

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**AND**  
**INDEPENDENT AUDITOR'S REPORTS**

**YEAR ENDED**

**DECEMBER 31, 2022**

***Oliwa & Company***  
Certified Public Accountants

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**AND**  
**INDEPENDENT AUDITOR'S REPORTS**

**Year Ended December 31, 2022**

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**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**  
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**BOROUGH OF MANTOLOKING**  
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**STATE OF NEW JERSEY**

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**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART I**

**INDEPENDENT AUDITOR'S REPORT**

**FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2022**

# *Oliwa & Company*

Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and  
Members of the Borough Council  
Borough of Mantoloking  
County of Ocean  
Mantoloking, New Jersey

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

#### ***Opinions***

We have audited the accompanying balance sheets - regulatory basis of the various funds and the general fixed assets account group of the Borough of Mantoloking, County of Ocean, State of New Jersey (the "Borough") as of December 31, 2022 and 2021, and the related statements of operations and change in fund balance - regulatory basis for the years then ended, the related statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements listed as financial statement exhibits in the table of contents.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the various funds and the general fixed assets account group of the Borough as of December 31, 2022 and 2021, the statements of operations and change in fund balance - regulatory basis for the years then ended, the statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis for the year ended December 31, 2022 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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

In our opinion, because of the significance of the matter described in the Basis for Unmodified and Adverse Opinions section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2022 and 2021, or the results its operations and the changes in fund balance for the years then ended.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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, qualified and unmodified audit opinions.

### ***Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

***Auditor's Responsibilities for the Audit of the Financial Statements (continued)***

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

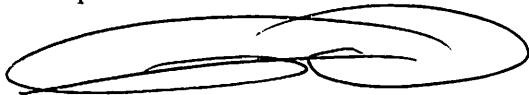
***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements - regulatory basis that collectively comprise the Borough's basic financial statements. The supplementary schedules as listed in the table of contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



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

In accordance with Government Auditing Standards, we have also issued our report dated September 19, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough's internal control over financial reporting and compliance.



Robert S. Oliwa  
Certified Public Accountant  
Registered Municipal Accountant #414

***Oliwa & Company***

Freehold, New Jersey  
September 19, 2023

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2022 and 2021**

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>Cash and Cash Equivalents:</b>			
Cash	A-4	\$3,387,515.95	\$3,541,071.74
Change Funds		200.00	200.00
		<u>3,387,715.95</u>	<u>3,541,271.74</u>
<b>Receivables and Other Assets with Full Reserves:</b>			
Delinquent Property Taxes Receivable	A-5	65,926.74	62,585.95
Sewer Charges Receivable	A-6	6,855.53	4,131.58
Revenue Accounts Receivable	A-7	2,900.90	388.14
Due from Animal Control Fund		88.20	40.20
	A	<u>75,771.37</u>	<u>67,145.87</u>
<b>Deferred Charges</b>			
Special Emergency Authorization (40A:4-55)	A-11	48,000.00	60,000.00
		<u>3,511,487.32</u>	<u>3,668,417.61</u>
<b>Federal and State Grant Fund:</b>			
Grants Receivable	A-13	253,586.29	587,397.15
Due from Current Fund		35,590.13	4,670.80
		<u>289,176.42</u>	<u>592,067.95</u>
		<u>\$3,800,663.74</u>	<u>\$4,260,485.56</u>

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2022 and 2021**

<b><u>Liabilities, Reserves and Fund Balance</u></b>	<b><u>Ref.</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Appropriation Reserves	A-3,A-8	\$522,746.60	\$467,618.01
Reserve for Encumbrances	A-16	170,544.79	130,403.62
Accounts Payable	A-8	1,500.00	35,000.00
Prepaid Taxes		242,950.12	224,124.68
Tax Overpayments		7,711.82	70,840.00
Sewer Overpayments		556.20	43.58
Prepaid Sewer Charges			46.26
County Taxes Payable	A-9		78,491.68
Local District School Taxes Payable	A-10	53,281.25	34,078.25
Due to Other Trust Fund		16.77	11,348.32
Due to General Capital Fund		62.83	62.83
Due to Federal and State Grant Fund		35,590.13	4,670.80
Due to State of New Jersey (P.L. 1971, C. 20)		1,480.00	1,730.00
Various Reserves	A-12	935,133.86	1,065,376.82
		1,971,574.37	2,123,834.85
Reserves for Receivables and Other Assets	A	75,771.37	67,145.87
Fund Balance	A-1	1,464,141.58	1,477,436.89
		3,511,487.32	3,668,417.61
 Federal and State Grant Fund:			
Appropriated Reserves	A-14	271,108.00	574,082.88
Unappropriated Reserves	A-15	18,068.42	17,985.07
		289,176.42	592,067.95
		<b>\$3,800,663.74</b>	<b>\$4,260,485.56</b>

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2022 and 2021**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	A-2	\$750,000.00	\$690,000.00
Miscellaneous Revenue Anticipated	A-2	1,137,060.76	1,774,900.05
Receipts from Delinquent Taxes	A-2	62,585.75	82,348.94
Receipts from Current Taxes	A-2	10,636,094.98	10,523,107.65
Non-Budget Revenues	A-2	55,687.00	74,790.36
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-8	370,050.33	290,951.91
Interfunds Returned			167.10
Cancelled Reserve for Storm Damages			9,142.01
Total Revenue		<u>13,011,478.82</u>	<u>13,445,408.02</u>
<b><u>Expenditures</u></b>			
Budget Appropriations Within CAPS:			
Operations:			
Salaries and Wages	A-3	2,345,587.00	2,235,224.00
Other Expenses	A-3	2,106,396.00	2,133,810.00
Deferred Charges and Statutory Expenditures	A-3	551,018.00	539,298.00
Budget Appropriations Excluded from CAPS:			
Operations:			
Salaries and Wages	A-3	7,000.00	
Other Expenses	A-3	237,685.45	798,467.72
Capital Improvements	A-3	238,500.00	138,174.00
Municipal Debt Service	A-3	448,775.00	366,575.00
Deferred Charges	A-3	12,000.00	2,483.79
Judgments			40,000.00
County Taxes	A-9	6,194,317.68	6,388,262.06
Local District School Tax	A-10	133,495.00	101,490.00
Prior Year Accounts Payable			1,250.00
Total Expenditures		<u>12,274,774.13</u>	<u>12,745,034.57</u>
Excess in Revenue		736,704.69	700,373.45
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute			
Deferred Charges to Budgets of Succeeding Year	A-11		60,000.00
Statutory Excess to Surplus		<u>736,704.69</u>	<u>760,373.45</u>
Fund Balance January 1	A	<u>1,477,436.89</u>	<u>1,407,063.44</u>
		2,214,141.58	2,167,436.89
Decreased by:			
Utilized as Anticipated Revenue	A-1,A-2	<u>750,000.00</u>	<u>690,000.00</u>
Fund Balance December 31	A	<u>\$1,464,141.58</u>	<u>\$1,477,436.89</u>

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2022**

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Fund Balance Anticipated	A-1	\$750,000.00		\$750,000.00	
Miscellaneous Revenues:					
Municipal Court Fines and Costs	A-7	18,300.00		18,039.55	(\$260.45)
Interest and Costs on Taxes	A-7	20,000.00		20,468.87	468.87
Interest on Investments and Deposits	A-7	2,600.00		4,140.19	1,540.19
Sewer Service Revenue	A-6,A-7	238,000.00		256,880.63	18,880.63
Energy Receipts Tax	A-7	147,440.00		147,440.00	
Uniform Construction Code Fees	A-7	202,425.00		185,314.00	(17,111.00)
Beach Badge Fees	A-7	269,000.00		269,604.37	604.37
Body Armor Fund	A-13	1,113.83		1,113.83	
Recycling Tonnage	A-13	1,087.26		1,087.26	
Click It or Ticket	A-13		\$7,000.00	7,000.00	
Sustainable Jersey Small Program	A-13		2,000.00	2,000.00	
Bulletproof Vest	A-13	863.13		863.13	
American Rescue Plan Act - Fire Apparatus and Equipment	A-13	13,031.23		13,031.23	
Alcohol Education and Rehabilitation Fund	A-13	3,840.00		3,840.00	
Reserve for Sale of Municipal Assets	A-7	100,000.00		100,000.00	
CATV Franchise Fees	A-7	6,238.00		6,237.70	(0.30)
Reserve for FEMA Reimbursements	A-7	100,000.00		100,000.00	
	A-1	<u>1,123,938.45</u>	<u>9,000.00</u>	<u>1,137,060.76</u>	<u>4,122.31</u>

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2022**

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Receipts from Delinquent Taxes	A-1,A-2	\$44,500.00		\$62,585.75	\$18,085.75
Amount to be Raised by Taxes for Support of Municipal Budget: Local Tax for Municipal Purposes	A-2, A-5	4,327,792.00		4,616,551.30	288,759.30
Budget Totals		6,246,230.45	\$9,000.00	6,566,197.81	<u>\$310,967.36</u>
Non-Budget Revenues	A-2			55,687.00	
		<u>\$6,246,230.45</u>	<u>\$9,000.00</u>	<u>\$6,621,884.81</u>	
	<u>Ref.</u>	A-3	A-3		

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2022**

	<b><u>Ref.</u></b>	
<b><u>Analysis of Realized Revenues</u></b>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,A-5	\$10,636,094.98
Allocated to School and County Taxes		<u>6,327,812.68</u>
Balance for Support of Municipal Budget Appropriations		4,308,282.30
Add:		
Appropriation "Reserve for Uncollected Taxes"	A-3	<u>308,269.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$4,616,551.30</u></u>
<b><u>Receipts from Delinquent Taxes:</u></b>		
Delinquent Tax Collections	A-2,A-5	<u><u>\$62,585.75</u></u>
<b><u>Analysis of Non-Budget Revenues:</u></b>		
FEMA Reimbursements		\$29,368.91
CARES Act Reimbursements		13,505.58
Police Outside Administration Fees		4,330.75
Miscellaneous		3,249.08
Fees and Permits		2,538.00
Recycling		1,379.76
Copies and OPRA Fees		524.97
Police Fees		264.95
Certified Lists		260.00
Polling Place Reimbursement		200.00
Senior Citizens and Veterans Administrative Fee		65.00
	A-1,A-2,A-4	<u><u>\$55,687.00</u></u>

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2022**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<u>Operations Within "CAPS"</u>					
<b>GENERAL GOVERNMENT</b>					
General Administration					
Salaries and Wages	\$65,000.00	\$60,000.00	\$60,000.00		
Other Expenses	5,000.00	2,500.00	455.38	\$2,044.62	
Municipal Clerk's Office					
Salaries and Wages	174,241.00	174,841.00	173,941.20	899.80	
Other Expenses	75,800.00	70,800.00	46,985.85	23,814.15	
Financial Administration					
Salaries and Wages	155,196.00	155,696.00	155,114.89	581.11	
Other Expenses	50,300.00	48,300.00	36,129.14	12,170.86	
Auditing Services					
Other Expenses	30,000.00	30,000.00	28,100.00	1,900.00	
Computer Technology					
Other Expenses	46,000.00	46,000.00	40,077.10	5,922.90	
Collection of Taxes					
Salaries and Wages	3,213.00	3,463.00	3,294.00	169.00	
Other Expenses	3,000.00	3,000.00	614.45	2,385.55	
Assessment of Taxes					
Salaries and Wages	20,979.00	21,229.00	20,979.36	249.64	
Other Expenses	6,000.00	6,000.00	2,701.18	3,298.82	
Legal Services and Costs					
Other Expenses	128,000.00	128,000.00	87,380.00	40,620.00	
Engineering Services and Costs					
Other Expenses	153,000.00	153,000.00	131,351.27	21,648.73	
<b>LAND USE ADMINISTRATION</b>					
Planning Board					
Salaries and Wages	20,000.00	20,000.00	19,223.50	776.50	
Other Expenses	31,000.00	31,000.00	4,813.24	26,186.76	

See Accompanying Notes



**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2022**

	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended Balance Canceled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
<u>Operations Within "CAPS"</u>					
<b>INSURANCE</b>					
General Liability	\$139,831.00	\$139,831.00	\$137,300.60	\$2,530.40	
Workers Compensation	81,342.00	81,342.00	81,342.00		
Employee Group Health	337,217.00	337,217.00	288,853.90	48,363.10	
Health Benefits Waiver	10,000.00	10,000.00	7,500.00	2,500.00	
<b>PUBLIC SAFETY</b>					
Police Department					
Salaries and Wages	1,299,457.00	1,315,257.00	1,296,982.61	18,274.39	
Other Expenses	121,902.00	117,502.00	113,406.77	4,095.23	
Emergency Management Services					
Salaries and Wages	1,000.00	1,000.00	550.00	450.00	
Other Expenses	5,600.00	2,600.00	2,238.89	361.11	
Aid to Ambulance Companies					
Other Expenses	5,250.00	5,250.00	5,250.00		
Fire Prevention					
Other Expenses	26,000.00	26,000.00	26,000.00		
Uniform Fire Safety Act (P.L. 1983, C383)					
Salaries and Wages	5,253.00	5,253.00	4,174.34	1,078.66	
Municipal Prosecutor					
Other Expenses	7,650.00	7,650.00	7,500.00	150.00	
Municipal Court					
Salaries and Wages	48,625.00	48,625.00	45,124.80	3,500.20	
Other Expenses	3,675.00	3,675.00	454.90	3,220.10	
Public Defender					
Other Expenses	1,000.00	1,000.00	300.00	700.00	

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2022**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<u>Operations Within "CAPS"</u>					
<b>PUBLIC WORKS</b>					
Road Repairs and Maintenance					
Salaries and Wages	\$243,267.00	\$243,267.00	\$223,612.48	\$19,654.52	
Other Expenses	42,000.00	41,000.00	23,159.62	17,840.38	
Solid Waste Collection					
Other Expenses	184,000.00	184,000.00	177,179.94	6,820.06	
Building and Grounds					
Other Expenses	76,000.00	72,500.00	58,629.35	13,870.65	
Sewer System					
Other Expenses	53,500.00	53,500.00	42,847.41	10,652.59	
<b>HEALTH AND HUMAN SERVICES</b>					
Animal Control Services					
Other Expenses	4,335.00	4,335.00	3,980.00	355.00	
<b>PARK AND RECREATION</b>					
Administration of Beach Access					
Salaries and Wages	149,391.00	149,391.00	137,885.75	11,505.25	
Other Expenses	146,000.00	147,000.00	146,191.25	808.75	
Beach Maintenance					
Other Expenses	130,854.00	130,854.00	47,329.77	83,524.23	

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2022**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<u>Operations Within "CAPS"</u>					
STATE UNIFORM CONSTRUCTION CODE					
Construction Code Official					
Salaries and Wages	\$117,586.00	\$117,586.00	\$99,594.56	\$17,991.44	
Other Expenses	13,000.00	13,000.00	5,521.70	7,478.30	
Plumbing Official					
Salaries and Wages	10,919.00	10,919.00	9,419.04	1,499.96	
Fire Protection Official					
Salaries and Wages	7,641.00	7,641.00	6,141.36	1,499.64	
Electrical Inspector					
Salaries and Wages	11,419.00	11,419.00	9,774.04	1,644.96	
UNCLASSIFIED					
Utility Expenses					
Electricity	48,500.00	48,500.00	42,397.93	6,102.07	
Telephone	40,000.00	40,000.00	32,801.79	7,198.21	
Water	6,500.00	6,500.00	5,344.49	1,155.51	
Water - Fire Hydrants	37,500.00	37,500.00	33,097.01	4,402.99	
Natural Gas	18,360.00	21,860.00	16,781.33	5,078.67	
Gasoline	50,580.00	55,080.00	41,584.54	13,495.46	
Total Operations - Within "CAPS"	4,451,883.00	4,451,883.00	3,991,412.73	460,470.27	
Contingent	100.00	100.00		100.00	
Total Operations Including Contingent Within "CAPS"	4,451,983.00	4,451,983.00	3,991,412.73	460,570.27	
Salaries and Wages	2,333,187.00	2,345,587.00	2,265,811.93	79,775.07	
Other Expenses (including Contingent)	2,118,796.00	2,106,396.00	1,725,600.80	380,795.20	

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2022**

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Contribution to:					
Public Employees' Retirement System	\$99,378.00	\$99,378.00	\$97,378.00	\$2,000.00	
Social Security System (O.A.S.I.)	109,140.00	109,140.00	100,405.74	8,734.26	
Police and Firemen's Retirement System of N.J.	332,500.00	332,500.00	330,327.00	2,173.00	
Defined Contribution Retirement Program	10,000.00	10,000.00	3,197.55	6,802.45	
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>551,018.00</u>	<u>551,018.00</u>	<u>531,308.29</u>	<u>19,709.71</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>5,003,001.00</u>	<u>5,003,001.00</u>	<u>4,522,721.02</u>	<u>480,279.98</u>	
Operations Excluded from "CAPS"					
SEWER SYSTEM					
Ocean County Utilities Authority Share of Costs	165,000.00	165,000.00	141,365.00	23,635.00	
Declared State of Emergency Costs for Coronavirus Response: NJSA 40A:4-45.45(b) and 40A:4-45.3 (b)	<u>10,000.00</u>	<u>10,000.00</u>	<u>3,020.88</u>	<u>6,979.12</u>	
Total Other Operations Excluded from "CAPS"	<u>175,000.00</u>	<u>175,000.00</u>	<u>144,385.88</u>	<u>30,614.12</u>	
Information Technology (Township of Freehold)					
Other Expenses	19,750.00	19,750.00	17,794.96	1,955.04	
Construction (Township of Brick)					
Salaries and Wages	<u>7,000.00</u>	<u>7,000.00</u>	<u>1,575.00</u>	<u>5,425.00</u>	
Total Shared Service Agreements	<u>26,750.00</u>	<u>26,750.00</u>	<u>19,369.96</u>	<u>7,380.04</u>	

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2022**

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
Additional Appropriations Offset by Revenues					
Beach Maintenance					
Other Expenses	\$14,000.00	\$14,000.00	\$9,527.54	\$4,472.46	
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>					
Alcohol Education Rehabilitation Fund	3,840.00	3,840.00	3,840.00		
Body Armor Fund	1,113.83	1,113.83	1,113.83		
Bulletproof Vest	863.13	863.13	863.13		
Recycling Tonnage Grant	1,087.26	1,087.26	1,087.26		
Click It or Ticket (40A:4-87, \$7,000.00+)		7,000.00	7,000.00		
American Rescue Plan Act - Fire Apparatus and Equipment	13,031.23	13,031.23	13,031.23		
Sustainable Jersey Small Program (40A:4-87, \$2,000.00+)		2,000.00	2,000.00		
Total Public and Private Programs Offset by Revenues	19,935.45	28,935.45	28,935.45		
Total Operations Excluded from "CAPS"	235,685.45	244,685.45	202,218.83	42,466.62	
Detail:					
Salaries and Wages	7,000.00	7,000.00	1,575.00	5,425.00	
Other Expenses	228,685.45	237,685.45	200,643.83	37,041.62	
<b>Capital Improvements Excluded from "CAPS"</b>					
Capital Improvement Fund	25,000.00	25,000.00	25,000.00		
Police Vehicles	100,000.00	100,000.00	100,000.00		
Bay Avenue Site Remediation	15,500.00	15,500.00	15,500.00		
Alcohol Tester	20,000.00	20,000.00	20,000.00		
Check Valves	7,000.00	7,000.00	7,000.00		
OEM Split System	11,000.00	11,000.00	11,000.00		
Beach Walkway Storm Repairs	10,000.00	10,000.00	10,000.00		
Purchase of DPW Truck	25,000.00	25,000.00	25,000.00		
Road Repairs	25,000.00	25,000.00	25,000.00		
Total Capital Improvements - Excluded From "CAPS"	238,500.00	238,500.00	238,500.00		

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2022**

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<b><u>Municipal Debt Service Excluded from "CAPS"</u></b>					
Payment of Bond Principal	\$305,000.00	\$305,000.00	\$305,000.00		
Interest on Bonds	143,775.00	143,775.00	143,775.00		
<b>Total Municipal Debt Service - Excluded From "CAPS"</b>	<b>448,775.00</b>	<b>448,775.00</b>	<b>448,775.00</b>		
<b><u>Deferred Charges - Municipal - Excluded from "CAPS"</u></b>					
Special Emergency Authorizations	12,000.00	12,000.00	12,000.00		
<b>Total General Appropriations for Municipal Purposes Excluded from "CAPS"</b>	<b>934,960.45</b>	<b>943,960.45</b>	<b>901,493.83</b>	<b>\$42,466.62</b>	
<b>Subtotal General Appropriations</b>	<b>5,937,961.45</b>	<b>5,946,961.45</b>	<b>5,424,214.85</b>	<b>522,746.60</b>	
<b>Reserve for Uncollected Taxes</b>	<b>308,269.00</b>	<b>308,269.00</b>	<b>308,269.00</b>		
<b>Total General Appropriations</b>	<b><u>\$6,246,230.45</u></b>	<b><u>\$6,255,230.45</u></b>	<b><u>\$5,732,483.85</u></b>	<b><u>\$522,746.60</u></b>	<b><u>-</u></b>
	<b>Ref.</b>		<b>A-1</b>	<b>A, A-1</b>	
Budget	A-3	\$6,246,230.45			
Appropriation by 40A:4-87	A-2	9,000.00			
		<b><u>\$6,255,230.45</u></b>			
	<b>Ref.</b>				
Disbursed	A-4		\$5,212,734.61		
Deferred Charge Emergency Authorization (40A:4-55)	A-11		12,000.00		
Appropriated Reserves for Federal and State Grants	A-14		28,935.45		
Reserve for Encumbrances	A-16		170,544.79		
Reserve for Uncollected Taxes	A-2		308,269.00		
			<b><u>\$5,732,483.85</u></b>		

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2022 and 2021**

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Animal Control Fund:			
Cash and Cash Equivalents	B-1	<u>\$140.20</u>	<u>\$108.20</u>
Other Trust Fund:			
Cash and Cash Equivalents	B-1	659,817.11	676,683.90
Due from Current Fund		16.77	11,348.32
		<u>659,833.88</u>	<u>688,032.22</u>
		<u>\$659,974.08</u>	<u>\$688,140.42</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	\$52.00	\$68.00
Due to Current Fund		88.20	40.20
		<u>140.20</u>	<u>108.20</u>
Other Trust Fund:			
Various Reserves	B-4	<u>659,833.88</u>	<u>688,032.22</u>
		<u>\$659,974.08</u>	<u>\$688,140.42</u>

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

C

**GENERAL CAPITAL FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2022 and 2021**

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Cash and Cash Equivalents	C-2	\$1,805,276.39	\$2,189,092.22
Investments		500,000.00	
Deferred Charges to Future Taxation:			
Funded	C-4	4,515,000.00	4,820,000.00
Unfunded	C-5	718,039.03	910,676.26
Due from Current Fund		62.83	62.83
Grants Receivable	C-9	288,485.00	
		<u>\$7,826,863.25</u>	<u>\$7,919,831.31</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Improvement Authorizations:			
Funded	C-6	\$677,454.33	\$396,759.72
Unfunded	C-6	472,289.03	664,926.26
General Serial Bonds	C-8	4,515,000.00	4,820,000.00
Reserves for:			
Encumbrances	C-6	281,009.51	289,693.99
Beach Replenishment		1,225,404.58	1,225,404.58
Payment of Debt Service		224,629.73	224,629.73
Municipal Parking Lot		58,939.47	58,939.47
Lyman Street Dune Walkover		30,184.46	30,184.46
Community Development Block Grant		1,500.00	1,500.00
Computer System		10,000.00	10,000.00
Police Body Cameras		22,977.75	22,977.75
Police Boat		993.00	993.00
Police Vehicles		5,157.76	
Purchase of DPW Truck		25,000.00	
Bay Avenue Site Remediation		15,500.00	
Alcohol Tester		20,000.00	
Check Valves		7,000.00	
Beach Walkway Storm Repairs		10,000.00	
Road Repairs		25,000.00	
Capital Improvement Fund	C-7	63,441.03	38,441.03
Fund Balance	C-1	135,382.60	135,381.32
		<u>\$7,826,863.25</u>	<u>\$7,919,831.31</u>

On December 31, 2022 and December 31, 2021, there were bonds and notes authorized but not issued of \$718,039.03 and \$910,676.26, respectively. (Schedule C-10)

See Accompanying Notes



**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**COMPARATIVE STATEMENT OF FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2022 and 2021**

	<b><u>Ref.</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Balance, January 1	C	\$135,381.32	\$135,381.32
Increased by:			
Permanently Funded Improvement Authorizations			
Cancelled	C-6	1.28	-
		<u>135,382.60</u>	<u>135,381.32</u>
Decreased by:			
Payment to Current Fund as Anticipated Revenue		-	-
Balance, December 31	C	<u>\$135,382.60</u>	<u>\$135,381.32</u>

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2022 and 2021**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
General Fixed Assets:			
Land		\$1,169,100.00	\$1,169,100.00
Buildings		6,226,785.55	6,226,785.55
Machinery and Equipment		3,575,076.64	3,400,684.36
		<u>\$10,970,962.19</u>	<u>\$10,796,569.91</u>
Investment in General Fixed Assets	D-1	<u>\$10,970,962.19</u>	<u>\$10,796,569.91</u>

See Accompanying Notes

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

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

**A. Reporting Entity**

The financial statements of the Borough of Mantoloking, County of Ocean, State of New Jersey (the "Borough"), include every board, body, officer, or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operation of the Mantoloking volunteer fire company, which is subject to a separate audit.

The Governmental Accounting Standards Board ("GASB") established criteria to be used to determine if component units should be included in the financial statements of the oversight entity. These 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 a local unit, by statute or other directive, report separately on their financial statements. The Borough had no component units during 2022.

**B. Descriptions of Funds**

The GASB is the recognized standard setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America. The GASB codification establishes certain fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accounting policies of the Borough conform to the accounting principles and practices 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 differ from the fund structure required by GAAP.

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

**Animal Control Fund** - used to record animal license revenues and expenditures.

**Other Trust Fund** - used to record assets held by the Borough in a trustee capacity or as an agent for individuals and other governmental agencies.

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

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

**B. Descriptions of Funds (continued)**

**General Capital Fund** - used to record 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.

**General Fixed Assets Account Group** - used to record fixed assets utilized 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. A modified accrual basis of accounting is followed with minor exceptions. The more significant differences are as follows:

**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 MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

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

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

**Appropriation Reserves** - Until lapsed at the close of the succeeding year, appropriation reserves are available 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 that 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.

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

**Sale of Municipal Assets** - 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 when the terms of the sales contract 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.

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

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

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time of purchase. The costs of inventories are not included on the various balance sheets.

**General Fixed Assets** - In accordance with N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Borough is required to develop 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. For fixed assets acquired through December 31, 1985, valuation is required at historical cost or estimated historical cost if actual historical cost is not available. For assets acquired beginning on January 1, 1986, the required basis for valuation is historical cost. Depreciation is not required. GAAP requires fixed assets to be valued at cost and be depreciated.

**D. Financial Statements**

The GASB Codification also defines the financial statements of a governmental unit to be presented in general purpose financial statements in accordance with GAAP. The Borough presents its financial statements, as listed in the table of contents, as required by the Division, which differ 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.

**E. 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.

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**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents include cash on hand, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

**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 insures deposits or the State of New Jersey Cash Management Fund.

The Governmental Unit Deposit Protection Act (“GUDPA”) requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits. GUDPA requires that 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 seventy-five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy-five percent. 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 \$25,000,000.00.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that in the event of a bank failure, the Borough’s deposits may not be returned to it. Although the Borough does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2022 and 2021 the Borough’s bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
GUDPA Insured and Collateralized with Securities Held by Pledging Financial Institutions	\$5,967,187.55	\$6,203,333.72
Uninsured and Uncollateralized	-	-
	<u>\$5,967,187.55</u>	<u>\$6,203,333.72</u>

In addition, as of December 31, 2022 and 2021, the Borough had \$66,039.05 and \$65,059.05 respectively, on deposit in the New Jersey Cash Management Fund (the “Fund”). These deposits are subject to custodial credit risk as described in this section. The operations of this Fund are governed by the provisions of the State Investment Council Regulations for the purpose of determining authorized investments for the Fund.

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**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)**

**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) Local Government investment pools, subject to certain requirements.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P. L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this 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 GUDPA bank;
  - (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.



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**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)**

**Investments (continued)**

The Borough's investments are presented in the financial statements at cost. As of December 31, 2022, investments were as follows:

<u>General Capital Fund</u>	<u>Cost</u>	<u>Principal</u>	<u>Fair Value</u>
<u>Description</u>	<u>Basis</u>	<u>Amount Due</u>	<u>December 31, 2022</u>
		<u>April 4, 2023</u>	
United States Treasury Bills*	\$493,965.00	\$500,000.00	\$494,605.00
Government Obligations Fund	6,035.00	-	6,035.00
	<u>\$500,000.00</u>	<u>\$500,000.00</u>	<u>\$500,640.00</u>

\*purchased on December 21, 2022

**Fair Value Measurement**

Investments are measured at fair value based on a fair value hierarchy, Level 1 measurements are quoted prices within active markets for identical investments, Level 2 measurements are observable inputs other than quoted market prices and Level 3 measurements are unobservable inputs. All Borough investments are classified at a fair value using Level 1 measurements.

**Interest Income Receivable**

In accordance with accounting principles prescribed by the Division, interest income receivable is not accrued at year-end, and is not realized as revenue in the financial statements until received either upon an investment's maturity date or on an interest income payment date. As of December 31, 2022, estimated accrued interest receivable on general capital fund investments was \$580.30.

**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 regulatory 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 (the "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 notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. No notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations. 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.

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**NOTE 3. DEBT (continued)**

**A. Long-Term Debt**

On June 14, 2017, the Borough issued General Improvement Bonds, Series 2017 (the “Bonds”) of \$5,590,000.00 at interest rates ranging from 2.00% to 4.00%, with effective yields from .85% to 3.15%. The Bonds were issued to currently refund \$1,226,641.00 of the Borough’s \$1,246,154.00 bond anticipation note maturing on June 15, 2017, and to provide \$4,363,359.00 to finance various capital improvements. The Borough’s long-term debt outstanding on December 31, 2022 and 2021 was \$4,515,000.00 and \$4,820,000.00, respectively.

As of December 31, 2022, long-term bonded debt service requirements were as follows:

Year(s)	General Capital Fund		
	Principal	Interest	Total
2023	\$315,000.00	\$134,475.00	\$449,475.00
2024	300,000.00	123,750.00	423,750.00
2025	300,000.00	111,750.00	411,750.00
2026	300,000.00	99,750.00	399,750.00
2027	300,000.00	90,750.00	390,750.00
2028-2032	1,500,000.00	336,375.00	1,836,375.00
2033-2037	1,500,000.00	112,500.00	1,612,500.00
	\$4,515,000.00	\$1,009,350.00	\$5,524,350.00

**B. Short-Term Debt**

**Bond Anticipation Notes - General Capital Fund**

As of December 31, 2022 and 2021, the Borough had no bond anticipation notes outstanding.

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

**General Capital Fund**

At December 31, 2022 and 2021, the Borough had bonds and notes authorized but not issued of \$718,039.03 and \$910,676.26, respectively.

**D. Borrowing Power**

New Jersey statutes limit the debt of a municipality to 3.500% of the equalized valuation basis. The Borough’s net debt expressed as a percentage of the equalized valuation basis as of December 31, 2022 and 2021 was 0.284% and 0.353%, respectively. The net debt of the Borough at December 31, 2022 and 2021 was \$5,008,409.30 and \$5,506,046.53, respectively, and the Borough’s remaining borrowing power at December 31, 2022 and 2021 was \$56,694,373.37 and \$49,142,488.12, respectively.

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**NOTE 4. FIXED ASSETS**

Fixed assets activity for the years ended December 31, 2022 and 2021 was as follows:

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Land	\$1,169,100.00			\$1,169,100.00
Buildings	6,226,785.55			6,226,785.55
Machinery and Equipment	3,400,684.36	\$441,186.89	\$266,794.61	3,575,076.64
	<u>\$10,796,569.91</u>	<u>\$441,186.89</u>	<u>\$266,794.61</u>	<u>\$10,970,962.19</u>

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Land	\$1,169,100.00			\$1,169,100.00
Buildings	6,226,785.55			6,226,785.55
Machinery and Equipment	3,217,465.89	\$183,218.47		3,400,684.36
	<u>\$10,613,351.44</u>	<u>\$183,218.47</u>	<u>-</u>	<u>\$10,796,569.91</u>

**NOTE 5. FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2022 and 2021, which were appropriated and included as anticipated revenue in the current fund budget for the years ending December 31, 2023 and 2022 were as follows:

For the year ended December 31, 2023

Current Fund	\$825,000.00
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For the year ended December 31, 2022

Current Fund	\$750,000.00
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**NOTE 6. TAXES COLLECTED IN ADVANCE**

Taxes collected in advance and 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	\$242,950.12	\$224,124.68

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

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, Local School District and County, the tax rate is struck by the County Tax 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 on or before May 13. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the “lawful yearly expenditure” which includes the total amount of property taxes to be raised by the local unit. Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien, with the exception of bankruptcies. The date of the tax sale is at the discretion of the tax collector. The Borough is responsible for remitting one hundred percent of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the Borough and not the school district or county.

**NOTE 8. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED**

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. In accordance with New Jersey Statutes the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

**NOTE 9. ACCRUED UNPAID SICK AND VACATION BENEFITS - UNAUDITED**

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Borough’s liability related to unused sick and vacation pay. The Borough permits its employees to accumulate unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current costs of such unpaid compensation at December 31, 2022 and 2021 were \$254,197.34 and \$269,261.74, respectively. In accordance with accounting principles and practices prescribed by the Division, this amount is not reported as an expenditure or liability in the accompanying financial statements.

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**NOTE 10. SCHOOL TAXES**

Regulations provide for deferral of not more than fifty percent of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough raises its share of local district school taxes on a school year basis and has elected to defer these taxes at December 31, 2022 and 2021 as follows:

	<u>Local District School Tax</u>	
	<u>2022</u>	<u>2021</u>
Balance of tax	\$80,094.99	\$60,891.99
Deferred	26,813.74	26,813.74
Tax Payable	<u>\$53,281.25</u>	<u>\$34,078.25</u>

**NOTE 11. UNEMPLOYMENT COMPENSATION INSURANCE**

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Borough has elected to fund a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserves for unemployment compensation insurance at December 31, 2022 and 2021 were \$35,115.50 and \$35,415.52, respectively.

**NOTE 12. INTERFUND BALANCES**

The balances of interfund receivables and payables at December 31, 2022 and 2021 are presented below:

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Receivables -		
General Capital Fund	\$62.83	\$62.83
Other Trust Fund	16.77	11,348.32
Federal and State Grant Fund	35,590.13	4,670.80
Current Fund	<u>88.20</u>	<u>40.20</u>
	<u>\$35,757.93</u>	<u>\$16,122.15</u>
Payables -		
Current Fund	\$35,669.73	\$16,081.95
Animal Control Fund	<u>88.20</u>	<u>40.20</u>
	<u>\$35,757.93</u>	<u>\$16,122.15</u>

Interfund balances resulted from the time lag between the dates that reimbursable expenses occurred, revenues/receipts were collected or when payments were made between funds.

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**NOTE 13. PENSION PLANS**

Description of Systems

The Borough contributes to the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS") cost-sharing multiple employer defined benefit pension plans administered by the Division of Pensions and Benefits in the Department of the Treasury, State of New Jersey. The plans provide retirement, death, disability benefits and medical benefits to certain qualifying members and beneficiaries. PERS was established on January 1, 1955 under the provisions of N.J.S.A. 43:15A. PFRS was established on July 1, 1944, under the provisions of N.J.S.A. 43:16A. PERS and PFRS issue publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits.

Funding Policy

PERS employee contributions were 7.50% of base wages. PERS prosecutor employee contributions were 10.00% of base wages. PFRS employee contributions were 10.00% of base wages. The Division of Pensions actuarially determines employer's contributions annually.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program ("DCRP") is a cost-sharing multiple employer defined contribution pension fund which was established in 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. DCRP provides eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Employee contributions to DCRP are five and one-half percent (5.50%) of base wages. Member contributions are matched by a three percent (3.00%) employer contribution.

Unfunded Pension Liability

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 Borough, 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.

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**NOTE 13. PENSION PLANS (continued)**

Public Employees' Retirement System (PERS)

At June 30, 2022, the State reported a net pension liability of \$1,381,353.00 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 0.0091532597 percent, which was an increase of 0.0008382865 percent from its proportion measured as of June 30, 2021. The pension expense recognized in the Borough's financial statements based on the April 1, 2022 billing was \$97,378.00.

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

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Inflation Rate		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases		
Through 2026		2.00% - 6.00%
Thereafter	2.75% - 6.55%	3.00% - 7.00%
Investment Rate of Return	7.00%	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.

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**NOTE 13. PENSION PLANS (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 Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 and June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2022</u>		<u>June 30, 2021</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.38%	13.50%	8.71%
Emerging Markets Equity	5.50%	10.33%	5.50%	10.96%
Private Equity	13.00%	11.80%	13.00%	11.30%
Real Estate	8.00%	11.19%	8.00%	9.15%
Real Assets	3.00%	7.60%	3.00%	7.40%
High Yield	4.00%	4.95%	2.00%	3.75%
Private Credit	8.00%	8.10%	8.00%	7.60%
Investment Grade Credit	7.00%	3.38%	8.00%	1.68%
Cash Equivalents	4.00%	1.75%	4.00%	0.50%
U.S. Treasuries	4.00%	1.75%	5.00%	0.95%
Risk Mitigation Strategies	3.00%	4.91%	3.00%	3.35%
	<u>100.00%</u>		<u>100.00%</u>	



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**NOTE 13. PENSION PLANS (continued)**

Public Employees' Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 7.00% as of June 30, 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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 collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2022 and 2021, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>June 30, 2022</u>		
	<u>1%</u> Decrease <u>6.00%</u>	<u>At Current</u> Discount Rate <u>7.00%</u>	<u>1%</u> Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$1,774,634.00	\$1,381,353.00	\$1,046,655.00
	<u>June 30, 2021</u>		
	<u>1%</u> Decrease <u>6.00%</u>	<u>At Current</u> Discount Rate <u>7.00%</u>	<u>1%</u> Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$1,341,416.00	\$985,033.00	\$682,592.00

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.

**BOROUGH OF MANTOLOKING**  
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**STATE OF NEW JERSEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 13. PENSION PLANS (continued)**

Public Employees' Retirement System (PERS) (Continued)

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2022 and 2021, the State reported deferred inflows of resources and deferred outflows of resources related to PERS from the following sources:

	<u>June 30, 2022</u>		<u>June 30, 2021</u>	
	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$8,792.00	\$9,970.00	\$7,052.00	\$15,535.00
Changes of assumptions	206,843.00	4,280.00	350,678.00	5,130.00
Net difference between projected and actual earnings on pension plan investments		57,173.00	259,484.00	
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	51,133.00	334,262.00	132,293.00	322,174.00
	<u>\$266,768.00</u>	<u>\$405,685.00</u>	<u>\$749,507.00</u>	<u>\$342,839.00</u>

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to PERS, in the amount of \$138,917.00, will be amortized in pension expense over the next five years.

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 13. PENSION PLANS (continued)**

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

At June 30, 2022, the State reported a net pension liability of \$3,585,876.00 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 0.03132767 percent, which was an increase of 0.0029847172 percent from its proportion measured as of June 30, 2021.

The pension expense recognized in the Borough’s financial statements based on the April 1, 2022 billing was \$330,327.00.

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

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Inflation Rate		
Price	2.75%	2.75%
Wage	3.25%	
Salary Increases		
Through all future years	3.25% - 16.25%	3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%

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

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

**BOROUGH OF MANTOLOKING**  
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**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 13. PENSION PLANS (continued)**

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

**Long-Term Rate of Return**

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

<u>Asset Class</u>	<u>June 30, 2022</u>		<u>June 30, 2021</u>	
	<u>Target</u>	<u>Long-Term</u>	<u>Target</u>	<u>Long-Term</u>
	<u>Allocation</u>	<u>Expected Real</u>	<u>Allocation</u>	<u>Expected Real</u>
		<u>Rate of Return</u>		<u>Rate of Return</u>
U.S. Equity	27.00%	8.12%	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.38%	13.50%	8.71%
Emerging Markets Equity	5.50%	10.33%	5.50%	10.96%
Private Equity	13.00%	11.80%	13.00%	11.30%
Real Estate	8.00%	11.19%	8.00%	9.15%
Real Assets	3.00%	7.60%	3.00%	7.40%
High Yield	4.00%	4.95%	2.00%	3.75%
Private Credit	8.00%	8.10%	8.00%	7.60%
Investment Grade Credit	7.00%	3.38%	8.00%	1.68%
Cash Equivalents	4.00%	1.75%	4.00%	0.50%
U.S. Treasuries	4.00%	1.75%	5.00%	0.95%
Risk Mitigation Strategies	3.00%	4.91%	3.00%	3.35%
	<u>100.00%</u>		<u>100.00%</u>	

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 13. PENSION PLANS (continued)**

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 7.00% as of June 30, 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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 collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2022 and 2021, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>June 30, 2022</u>		
	<u>1%</u> Decrease <u>6.00%</u>	<u>At Current</u> Discount Rate <u>7.00%</u>	<u>1%</u> Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$4,920,210.00	\$3,585,876.00	\$2,475,038.00
	<u>June 30, 2021</u>		
	<u>1%</u> Decrease <u>6.00%</u>	<u>At Current</u> Discount Rate <u>7.00%</u>	<u>1%</u> Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$3,145,705.00	\$2,071,630.00	\$1,177,578.00

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 13. PENSION PLANS (continued)**

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

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2022 and 2021, the State reported deferred inflows of resources and deferred outflows of resources related to PFRS from the following sources:

	<u>June 30, 2022</u>		<u>June 30, 2021</u>	
	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$219,684.00	\$162,306.00	\$248,160.00	\$23,635.00
Changes of assumptions	451,391.00	9,827.00	620,858.00	11,023.00
Net difference between projected and actual earnings on pension plan investments		328,361.00	882,789.00	
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	180,346.00	773,342.00	243,513.00	643,271.00
	<u>\$851,421.00</u>	<u>\$1,273,836.00</u>	<u>\$1,995,320.00</u>	<u>\$677,929.00</u>

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to PFRS, in the amount of \$422,415.00 will be recognized in pension expense by the Borough over the next five years.

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
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**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 13. PENSION PLANS (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.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed 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, deferred outflows, or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

At June 30, 2022, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$638,181.00.

Borough's Proportionate Share of Net Pension Liability	\$3,585,876.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	638,181.00
	\$4,224,057.00

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 Police and Firemen’s Retirement System.

**BOROUGH OF MANTOLOKING**  
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**STATE OF NEW JERSEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 14. POSTEMPLOYMENT RETIREMENT HEALTH BENEFITS**

The Borough does not provide postemployment benefits. The State of New Jersey provides medical and prescription drug coverage to eligible local police officers and firefighters who retire from an employer who does not provide postemployment medical coverage.

**Benefits Provided**

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.13i, 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.

**Special Funding Situation**

Under Chapter 330, P.L. 1997, the State of New Jersey (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 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. As actuarially determined, the State's proportionate share of the net OPEB liability attributable to the Borough as of June 30, 2022 was \$3,693,950.00. The State's proportionate share of the OPEB benefit attributable to the Borough for the year ended June 30, 2022 was \$605,885.00.



**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 14. POSTEMPLOYMENT RETIREMENT HEALTH BENEFITS (continued)**

Actuarial Assumptions

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

	<u>June 30, 2022</u>
Salary Increases*:	
PERS	
Rate for all future years	2.75% - 6.55%
PFRS	
Rate for all future years	3.25% - 16.25%

\*based on years of service

PERS mortality rates were based on the Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021. PFRS mortality rates were based on the Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021. Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and the PERS experience studies were prepared for the periods 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 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 than the discount rate is set at the municipal bond rate.

Plan Fiduciary Net Position

For detailed information about the Plan's fiduciary net position, please refer to the State of New Jersey, Division of Pensions and Health Benefits' Comprehensive Annual Financial Report, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 15. DEFERRED COMPENSATION**

The Borough has adopted a Deferred Compensation Plan (the “Plan”) in accordance with 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 the State of New Jersey. The Plan enables the Borough’s employees to voluntarily authorize a portion of their salary to be withheld and invested in certain investments permitted under applicable regulations.

**NOTE 16. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGET**

As of December 31, 2022, the following deferred charge was reflected on the balance sheet of the Borough’s current fund:

	Balance Dec. 31, 2022	2023 Budget Appropriation	Balance to Succeeding Budgets
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Special Emergency Authorization (40A:4-55) Recodification of Existing Ordinances	\$48,000.00	\$12,000.00	\$36,000.00

The appropriation in the 2023 budget was as required by statute.

**NOTE 17. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts, theft, and damage to and destruction of assets, errors and omission, injuries to employees, and natural disasters. The Borough is a member of the New Jersey Intergovernmental Insurance Fund (the “Fund”). The Fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen’s compensation, and is sustained through member premiums. There were no settlements in excess of insurance coverage in the past three years.

**BOROUGH OF MANTOLOKING**  
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**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 18. COMMITMENTS AND CONTINGENCIES**

**Grant Financial Assistance**

The Borough receives certain financial assistance 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. The Borough's administration anticipates that no material liabilities will result from such audits.

**Legal Proceedings**

The Borough is party to certain legal proceedings, the resolution and impact of which, individually or in the aggregate, in the opinion of the Borough's administration, are not likely to have a material adverse impact on the Borough's financial position or adversely affect the Borough's ability to levy, collect, and enforce the collection of taxes or other revenue for the repayment of its bonds or other obligations.

**Pending Tax Appeals**

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2022. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. Funding of any ultimate liability would be provided for in a succeeding year budget or from fund balance.

**NOTE 19. SUBSEQUENT EVENTS**

Management has evaluated subsequent events occurring after December 31, 2022 and through September 19, 2023, which is the date the financial statements were available to be issued.

**Authorization of Bonds and Notes**

On June 20, 2023, the Borough adopted an ordinance authorizing the issuance of bonds and notes of \$671,515.00 to finance the Bay Avenue and Arnold Street improvements project.

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART II**

**SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2022**

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2022**

	<u>Ref.</u>		
Balance, December 31, 2021	A		\$3,541,071.74
Increased by Receipts:			
State of New Jersey (P.L. 1971, C. 20)		\$3,250.00	
Taxes Receivable	A-5	10,400,216.05	
Revenue Accounts Receivable	A-7	908,035.47	
Grants Receivable	A-13	344,761.25	
Tax Overpayments		7,711.82	
Non-Budget Revenues	A-2	55,687.00	
Prepaid Taxes		242,950.12	
Sewer Overpayments		556.20	
Various Reserves	A-12	124,223.04	
Unappropriated Reserves	A-15	<u>18,068.41</u>	
			<u>12,105,459.36</u>
			15,646,531.10
Decreased by Disbursements:			
Budget Appropriations	A-3	5,212,734.61	
Appropriation Reserves	A-8	226,471.30	
County Taxes Payable	A-9	6,272,809.36	
Local School District Tax	A-10	114,292.00	
Various Reserves	A-12	54,466.00	
Appropriated Reserves	A-14	331,910.33	
Due to Other Trust Fund		11,331.55	
Accounts Payable		<u>35,000.00</u>	
			<u>12,259,015.15</u>
Balance, December 31, 2022	A		<u><u>\$3,387,515.95</u></u>

See Independent Auditor's Report

**BOROUGH OF MANTOLOKING  
COUNTY OF OCEAN  
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**CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
Year Ended December 31, 2022**

Year	Balance	2022 Levy	Collections by Cash		Senior Citizens and Veterans Deductions	Tax Overpayments Applied	Taxes Cancelled	Balance
	Dec. 31, 2021		2021	2022				Dec. 31, 2022
2020	\$0.20							\$0.20
2021	62,585.75			62,585.75				0.20
	62,585.95			62,585.75				
2022		\$10,714,628.70	\$224,124.68	10,337,630.30	\$3,500.00	\$70,840.00	\$12,607.18	65,926.54
<b>Ref.</b>	<u>\$62,585.95</u>	<u>\$10,714,628.70</u>	<u>\$224,124.68</u>	<u>\$10,400,216.05</u>	<u>\$3,500.00</u>	<u>\$70,840.00</u>	<u>\$12,607.18</u>	<u>\$65,926.74</u>
	A			A-4				A

**Analysis of 2022 Property Tax Levy**

Tax Yield:

General Purpose Tax	\$10,594,777.20
Added Taxes (54:4-63.1 Et. Seq.)	119,851.50
Omitted Taxes (54:4-63.12 Et. Seq.)	-
	<u>\$10,714,628.70</u>

**Ref.**

Tax Levy:

Local School District Tax	A-10	\$133,495.00
County Taxes:		
County Tax	A-9	\$5,157,545.31
County Library Tax	A-9	507,139.40
County Health Tax	A-9	268,073.92
County Open Space Tax	A-9	192,216.37
Due County for Added and Omitted Taxes	A-9	<u>69,342.68</u>
Total County Taxes		6,194,317.68
Local Tax for Municipal Purposes	A-2	4,327,792.00
Add: Additional Tax Levied		<u>59,024.02</u>
Local Tax for Municipal Purposes Levied		<u>4,386,816.02</u>
		<u>\$10,714,628.70</u>

See Independent Auditor's Report

**BOROUGH OF MANTOKING**  
**COUNTY OF OCEAN**  
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**CURRENT FUND**  
**SCHEDULE OF SEWER CHARGES RECEIVABLE**  
**Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance, December 31, 2021	A	\$4,236.66
Increased by:		
Sewer Service Charges		259,499.50
		<u>263,736.16</u>
Decreased by:		
Collections	A-2	<u>256,880.63</u>
Balance, December 31, 2022	A	<u><u>\$6,855.53</u></u>

See Independent Auditor's Report

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**  
**Year Ended December 31, 2022**

	<u>Ref.</u>	<u>Balance Dec. 31, 2021</u>	<u>Accrued in 2022</u>	<u>Realized/ Collected</u>	<u>Balance Dec. 31, 2022</u>
Miscellaneous Revenues:					
Municipal Court Fines and Costs	A-2	\$388.14	\$20,552.31	\$18,039.55	\$2,900.90
Interest and Costs on Taxes	A-2		20,468.87	20,468.87	
Interest on Investments and Deposits	A-2		4,140.19	4,140.19	
Sewer Service Revenue	A-2		256,880.63	256,880.63	
Energy Receipts Tax	A-2		147,440.00	147,440.00	
Uniform Construction Code Fees	A-2		185,314.00	185,314.00	
Beach Badge Fees	A-2		269,604.37	269,604.37	
Reserve for Sale of Municipal Assets	A-2		100,000.00	100,000.00	
CATV Franchise Fees	A-2		6,237.70	6,237.70	
Reserve for FEMA Reimbursements	A-2		100,000.00	100,000.00	
		<u>\$388.14</u>	<u>\$1,110,638.07</u>	<u>\$1,108,125.31</u>	<u>\$2,900.90</u>
	<u>Ref.</u>	A			A
			<u>Ref.</u>		
			Cash Receipts	A-4	\$908,035.47
			Realized Revenue	A-12	200,000.00
			Prepaid Sewer Charges Applied		46.26
			Sewer Overpayments Applied		43.58
					<u>\$1,108,125.31</u>

See Independent Auditor's Report



**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2022**

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Encumbrances</u> <u>Payable</u>	<u>Balance</u> <u>After Transfers</u>	<u>Paid, Charged</u> <u>or Adjusted</u>	<u>Balance</u> <u>Lapsed</u>
General Administration					
Salaries and Wages	\$5,000.00		\$5,000.00		\$5,000.00
Other Expenses	67.58		67.58		67.58
Municipal Clerk's Office					
Salaries and Wages	500.15		500.15		500.15
Other Expenses	25,016.41	\$3,925.00	28,941.41	\$7,222.71	21,718.70
Financial Administration					
Salaries and Wages	580.09		580.09		580.09
Other Expenses	25,649.99	6,091.37	31,741.36	8,248.49	23,492.87
Auditing Service - Other Expenses	3,896.25		3,896.25		3,896.25
Computer Technology					
Other Expenses	14,687.93	12,390.90	19,578.83	8,877.14	10,701.69
Collection of Taxes					
Salaries and Wages	220.08		220.08		220.08
Other Expenses	2,320.00		2,320.00	310.00	2,010.00
Assessment of Taxes					
Salaries and Wages	182.00		182.00		182.00
Other Expenses	3,207.93	271.19	3,479.12	271.19	3,207.93
Legal Services and Costs					
Other Expenses	240.00	8,870.00	9,110.00	8,870.00	240.00
Engineering Services and Costs					
Other Expenses	31,707.33	15,809.03	32,516.36	28,696.72	3,819.64
Planning Board					
Salaries and Wages	4,943.72		4,943.72		4,943.72
Other Expenses	24,345.82		24,345.82		24,345.82

See Independent Auditor's Report

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2022**

	<u>Balance Dec. 31, 2021</u>	<u>Encumbrances Payable</u>	<u>Balance After Transfers</u>	<u>Paid, Charged or Adjusted</u>	<u>Balance Lapsed</u>
Insurance					
General Liability	\$10,150.88		\$10,150.88		\$10,150.88
Employee Group Health	57,650.86		35,150.86		35,150.86
Health Benefit Wavier	833.00		833.00		833.00
Police Department					
Salaries and Wages	22,180.33		22,180.33	\$6,351.42	15,828.91
Other Expenses	10,994.81	\$26,201.35	37,196.16	34,451.98	2,744.18
Emergency Management Services					
Salaries and Wages	362.50		362.50		362.50
Other Expenses	659.24		659.24		659.24
Uniform Fire Safety Act					
Salaries and Wages	988.00		988.00		988.00
Municipal Prosecutor					
Other Expenses		625.00	625.00	625.00	
Municipal Court					
Salaries and Wages	3,360.08		3,360.08		3,360.08
Other Expenses	2,240.73	206.00	2,446.73	206.00	2,240.73
Public Defender					
Other Expenses	1,000.00		1,000.00		1,000.00
Road Repair and Maintenance					
Salaries and Wages	5,114.05		5,114.05	1,193.72	3,920.33
Other Expenses	17,871.49	2,412.64	20,284.13	2,354.64	17,929.49
Solid Waste Collection					
Other Expenses	5,128.44		5,128.44		5,128.44
Buildings and Grounds					
Other Expenses	24,068.50	12,376.01	36,444.51	10,010.00	26,434.51

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**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2022**

	<u>Balance Dec. 31, 2021</u>	<u>Encumbrances Payable</u>	<u>Balance After Transfers</u>	<u>Paid, Charged or Adjusted</u>	<u>Balance Lapsed</u>
Sewer System					
Other Expenses	\$5,338.85		\$5,338.85		\$5,338.85
Animal Control Services					
Other Expenses	301.00		301.00		301.00
Administration of Beach Access					
Salaries and Wages	16,847.64		16,847.64		16,847.64
Other Expenses	1,535.04	\$2,653.68	4,188.72	\$2,653.68	1,535.04
Beach Maintenance					
Other Expenses	23,849.18	23,992.05	47,841.23	34,400.32	13,440.91
Construction Code Official					
Salaries and Wages	15,486.38		15,486.38	759.90	14,726.48
Other Expenses	6,412.48	244.76	6,657.24	267.16	6,390.08
Plumbing Official					
Salaries and Wages	38.01		38.01		38.01
Fire Protection Official					
Salaries and Wages	345.12		345.12		345.12
Electrical Inspector					
Salaries and Wages	268.76		268.76		268.76
Utility Expenses and Bulk Purchases					
Electricity	8,681.25	2,729.21	11,410.46	5,277.12	6,133.34
Telephone	1,612.55	1,648.23	3,260.78	3,260.78	
Water	1,274.79	414.51	1,689.30	414.51	1,274.79
Water - Fire Hydrants	4,251.76	2,898.56	7,150.32	2,898.56	4,251.76
Natural Gas	6,278.38	2,022.87	8,301.25	3,222.87	5,078.38
Gasoline	9,070.86		9,070.86	7,790.89	1,279.97

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**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2022**

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Encumbrances</u> <u>Payable</u>	<u>Balance</u> <u>After Transfers</u>	<u>Paid, Charged</u> <u>or Adjusted</u>	<u>Balance</u> <u>Lapsed</u>
Public Employees' Retirement System	\$2,500.00		\$2,500.00		\$2,500.00
Social Security System (O.A.S.I.)	10,497.08		10,497.08		10,497.08
Police and Firemen's Retirement System	2,500.00		2,500.00		2,500.00
Defined Contribution Retirement Program	6,578.89		6,578.89	\$274.12	6,304.77
Sewer System -					
Ocean County Utilities Authority					
Share of Costs	35,000.00		80,000.00	44,441.12	35,558.88
Declared State of Emergency Costs for					
Coronavirus Response	51.80	\$2,560.01	2,611.81	2,560.01	51.80
Information Technology (Township of Freehold)					
Other Expenses	3,730.00	1,865.00	5,595.00	1,865.00	3,730.00
Body Cameras		196.25	196.25	196.25	
	<u>\$467,618.01</u>	<u>\$130,403.62</u>	<u>\$598,021.63</u>	<u>\$227,971.30</u>	<u>\$370,050.33</u>
<b><u>Ref.</u></b>	A	A-16			A-1
			<b><u>Ref.</u></b>		
			A	\$1,500.00	
			A-4	226,471.30	
				<u>\$227,971.30</u>	

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**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF COUNTY TAXES PAYABLE**  
**Year Ended December 31, 2022**

	<u>Ref.</u>		
Balance, December 31, 2021	A		\$78,491.68
Increased by:			
County Tax	A-5	\$5,157,545.31	
County Library Tax	A-5	507,139.40	
County Health Tax	A-5	268,073.92	
County Open Space Tax	A-5	192,216.37	
Due County for Added and Omitted Taxes	A-5	69,342.68	
	A-1	<u>6,194,317.68</u>	<u>6,194,317.68</u>
			<u>6,272,809.36</u>
Decreased by:			
Payments	A-4		<u>6,272,809.36</u>
Balance, December 31, 2022	A		<u><u>\$0.00</u></u>

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE**  
**Year Ended December 31, 2022**

	<u>Ref.</u>		
Balance, December 31, 2021:			
School Tax Payable	A	\$34,078.25	
School Tax Deferred		26,813.74	
		<u>                    </u>	\$60,891.99
Increased by:			
Levy - School Year July 1, 2022 to June 30, 2023	A-5		133,495.00
			<u>                    </u>
			194,386.99
Decreased by:			
Payments	A-4		114,292.00
			<u>                    </u>
Balance, December 31, 2022:			
School Tax Payable	A	53,281.25	
School Tax Deferred		26,813.74	
		<u>                    </u>	<u>                    </u>
			\$80,094.99
 <u>2022 Liability for Local District School Tax:</u>			
Tax Paid	A-10		\$114,292.00
Tax Payable, December 31, 2022	A-10		53,281.25
			<u>                    </u>
			167,573.25
Less: Tax Payable, December 31, 2021	A-10		34,078.25
			<u>                    </u>
Amount Charged to 2022 Operations	A-1		<u>                    </u>
			\$133,495.00

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**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF DEFERRED CHARGES**  
**N.J.S. 40A:4-55 SPECIAL EMERGENCY - RECODIFICATION OF EXISTING ORDINANCES**  
**Year Ended December 31, 2022**

<u>Purpose</u>	<u>Date Authorized</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2021</u>	<u>Raised in 2022 Budget</u>	<u>Balance Dec. 31, 2022</u>
Recodification of Existing Ordinances	5/18/2021	<u>\$60,000.00</u>	<u>\$12,000.00</u>	<u>\$60,000.00</u>	<u>\$12,000.00</u>	<u>\$48,000.00</u>
	<b><u>Ref.</u></b>			A	A-3	A

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**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF VARIOUS RESERVES**  
**Year Ended December 31, 2022**

	<b>Balance Dec. 31, 2021</b>	<b>Increased</b>	<b>Decreased</b>	<b>Balance Dec. 31, 2022</b>
Reserve for:				
Sale of Municipal Assets	\$227,962.56	\$107,050.00	\$100,000.00	\$235,012.56
Police Boat Donations	5,925.00			5,925.00
FEMA Reimbursements	583,342.56		100,000.00	483,342.56
Hurricane Sandy	189,768.70			189,768.70
Recodification of Ordinances	54,960.00		43,005.00	11,955.00
Municipal Relief Fund Aid		7,691.04		7,691.04
Due to the State of New Jersey:				
Marriage Licenses		75.00	75.00	
Uniform Construction Code Fees	3,418.00	9,407.00	11,386.00	1,439.00
	<u>\$1,065,376.82</u>	<u>\$124,223.04</u>	<u>\$254,466.00</u>	<u>\$935,133.86</u>
<b>Ref.</b>	A	A-4		A
Cash Disbursements	A-4		\$54,466.00	
Realized as Revenue	A-7		200,000.00	
			<u>\$254,466.00</u>	

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**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF GRANTS RECEIVABLE**  
**Year Ended December 31, 2022**

<u>Grant</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2021</u>	<u>2022 Anticipated Revenue</u>	<u>Received</u>	<u>Unappropriated Reserves Realized</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2022</u>
Police Vest		\$1,051.25					\$1,051.25
Recycling Tonnage	A-2		\$1,087.26	\$1,087.26			
Body Armor Fund	A-2		1,113.83		\$1,113.83		
Drive Sober or Get Pulled Over		13,700.00					13,700.00
Alcohol Education and Rehabilitation Fund	A-2		3,840.00		3,840.00		
OC CARES - Digitization		71,328.00		62,366.37			8,961.63
CARES Act - CRF Scanning/Digitization		75,747.90		41,207.95			34,539.95
NJDOT - Barnegat Lane North Section		395,000.00		199,666.54			195,333.46
Body Worn Camera		30,570.00		30,570.00			
Bulletproof Vest	A-2		863.13	863.13			
Sustainable Jersey Small Program	A-2		2,000.00	2,000.00			
Click It or Ticket	A-2		7,000.00	7,000.00			
American Rescue Plan Act - Fire Apparatus and Equipment	A-2		13,031.23		13,031.23		
		<u>\$587,397.15</u>	<u>\$28,935.45</u>	<u>\$344,761.25</u>	<u>\$17,985.06</u>	<u>-</u>	<u>\$253,586.29</u>
	<u>Ref.</u>	A		A-4	A-15		A

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**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES**  
**Year Ended December 31, 2022**

<b>Grant</b>	<b>Balance Dec. 31, 2021</b>	<b>Transfer from 2022 Budget Appropriations</b>	<b>Cancelled</b>	<b>Expended</b>	<b>Balance Dec. 31, 2022</b>
Body Armor Fund	\$3,310.67	\$1,113.83		\$1,275.40	\$3,149.10
Clean Communities Program	5,675.95			4,347.60	1,328.35
Alcohol Education and Rehabilitation Fund	12,133.84	3,840.00			15,973.84
Recycling Tonnage Grant	10,884.15	1,087.26		4,862.56	7,108.85
Drive Sober or Get Pulled Over	9,210.00				9,210.00
Drunk Driving Enforcement	9,490.84			2,732.06	6,758.78
Sustainable Jersey Small Program	0.80	2,000.00		1,713.50	287.30
OC CARES - Digitization	22,898.73				22,898.73
CARES Act - CRF Scanning/Digitization	75,747.90			67,242.13	8,505.77
NJDOT - Barnegat Lane North Section	394,160.00			212,237.08	181,922.92
Body Worn Camera	30,570.00			30,570.00	
Bulletproof Vest		863.13			863.13
Click It or Ticket		7,000.00		6,930.00	70.00
American Rescue Plan Act - Fire Apparatus and Equipment		13,031.23			13,031.23
	<u>\$574,082.88</u>	<u>\$28,935.45</u>	<u>-</u>	<u>\$331,910.33</u>	<u>\$271,108.00</u>
<b><u>Ref.</u></b>	A	A-3		A-4	A

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**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF UNAPPROPRIATED RESERVES**  
**Year Ended December 31, 2022**

<b>Grant</b>	<b>Balance Dec. 31, 2021</b>	<b>Transferred to Grants Receivable</b>	<b>Cash Receipts</b>	<b>Balance Dec. 31, 2022</b>
Body Armor Fund	\$1,113.83	\$1,113.83	\$1,037.17	\$1,037.17
American Rescue Plan Act	13,031.23	13,031.23	13,031.24	13,031.24
Recycling Tonnage	0.01			0.01
Alcohol Education and Rehabilitation Fund	3,840.00	3,840.00		
Clean Communities Program			4,000.00	4,000.00
	<u>\$17,985.07</u>	<u>\$17,985.06</u>	<u>\$18,068.41</u>	<u>\$18,068.42</u>
<b><u>Ref.</u></b>	A	A-13	A-4	A

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**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF ENCUMBRANCES PAYABLE**  
**Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance, December 31, 2021	A	\$130,403.62
Increased by:		
Current Appropriations Charged	A-3	170,544.79
		<u>300,948.41</u>
Decreased by:		
Transfer to Appropriation Reserves	A-8	<u>130,403.62</u>
Balance, December 31, 2022	A	<u><u>\$170,544.79</u></u>

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**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**TRUST FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2022**

	<b><u>Ref.</u></b>	<b><u>Animal Control Fund</u></b>		<b><u>Other Trust Fund</u></b>
Balance, December 31, 2021	B	\$108.20		\$676,683.90
Increased by Receipts:				
Dog License Fees	B-2	\$32.00		
Various Reserves	B-4			\$3,021,153.71
Due from Current Fund				11,348.32
Due to State of New Jersey	B-3	<u>12.60</u>		
		44.60		
		<u>152.80</u>		<u>3,032,502.03</u>
				<u>3,709,185.93</u>
Decreased by Disbursements:				
Due to State of New Jersey	B-3	12.60		
Various Reserves	B-4			3,049,352.05
Due to Current Fund				<u>16.77</u>
		<u>12.60</u>		<u>3,049,368.82</u>
Balance, December 31, 2022	B	<u><u>\$140.20</u></u>		<u><u>\$659,817.11</u></u>

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ANIMAL CONTROL FUND**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES**  
**Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance, December 31, 2021	B	\$68.00
Increased by:		
Dog License Fees Collected	B-1	32.00
		<u>100.00</u>
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Statutory Excess Due Current Fund		48.00
		<u>48.00</u>
Balance, December 31, 2022	B	<u><u>\$52.00</u></u>

License and Penalty Fees Collected:

<u>Year</u>	<u>Amount</u>
2021	\$24.00
2020	28.00
	<u>28.00</u>
	<u><u>\$52.00</u></u>

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ANIMAL CONTROL FUND**  
**SCHEDULE OF DUE TO STATE OF NEW JERSEY**  
**Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance, December 31, 2021		\$0.00
Increased by:		
Receipts	B-1	12.60
		<u>12.60</u>
Decreased by:		
Disbursed	B-1	12.60
		<u>12.60</u>
Balance, December 31, 2022		<u><u>\$0.00</u></u>

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**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**OTHER TRUST FUND**  
**SCHEDULE OF VARIOUS RESERVES**  
**Year Ended December 31, 2022**

	<b>Balance</b> <b>Dec. 31, 2021</b>	<b>Increased</b>	<b>Decreased</b>	<b>Balance</b> <b>Dec. 31, 2022</b>
<b><u>Reserves for:</u></b>				
P.O.A.A.	\$386.54	\$40.00		\$426.54
Unemployment Compensation	35,415.52	21.02	\$321.04	35,115.50
Surety and Escrows	29,910.90	16,800.00	10,067.72	36,643.18
Payroll and Deductions Payable	75,108.99	3,003,625.27	3,021,743.14	56,991.12
Off-Duty Police	20,640.03		6,124.25	14,515.78
Centennial Celebration	364.72			364.72
Public Defender	4,033.50			4,033.50
Accumulated Absences	94,811.07			94,811.07
Historical Society	40.00			40.00
Law Enforcement Trust	2,851.15	1.42		2,852.57
Third Party Liens	483.81			483.81
Reserve for Judgments	395,985.00			395,985.00
Sandy Donations	3,393.56			3,393.56
Historical and Celebratory Events Donations	13,511.53	666.00		14,177.53
Marine Donations	11,095.90		11,095.90	
	<u>\$688,032.22</u>	<u>\$3,021,153.71</u>	<u>\$3,049,352.05</u>	<u>\$659,833.88</u>
<b><u>Ref.</u></b>	B	B-1	B-1	B

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**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2022**

	<u>Ref.</u>		
Balance, December 31, 2021	C		\$2,189,092.22
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-7	\$25,000.00	
Police Vehicles		5,157.76	
Purchase of PDW Truck		25,000.00	
Bay Avenue Site Remediation		15,500.00	
Alcohol Tester		20,000.00	
Check Valves		7,000.00	
Beach Walkway Storm Repairs		10,000.00	
Road Repairs		<u>25,000.00</u>	
			<u>132,657.76</u>
			2,321,749.98
Decreased by Disbursements:			
Improvement Authorizations	C-6	16,473.59	
Purchase of Investments		<u>500,000.00</u>	
			<u>516,473.59</u>
Balance, December 31, 2022	C		<u><u>\$1,805,276.39</u></u>

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**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**GENERAL CAPITAL FUND**

**SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH AND INVESTMENTS**

**December 31, 2022**

	<b>Balance Dec. 31, 2022</b>
Fund Balance	\$135,382.60
Capital Improvement Fund	63,441.03
Reserve for Encumbrances	281,009.51
Reserve for Beach Replenishment	1,225,404.58
Reserve for Lyman Street Dune Walkover	30,184.46
Reserve for Payment of Debt	224,629.73
Reserve for Municipal Parking Lot	58,939.47
Reserve for Community Development Block Grant	1,500.00
Reserve for Computer System	10,000.00
Reserve for Police Body Cameras	22,977.75
Reserve for Police Boat	993.00
Reserve for Police Vehicles	5,157.76
Reserve for Purchase of DPW Truck	25,000.00
Reserve for Bay Avenue Site Remediation	15,500.00
Reserve for Alcohol Tester	20,000.00
Reserve for Check Valves	7,000.00
Reserve for Beach Walkway Storm Repairs	10,000.00
Reserve for Road Repairs	25,000.00
Due from Current Fund	(62.83) *

Improvement Authorizations:

<u>Ordinance Number</u>	<u>Improvement Description</u>	
534	Construction of Borough Yard Garage	2,696.70
628	Structural Repairs of the Mantoloking Firehouse and Purchase of Equipment for of the Operations of the Mantoloking Firehouse, Police Department and Public Works Department	50,897.49
654	Beach Protection Improvements	31,112.59
656	Construction of a New Municipal Building	122,496.19
658	Various Capital Improvements	23,668.73
659	Beach Protection Improvements	68,348.70
681	Construction, Relocation and Outfitting of a New Municipal Building	64,748.93
710	Various Capital Purposes	25,000.00
727	Acquisition of a Fire Truck	(245,750.00) *
		<b>\$2,305,276.39</b>
	<b><u>Ref.</u></b>	<b>C</b>

\*Denotes Deduction

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**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE**  
**TAXATION - FUNDED**  
**Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance, December 31, 2021	C	\$4,820,000.00
Decreased by:		
2022 Budget Appropriation to Pay Bonds:		
Municipal Bonds	C-8	<u>305,000.00</u>
Balance, December 31, 2022	C	<u><u>\$4,515,000.00</u></u>

See Independent Auditor's Report

**BOROUGH OF MANTOLOKING  
 COUNTY OF OCEAN  
 STATE OF NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
 Year Ended December 31, 2022**

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Funded by Budget Appropriation	Authorizations Cancelled	Balance Dec. 31, 2022	Analysis of Balance Dec. 31, 2022		
							Financed by Bond Anticipation Notes	Unexpended Improvement Authorizations	
							Expenditures		
581	Bergen and Lagoon Lane Road Improvements	\$444.68			\$444.68				
586	Bergen and Channel Road Improvements	553.59			553.59				
598	Improvements to Sanitary Sewer System Facilities	545.98			545.98				
607	Old Bridge Street and Bay Avenue Road Construction	755.09			755.09				
608	Replacement of Firehouse Doors	758.00			758.00				
626	Herbert Street Pump Station Reconstruction	209,579.89			209,579.89				
628	Structural Repairs of the Mantoloking Firehouse and Purchase of Equipment for the Operations of the Mantoloking Firehouse, Police Department and Public Works Department	0.73				\$0.73		\$0.73	
656	Construction of a New Municipal Building	427,288.00				427,288.00		427,288.00	
681	Construction, Relocation and Outfitting of a New Municipal Building	0.30				0.30		0.30	
727	Acquisition of a Fire Truck	270,750.00				270,750.00	\$245,750.00	25,000.00	
731	Bay Avencuc and Arnold Street Improvements		\$20,000.00			20,000.00		20,000.00	
		<u>\$910,676.26</u>	<u>\$20,000.00</u>	<u>-</u>	<u>\$212,637.23</u>	<u>\$718,039.03</u>	<u>-</u>	<u>\$245,750.00</u>	<u>\$472,289.03</u>
	<b>Ref.</b>	C	C-6		C-6	C		C-3	
								<b>Ref.</b>	
								C-6	<u>\$472,289.03</u>
								Improvement Authorizations - Unfunded	

See Independent Auditor's Report

**BOROUGH OF MANTOLOKING  
COUNTY OF OCEAN  
STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
Year Ended December 31, 2022**

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2021			2022 Authorizations	Cash Disbursements	Cancelled	Balance December 31, 2022		
		Date	Amount	Funded	Unfunded	Encumbrances				Encumbrances	Funded	Unfunded
General Improvements:												
534	Construction of Borough Yard Garage	4/23/07	\$120,000.00	\$6,416.70				\$3,720.00			\$2,696.70	
569	Sanitary Sewer Repairs	5/18/09	55,000.00			\$25,032.50		10,930.10		\$14,102.40		
581	Bergen and Lagoon Lane Road Improvements	4/19/10	368,000.00		\$444.68				\$444.68			
586	Bergen and Channel Road Improvements	4/19/10	94,000.00		553.59				553.59			
598	Improvements to Sanitary Sewer System Facilities	4/18/11	10,000.00		545.98				545.98			
607	Old Bridge Street and Bay Avenue Road Construction	3/26/12	90,000.00		755.09				755.09			
608	Replacement of Firehouse Doors	4/23/12	22,000.00	0.34	758.00				758.34			
611	Improvement of ADA Walkway #4	4/23/12	5,000.00	0.94					0.94			
626	Herbert Street Pump Station Reconstruction	8/20/13	1,200,000.00		209,579.89				209,579.89			
628	Structural Repairs of the Mantoloking Firehouse and Purchase of Equipment for the Operations of the Mantoloking Firehouse, Police Department and Public Works Department	9/17/13	125,000.00	50,897.49	0.73						50,897.49	\$0.73
654	Beach Protection Improvements	2/16/16	200,000.00	31,112.59							31,112.59	
656	Construction of a New Municipal Building	5/17/16	5,500,000.00	126,565.30	427,288.00	2,838.00				6,907.11	122,496.19	427,288.00
658	Various Capital Improvements	9/20/16	489,500.00	23,668.73		1,823.49		1,823.49			23,668.73	
659	Beach Protection Improvements	9/20/16	200,000.00	68,348.70							68,348.70	
681	Construction, Relocation and Outfitting of a New Municipal Building	10/16/18	253,892.00	64,748.93	0.30						64,748.93	0.30
710	Various Capital Purposes	11/17/20	104,000.00	25,000.00							25,000.00	
727	Acquisition of a Fire Truck	11/15/21	285,000.00		25,000.00	260,000.00				260,000.00		25,000.00
731	Bay Avenue and Arnold Street Improvements	5/17/22	308,485.00				\$308,485.00				288,485.00	20,000.00
				<u>\$396,759.72</u>	<u>\$664,926.26</u>	<u>\$289,693.99</u>	<u>\$308,485.00</u>	<u>\$16,473.59</u>	<u>\$212,638.51</u>	<u>\$281,009.51</u>	<u>\$677,454.33</u>	<u>\$472,289.03</u>
		<b>Ref.</b>		C	C	C		C-2		C	C	C
	Deferred Charges to Future Taxation	C-5					\$20,000.00					
	Grants Receivable	C-9					288,485.00					
							<u>\$308,485.00</u>					
	Deferred Charges to Future Taxation	C-5							\$212,637.23			
	Fund Balance	C-1							1.28			
									<u>\$212,638.51</u>			

See Independent Auditor's Report

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance, December 31, 2021	C	\$38,441.03
Increased by:		
Budget Appropriation	C-2	<u>25,000.00</u> 63,441.03
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>-</u>
Balance, December 31, 2022	C	<u><u>\$63,441.03</u></u>

See Independent Auditor's Report

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
**Year Ended December 31, 2022**

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2021	Decreased	Balance Dec. 31, 2022
			Outstanding Dec. 31, 2022 Date	Amount				
General Improvement Bonds	6/14/17	\$5,590,000.00	6/1/23	\$315,000.00	3.00%	\$4,820,000.00	\$305,000.00	\$4,515,000.00
			6/1/24	300,000.00	4.00%			
			6/1/25	300,000.00	4.00%			
			6/1/26	300,000.00	4.00%			
			6/1/27	300,000.00	2.00%			
			6/1/28	300,000.00	2.25%			
			6/1/29	300,000.00	3.00%			
			6/1/30	300,000.00	3.00%			
			6/1/31	300,000.00	3.00%			
			6/1/32	300,000.00	3.00%			
			6/1/33	300,000.00	3.00%			
			6/1/34	300,000.00	3.00%			
			6/1/35	300,000.00	3.00%			
			6/1/36	300,000.00	3.00%			
			6/1/37	300,000.00	3.00%			
					<b>Ref.</b>	C		C
					Paid by Budget Appropriation	C-4	<u>\$305,000.00</u>	

See Independent Auditor's Report

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GRANTS RECEIVABLE**  
**Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance, December 31, 2021	C	\$0.00
Increased by:		
Ordinance 731 - N.J.D.O.T. for Bay Avenue and Arnold Street Improvements	C-6	<u>288,485.00</u>
Balance, December 31, 2022	C	<u><u>\$288,485.00</u></u>

See Independent Auditor's Report



**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**Year Ended December 31, 2022**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Balance Dec. 31, 2021</b>	<b>2022 Authorizations</b>	<b>Funded By Budget Appropriation</b>	<b>Authorizations Cancelled</b>	<b>Balance Dec. 31, 2022</b>
General Improvements:						
581	Bergen and Lagoon Lane Road Improvements	\$444.68			\$444.68	
586	Bergen and Channel Road Improvements	553.59			553.59	
598	Improvements to Sanitary Sewer System Facilities	545.98			545.98	
607	Old Bridge Street and Bay Avenue Road Construction	755.09			755.09	
608	Replacement of Firehouse Doors	758.00			758.00	
626	Herbert Street Pump Station Reconstruction	209,579.89			209,579.89	
628	Structural Repairs of the Mantoloking Firehouse and Purchase of Equipment for the Operations of the Mantoloking Firehouse, Police Department and Public Works Department	0.73				\$0.73
656	Construction of a New Municipal Building	427,288.00				427,288.00
681	Construction, Relocation and Outfitting of a New Municipal Building	0.30				0.30
727	Acquisition of a Fire Truck	270,750.00				270,750.00
731	Bay Avenue and Arnold Street Improvements		\$20,000.00			20,000.00
		<u>\$910,676.26</u>	<u>\$20,000.00</u>	<u>-</u>	<u>\$212,637.23</u>	<u>\$718,039.03</u>
	<b>Ref.</b> (Footnote C)		C-6			(Footnote C)

See Independent Auditor's Report

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS**  
**Year Ended December 31, 2022**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2021</u></b>	<b><u>Additions</u></b>	<b><u>Dispositions</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2022</u></b>
General Fixed Assets:				
Land	\$1,169,100.00			\$1,169,100.00
Buildings	6,226,785.55			6,226,785.55
Machinery and Equipment	<u>3,400,684.36</u>	<u>\$441,186.89</u>	<u>\$266,794.61</u>	<u>3,575,076.64</u>
	<u>\$10,796,569.91</u>	<u>\$441,186.89</u>	<u>\$266,794.61</u>	<u>\$10,970,962.19</u>
<b><u>Ref.</u></b>	D			D

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART III**

**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**

**YEAR ENDED DECEMBER 31, 2022**

# *Oliwa & Company*

Certified Public Accountants

**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**

To the Honorable Mayor and  
Members of the Borough Council  
Borough of Mantoloking  
County of Ocean  
Mantoloking, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the regulatory basis financial statements of the Borough of Mantoloking, County of Ocean, State of New Jersey (the "Borough") as of and for the year ended December 31, 2022, and the related notes to the regulatory basis financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated September 19, 2023, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America, due to the differences between those principles and the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We expressed an unmodified opinion on the regulatory basis financial statements as to conformity with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

## **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the regulatory basis financial statements, we considered the Borough's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory basis 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 the Borough's internal control.

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

## **Report on Internal Control Over Financial Reporting (continued)**

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

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

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

## **Purpose of This Report**

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



Robert S. Oliwa  
Certified Public Accountant  
Registered Municipal Accountant #414

*Oliwa & Company*

Freehold, New Jersey  
September 19, 2023

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART IV**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2022**

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2022**

**Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4**

N.J.S. 40A:11-4 states “Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law.”

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory limit within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the municipal attorney’s opinion should be sought before a commitment is made.

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

Our audit of expenditures did not reveal any individual payments in excess of the statutory limit for the performance of any work or the furnishing of any goods or services other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

**Purchases, Contracts or Agreements not Required to be Advertised by N.J.S. 40A:11-6.1**

N.J.S. 40A:11-6.1 states, “For all contracts that in the aggregate are less than the bid threshold but exceed 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.40A:11-5), 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.” In the auditing of the Borough’s expenditures, we performed tests of the Borough’s compliance with N.J.S. 40A:11-6.1 and noted no exceptions.

**COMMENTS (continued)**

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

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

On January 4, 2022, the governing body adopted the following resolution authorizing interest to be charged for nonpayment of taxes:

RESOLVED, that the Tax Collector of the Borough of Mantoloking is hereby directed to charge and collect interest at eight percent (8%) per annum on the first \$1,500 of any delinquency, and eighteen percent (18%) per annum on any amount of in excess of \$1,500 to be calculated from the date the tax was payable to the date of actual payment.

RESOLVED, that the Tax Collector of the Borough of Mantoloking is hereby directed to charge and collect an additional penalty at the rate of six percent (6%) of the amount of delinquency from each taxpayer with a delinquency in excess of \$10,000 who shall fail to pay that delinquency prior to the end of the calendar year.

FURTHER RESOLVED, that the interest on any delinquency shall be computed from the date the monies are due or become delinquent, except that no interest shall be charged on any installment payment if payment of said installment is made within ten (10) days after the date upon which same becomes payable.

Based upon our audit of the tax collector's records, interest on delinquent taxes was charged in accordance with the foregoing resolution.

**Tax Title Liens**

The Borough did not have a tax sale in 2022 and had no tax title liens receivable on December 31, 2022, 2021 and 2020.

**COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31**

<u>Year</u>	<u>Current Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2022	\$1,464,141.58	\$825,000.00
2021	1,477,436.89	750,000.00
2020	1,407,063.44	690,000.00



**COMMENTS (continued)**

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION AND APPORTIONMENT**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Municipal	\$0.286	\$0.276	\$0.276
Local School	0.009	0.007	0.005
County	<u>0.405</u>	<u>0.421</u>	<u>0.431</u>
Total tax rate	<u>\$0.700</u>	<u>\$0.704</u>	<u>\$0.712</u>

**ASSESSED VALUATIONS**

2022	\$1,513,539,600.00
2021	1,499,389,000.00
2020	1,465,654,500.00

**COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2022	\$10,714,628.70	\$10,636,094.98	99.27%
2021	10,686,856.04	10,523,107.65	98.47%
2020	10,492,421.17	10,410,072.03	99.22%

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Delinquent taxes	<u>\$65,926.74</u>	<u>\$62,585.95</u>	<u>\$82,349.14</u>
% of tax levy	0.62%	0.59%	0.78%

**COMMENTS (continued)**

**SUMMARY OF MUNICIPAL DEBT**

<u>Issued</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General bonds and notes	\$4,515,000.00	\$4,820,000.00	\$5,035,000.00
Less:			
Funds on hand to pay bonds and notes	<u>224,629.73</u>	<u>224,629.73</u>	<u>224,629.73</u>
Net Debt Issued	4,290,370.27	4,595,370.27	4,810,370.27
<u>Authorized but not issued</u>			
General bonds and notes	<u>718,039.03</u>	<u>910,676.26</u>	<u>642,410.05</u>
Net bonds and notes issued and and authorized but not issued	<u>\$5,008,409.30</u>	<u>\$5,506,046.53</u>	<u>\$5,452,780.32</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 0.284%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	<u>\$5,233,039.03</u>	<u>\$224,629.73</u>	<u>\$5,008,409.30</u>

Net Debt \$5,008,409.30 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$1,762,936,647.67 equals 0.284%.

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

3 1/2% of Equalized Valuation Basis	\$61,702,782.67
Net Debt	<u>5,008,409.30</u>
Remaining Borrowing Power	<u>\$56,694,373.37</u>

**COMMENTS (continued)**

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<b><u>Name</u></b>	<b><u>Position</u></b>
E. Laurence White	Mayor
Lynn O'Mealia	Council President
Anthony Amarante	Councilman
Barbara Benz	Councilwoman
Douglas Nelson	Councilman
F. Bradford Batcha	Councilman
John Conti	Councilman
Beverly A. Konopada	Borough Clerk, Registrar, Assessment Search Officer
April J. Yezzi	Chief Financial Officer, Tax Collector, Tax Search Officer, Qualified Purchasing Agent
Elizabeth L. Boettger	Court Administrator
James J. Gluck	Magistrate

A Government Crime Policy in the amount of \$1,000,000.00 was in effect during 2022. This insurance coverage was provided to the Borough through its participation in the New Jersey Intergovernmental Insurance Fund.

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART V**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2022**

**BOROUGH OF MANTOLOKING**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2022**

**Other Internal Control and Compliance Matters:**

There are no current year recommendations.

**Status of Prior Year Recommendations**

There were no prior year recommendations.