Other Public Works Functions					
Salaries and Wages	1,148.16	130.80	1,148.16	130.80	1,148.16
Other Expenses	32.02		162.82		32.02
Solid Waste Collection					
Salaries and Wages	55.63		55.63		55.63
Other Expenses	813.62	3,122.26	3,935.88	2,947.76	988.12
Recycling Program					
Salaries and Wages	2,378.65	820.05	2,378.65	612.69	2,378.65
Other Expenses	4,621.27		5,441.32		4,828.63
Buildings and Grounds					
Salaries and Wages	4,128.05		4,128.05		4,128.05
Other Expenses	3,851.68	20,164.17	24,015.85	18,058.40	5,957.45
Equipment Maintenance					
Salaries and Wages	297.61		297.61		297.61
Other Expenses		18,284.05	18,284.05	13,707.73	4,576.32
Animal Control Services					
Other Expenses		2,067.29	2,067.29	1,926.83	140.46
Board of Recreation Commissioners					
Other Expenses		112.29	112.29	112.29	
Maintenance of Parks and Playgrounds					
Other Expenses	138.66		138.66		138.66
Lifeguards and Special Officers					
Salaries and Wages	3.81		3.81		3.81
Beach Maintenance					
Other Expenses	57.54		57.54		57.54
Participation in Free County Library					
Other Expenses	5,000.00		5,000.00		5,000.00



BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 4 of 5

OPERATIONS WITHIN CAPS (CONTINUED)

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Disposal Costs	\$ 33,336.66	\$ 1,000.00	\$ 34,336.66	\$ 1,000.00	\$ 33,336.66
Other Expenses					
Code Enforcement and Zoning Officer	197.33		197.33		197.33
Salaries and Wages	504.93	15.08	520.01	15.08	504.93
Other Expenses					
Construction Official	242.36		242.36		242.36
Salaries and Wages	836.00		836.00		836.00
Other Expenses					
Utilities:					
Electricity	53.56	14,594.14	14,647.70	14,594.14	53.56
Street Lighting	143.52	5,160.27	5,303.79	5,160.27	143.52
Telephone and Telegraph	17.10	5,504.00	5,521.10	5,243.63	277.47
Natural Gas	316.30	5,000.00	5,316.30	4,365.22	951.08
Gasoline, Diesel Fuel and Oil	853.96	19,523.05	20,377.01	19,523.05	853.96
Cell Telephones	84.14	2,600.00	2,684.14	2,600.00	84.14
Total Operations within Caps	<u>133,807.50</u>	<u>350,266.24</u>	<u>484,073.74</u>	<u>334,322.46</u>	<u>149,751.28</u>

STATUTORY EXPENDITURES WITHIN CAPS

Contribution to:					
Public Employees Retirement System	17.93		17.93	17.93	2,108.12
Social Security System	2,108.12		2,108.12		.70
Police and Fireman's Retirement System	.70		.70		44.03
Defined Contribution Retirement System	44.03		44.03		2,152.85
Total Statutory Expenditures within Caps	<u>2,170.78</u>		<u>2,170.78</u>	<u>17.93</u>	<u>2,152.85</u>
Total Appropriations within Caps	\$ <u>135,978.28</u>	\$ <u>350,266.24</u>	\$ <u>486,244.52</u>	\$ <u>334,340.39</u>	\$ <u>151,904.13</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 5 of 5

OPERATIONS EXCLUDED FROM CAPS

	Balance Dec. 31, 2021	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
LOSAP					
Other Expenses	\$ 4,801.75	\$ 40,000.00	\$ 40,000.00	\$ 31,980.25	\$ 8,019.75
Matching Funds for Grants	4,801.75	40,000.00	4,801.75	31,980.25	4,801.75
Total Operations excluded from Caps	<u>4,801.75</u>	<u>40,000.00</u>	<u>44,801.75</u>	<u>31,980.25</u>	<u>12,821.50</u>
Total General Appropriations	\$ <u>140,780.03</u>	\$ <u>390,266.24</u>	\$ <u>531,046.27</u>	\$ <u>366,320.64</u>	\$ <u>164,725.63</u>
Disbursements				\$ 298,580.87	
Accounts Payable				<u>67,739.77</u>	
				\$ <u>366,320.64</u>	

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-11**

**SCHEDULE OF COUNTY TAXES PAYABLE**

Balance December 31, 2021		\$ 12,022.60
Increased by:		
County Tax	\$ 3,307,346.17	
County Library Tax	325,476.14	
County Health Tax	171,886.10	
County Open Space Tax	123,252.64	
	<u>3,927,961.05</u>	
Added and Omitted Taxes	27,553.71	
		<u>3,955,514.76</u>
		<u>3,967,537.36</u>
Decreased by:		
Payments		<u>3,939,983.65</u>
Balance December 31, 2022		\$ <u>27,553.71</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-12**

**SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX PAYABLE**

Balance December 31, 2021:			
School Tax Payable	\$ 2,180,288.51		
School Tax Deferred	<u>2,190,697.00</u>		
		\$ 4,370,985.51	
Increased by:			
Levy - School Year July 1, 2022 to June 30, 2023		<u>9,478,585.00</u>	
		13,849,570.51	
Decreased by:			
Payments		<u>4,370,984.84</u>	
Balance December 31, 2022:			
School Tax Payable	7,287,888.67		
School Tax Deferred	<u>2,190,697.00</u>		
		\$ <u>9,478,585.67</u>	

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-13

SCHEDULE OF INTERFUNDS

	Total (Memo Only)	Animal Control Trust Fund	Other Trust Fund	General Capital Fund	Water Utility Operating Fund	Payroll Fund
Balance December 31, 2021 - Due From/(Due To)	\$ 36,623.33	\$ 10,124.69	\$ 19,833.56	\$	\$ 4,700.08	\$ 1,965.00
Increased by:						
Disbursements	683,198.11	641.00	18,976.57		415,460.30	248,120.24
Statutory Excess in Animal Control Trust Fund	5,034.80	5,034.80				
Total Increases	<u>688,232.91</u>	<u>5,675.80</u>	<u>18,976.57</u>		<u>415,460.30</u>	<u>248,120.24</u>
Total Increases and Balances	<u>724,856.24</u>	<u>15,800.49</u>	<u>38,810.13</u>		<u>420,160.38</u>	<u>250,085.24</u>
Decreased by:						
Receipts	1,020,915.14	331.00	6,964.94	988,884.69	24,734.51	
Total Decreases	<u>1,020,915.14</u>	<u>331.00</u>	<u>6,964.94</u>	<u>988,884.69</u>	<u>24,734.51</u>	
Balance December 31, 2022 - Due From/(Due To)	\$ (296,058.90)	\$ 15,469.49	\$ 31,845.19	\$ (988,884.69)	\$ 395,425.87	\$ 250,085.24

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-14**

**SCHEDULE OF INTERFUNDS**

**GRANT FUND**

Balance December 31, 2021 - Due To			\$ (725,035.52)
Increased by:			
Disbursements in Current Fund - Unappropriated Reserves	\$ 592,005.34		
Disbursements in Current Fund - Appropriated Reserves	79,378.40		
	<u>671,383.74</u>		
2022 Budget Revenues Realized	1,189.95		
			<u>672,573.69</u>
			<u>(52,461.83)</u>
Decreased by:			
Receipts in Current Fund - Grants Receivable	54,177.95		
Receipts in Current Fund - Unappropriated Reserves	293,314.65		
	<u>347,492.60</u>		
2022 Budget Appropriations	1,189.95		
			<u>348,682.55</u>
Balance December 31, 2022 - Due To			\$ <u><u>(401,144.38)</u></u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GRANT FUND**

**Exhibit A-15**

**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Grant</u>	<u>Balance Dec. 31, 2021</u>	<u>2022 Budget Revenue</u>	<u>Receipts</u>	<u>Balance Dec. 31, 2022</u>
2022 Grants:				
Body Armor Grant	\$	\$ 1,189.95	\$ 1,189.95	\$
2021 Grants:				
Body Worn Cameras	52,988.00		52,988.00	
Municipal Alliance	<u>8,276.25</u>	<u>                    </u>	<u>                    </u>	<u>8,276.25</u>
	<u>\$ 61,264.25</u>	<u>\$ 1,189.95</u>	<u>\$ 54,177.95</u>	<u>\$ 8,276.25</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GRANT FUND**

Exhibit A-16

**SCHEDULE OF APPROPRIATED RESERVES**

<u>Grant</u>	<u>Balance Dec. 31, 2021</u>	<u>Transfer from 2022 Budget Appropriations</u>	<u>Reserve for Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2022</u>
2022 Grants:	\$	\$ 1,189.95	\$	\$ 1,189.95	\$
Body Armor Grant					
2021 Grants:					
Body Armor Grant	1,604.89				1,604.89
Body Worn Cameras	22,628.00		30,360.00	34,462.00	18,526.00
Clean Communities Program	44,340.13				44,340.13
Drunk Driving Enforcement Fund	4,081.24				4,081.24
Municipal Alliance	4,142.30		3,120.00		7,262.30
2020 Grants:					
Body Armor Grant	2,178.69			1,604.89	573.80
Clean Communities Program	23,825.09				23,825.09
2019 Grants:					
Body Armor Grant	711.16				711.16
Drunk Driving Enforcement Fund	3,187.61			3,080.92	106.69
Clean Communities Program	21,345.60			8,146.45	13,199.15
2017 Grants:					
Clean Communities Program	22,542.27			22,542.27	
2016 Grants:					
Clean Communities Program	8,351.92			8,351.92	
Combined Grants:					
Alcohol Education and Rehabilitation Fund	<u>1,875.53</u>				<u>1,875.53</u>
	\$ <u>160,814.43</u>	\$ <u>1,189.95</u>	\$ <u>33,480.00</u>	\$ <u>79,378.40</u>	\$ <u>116,105.98</u>



BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GRANT FUND

Exhibit A-17

SCHEDULE OF UNAPPROPRIATED RESERVES

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Receipts</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
American Rescue Plan Act	\$ 592,005.34		\$ 592,005.34	\$
Body Armor Grant		1,574.34		1,574.34
Clean Communities Program		23,090.31		23,090.31
New Jersey DOT FY '22 Nautilus		236,250.00		236,250.00
Safe and Secure Communities Program		32,400.00		32,400.00
	<u>\$ 592,005.34</u>	<u>\$ 293,314.65</u>	<u>\$ 592,005.34</u>	<u>\$ 293,314.65</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

TRUST FUNDS

Exhibit B-1

SCHEDULE OF CASH - TREASURER

Balance December 31, 2021		<u>Animal Control Trust</u>	<u>Other Trust</u>
		\$ 21,087.09	\$ 2,005,926.14
Increased by Receipts:			
Due State of New Jersey	\$ 984.00		
Animal License Fees	4,415.00		
Grants Receivable		5,012.95	
Miscellaneous Reserves		956,434.94	
Interfund - Current Fund	641.00	18,976.57	
		<u>6,040.00</u>	<u>980,424.46</u>
		27,127.09	2,986,350.60
Decreased by Disbursements:			
Due State of New Jersey	982.80		
Animal Control Fund Expenditures	160.00		
Miscellaneous Reserves		660,750.55	
Interfund - Current Fund	331.00	6,964.94	
		<u>1,473.80</u>	<u>667,715.49</u>
Balance December 31, 2022		<u>\$ 25,653.29</u>	<u>\$ 2,318,635.11</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**ANIMAL CONTROL TRUST FUND**

**Exhibit B-2**

**SCHEDULE OF DUE STATE OF NEW JERSEY**

Increased by:		
2022 State License Fees		\$ 984.00
Decreased by:		
Fees Paid to State		<u>982.80</u>
Balance December 31, 2022		<u>\$ 1.20</u>

**SCHEDULE OF RESERVE FOR EXPENDITURES**

**Exhibit B-3**

Balance December 31, 2021		\$ 10,962.40
Increased by:		
2022 Animal License Fees		<u>4,415.00</u>
		15,377.40
Decreased by:		
Expenditures Under R.S. 4:19-15.11	\$ 160.00	
Statutory Excess Due to Current Fund	<u>5,034.80</u>	
		<u>5,194.80</u>
Balance December 31, 2022		<u>\$ 10,182.60</u>

**Animal License Fees Collected**

<u>Year</u>	<u>Amount</u>
2021	\$ <u>4,889.20</u>
2020	<u>5,293.40</u>
	<u>\$ 10,182.60</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**OTHER TRUST FUND**

**Exhibit B-4**

**SCHEDULE OF GRANTS RECEIVABLE**

	<b><u>Municipal Alliance</u></b>
Balance December 31, 2021	\$ <u>6,482.01</u>
Increased by:	
Grants Awarded	<u>10,991.25</u>
	<u>17,473.26</u>
Decreased by:	
Receipts	<u>5,012.95</u>
Balance December 31, 2022	\$ <u><u>12,460.31</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

OTHER TRUST FUND

Exhibit B-5

SCHEDULE OF MISCELLANEOUS RESERVES

	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
Affordable Housing	\$ 357,849.06	\$ 56,439.80		\$ 414,288.86
Community Center and Mayo Park Complex Maintenance	40,226.85	81,370.69	70,177.81	51,419.73
Deposit on Rental of Community Center and Mayo Park	23,572.90	71,300.00	72,360.00	22,512.90
Developers' Escrow Funds	127,013.08	42,150.03	42,382.99	126,780.12
Disposal of Forfeited Property	5,234.38	426.00		5,660.38
Donations for:				
Developer's Contribution for Detention Basins	10,010.00			10,010.00
Fireworks on the Toms River	75,994.54	20,166.48	35,486.98	60,674.04
Police	9,575.00	75.00	1,505.00	8,145.00
Tree Purchases	1,600.05			1,600.05
Law Enforcement Trust	2,528.51	17,742.50	21,763.28	2,528.51
Municipal Alliance	9,326.26	2.00	278.88	5,305.48
Parking Offenses Adjudication Act	299.16			22.28
Premiums Received at Tax Sale	544,400.00	431,600.00	160,800.00	815,200.00
Public Defender	53.79	299.87		353.66
Recreation Commission	25,049.93	15,945.08	12,400.90	28,594.11
Recycling Trust	239,004.95	26,343.70	22,109.67	243,238.98
Riverfront Trust	158,835.86	50,743.37	63,987.73	145,591.50
Sick Leave Trust	15,231.30	15,000.00		30,231.30
Storm Trust	53,398.47		12,072.30	41,326.17
Third Party Tax Title Lien Redemption	6,748.89	136,288.57	141,848.91	1,188.55
Unemployment Compensation	282,045.14	1,523.83	3,576.10	279,992.87
Uniform Fire Safety Act Penalties	4,576.47	9.27		4,585.74
	<u>\$ 1,992,574.59</u>	<u>\$ 967,426.19</u>	<u>\$ 660,750.55</u>	<u>\$ 2,299,250.23</u>
Cash Activity		\$ 956,434.94	\$ 660,750.55	
Grants Receivable		<u>10,991.25</u>		
		<u>\$ 967,426.19</u>	<u>\$ 660,750.55</u>	

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**TRUST FUNDS**

**Exhibit B-6**

**SCHEDULE OF INTERFUND - CURRENT FUND**

	<b>Total (Memo Only)</b>	<b>Animal Control Trust</b>	<b>Other Trust</b>
Balance December 31, 2021 - Due To	\$ (29,958.25)	\$ (10,124.69)	\$ (19,833.56)
Increased/Decreased by:			
Statutory Excess in Reserve for Dog Fund Expenditures	5,034.80	5,034.80	
Disbursements	7,295.94	331.00	6,964.94
	<u>(27,697.11)</u>	<u>(14,828.49)</u>	<u>(12,868.62)</u>
Decreased/Increased by:			
Receipts	<u>19,617.57</u>	<u>641.00</u>	<u>18,976.57</u>
Balance December 31, 2022 - Due To	\$ <u>(47,314.68)</u>	\$ <u>(15,469.49)</u>	\$ <u>(31,845.19)</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-2**

**SCHEDULE OF CASH - TREASURER**

Balance December 31, 2021		\$ 1,766,252.46
Increased by Receipts:		
Premium on Serial Bonds Issued	\$ 111,991.72	
Premium on Bond Anticipation Notes Issued	61,691.30	
Deferred Charges to Future Taxation Unfunded	234,384.85	
Capital Improvement Fund	90,000.00	
Reserve for Retirement of Debt	191,184.84	
Interfunds	58,324.99	
General Serial Bonds	3,052,000.00	
Bond Anticipation Notes	<u>935,000.00</u>	
		<u>4,734,577.70</u>
		<u>6,500,830.16</u>
Decreased by Disbursements:		
Interfunds	1,227,033.32	
Improvement Authorizations	1,230,356.42	
Bond Anticipation Notes	<u>3,052,000.00</u>	
		<u>5,509,389.74</u>
Balance December 31, 2022		\$ <u><u>991,440.42</u></u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**ANALYSIS OF CAPITAL CASH**

**Exhibit C-3**

		Receipts		Disbursements		Transfers		Balance
	Balance Dec. 31, 2021	Notes Issued	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	Dec. 31, 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Fund Balance	89,329.91		173,683.02			12,500.00		263,012.93
Capital Improvement Fund	24,269.75		90,000.00					101,769.75
NJETT Loan Receivable	(101,905.00)							(101,905.00)
Interfunds:								
Current Fund								
Water Utility Operating Fund					988,884.69			(988,884.69)
Water Utility Capital Fund			58,324.99		238,148.63			(238,148.63)
Reserve for Encumbrances			191,184.84			853,792.97	111,205.51	111,205.51
Bond Anticipation Notes Paid						3,052,000.00	3,052,000.00	3,052,000.00
Serial Bonds Issued								
<b>Improvement Authorizations:</b>								
<b>Ordinance Number</b>	<b>Improvement Description</b>							
2004-08, 2005-09	Various Capital Improvements	41,085.25						41,085.25
2011-10, 2013-11	Improvements to Municipal Building	5,290.57						5,290.57
2012-08, 2013-01	Repairs due to Hurricane Sandy	38,542.48						38,542.48
2013-08	Various Capital Improvements	87,690.85		6,721.05				80,969.80
2014-03	Relocation of Two Stormwater Outflows	166,906.57		(4,839.83)				171,746.40
2014-05	Various Capital Improvements	19,296.92		6,914.25		10,685.25	15,399.50	17,096.92
2014-06, 2014-11	Improvements to Mayo Park and Construction of a Recreation Center	0.00						
2014-09	Closure of the Landfill	17,622.27				1,960.00	1,960.00	17,622.27
2015-09	Various Capital Improvements	295.23				453.75	980.00	821.48
2016-09	Various Capital Improvements	165,998.77		123,241.04		11,554.49	5,054.49	36,257.73
2017-04	Various Capital Improvements	177,767.44		123,817.85		29,048.69	4,915.14	29,816.04
2018-02	Various Capital Improvements	4,638.92		2,000.00		2,064.65	2,064.65	2,638.92
2018-04	Acquisition of Real Property	502.31				1,130.50	1,130.50	502.31
2018-07	Improvement to Municipal Complex	26,316.00		150,552.77		19,141.66	166,144.43	26,316.00
2019-08	Various Capital Improvements	142,802.66		18,010.36		10,533.63	18,160.94	139,252.66
2021-13	Various Capital Improvements	837,987.65	935,000.00	632,613.93		24,652.89	637,983.32	827,604.60
2022-01	Improvements and Repairs to Marina	(831,979.06)		171,325.00			12,500.00	318,142.29
		\$ 1,766,252.46	\$ 935,000.00	\$ 3,799,577.70	\$ 1,230,356.42	\$ 4,029,498.48	\$ 4,029,498.48	\$ 991,440.42



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-4**

**SCHEDULE OF DEFERRED CHARGES TO FUTURE**

**TAXATION - FUNDED**

Balance December 31, 2021		\$ 2,660,387.62
Increased by:		
Improvement Costs Funded by:		
Serial Bonds Issued		<u>3,052,000.00</u>
		5,712,387.62
Decreased by:		
2022 Budget Appropriations to Pay:		
Serial Bonds	\$ 765,000.00	
Trust Loan	10,000.00	
Fund Loan	<u>11,013.73</u>	
		<u>786,013.73</u>
Balance December 31, 2022		<u><u>\$ 4,926,373.89</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-5

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Grant Proceeds	Notes Paid by Budget Appropriation	Transferred to Deferred Taxation-Funded	Balance Dec. 31, 2022	Bond Anticipation Notes	Analysis of Balance December 31, 2022	
									Expenditures	Unexpended Improvement Authorizations
2010-09	Various Drainage Improvements and Roadway Repairs	\$ 571,460.00	\$	\$	\$ 16,878.00	\$ 554,582.00	\$	\$	\$	\$
2010-11	Various Capital Improvements	113,841.00			9,487.00	104,354.00				
2011-05	Various Capital Improvements	224,746.00			18,750.00	205,996.00				
2012-05	Various Capital Improvements	562,250.00			43,250.00	519,000.00				
2012-08,										
2013-01	Repairs Due to Hurricane Sandy	165,750.00			6,302.00	159,448.00				
2013-08	Various Capital Improvements	570,000.00					570,000.00			
2014-03	Relocation of Two Stormwater Outflows	312,216.00					312,216.00			312,216.00
2014-05	Various Capital Improvements	635,000.00					635,000.00			
2014-06,										
2014-11	Improvements to Mayo Park and Construction of a Recreation Center	1,006,024.00			28,744.00	1,508,620.00	977,280.00			
2015-09	Various Capital Improvements	2,460,429.00			93,739.00		858,070.00			
2016-09	Various Capital Improvements	700,000.00					700,000.00			
2017-03	Refunding Ordinance	125,000.00					125,000.00			
2017-04	Various Capital Improvements	616,500.00			34,250.00		582,250.00			
2018-02	Acquisition of Real Property	228,000.00			5,850.00		222,150.00			
2018-07	Various Capital Improvements	1,078,250.00			56,750.00		1,021,500.00			
2019-08	Various Capital Improvements	1,410,750.00					1,410,750.00			
2021-13	Various Capital Improvements	2,023,500.00					1,789,115.15			854,115.15
2022-01	Improvements and Repairs to Marina		237,500.00	234,384.85			237,500.00		158,825.00	78,675.00
		\$ 12,803,716.00	\$ 237,500.00	\$ 234,384.85	\$ 314,000.00	\$ 3,052,000.00	\$ 9,440,831.15	\$ 7,912,000.00	\$ 158,825.00	\$ 1,370,006.15

Improvement Authorizations Unfunded  
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ordinance Number	Improvement Description	Expenditures	Unexpended Improvement Authorizations
2013-08	Various Capital Improvements	\$ 80,969.80	
2014-05	Various Capital Improvements	17,096.92	
2014-06,	Improvements to Mayo Park and Construction of a Recreation Center	17,622.27	
2014-11	Various Capital Improvements	36,257.73	
2015-09	Various Capital Improvements	29,816.04	
2016-09	Various Capital Improvements	2,638.92	
2017-04	Various Capital Improvements	502.31	
2018-02	Acquisition of Real Property	139,252.66	
2018-07	Various Capital Improvements	827,604.60	
2019-08	Various Capital Improvements	318,142.29	
2021-13	Various Capital Improvements		1,469,903.54
			\$ 1,370,006.15

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-6**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2021	\$ 24,269.75
Increased by:	
Budget Appropriation	<u>90,000.00</u>
	114,269.75
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>12,500.00</u>
Balance December 31, 2022	<u><u>\$ 101,769.75</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-7

SCHEDULE OF INTERFUNDS

	<u>Total (Memo Only)</u>	<u>Current Fund</u>	<u>Water Operating Fund</u>	<u>Water Capital Fund</u>
Increased by:				
Disbursements	\$ 1,227,033.32	\$ 988,884.69	\$ 238,148.63	\$
	<u>1,227,033.32</u>	<u>988,884.69</u>	<u>238,148.63</u>	
Decreased by:				
Receipts	<u>58,324.99</u>			<u>58,324.99</u>
Balance December 31, 2022 - Due From/(Due To)	<u>\$ 1,168,708.33</u>	<u>\$ 988,884.69</u>	<u>\$ 238,148.63</u>	<u>\$ (58,324.99)</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-8

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2021		Capital Improvement Fund	2022 Authorizations		Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2022	
				Funded	Unfunded		Deferred Charges to Future Taxation	Unfunded			Funded	Unfunded
2004-08,	Various Capital Improvements	5/19/2004	\$ 600,000.00	\$ 41,085.25	\$	\$	\$	\$	\$	\$ 41,085.25	\$	
2005-09		10/05/2011	65,000.00	5,290.57						5,290.57		
2011-10,	Repairs to Municipal Building	1/18/2013	40,845.34							38,542.48		
2013-11		4/17/2013	325,000.00								80,969.80	
2013-01	Various Capital Improvements	8/21/2013	895,000.00	166,906.57					6,721.05	171,746.40	312,216.00	
2014-03	Relocation of Two Stormwater Outflows	7/16/2014	1,200,000.00						(4,839.83)			
2014-05	Various Capital Improvements	6/18/2014	900,000.00						17,599.50		17,096.92	
2014-06,	Improvements to Mayo Park and Construction of a Recreation Center	6/18/2014	955,000.00									
2014-11		12/17/2014	225,000.00						1,960.00		17,622.27	
2014-09	Closure of the Landfill	12/03/2014	60,108.56	295.23					453.75	821.48		
2015-09	Various Capital Improvements	10/07/2015	2,850,000.00						134,795.53		36,257.73	
2016-09	Various Capital Improvements	9/21/2016	1,470,000.00						152,866.54		29,816.04	
2017-03	Relanding Ordinance	10/04/2017	125,000.00								125,000.00	
2017-04	Various Capital Improvements	10/04/2017	685,000.00						4,064.65		2,638.92	
2018-02	Acquisition of Real Property	3/07/2018	240,000.00						1,130.50		502.31	
2018-04	Improvement to Municipal Complex	5/02/2018	40,000.00	26,316.00						26,316.00		
2018-07	Various Capital Improvements	10/03/2018	1,135,000.00						169,694.43		139,252.66	
2019-08	Various Capital Improvements	1/06/2019	1,485,000.00						28,843.99		827,604.60	
2021-13	Various Capital Improvements	9/15/2021	2,150,000.00			12,500.00			657,246.82		1,172,257.44	
2022-01	Improvements and Repairs to Marina	3/02/2022	250,000.00						171,525.00		78,675.00	
				\$ 239,893.62	\$ 3,121,587.21	\$ 12,500.00	\$	\$ 853,792.97	\$ 1,341,561.93	\$ 283,802.18	\$ 2,839,909.69	
	Disbursements								\$ 1,230,356.42			
	Reserve for Encumbrances								111,205.51			
									\$ 1,341,561.93			

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-9

**SCHEDULE OF GENERAL SERIAL BONDS**

<b><u>Purpose</u></b>	<b><u>Date of Issue</u></b>	<b><u>Original Issue</u></b>	<b><u>Maturities of Bonds</u></b>		<b><u>Interest Rate</u></b>	<b><u>Balance Dec. 31, 2021</u></b>	<b><u>Issued for Cash</u></b>	<b><u>Decreased</u></b>	<b><u>Balance Dec. 31, 2022</u></b>
			<b><u>Outstanding Date</u></b>	<b><u>Amount</u></b>					
Refunding Bond	2/06/2020	\$ 3,125,000.00	4/01/2023	\$ 795,000.00	5.000%	\$ 2,390,000.00	\$	\$ 765,000.00	\$ 1,625,000.00
General Improvement	8/30/2022	3,052,000.00	4/01/2024	830,000.00	5.000%				
			8/15/2023	112,000.00	5.000%				
			8/15/2024	115,000.00	5.000%				
			8/15/2025-29	220,000.00	5.000%				
			8/15/2030-31	220,000.00	4.000%				
			8/15/2032-33	220,000.00	3.000%				
			8/15/2034	220,000.00	3.125%				
8/15/2035	220,000.00	3.250%							
			8/15/2036	205,000.00	3.375%				
			8/15/2037	200,000.00	3.500%				
						\$ 2,390,000.00	\$ 3,052,000.00	\$ 765,000.00	\$ 4,677,000.00

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-10

SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Outstanding December 31, 2022</u>		<u>Interest Rates</u>	<u>Balance Dec. 31, 2021</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2022</u>
			<u>Year</u>	<u>Amount</u>				
Stormwater Outflows	2015	\$ 200,000.00	2023-29	\$ 10,000.00	5.00%	\$ 155,000.00	\$ 10,000.00	\$ 145,000.00
			2030-34	15,000.00	4.00%			

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-11

SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE FUND LOAN

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Outstanding December 31, 2022</u>		<u>Interest Rates</u>	<u>Balance Dec. 31, 2021</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2022</u>
			<u>Year</u>	<u>Amount</u>				
Stormwater Outflows	2015	\$ 209,261.00	2023-31	\$ 11,013.73	0.00%	\$ 115,387.62	\$ 11,013.73	\$ 104,373.89
			2032	5,250.30	0.00%			



BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-12

SCHEDULE OF BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2022</u>
2010-09	Various Drainage Improvements and Roadway Repairs	3/11/2014	3/03/2021	3/03/2022	1.00%	\$ 571,460.00	\$	\$ 571,460.00	\$
2010-11	Various Capital Improvements	3/12/2012	3/03/2021	3/03/2022	1.00%	113,841.00		113,841.00	
2011-05	Various Capital Improvements	3/12/2012	3/03/2021	3/03/2022	1.00%	224,746.00		224,746.00	
2012-05	Various Capital Improvements	3/11/2013	3/03/2021	3/03/2022	1.00%	562,250.00		562,250.00	
2013-01	Repairs Due to Hurricane Sandy	3/11/2014	3/03/2021	3/03/2022	1.00%	165,750.00		165,750.00	
2014-05	Various Capital Improvements	3/11/2014	3/03/2022	3/02/2023	2.00%	570,000.00			570,000.00
2014-06	Various Capital Improvements	3/09/2015	3/03/2022	3/02/2023	2.00%	635,000.00			635,000.00
2014-11	Improvements to Mayo Park and Construction of a Recreation Center	3/09/2015	3/03/2022	3/02/2023	2.00%	1,006,024.00		28,744.00	977,280.00
2015-09	Various Capital Improvements	3/08/2016	3/03/2021	3/03/2022	1.00%	1,596,292.00		1,596,292.00	
2015-09	Various Capital Improvements	3/07/2017	3/03/2022	3/02/2023	2.00%	864,137.00		6,067.00	858,070.00
2016-09	Various Capital Improvements	3/07/2017	3/03/2022	3/02/2023	2.00%	700,000.00			700,000.00
2017-04	Various Capital Improvements	3/06/2018	3/03/2022	3/02/2023	2.00%	616,500.00		34,250.00	582,250.00
2018-02	Acquisition of Real Property	3/05/2019	3/03/2022	3/02/2023	2.00%	228,000.00		5,850.00	222,150.00
2018-07	Various Capital Improvements	3/05/2019	3/03/2022	3/02/2023	2.00%	1,078,250.00		56,750.00	1,021,500.00
2019-08	Various Capital Improvements	3/04/2020	3/03/2022	3/02/2023	2.00%	1,410,750.00			1,410,750.00
2021-13	Various Capital Improvements	8/30/2022	8/30/2022	3/02/2023	2.92%		935,000.00		935,000.00
						\$ 10,343,000.00	\$ 935,000.00	\$ 3,366,000.00	\$ 7,912,000.00
	Paid from Bond Proceeds							\$ 3,052,000.00	
	Paid by Budget Appropriation							314,000.00	
								\$ 3,366,000.00	

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-13

**SCHEDULE OF BONDS AND NOTES AUTHORIZED**

**BUT NOT ISSUED**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2022</u></b>
2014-03	Relocation of Two Stormwater Outflows	\$ 312,216.00
2017-03	Refunding Ordinance	125,000.00
2021-13	Various Capital Improvements	854,115.15
2022-01	Improvements and Repairs to Marina	<u>237,500.00</u>
		<u>\$ 1,528,831.15</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY FUND

Exhibit D-5

SCHEDULE OF WATER UTILITY CASH

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2021	\$ 977,731.01	\$ 509,260.95
Increased by Receipts:		
Consumer Accounts Receivable	\$ 1,863,755.60	
Fire Hydrant Service	12,600.00	
Capital Fund - Fund Balance	47,500.00	
Miscellaneous Revenue	49,889.63	
Prepaid Rents	71,649.29	
Premium on Sale of Bonds and Notes		58,324.99
Capital Improvement Fund		2,900.00
Interfunds	767,307.31	44,600.00
Serial Bonds Issued	<u>2,812,701.83</u>	<u>2,547,000.00</u>
	<u>3,790,432.84</u>	<u>2,652,824.99</u>
		<u>3,162,085.94</u>
Decreased by Disbursements:		
Budget Appropriations	1,980,220.84	
Appropriation Reserves	97,221.29	
Accrued Interest on Bonds, Loans and Notes	152,903.41	
Interfunds	69,334.51	
Fund Balance Anticipated in Operating Fund		58,324.99
Improvement Authorizations		47,500.00
Bond Anticipation Notes Paid		138,704.45
	<u>2,299,680.05</u>	<u>2,547,000.00</u>
Balance December 31, 2022	<u>\$ 1,490,752.79</u>	<u>\$ 370,556.50</u>



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY OPERATING FUND**

**Exhibit D-7**

**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2021		\$ 330,162.95
Increased by:		
2022 Water Rents (Net)		<u>1,850,911.04</u>
		2,181,073.99
Decreased by:		
Prepaid Rents	\$ 97,806.31	
Collections	<u>1,863,755.60</u>	
		<u>1,961,561.91</u>
Balance December 31, 2022		<u><u>\$ 219,512.08</u></u>

**WATER UTILITY CAPITAL FUND**

**SCHEDULE OF FIXED CAPITAL**

**Exhibit D-8**

		<b><u>Balance</u></b> <b><u>Dec. 31, 2022</u></b>
Distribution System		\$ 5,979,971.68
Hydrant Repairs		9,694.74
Wells, Treatment Plant and Pumping Stations		4,482,958.03
Storage Tank		<u>2,938,374.42</u>
		<u><u>\$ 13,410,998.87</u></u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY CAPITAL FUND**

**Exhibit D-9**

**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

<b><u>Improvement Description</u></b>	<b><u>Ordinance</u></b>		<b><u>Balance</u></b>
	<b><u>Number</u></b>	<b><u>Amount</u></b>	<b><u>Dec. 31, 2022</u></b>
Water Utility Improvements	2013-07	\$ 500,000.00	\$ 500,000.00
Water Utility Improvements	2014-04	500,000.00	500,000.00
Water Utility Improvements	2015-08	500,000.00	500,000.00
Water Utility Improvements	2016-10	500,000.00	500,000.00
Water Utility Improvements	2017-05	300,000.00	300,000.00
Water Utility Improvements	2018-06	400,000.00	400,000.00
Water Utility Improvements	2019-03	300,000.00	300,000.00
Water Utility Improvements	2020-05	500,000.00	500,000.00
Water Utility Improvements	2021-14	500,000.00	500,000.00
			<b><u>\$ 4,000,000.00</u></b>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY OPERATING FUND

Exhibit D-10

SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2021</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$ 9,493.41	\$	\$ 9,493.41	\$	\$ 9,493.41
Other Expenses	5,447.51	116,767.33	122,214.84	113,195.41	9,019.43
Capital Improvements:					
Capital Outlay	98.22	4,901.78	5,000.00	4,901.78	98.22
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	634.00		634.00	10.80	623.20
Social Security System	11,709.59		11,709.59		11,709.59
Unemployment Compensation Insurance	100.00		100.00		100.00
	<u>\$ 27,482.73</u>	<u>\$ 121,669.11</u>	<u>\$ 149,151.84</u>	<u>\$ 118,107.99</u>	<u>\$ 31,043.85</u>
Disbursements				\$ 97,221.29	
Accounts Payable				<u>20,886.70</u>	
				<u>\$ 118,107.99</u>	

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY OPERATING FUND**

**Exhibit D-11**

**SCHEDULE OF ACCRUED INTEREST ON BONDS, LOANS AND NOTES**

Balance December 31, 2021	\$ 73,107.09
Increased by Receipts:	
Budget Appropriations for Interest on Bonds, Loans and Notes	<u>185,095.80</u>
	258,202.89
Decreased by:	
Interest Paid	<u>152,903.41</u>
Balance December 31, 2022	<u><u>\$ 105,299.48</u></u>

**WATER UTILITY CAPITAL FUND**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

**Exhibit D-12**

Balance December 31, 2021	\$ 30,550.00
Increased by:	
2022 Budget Appropriation	<u>2,900.00</u>
Balance December 31, 2022	<u><u>\$ 33,450.00</u></u>

**WATER UTILITY CAPITAL FUND**

**SCHEDULE OF INTERFUND - GENERAL CAPITAL FUND**

**Exhibit D-13**

Increased by:	
Disbursements	<u>\$ 58,324.99</u>
Balance December 31, 2022 - Due From	<u><u>\$ 58,324.99</u></u>



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY CAPITAL FUND**

Exhibit D-14

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2021		Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2022	
				Funded	Unfunded			Funded	Unfunded
2013-07	Water Utility Improvements	8/21/2013	\$ 500,000.00	\$ 7,366.08	\$	\$	\$ 7,366.08	\$	
2014-04	Water Utility Improvements	6/18/2014	500,000.00	2,199.68	2,052.91	2,052.91	2,199.68		
2015-08	Water Utility Improvements	10/07/2015	500,000.00	657.96					657.96
2016-10	Water Utility Improvements	9/21/2016	500,000.00	93.22	3,663.61	3,663.61			93.22
2017-05	Water Utility Improvements	10/04/2017	300,000.00	424.20	793.75	793.75			424.20
2018-06	Water Utility Improvements	10/03/2018	400,000.00	18.75	9,220.65	9,220.65			18.75
2019-03	Water Utility Improvements	4/03/2019	300,000.00	26,262.00	65,632.36	65,632.36			
2020-05	Water Utility Improvements	10/07/2020	500,000.00	100,009.74	89,961.41	89,961.41			39,187.29
2021-14	Water Utility Improvements	10/06/2021	500,000.00	500,000.00					500,000.00
				\$ 637,031.63	\$ 171,324.69	\$ 171,324.69	\$ 258,409.14	\$ 9,565.76	\$ 540,381.42
	Disbursements						\$ 138,704.45		
	Reserve for Encumbrances						119,704.69		
							\$ 258,409.14		

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY CAPITAL FUND**

**Exhibit D-15**

**SCHEDULE OF RESERVE FOR AMORTIZATION**

Balance December 31, 2021		\$ 9,339,417.43
Increased by:		
Debt Paid by Operating Budget:		
Serial Bonds	\$ 120,000.00	
Environmental Infrastructure Trust Loan	103,744.33	
Environmental Infrastructure Fund Loan	100,414.30	
Bond Anticipation Notes	<u>18,717.00</u>	
		<u>342,875.63</u>
Balance December 31, 2022		<u>\$ 9,682,293.06</u>

**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

**Exhibit D-16**

	<b><u>Ordinance Number</u></b>	<b><u>Balance Dec. 31, 2022</u></b>
Water Utility Improvements	2013-07	\$ 76,926.00
Water Utility Improvements	2014-04	64,105.00
Water Utility Improvements	2015-08	62,204.00
Water Utility Improvements	2016-10	38,463.00
Water Utility Improvements	2017-05	15,386.00
Water Utility Improvements	2018-06	8,164.00
Water Utility Improvements	2020-05	<u>89,783.00</u>
		<u>\$ 355,031.00</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY CAPITAL FUND**

Exhibit D-17

**SCHEDULE OF WATER UTILITY SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Issued for Cash</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2022</u>
			<u>Outstanding Date</u>	<u>Amount</u>					
Refunding Bonds	2/06/2020	\$ 1,250,000.00	4/01/2023	\$ 125,000.00	5.000%				
			4/01/2024	130,000.00	5.000%				
			4/01/2025	140,000.00	5.000%				
			4/01/2026	145,000.00	5.000%				
			4/01/2027	150,000.00	5.000%				
			4/01/2028	160,000.00	5.000%				
			4/01/2029	165,000.00	5.000%	\$ 1,135,000.00		\$ 120,000.00	\$ 1,015,000.00
Water Utility Bonds	8/30/2022	2,547,000.00	8/15/2023	67,000.00	5.000%				
			8/15/2024-25	65,000.00	5.000%				
			8/15/2026-27	70,000.00	5.000%				
			8/15/2028-29	130,000.00	5.000%				
			8/15/2030-31	130,000.00	4.000%				
			8/15/2032-33	130,000.00	3.000%				
			8/15/2034	130,000.00	3.125%				
			8/15/2035	130,000.00	3.250%				
			8/15/2036	130,000.00	3.375%				
			8/15/2037-38	130,000.00	3.500%				
			8/15/2039-40	130,000.00	3.625%				
			8/15/2041-42	130,000.00	3.750%				
			8/15/2043-44	130,000.00	4.000%				
						\$ 1,135,000.00	2,547,000.00		2,547,000.00
						<u>\$ 1,135,000.00</u>	<u>\$ 2,547,000.00</u>	<u>\$ 120,000.00</u>	<u>\$ 3,562,000.00</u>

Paid by Budget Appropriation:  
Reserve for Amortization

\$ 120,000.00  
\$ 120,000.00

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-18

SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Outstanding December 31, 2022</u>	<u>Interest Rates</u>	<u>Balance Dec. 31, 2021</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2022</u>
	<u>Year</u>	<u>Amount</u>	<u>Amount</u>				
Water System	2004	\$ 290,000.00	\$ 18,236.16	5.00%	\$ 49,701.13	\$ 8,744.33	\$ 40,956.80
			22,720.64	5.00%			
Water System	2008	1,700,000.00	99,000.00	5.50%			
			103,000.00	5.00%			
			107,000.00	5.00%			
			112,000.00	5.00%			
			120,000.00	5.00%			
			120,000.00	5.00%			
					<u>756,000.00</u>	<u>95,000.00</u>	<u>661,000.00</u>
					<u>\$ 805,701.13</u>	<u>\$ 103,744.33</u>	<u>\$ 701,956.80</u>

Paid by Budget Appropriation:  
Reserve for Amortization

\$ 103,744.33

\$ 103,744.33

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY CAPITAL FUND

Exhibit D-19

SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE FUND LOAN

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Outstanding December 31, 2022</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2022</u>
			<u>Year</u>	<u>Amount</u>				
Water System	2004	\$ 292,644.00	2023	\$ 8,457.98	0.00%	\$ 23,141.45	\$ 14,683.47	\$ 8,457.98
Water System	2008	1,503,700.00	2023	85,282.90				
			2024	84,676.00				
			2025	84,242.51				
			2026	31,424.20	0.00%	371,356.44	85,730.83	285,625.61
						<u>\$ 394,497.89</u>	<u>\$ 100,414.30</u>	<u>\$ 294,083.59</u>

Paid by Budget Appropriation:  
Reserve for Amortization

\$ 100,414.30

\$ 100,414.30

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY CAPITAL FUND**

Exhibit D-20

**SCHEDULE OF BOND ANTICIPATION NOTES**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Date of Issue of Original Note</b>	<b>Date of Issue</b>	<b>Date of Maturity</b>	<b>Interest Rate</b>	<b>Balance Dec. 31, 2021</b>	<b>Decreased</b>	<b>Balance Dec. 31, 2022</b>
2010-10	Well Number 5 and Related Improvements	3/12/2012	3/03/2021	3/03/2022	1.00%	\$ 1,106,928.00	\$ 1,106,928.00	\$
2012-06	Water Utility Improvements	3/11/2013	3/03/2021	3/03/2022	1.00%	599,820.00	599,820.00	
2013-07	Water Utility Improvements	3/11/2014	3/03/2021	3/03/2022	1.00%	435,895.00	435,895.00	
2014-04	Water Utility Improvements	3/09/2015	3/03/2021	3/03/2022	1.00%	448,716.00	448,716.00	
2015-08	Water Utility Improvements	3/07/2017	3/03/2022	3/02/2023	2.00%	449,976.00	12,180.00	437,796.00
2016-10	Water Utility Improvements	3/07/2017	3/03/2022	3/02/2023	2.00%	474,358.00	12,821.00	461,537.00
2017-05	Water Utility Improvements	3/06/2018	3/03/2022	3/02/2023	2.00%	292,307.00	7,693.00	284,614.00
2018-06	Water Utility Improvements	3/05/2019	3/03/2022	3/02/2023	2.00%	400,000.00	8,164.00	391,836.00
2019-03	Water Utility Improvements	3/04/2020	3/03/2022	3/02/2023	2.00%	300,000.00		300,000.00
2020-05	Water Utility Improvements	3/03/2021	3/03/2022	3/02/2023	2.00%	475,000.00	64,783.00	410,217.00
						<u>\$ 4,983,000.00</u>	<u>\$ 2,697,000.00</u>	<u>\$ 2,286,000.00</u>

Paid from Bond Proceeds  
 Paid by Budget Appropriation:  
     Reserve for Amortization  
     Deferred Reserve for Amortization

\$ 2,547,000.00  
 18,717.00  
131,283.00  
 \$ 2,697,000.00

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY CAPITAL FUND**

Exhibit D-21

**SCHEDULE OF BONDS AND NOTES AUTHORIZED**

**BUT NOT ISSUED**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2022</u></b>
2006-14, 2008-07 2021-14	Construction of Storage Tank and Related Equipment Water Utility Improvements	\$ 29,634.42 <u>500,000.00</u>
		<u>\$ 529,634.42</u>

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BOROUGH OF BEACHWOOD

PART III

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO MAJOR FEDERAL  
FINANCIAL ASSISTANCE PROGRAMS AND  
INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2022

NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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

The Honorable Mayor and Members  
of the Borough Council  
Borough of Beachwood  
County of Ocean  
Beachwood, New Jersey 08722

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and account groups of the Borough of Beachwood, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated October 20, 2023. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Beachwood prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

***Internal Control Over Financial Reporting***

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

# SUPLEE, CLOONEY & COMPANY

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 Borough of Beachwood's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We noted other matters in the internal control which are discussed in Part IV, General Comments and Recommendations section of the audit report.

## ***Compliance and Other Matters***

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

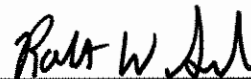
## ***Purpose of This Report***

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



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CERTIFIED PUBLIC ACCOUNTANTS



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REGISTERED MUNICIPAL ACCOUNTANT NO. 439

October 20, 2023



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL  
FINANCIAL ASSISTANCE PROGRAMS AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH THE UNIFORM GUIDANCE**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Beachwood  
County of Ocean  
Beachwood, New Jersey 08722

***Report on Compliance for Each Major Federal Program***

***Opinion on Each Major Federal Program***

We have audited the Borough of Beachwood, County of Ocean, State of New Jersey (the "Borough") compliance with the types of compliance requirements identified as subject to audit in the Federal *OMB Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal programs for the year ended December 31, 2022. The Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

***Basis for Opinion on Each 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 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.

## **SUPLEE, CLOONEY & COMPANY**

We are required to be independent of the Borough 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 each major federal program. Our audit does not provide a legal determination of the Borough'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 Borough's federal programs.

### ***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 Borough'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 generally accepted auditing standards, Government Auditing Standards and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 judgment made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, 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 Borough'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 Borough'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 Borough'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.

# SUPLEE, CLOONEY & COMPANY


## 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.

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.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

October 20, 2023

BOROUGH OF BEACHWOOD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2022

FEDERAL AGENCY NUMBER	PASS THROUGH GRANTOR'S NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	2022 FUNDS RECEIVED	2022 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2022
21.027	100-022-8030-687-046010	01/01/21	592,005.34	592,005.35	592,005.34	592,005.34
21.027	100-022-8030-687-046010	01/01/22	592,005.35	592,005.35	592,005.35	592,005.35
		Till Finished				
		Till Finished				
			\$	\$	\$	\$
			592,005.35	592,005.35	1,184,010.69	1,184,010.69
			\$	\$	\$	\$
			592,005.35	592,005.35	1,184,010.69	1,184,010.69
			\$	\$	\$	\$
			592,005.35	592,005.35	1,184,010.69	1,184,010.69
			\$	\$	\$	\$

FEDERAL GRANTOR/PASS THROUGH GRANTOR/  
PROGRAM TITLE

DEPARTMENT OF THE TREASURY  
Covid ARP State and Local Fiscal Recovery Funding  
Indirect Program - Passed through the New Jersey  
Department of Community Affairs  
Covid ARP State and Local Fiscal Recovery Funding  
Covid ARP State and Local Fiscal Recovery Funding  
Total Department of the Treasury

Total Federal Assistance

The accompanying notes to schedule of expenditures of federal awards are an integral part of this schedule.

BOROUGH OF BEACHWOOD

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2022

NOTE 1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial awards of the Borough of Beachwood, County of Ocean, State of New Jersey. All federal financial awards received directly from federal agencies, as well as federal financial awards passed through other government agencies are included on the Schedule of Expenditures of Federal Awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey that demonstrates compliance with the modified accrual basis of accounting with certain exceptions and the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's regulatory basis financial statements. These amounts are reported in the Current Fund. Reconciliations of revenues and expenses are presented on the following page.



NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS (CONTINUED)

Revenues:	<u>Federal</u>
Current Fund	\$ <u>592,005.35</u>
	\$ <u><u>592,005.35</u></u>
Expenditures:	<u>Federal</u>
Current Fund	\$ <u>1,184,010.69</u>
	\$ <u><u>1,184,010.69</u></u>

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedule. In addition, the Borough has not elected to use the *de minimis* indirect cost rate as covered in CFR 200.414 (F&A) costs.

BOROUGH OF BEACHWOOD  
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**Section I - Summary of Auditor's Results**

**Financial Statements**

- (1) Type of Auditor's Report Issued: Unmodified
- (2) Internal Control Over Financial Reporting:
- (a) Material weaknesses identified? No
  - (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (3) Noncompliance material to the financial statements noted during the audit? No

**Federal Programs(s)**

- (1) Internal Control Over Major Federal Programs:
- (a) Material weaknesses identified? No
  - (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor's Report issued on compliance for major federal program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and listed in Section III of this schedule? No
- (4) Identification of Major Federal Program(s):

<u>Program</u>	<u>Grant Number</u>
Covid ARP State and Local Fiscal Recovery Funding	21.027

- (5) Program Threshold Determination:
- Type A Federal Program Threshold  $\geq$  \$750,000.00
  - Type B Federal Program Threshold  $<$  \$750,000.00

BOROUGH OF BEACHWOOD  
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**Section 1 – Summary of Auditor's Results (Continued)**

**Federal Program(s) (Continued)**

(6) Auditee qualified as a low-risk auditee under Uniform Guidance? No

**State Program(s)**

Not Applicable

**Section II - Financial Statement Audit - Reported Findings Under Government Auditing Standards**

**Internal Control Findings**

None Reported.

**Compliance Findings**

None Reported

**Section III - Findings and Questioned Costs Relative to Major Federal and State Programs**

Federal Programs - None Reported

State Programs - Not Applicable

**Status of Prior Year Audit Findings** - Not Applicable

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BOROUGH OF BEACHWOOD

PART IV

GENERAL COMMENTS

FOLLOW-UP OF PRIOR YEAR FINDINGS

FINDINGS/RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

## GENERAL COMMENTS

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

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired, or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.198 (40A:11-3), except by contract or agreement.

Effective January 1, 2011, the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500.00 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 within the fiscal year. Where a question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

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

- Landscape Maintenance (Grass Cutting)
- Dock Construction at Marina
- Pagers for Fire Company
- 4<sup>th</sup> of July Fireworks
- Leasing of Space for Cellular Antennas
- Road Reconstruction
- Leasing of Space for Solar Panels
- Landfill Monitoring/Well Resting

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-4.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" as required by N.J.S.A. 40:11-5:

- Attorney (General and Labor)
- Auditor
- Bond Counsel
- Financial Consulting

GENERAL COMMENTS (CONTINUED)

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-5) (CONTINUED)

Engineering Services (Multiple Purposes)  
Fee Accountant  
Financial Advisor  
Municipal Prosecutor  
Police Department Accreditation  
Public Defender  
IT Services

CHANGE ORDERS PURSUANT TO N.J.A.C. 5:30-11.9 ET SEQ.

None

CONTRACTS OR AGREEMENTS NOT REQUIRED TO BE ADVERTISED  
ADVERTISED PER N.J.S.A. 40A:11-6.1

N.J.S.A. 40A:11-6.1 states "For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c.198 (C.40A11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor."

We conducted a compliance review of the procedures and policies for securing quotations for purchases referred to above which indicated that the procedures were implemented to ensure statutory compliance and that quotes had been solicited as required by the statute.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 5, 2022 adopted the following resolutions authorizing interest to be charged on delinquent taxes and assessments:

BE IT RESOLVED by the Mayor and Council of Beachwood that the rate of interest to be charged on delinquent taxes and assessments is to be 8% on the first \$1,500.00 and 18% on any amount thereafter. Any amount sold on tax sale is to be charged the entire 18% for the full amount.

BE IT FURTHER RESOLVED that the rate of interest on delinquent water bills is to be 18% per state statute.

GENERAL COMMENTS (CONTINUED)

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS (CONTINUED)

BE IT FURTHER RESOLVED that the grace period allowed for payment of interest shall not exceed 10 calendar days of the due date and thereafter. The interest shall be charged from the date due to the date paid.

BE IT RESOLVED by the Mayor and Council of the Borough of Beachwood, County of Ocean and State of New Jersey, that in accordance with the amendment to N.J.S.A. 54:4-67, the Tax Collector is hereby authorized to charge an additional penalty of 6% for any delinquency that remains in arrears past December 31, 2020 that is in excess of \$10,000.00.

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

TAX TITLE LIENS

The last tax sale was held on December 9, 2022 and was complete.

An examination of the tax sale certificates revealed all certificates were on file and available for audit.

The following is a comparison of the number of tax title liens receivable on December 31 of the last five years:

<u>YEAR</u>	<u>NUMBER</u>
2022	19
2021	22
2020	30
2019	30
2018	32

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>TYPE</u>	
Payments of 2022 Taxes	50
Delinquent Taxes	25
Payment of Water Utility Rents	50
Delinquent Water Utility Rents	25



## GENERAL COMMENTS (CONTINUED)

### VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES (CONTINUED)

The results of the test are not yet known, but a separate report will be issued if any irregularities are developed. For those verification notices which were not returned by taxpayers, we examined subsequent cash collections as an alternative procedure where possible.

### MISCELLANEOUS

All sums of outstanding checks, reflected in cash reconciliations herein, are in agreement with the records of the Chief Financial Officer, as well as with independent lists made part of this audit.

A report summarizing collections of Dog License Fees and remittance of State Registration Fees has been prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Borough Clerk.

Individual payments of the Local, Regional and/or Consolidated School District Taxes by the municipality were confirmed as received by the Secretaries of the Boards of Education for year 2022.

In our verification of expenditures, no attempt was made to establish proof of rendition, character or extent of services nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from individual employee salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination. Remittances to authorized agencies, however, were ascertained.

A summary or synopsis of this report was prepared for publication and filed with the Borough Clerk.

### FOLLOW-UP OF PRIOR YEAR FINDINGS

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings.

There was one, (1) finding identified in the 2021 audit of the Borough which remained unresolved as of December 31, 2022. This finding appears as current year finding 22-01.

### CURRENT YEAR FINDINGS

22-01 Finding - The Analysis of Utility Capital Fund Cash includes cash deficits for ordinances over 5 years old.

## CURRENT YEAR FINDINGS (CONTINUED)

Criteria - Upon authorization of utility capital projects, the Borough establishes deferred charges for the cost of the utility capital projects to be raised by future taxation and/or the issuance of debt. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of water capital projects. According to N.J.S. 40A:2-4, the Borough may levy taxes on all taxable property within its jurisdiction, or in this case, set water rates accordingly, to repay its debt. The Borough raises the debt requirements for its debt in its current budget and/or utility budget as funds are raised thereby reducing the deferred charges.

22-02 Finding - Taxes Receivable on the Current Fund Balance Sheet include items dating back to 2008.

Criteria - Pursuant to R.S. 54:4-91 and 91.1, the Tax Collector shall file with the Governing Body a list of all delinquent taxes that are deemed to be uncollectible. There are items dating back to the year 2008 that are labeled as bankruptcies in the tax collectors records. While these delinquencies may relate to a bankruptcy, it appears that no attempt has been made to collect these delinquencies through all means necessary.

22-03 Finding - Interfund receivables and payables appear on the balance sheets of the various funds as of December 31.

Criteria - Interfunds have an effect on cash flow and with respect to the current fund, interfund receivables impact upon the amount of fund balance that can be utilized in a budget cycle. The Interfunds in existence at December 31, 2022 are material in nature.

22-04 Finding - Problems relating to payroll have occurred.

Criteria - Late payments of payroll related items such as monthly pension remittances and health benefit premiums have occurred which have resulted in the government charging late payment penalties and interest. The compensated absence figures are also questionable. In addition, there was a stale dated wire transfer appearing on the bank reconciliation in the current fund for state health benefits which apparently had never been made.

22-05 Finding - Some certificates as to availability of funds were either incomplete or prepared incorrectly.

Criteria - Local public contracts regulations require the preparation of a certificate as to availability of funds prior to the awarding of each contract. The certificate would indicate the source of the funding for the contract that was about to be awarded. In one instance a contract was awarded by resolution and the certificate of availability of funds was not prepared. Upon further investigation, no funding source existed as of the date of the audit from which the contract could be charged. It should however be noted that no expenditure was charged against this contract since no funding source existed.

## OTHER COMMENTS

None.

## RECOMMENDATIONS

- 1.) That the utility capital cash deficit over five years old for ordinance 2006-14/2008-07 be raised in the upcoming 2024 budget cycle.
- 2.) That uncollectible taxes be investigated and purged from the books.
- 3.) That interfund receivables and payables be liquidated prior to year-end.
- 4.) That monthly remittances for pensions and benefits be made timely and that duplicate uncleared wire transfers be purged from the current fund bank reconciliation.
- 5.) That no contract be awarded without a funding source being available and that certificates of availability of funds be properly prepared in connection with all contracts awarded.



