

**PRELIMINARY OFFICIAL STATEMENT DATED MARCH 20, 2024**

**NEW ISSUE**

**RATINGS: Moody's Bonds: "Aa2"  
Moody's Notes: "MIG 1"  
(See "Ratings" herein)**

*In the opinion of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Bond Counsel, assuming continuing compliance by the Borough of Seaside Park (the "Borough") with certain covenants described herein, under current law, interest on the Bonds and the BANs (as defined herein) is not includable in gross income for federal income tax purposes and is not an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code"), for purposes of computing the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. No opinion is expressed regarding other federal tax consequences arising with respect to the Bonds and the BANs. Further, in the opinion of Bond Counsel, under current law, interest on the Bond and the BANs and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.*

**\$5,012,000\***

**BOROUGH OF SEASIDE PARK  
IN THE COUNTY OF OCEAN, NEW JERSEY  
General Obligation Bonds, Series 2024  
(Not Bank Qualified) (Callable)**

**Dated: Date of Delivery**

**Due: April 1, as shown on the inside front cover**

**\$5,777,000**

**BOROUGH OF SEASIDE PARK  
IN THE COUNTY OF OCEAN, NEW JERSEY  
Bond Anticipation Notes, Series 2024**

**Consisting of:**

**\$3,268,000 General Capital Bond Anticipation Notes  
and  
\$2,509,000 Water and Sewer Utility Bond Anticipation Notes  
(Not Bank Qualified) (Non-Callable)**

**Dated: Date of Delivery**

**Due: April 11, 2025**

The aggregate principal amount of \$5,012,000\* General Obligation Bonds, Series 2024 (the "Bonds") and \$5,777,000 Bond Anticipation Notes, consisting of \$3,268,000 General Capital Bond Anticipation Notes and \$2,509,000 Water and Sewer Utility Bond Anticipation Notes (collectively, the "BANs" and together with the Bonds, the "Obligations") of the Borough of Seaside Park, in the County of Ocean, New Jersey (the "Borough"), will be issued as fully registered securities, registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company Brooklyn, New York ("DTC"), which will maintain a book-entry system for recording ownership interests of DTC Participants. Individual purchases of the beneficial ownership interests in the Obligations may be made in book-entry-only form on the records of DTC and its Participants and only in the principal amount of \$5,000 or any integral multiple of \$1,000 in excess thereof. Beneficial Owners of the Obligations will not receive certificates representing their interests in the Obligations. As long as Cede & Co is the registered owner, as nominee of DTC, references in this Official Statement to the registered owners (other than under the caption "Tax Matters") shall mean Cede & Co., and not the Beneficial Owners of the Obligations. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Obligations are valid and legally binding obligations of the Borough and, unless paid from other sources, are payable from ad valorem taxes levied upon all the taxable real property within the Borough for the payment of the Obligations and the interest thereon without limitation as to rate or amount.

Principal on the Bonds is payable on April 1 in each of the years set forth on the inside front cover hereof. Interest on the Bonds will be paid semiannually on April 1 and October 1 in each year until maturing, commencing on October 1, 2024. The Bonds are subject to redemption prior to maturity. See "THE BONDS – Optional Redemption" herein.

The BANs shall bear interest from their date of delivery and shall mature on April 11, 2025. Interest on the BANs will be payable at maturity. The BANs are not subject to redemption prior to maturity.

As long as DTC or its nominee Cede & Co. is the registered owner of the Obligations, payment of the principal and interest on the Obligations will be made by the Borough directly to DTC or its nominee Cede & Co. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each March 15 and September 15 (the "Record Dates") preceding the dates for the payment of interest on the Bonds.

*The Obligations are offered when, as and if issued and delivered to the Underwriters (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Paramus, New Jersey, and certain other conditions described herein. Certain legal matters will be passed upon for the Borough by the Borough Attorney, Steven Zabarsky, Esq., of Citta, Holzapfel & Zabarsky Toms River, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey serves as Municipal Advisor to the Borough. It is expected that the Obligations will be available for delivery to DTC on April 11, 2024.*

**BID PROPOSALS FOR THE BONDS WILL BE ACCEPTED UNTIL 11:00 A.M. ON MARCH 27, 2024  
BID PROPOSALS FOR THE BANs WILL BE ACCEPTED UNTIL 11:30 A.M. ON MARCH 27, 2024  
FOR MORE DETAILS REFER TO THE SEPARATE NOTICES OF SALE**

\* Preliminary; subject to change.

**Borough of Seaside Park**  
**\$5,012,000\* General Obligation Bonds, Series 2024**

<b>Year (April 1)</b>	<b>Bond Principal*</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP No.**</b>
2025	\$157,000	%	%	812523
2026	160,000	%	%	812523
2027	160,000	%	%	812523
2028	200,000	%	%	812523
2029	200,000	%	%	812523
2030	215,000	%	%	812523
2031	225,000	%	%	812523
2032	230,000	%	%	812523
2033	240,000	%	%	812523
2034	250,000	%	%	812523
2035	265,000	%	%	812523
2036	270,000	%	%	812523
2037	290,000	%	%	812523
2038	300,000	%	%	812523
2039	300,000	%	%	812523
2040	310,000	%	%	812523
2041	310,000	%	%	812523
2042	310,000	%	%	812523
2043	310,000	%	%	812523
2044	310,000	%	%	812523

\* Preliminary; subject to change.

**\$5,777,000 Bond Anticipation Notes, Series 2024**  
**Consisting of:**  
**\$3,268,000 General Capital Bond Anticipation Notes**  
**and**  
**\$2,509,000 Water and Sewer Utility Bond Anticipation Notes**

**MATURITY, PRINCIPAL AMOUNT, INTEREST RATE, YIELD AND CUSIP\*\***

<b><u>Maturity</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP**</u></b>
April 11, 2025	\$5,777,000	%	%	812523__

\*\* CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of holders only at the time of issuance of the Obligations and the Borough does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Obligations as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Obligations.

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY**

**MAYOR**

John A. Peterson, Jr.

**BOROUGH COUNCIL**

Marty Wilk, Jr., Council President

Ray Amabile

Gina Condos

Joseph Connor

William Kraft

Jerry Rotunda

**CHIEF FINANCIAL OFFICER**

Joyce Tinnes

**MUNICIPAL CLERK**

Jenna Jankowski, RMC, CMR

**BOROUGH SOLICITOR**

Citta, Holzapfel & Zabarsky

Toms River, New Jersey

**BOROUGH AUDITOR**

Holman Frenia Allison, P.C.

Lakewood, New Jersey

**BOND COUNSEL**

DeCotiis, FitzPatrick, Cole & Giblin, LLP

Paramus, New Jersey

**MUNICIPAL ADVISOR**

Phoenix Advisors, LLC

Bordentown, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Borough or the Underwriters to give any information or to make any representations with respect to the Obligations other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Borough and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness by the Underwriters or, as to information from sources other than itself, by the Borough. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Obligations in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE OBLIGATIONS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT PURSUANT TO ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

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**OFFICIAL STATEMENT  
Borough of Seaside Park,  
in the County of Ocean, New Jersey**

**Relating to:**

**\$5,012,000\* GENERAL OBLIGATION BONDS, SERIES 2024**

**AND**

**\$5,777,000 BOND ANTICIPATION NOTES, SERIES 2024**

**Consisting of:**

**\$3,268,000 General Capital Bond Anticipation Notes**

**and**

**\$2,509,000 Water and Sewer Utility Bond Anticipation Notes**

**INTRODUCTION**

This Official Statement (the “Official Statement”) which includes the cover page and the Appendices attached hereto, has been prepared by the Borough of Seaside Park (the “Borough”), in the County of Ocean (the “County”), State of New Jersey (the “State”), to provide certain information with respect to the financial and economic condition of the Borough in connection with the sale and issuance of the \$5,012,000\* General Obligation Bonds, Series 2024 (the “Bonds”) and the \$5,777,000 Bond Anticipation Notes, Series 2024, consisting of \$3,268,000 General Capital Bond Anticipation Notes and \$2,509,000 and Water & Sewer Utility Bond Anticipation Notes (collectively, the “BANs” and together with the Bonds, the “Obligations”) This Official Statement has been executed by and on behalf of the Borough by the Borough's Chief Financial Officer.

**THE BONDS**

**General Description**

The Bonds will be dated their date of delivery, will bear interest from their date and will mature on April 1 in the years and in the principal amounts as set forth on the inside front cover page hereof. Interest on the Bonds is payable on each April 1 and October 1 in each year until maturing, commencing on October 1, 2024 (each, an “Interest Payment Date”), in each year until maturity or prior redemption at the respective interest rates set forth on the inside front cover page of this Official Statement. Principal of and interest on the Obligations will be paid by the Borough to The Depository Trust Company, Brooklyn, New York (“DTC”), acting as securities depository. Interest on the Bonds will be credited to the DTC Participants (as hereinafter defined) as listed on the records of DTC as of the fifteenth day of the calendar month preceding the month in which such Interest Payment Date occurs (the “Record Dates” for the payment of interest on the Bonds).

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity of the Bonds of each series and in the principal amount of such maturity. The Bonds will be issued in book-entry form only. Purchases of the Bonds will be made in book-entry form, in the principal amount of \$5,000 or any integral multiple of \$1,000 in excess thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Borough (or any successor Paying Agent designated by the Borough) directly to Cede & Co. (or any successor or assign), as nominee for DTC, which will remit such payments to the participants of DTC which will in turn remit such payments to the owners of beneficial interests in the Bonds. See “Book-Entry Only System” herein.

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\* Preliminary, subject to change.

## **Optional Redemption**

The Bonds maturing on or before April 1, 2031, are not subject to redemption prior to their stated maturity. The Bonds maturing on or after April 1, 2032, are subject to redemption prior to maturity at the option of the Borough, as a whole or in part on any date on or after April 1, 2031, at the redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the date fixed for redemption.

Notice of redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption. Such mailing shall be to the owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Borough or a duly appointed Bond Registrar. Any failure of the securities depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any notice of redemption shall not affect the validity of the redemption proceedings. If the Borough determines to redeem a portion of the Bonds prior to maturity, the Bonds to be redeemed shall be selected by the Borough; the Bonds to be redeemed having the same maturity shall be selected by DTC or any successor thereto in accordance with its regulations.

If notice of redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the redemption price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption and no further interest shall accrue beyond the redemption date. Payment shall be made upon surrender of the Bonds redeemed.

## **THE BANS**

### **General Description**

The BANs will be dated and shall bear interest from their date of delivery and shall mature on April 11, 2025. The BANs shall bear interest at the rate per annum set forth on the inside front cover, which interest is payable on April 11, 2025. The BANs will be issued as fully registered notes in book-entry only form in the form of one certificate for the BANs of each series, and when issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the BANs. Purchases of beneficial interests in the BANs will be made in book-entry only form, without certificates, in denominations of \$5,000 or any integral multiple of \$1,000 in excess thereof.

### **Optional Redemption**

The BANs are not subject to redemption prior to their stated maturity.

## **SECURITY AND SOURCE OF PAYMENT**

The Obligations are general obligations of the Borough, and the Borough has pledged its full faith and credit for the payment of the principal of and the interest on the Obligations. The Obligations are direct obligations of the Borough and, unless paid from other sources, the Borough is required by law to levy ad valorem taxes upon all taxable property within the Borough for the payment of the principal of and the interest on the Obligations without limitation as to rate or amount.

Enforcement of a claim for the payment of principal of or interest on obligations of the Borough is subject to applicable provisions of Federal bankruptcy law and to the provisions of statutes, if any, hereafter enacted by the Congress of the United States or the Legislature of the State of New Jersey, providing extension with respect to the payment of principal of or interest on the Obligations or imposing other constraints upon enforcement of such contracts insofar as any such constraints may be constitutionally applied. Under State law, a county, municipality

or other political subdivision may file a petition under Federal bankruptcy laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Local Finance Board.

### AUTHORIZATION OF THE OBLIGATIONS

The Bonds are authorized by and issued pursuant to the provisions of (i) the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”), (ii) various bond ordinances adopted by the Borough, and (iii) a resolution of the Borough Council adopted on March 7, 2024.

The BANs are authorized by and issued pursuant to the provisions of the Local Bond Law and various bond ordinances adopted by the Borough.

### PURPOSE OF ISSUE

The proceeds of the Bonds, along with certain available funds of the Borough in the amount of \$1,450, will be used to: (i) refund, on a current basis, \$5,013,450 aggregate principal amount portion of the \$9,568,000 Bond Anticipation Notes, Series 2023A of the Borough issued on April 12, 2023 and maturing on April 12, 2024 (the “Prior A Notes”); (ii) refund, on a current bases, a \$200,000 aggregate principal amount portion of the \$650,000 Bond Anticipation Notes, Series 2023B of the Borough issued on April 12, 2023 and maturing on April 12, 2024 (the “Prior B Notes” and together with the Prior A Notes, the “Prior Notes”); and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds. The ordinances to be funded by the Bonds are included in the table below.

<b>Bonds</b>				
<b><u>Ordinance No.</u></b>	<b><u>Purpose</u></b>	<b><u>Amount of Prior Notes Being Refunded</u></b>	<b><u>Amount of New Money</u></b>	<b><u>Total Amount of Bond Proceeds</u></b>
2020-05	Reconstruction of 12 <sup>th</sup> and 13 <sup>th</sup> Avenues, finally adopted on May 14, 2020.	\$165,000	\$0	\$165,000
2020-11 as amended and restated by 2022-05	Reconstruction of H. Street, finally adopted on September 24, 2020, and amended on April 14, 2022.	151,550	0	151,550
2021-07 as amended and restated by 2022-05	Reconstruction of G Street, finally adopted on April 15, 2021, and amended on April 14, 2022.	85,000	0	85,000
2022-01	Acquisition of Real Property, finally adopted on February 24, 2022.	3,825,000	0	3,825,000
2022-13	Acquisition of Garbage Truck, finally adopted on July 14, 2022.	270,750	0	270,750
2022-14	Acquisition of Fire Equipment, finally adopted on July 14, 2022.	62,700	0	62,700
2022-15	Improvements to ballfields finally adopted on July 14, 2022.	452,000	0	452,000
<b>Bonds Total:</b>		<b><u>\$5,012,000</u></b>	<b><u>0</u></b>	<b><u>\$5,012,000</u></b>

The proceeds of the General Capital Notes will be used to: (i) refund, on a current basis, \$2,769,550 in aggregate principal amount of the Prior A Notes; (ii) refund, on a current basis, a \$450,000 portion of the Prior B Notes; (iii) provide \$498,450 in new money to temporarily finance various improvements in the Borough; and (iv) pay certain costs and expenses incidental to the issuance and delivery of the General Capital Notes. The ordinances to be funded by the General Capital Notes are included in the table below.

<b>General Capital Notes</b>				
<b>Ordinance No.</b>	<b>Purpose</b>	<b>Amount of Prior Notes Being Refunded</b>	<b>Amount of New Money</b>	<b>Total Amount to be Issued</b>
2022-01	Acquisition of Real Property, finally adopted on February 24, 2022.	\$450,000	0	\$450,000
2022-15	Improvements to ballfields finally adopted on July 14, 2022.	497,550	0	497,550
2022-18	Parking Lot Improvements, finally adopted on July 14, 2022.	950,000		950,000
2022-19	Various water and sewer improvements, finally adopted on July 14, 2022.	872,000		872,000
2022-16	Improvements to Bayview Avenue – Phase I, finally adopted on July 14, 2022.	0	350,000	350,000
2022-17	Improvements to Bayview Avenue – Phase I, finally adopted on July 14, 2022.	0	148,450	148,450
<b>General Capital Notes Total:</b>		<b><u>\$2,769,550</u></b>	<b><u>\$498,450</u></b>	<b><u>\$3,268,000</u></b>

The proceeds of the Water and Sewer Notes, along with certain available funds of the Borough in the amount of \$16,000, will be used to: (i) refund, on a current basis, a \$2,525,000 portion of the Prior A Notes; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Water and Sewer Notes. The ordinance to be funded by the Water and Sewer Notes is included in the table below.

<b>Water and Sewer Notes</b>				
<b>Ordinance No.</b>	<b>Purpose</b>	<b>Amount of Prior Notes Being Refunded</b>	<b>Amount of New Money</b>	<b>Total Amount of Notes to be Issued</b>
2020-09	Installation of water mains, finally adopted on September 24, 2020.	<u>\$2,509,000</u>	0	<u>\$2,509,000</u>
<b>Water and Sewer Notes Total:</b>		<b><u>\$2,509,000</u></b>	<b><u>\$0</u></b>	<b><u>\$2,509,000</u></b>

### **BOOK-ENTRY ONLY SYSTEM**

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Obligations, payment of principal and interest and other payments on the Obligations to Direct and Indirect Participants (defined below) or Beneficial Owners (defined below), confirmation and transfer of beneficial ownership interests in the Obligations and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Borough. Accordingly, the Borough does not make any representations as to the completeness or accuracy of such information.

The Depository Trust Company (“DTC”), Brooklyn, New York, will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Obligations of each series, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC’s records. The ownership interest of each actual purchaser of each Obligation (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Obligations are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Borough and request that

copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Obligations unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Borough as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, redemption premium, if any, and interest on the Obligations will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Borough or the Paying Agent, on the payment date, in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Borough, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, and redemption premium, if any, and interest on the Obligations to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Borough or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Obligations at any time by giving reasonable notice to the Borough or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Obligation certificates are required to be printed and delivered.

The Borough may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, obligation certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borough believes to be reliable. Neither the Borough, the Paying Agent nor the Underwriters make any representation as to the completeness or the accuracy of such information or the absence of material adverse changes in such information subsequent to the date hereof.

NEITHER THE BOROUGH NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT, THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER, THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER OF ANY NOTICE WHICH IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS OF THE OBLIGATIONS, OR ANY OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS REGISTERED OWNER OF THE OBLIGATIONS. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

REFERENCE HEREIN TO THE HOLDERS OR REGISTERED OWNERS OF THE OBLIGATIONS (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE OBLIGATIONS.

If the Borough, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Obligations at any time, the Borough will attempt to locate another qualified Securities Depository. If the Borough fails to find such Securities Depository, or if the Borough determines, in its sole discretion, that it is in the best interest of the Borough or that the interest of the

Beneficial Owners might be adversely affected if the book-entry only system of transfer is continued (the Borough undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination) the Borough shall notify DTC of the termination of the book-entry only system.

In the event that the book-entry only system for the Obligations is discontinued, the Borough expects that upon receipt of the certificates from DTC and the Participant information, the Borough will authenticate (or cause to be authenticated) and deliver definitive Obligations to the holders thereof, and the principal of and interest on the Obligations will be payable and the Obligations may thereafter be transferred or exchanged in the manner described in the certificates so provided.

## **MARKET PROTECTION**

The Borough does not anticipate issuing any additional bonds or bond anticipation notes in the next ninety (90) days.

## **NO DEFAULT**

The Borough has never defaulted on the payment of its debt service according to available Borough records.

## **CERTAIN STATUTORY PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT**

### **Local Bond Law (N.J.S.A. 40A:2-1 et seq.)**

The Local Bond Law governs the issuance of bonds and notes to finance certain municipal capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A five percent (5%) cash down payment is generally required to be appropriated for the financing of expenditures for municipal purposes for which bonds are authorized. All bonds and notes issued by the Borough are general full faith and credit obligations.

### **The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)**

This law regulates the non-budgetary financial activities of local governments. An annual, independent audit of the local unit's accounts for the previous year must be performed by a licensed Registered Municipal Accountant. The audit, conforming to the Division of Local Government Services "Requirements of Audit," includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director of the Division (the "Director") within six (6) months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of its completion.

The Local Fiscal Affairs Law also requires that the Chief Financial Officer of the local unit file annually with the Director a verified statement of the financial condition of the local unit as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end local units and August 10 for June 30 fiscal year end local units.

### **Debt Limits (N.J.S.A. 40A:2-6)**

The authorized bonded indebtedness of a municipality in the State of New Jersey is limited by statute to an amount equal to three and one-half percent (3.5%) of its average equalized valuation basis. The equalized valuation basis of the municipality is set by statute as the average for the last three (3) years of the equalized value of all

taxable real property and improvements and certain class II railroad property within its boundaries as annually determined by the State Board of Taxation. Bonds, notes and long-term loans are included in the computation of debt for statutory debt limit purposes.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

### **Exceptions to Debt Limits-Extensions of Credit**

The debt limit of the Borough may be exceeded with the approval of the Local Finance Board, in the Division of Local Government Services, Department of Community Affairs, State of New Jersey, a State regulatory agency (the "Local Finance Board"). If all or any part of a proposed debt authorization would exceed its debt limit, the Borough must apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the ability of the Borough to meet its obligations or to provide essential services, or makes other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued without the approval of the Local Finance Board to fund certain bonds and notes, for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes).

### **Short-Term Financing**

The Borough may issue short term "bond anticipations notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes, which are general obligations of the Borough, may be issued for a period not exceeding one (1) year. Such notes 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. Beginning in the third year, the amount of outstanding notes that may be renewed is decreased by at least the minimum amount required for the first year's principal payment of bonds in anticipation of which such notes are issued.

### **School Debt Subject to Voter Approval**

State Law permits the school district, upon approval of the voters, to authorize school district debt, including, debt in excess of its independent debt limit by using the available borrowing capacity of the Borough. If such debt is in excess of the school district debt limit and the remaining borrowing capacity of the Borough, the State Commissioner of Education and the Local Finance Board must approve the proposed debt authorization before it is submitted to the voters. The Borough's School District has not used Borough available borrowing capacity.

### **The Municipal Finance Commission**

The Municipal Finance Commission was created in 1931 to assist in the financial rehabilitation of municipalities which had defaulted in their obligations. The powers of such Commission are exercised today by the Local Finance Board. Several elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the statutory provisions are available to assist in restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the Superior Court of New Jersey. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court's determination that the municipality is in default or unable to meet its obligations may place the municipality under the jurisdiction of the Municipal Finance Commission.

The Municipal Finance Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. Such commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors, and the readjustment of debts under the Federal Municipal Bankruptcy Act.

The Local Finance Board also serves as the “funding commission” to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such funding commission for the proposed reorganization of its debt.

### **Investment of Municipal Funds**

Investment of funds by New Jersey municipalities is governed by State statute. Pursuant to N.J.S.A. 40A:5-15.1, when authorized by a cash management plan approved pursuant to N.J.S.A. 40A:5-14, municipalities are limited to purchasing the following securities: (1) direct obligations of, or obligations guaranteed by, the United States of America; (2) government money market mutual funds; (3) any obligation issued by a federal agency or instrumentality that has been issued in accordance with an act of Congress and 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 particular municipality or a school district encompassing the geographic area of the particular municipality; (5) bonds or other obligations having a maturity of 397 days or less approved by the Division of Investment of the State Department of the Treasury; (6) local government investment pools; (7) deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4) (the “Cash Management Fund”); or (8) agreements for the repurchase of fully collateralized securities, if (i) the underlying securities are permitted investments; (ii) the custody of collateral is transferred to a third party; (iii) the maturity of the agreement is not more than 30 days; (iv) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41); and (v) a master repurchase agreement providing for the custody and security of collateral is executed.

The Cash Management Fund is governed by regulations of the State Investment Council, a non-partisan oversight body. The Cash Management Fund is permitted to invest in the same types of investments and subject to the same limitations provided for the investment of funds in the State Treasury.

The Borough has no investments in derivatives.

## **MUNICIPAL BUDGET**

Pursuant to the Local Budget Law N.J.S.A. 40A:4-1 et seq., as amended and supplemented (the “Local Budget Law”), the Borough is required to have a balanced budget in which debt service is included in full for each fiscal year.

### **The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)**

The foundation of the New Jersey local finance system is the annual cash basis budget. The Borough must adopt an operating budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Items of revenue and appropriation are regulated by law and must be certified by the Director prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and the Director is required to review the adequacy of such appropriations, among others, for certification.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units. Local budgets, by law and regulation, must be in balance on a "cash basis". No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof (N.J.S.A. 40A:4-10).

The principal sources of Borough revenues are real estate taxes, state aid and miscellaneous revenues.

In any year, the municipality may authorize, by resolution, the issuance of tax anticipation notes which may be issued in anticipation of the collection of taxes for such year. Tax anticipation notes are limited in amount by law and must be paid off in full by a municipality within one hundred and twenty (120) days after the close of the fiscal year.

The Borough has no tax anticipation notes issued and outstanding.

### **Real Estate Taxes**

The general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year (see "Miscellaneous Revenues" below) applies to delinquent property taxes. N.J.S.A. 40A:4-29 delineates anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

Section 41 of the Local Budget Law provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of such preceding fiscal year."

The provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget. The reserve requirement is calculated as follows:

$$\frac{\text{Levy Required to Balance Budget}}{\text{Prior Year's Percentage of Current Tax Collections (or lesser \%)}} = \text{Total Taxes to be Levied}$$

### **Miscellaneous Revenues**

Section 26 of the Local Budget Law provides: "no miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit. No budget or amendment thereof shall be adopted unless the Director shall have previously certified approval thereof (N.J.S.A. 40A:4-10). The exception to this is the inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar fiscal year.

## **Tax Assessment and Collection Procedure**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income, where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values.

Upon the filing of certified adopted budgets by the local school district, regional school district and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provisions for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Taxes are payable on February 1, May 1, August 1 and November 1 with a grace period if the bills are mailed beyond the statutory deadlines. Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any excess of \$1,500.00. These interest and penalties are the highest permitted under New Jersey statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes.

The Board of Education of the Borough and the County receive 100% of their tax levies, which are collected and paid to them by the Borough.

## **Tax Appeals**

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Borough must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board on or before April 1 in each year for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

## **Deferral of Current Expense**

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director must be obtained. The exceptions are certain enumerated quasi-capital projects such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three (3) years, and tax map preparation, revaluation of real property, codification of ordinances, master plan preparations and contractually required severance liabilities, which may be amortized over five years.

## **Budget Transfers**

Budget transfers provide a degree of flexibility and afford a control mechanism. Pursuant to N.J.S.A. 40A:4-58, transfers between major appropriation accounts are prohibited until the last two (2) months of the municipality's fiscal year. Appropriation reserves may be transferred during the first three (3) months of the current fiscal year to the previous fiscal year's budget. N.J.S.A. 40A:4-59. Both types of transfers require a two-

thirds vote of the full membership of the governing body. Although sub-accounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Generally, transfers cannot be made from the down payment account, the capital improvement fund, contingent expenses or from other sources as provided in the statute.

## **Fiscal Year**

The Borough's fiscal year is the calendar year. Chapter 75 of the Pamphlet Laws of 1991 of New Jersey required municipalities with populations in excess of 35,000 or which received Municipal Revitalization Aid from the State in 1990 or 1991 to change their fiscal year from the calendar year to the State fiscal year (July 1 to June 30), unless an exemption is granted. Municipalities not meeting the criteria for a mandatory change have the option to choose to change to the State fiscal year. The Borough did not meet the criteria to change to the State fiscal year and does not presently intend to optionally make such change in the future.

## **Budget Process**

Primary responsibility for the Borough's budget process lies with the Borough Council. As prescribed by the Local Budget Law, adoption should occur by March 20 in the case of a calendar year municipality and September 20 for a State fiscal year municipality, however, extensions may be granted by the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the Borough operates under a temporary budget which may not exceed 26.25% of the previous fiscal year's adopted budget. In addition to the temporary budget, the Borough may approve emergency temporary appropriations for any purpose for which appropriations may lawfully be made.

## **Capital Budget**

In accordance with the Local Budget Law, the Borough must adopt and may from time to time amend a capital budget for the expenditure of public funds for capital purposes over the next ensuing three (3) years. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the items were detailed.

## **Limitations on Municipal Expenditures and Local Unit Tax Levy**

Chapter 68 of the Pamphlet Laws of 1976 of the State of New Jersey, as amended and supplemented (the "CAP Law"), imposed restrictions upon the allowable annual increase in appropriations by municipalities for certain purposes. Chapter 89 of the Pamphlet Laws of 1990 of the State of New Jersey, applicable to municipal budgets beginning in 1991, made the CAP Law permanent.

Important changes were made to the municipal budget cap laws as part of the State of New Jersey's 2005 FY budget. Chapter 74 of the Pamphlet Laws of 2004 made substantial amendments to cap exceptions, the index rate, cap increases and cap banking, effective with the 2005 SFY budgets. The yearly increase in appropriations is limited to the lesser of 2.5% or the cost-of-living adjustment (COLA), or when the COLA is less than or equal to 2.5% the municipality may increase its inside-the-cap spending to 3.5% upon passage of a COLA Rate Ordinance. This yearly increase is multiplied by the prior year's final appropriations subject to certain modifications.

Additionally, P.L. 2007, c. 62, effective April 3, 2007, imposed a 4% cap on the tax levy of a municipality, county, fire district, or solid waste collection district, with certain exclusions and allowing waivers by the Local Finance Board, and on July 13, 2010, P.L. 2010, c. 44 was approved, effective for budget years following enactment, reducing the tax levy cap to 2% and limiting the exclusions to amounts required to be raised by taxation for capital expenditures, including debt service as defined by law, certain pension contributions and

health care costs in excess of 2% and extraordinary costs directly related to a declared emergency. Voter approval may be requested to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

For municipalities, the levy cap is in addition to the existing appropriation cap; both cap laws must be met. Neither cap law limits the obligation of the Borough to levy ad valorem taxes upon all taxable real property within the Borough to pay debt service.

### **Deferral of Current Expenses**

Supplemental appropriations may be authorized by the governing body of the Borough after the adoption of the budget and determination of the tax rate. However, with minor exceptions, such appropriations must be included in full in the following year's budget. Under the Local Budget law, any emergency appropriation must be declared by resolution approved by at least two-thirds of the governing body and, if the emergency appropriation, together with all prior emergency appropriations in the same fiscal year exceeds 3% of the total current and utility operating appropriations in the budget for that year, must be approved by the Director of the Division.

### **THE FEDERAL BANKRUPTCY ACT**

The undertakings of the Borough should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 901 *et seq.*, as amended by Public Law 95-598, approved November 6, 1978, and as further amended on November 3, 1988, by an Act to Amend the Bankruptcy Law to Provide for Special Revenue Bonds, and for Other Purposes, and on October 22, 1994, by the Bankruptcy Reform Act of 1994, and by other bankruptcy laws affecting creditor's rights and municipalities in general. Chapter IX permits any political subdivision, public agency, or instrumentality of a State that is insolvent or unable to meet its debts to file a petition in a bankruptcy court for the ultimate purpose of effecting a plan to adjust its debts. Chapter IX directs such a petitioner to file with the Bankruptcy Court a list of the petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner, with the exception that such petition does not operate as a stay of application of pledged special revenues to the payment of indebtedness secured by such revenues; grants priority to administrative and operational expenses and to debts owed for services or material, up to \$4,000 per individual or corporation, actually provided within ninety (90) days of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; provides that any securities issued under a reorganization plan will be exempt from the securities laws and, therefore, exempt from registration requirements; permits the petitioner, during bankruptcy proceedings, to continue to pay pre-petition debt without prior court approval; and provides that the plan must be accepted by a class of creditors, in writing, by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors. A plan shall not be approved by the Bankruptcy Court unless it is in the best interests of creditors and is feasible.

Reference should also be made to N.J.S.A. 52:27-40 thru 52:27-45.11, which provides that any county, municipality, or other political subdivision of the State has the power to file a petition with any Bankruptcy Court, provided the approval of the municipal finance commission has been obtained, and such petition has been authorized by ordinance of the governing body of the political subdivision. The powers of the municipal finance commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act. However, the Bankruptcy Act does provide that a municipality must obtain any regulatory or electoral approval necessary under constitutional, statutory, or charter provisions, for actions taken under the reorganization plan.

### **LITIGATION**

There is no litigation pending or, to the knowledge of the Borough Attorney, threatened restraining or enjoining the issuance or the delivery of the Obligations or the levy or the collection of taxes to pay the

Obligations or in any manner questioning the authority or the proceedings for the issuance of the Obligations or for the levy or the collection of taxes. There is at present no single action pending or threatened against the Borough which would impose an undue financial burden on the Borough. In New Jersey's courts of general jurisdiction, unliquidated money damages are pleaded generally without specifying a dollar amount. The Borough is a party-defendant in certain lawsuits, none of a kind unusual for a municipality of its size, and none of which, in the opinion of the Borough Attorney, would adversely impair the Borough's ability to pay its bond or note holders. All of the Borough's tort actions are being defended by the Borough under its self-insurance program. There are many pending municipal real estate tax appeals. Based upon the Borough's prior experience in tax appeals, and assuming that such tax appeals are resolved adversely to the interest of the Borough, such resolution would not in any way endanger the Borough's ability to pay its bond or note holders.

## **TAX MATTERS**

The Borough has covenanted to comply with any continuing requirements that may be necessary to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Bonds and the BANs under the Internal Revenue Code of 1986, as amended (the "Code"). Failure to comply with certain requirements of the Code could cause interest on the Bonds and the BANs to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds and the BANs. In the opinion of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Bond Counsel, to be delivered at the time of original issuance of the Bonds and the BANs, assuming continuing compliance by the Borough with certain covenants described herein, under current law, interest on the Bonds and the BANs is not includable in gross income for federal income tax purposes and is not an item of tax preference under Section 57 of the Code for purposes of computing the federal alternative minimum tax ; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. No opinion is expressed regarding other federal tax consequences or other federal taxes arising with respect to the Bonds and the BANs.

The Code imposes certain significant ongoing requirements that must be met after the issuance and delivery of the Bonds and the BANs in order to assure that the interest on the Bonds and the BANs will be and remain excludable from gross income for federal income tax purposes. These requirements include, but are not limited to, requirements relating to use and expenditure of proceeds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on investments of gross proceeds of the Bonds and the BANs be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds and the BANs to become subject to federal income taxation retroactive to their date of issuance, regardless of the date on which such noncompliance occurs or is discovered. The Borough has covenanted that it shall do and perform all acts permitted by law that are necessary or desirable to assure that interest on the Bonds and the BANs will be and will remain excluded from gross income for federal income tax purposes. The Borough will deliver its Arbitrage and Tax Certificate concurrently with the issuance of the Bonds and the BANs, which will contain provisions relating to compliance with the requirements of the Code, including certain covenants in that regard by the Borough. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Borough in connection with the Bonds and the BANs, and Bond Counsel has assumed compliance by the Borough with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds and the BANs from gross income under Section 103 of the Code.

In the opinion of Bond Counsel, under current law interest on the Bonds and the BANs and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act.

The opinions of Bond Counsel are limited to and based upon the laws and judicial decisions of the State and the federal laws and judicial decisions of the United States of America as of the date of the opinions, and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for their opinions or to any laws or judicial decisions hereafter enacted or rendered. Bond Counsel

assumes no obligation to update its opinions after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action taken after the date of the opinions or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Bonds and the BANs.

**Bank Qualification.** The Bonds and the BANs will not be designated as qualified under Section 265 of the Code by the Borough for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

**Branch Profits Tax.** Section 884 of the Code imposes on foreign corporations a branch profits tax equal to 30 percent of the "dividend equivalent amount" for the taxable year, unless modified, reduced or eliminated by income tax treaty in certain instances. Interest on the Bonds and the BANs received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation for purposes of the branch profits tax.

**S Corporation Tax.** Section 1375 of the Code imposes a tax on the "excess net passive income" of certain S corporations with passive investment income in excess of 25 percent of gross receipts for a taxable year. The U.S. Department of Treasury has issued regulations indicating that interest on tax-exempt bonds, such as the Bonds and the BANs, held by an S corporation would be included in the calculation of excess net passive income.

**Other Federal Tax Consequences.** Owners of the Bonds and the BANs should be aware that the ownership of tax-exempt obligations may result in other collateral federal income tax consequences to certain taxpayers, including property and casualty insurance companies, individual recipients of Social Security and Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry tax-exempt Bonds and the BANs. Owners of each of the Bonds and the BANs should consult their own tax advisors as to the applicability and the effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on S corporations, as well as the applicability and the effect of any other federal income tax consequences.

**Possible Government Action.** Legislation affecting municipal bonds is regularly under consideration by the United States Congress. In addition, the Internal Revenue Service ("IRS") has established an expanded audit program for tax-exempt obligations. There can be no assurance that legislation enacted or proposed or an audit initiated or concluded by the IRS after the issue date of the Bonds and the BANs involving either the Bonds or the BANs or other tax-exempt obligations will not have an adverse effect on the tax-exempt status or market price of the Bonds and the BANs.

ALL POTENTIAL PURCHASERS OF THE OBLIGATIONS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

## RATINGS

Moody's Investors Service ("Moody's") has assigned a long-term rating of "Aa2" to the Bonds and a short-term rating of "MIG 1" to the BANs based upon the underlying credit of the Borough.

An explanation of the significance of such ratings may be obtained from Moody's. The ratings are not a recommendation to buy, sell or hold the Obligations and there is no assurance that such ratings will continue for any given period of time or that any rating will not be revised downward or withdrawn entirely, if in the Rating Agencies' judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Obligations.

## **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Obligations are subject to the approval of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Paramus, New Jersey, Bond Counsel to the Borough, whose approving legal opinions will be delivered with the Obligations substantially in the forms set forth as Appendix D hereto. Certain legal matters will be passed upon for the Borough by the Borough Attorney, Steven Zabarsky, Esq., of Citta, Holzapfel & Zabarsky, Toms River, New Jersey.

## **MUNICIPAL ADVISOR**

Phoenix Advisors, LLC, Bordentown, New Jersey, has served as municipal advisor to the Borough with respect to the issuance of the Notes (the “Municipal Advisor”). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement and the appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **UNDERWRITING**

The Bonds have been purchased by \_\_\_\_\_ (the “Bonds Underwriter”) from the Borough at an aggregate purchase price of \$ \_\_\_\_\_. The BANs have been purchased by \_\_\_\_\_ (the “BANs Underwriter” and collectively with the Bonds Underwriter, the “Underwriters”) from the Borough at an aggregate purchase price of \$ \_\_\_\_\_. The Underwriters are obligated to purchase all of the Obligations, if any are purchased. The Underwriters intend to offer the Obligation to the public initially at the offering yields set forth on the inside cover herein.

## **SECONDARY MARKET DISCLOSURE**

The Borough has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Borough by no later than nine (9) months after the end of each fiscal year, commencing with the fiscal year ending December 31 2024 (the “Annual Report”), and has covenanted for the benefit of the holders and beneficial owners of the Obligations to provide notices of the occurrence of certain enumerated events. The Annual Report and event notices events will be provided to the Municipal Securities Rulemaking Board (the “MSRB”) and will be in an electronic format as prescribed by the MSRB and shall be accompanied by such identifying information as is prescribed by the MSRB. The specific nature of the information to be contained in the Annual Report or the event notices is set forth in “APPENDIX D-1 – Form of Continuing Disclosure Certificate (Bonds),” and APPENDIX D-2 – Form of Continuing Disclosure Certificate (BANs).” These covenants have been made in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

The Borough has previously entered into continuing disclosure undertakings under the Rule. The Borough appointed Phoenix Advisors, LLC, Bordentown, New Jersey in April of 2017 to act as Continuing Disclosure Agent to assist in the filing of certain information on the MSRB’s Electronic Municipal Market Access system as required under its obligations.

## **FINANCIAL INFORMATION**

Appendix “B” to this Official Statement contains certain unaudited financial data of the Borough extracted from the Borough’s Annual Financial Statement for the Borough’s fiscal year ending December 31,

2023 and certain audited financial data of the Borough for the Borough's fiscal year ending December 31, 2022. (the "Financial Statements"). The Financial Statements have been prepared by Holman Frenia Allison, P.C., Lakewood, New Jersey, an independent auditor, as stated in its report appearing in Appendix B to this Official Statement. The Auditor has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information contained herein (except for the audited financial statements appearing in Appendix B hereto) and, accordingly, will express no opinion with respect thereto. See "APPENDIX B - Financial Statements of the Borough of Seaside Park.

### **PREPARATION OF OFFICIAL STATEMENT**

The Borough hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm to the purchaser of the Obligations, by certificate signed by the Chief Financial Officer, that to his knowledge such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement including information additional to that contained herein may be directed to Joyce Tinnes, Chief Financial Officer, Borough of Seaside Park, 1701 North Ocean Avenue, Seaside Park, New Jersey, 08752, telephone (732) 793-3700, or to the Borough's Municipal Advisor, Phoenix Advisors, LLC, 625 Farnsworth Avenue, Bordentown, New Jersey, 08505 at (609) 291-0130.

### **MISCELLANEOUS**

All quotations from summaries and explanations of the provisions of the laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilation thereof.

This Official Statement is not to be construed as a contract or agreement between the Borough and the purchasers or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there have been no changes in the affairs in the Borough, the County of Ocean, the State or any of their agencies or authorities, since the date hereof.

This Official Statement has been duly executed and delivered on behalf of the Borough by the Chief Financial Officer.

**BOROUGH OF SEASIDE PARK,  
THE COUNTY OF OCEAN, NEW JERSEY**

By: \_\_\_\_\_  
Joyce Tinnes  
Chief Financial Officer

Dated: March \_\_\_, 2024

APPENDIX A  
CERTAIN INFORMATION RELATING TO THE BOROUGH OF SEASIDE PARK

## **INFORMATION REGARDING THE BOROUGH<sup>1</sup>**

The following material presents certain economic and demographic information of the Borough of Seaside Park (the “Borough”), in the County of Ocean (the “County”), State of New Jersey (the “State”).

### **General Information**

The Borough was incorporated in 1898 and consists of an area approximately 0.77 square miles. The Borough is located on the Barnegat Barrier Island in the County along the Atlantic Ocean and Barnegat Bay, which bay is part of the inland waterway running along the eastern seaboard of the continental United States. The Borough of Seaside Heights forms the northern border of the Borough, the Township of Berkeley and Island Beach State Park form the Borough's southern border, Barnegat Bay forms the Borough's western border and the Atlantic Ocean forms the Borough's eastern border.

The Borough is primarily a residential community with a year-round population of just over 1,500 residents. Its main industry is summer tourism, with almost two miles of shoreline along the Atlantic Ocean, offering the wide beaches of Island Beach State Park on the Atlantic Ocean and the vast expanses of the Barnegat Bay and the Toms River for sailing and water sports.

With the opening of the Garden State Parkway and improvements to Federal, State and County highways and roadways after 1950, residential development within the County increased and commercial development followed soon thereafter. For several decades, the County's population and development have increased the fastest of all counties in the State. The Borough is located south of the New York-northern New Jersey metropolitan area and to the east of the Greater Philadelphia metropolitan area, each respectively being approximately 68 miles and 70 miles from the Borough.

The Borough is located along or near major transportation corridors to the south of the New York-northern New Jersey metropolitan area and to the east of the Greater Philadelphia metropolitan area. The principal north to south route in the Borough is Route 35. State Highway Route 37 runs westerly from the Borough to the Garden State Parkway, which proceeds north to the New York-northern New Jersey metropolitan area and south to Atlantic City and Cape May, as well as to State Highway Route 70, the principal State artery leading to the Greater Philadelphia metropolitan area. The Borough is located south of Interstate 195 and north of the Atlantic City Expressway. Interstate 195 proceeds westerly to Interstate 95 (New Jersey Turnpike) which is a major beltway serving the eastern seaboard of the United States. The Atlantic City Expressway connects Atlantic City with the Greater Philadelphia metropolitan area.

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<sup>1</sup> Source: The Borough, unless otherwise indicated.

### **Area Economy**

The U.S. Census PMSA Designation for the Counties of Monmouth and Ocean classifies the two-county region as sharing certain characteristics. Employment and housing integrate the two counties, with an estimated 75% of the worktrips initiated in each county and ending somewhere in the two-county region.

### **Form of Government**

The Borough operates under the Borough form of government as provided by N.J.S.A. 40A:60-1 et seq. as amended and supplemented. The Borough is governed by a six (6) member Borough Council, whose members are elected at large for three year terms by the legally registered voters in the Borough. The Borough Council comprises the legislative body which formulates policy, appropriates funds and adopts ordinances and resolutions for the conduct of Borough business. The legally registered voters in the Borough also elect a Mayor at large for a four (4) year term. The Mayor operates as the chief executive officer of the Borough and presides at Borough Council meetings and may vote to break a tie. The Mayor also has veto powers over Borough ordinances.

### **Public Safety**

The Borough's public safety needs are satisfied by the Borough's Police Department.

### **Volunteer Emergency Groups**

The Borough is serviced by one (1) volunteer fire company. This fire company is known as the Seaside Park Volunteer Fire Company Number 1 (district 9, station 45), which serves residents of the Borough, the South Seaside Park section of the Township of Berkeley and Island Beach State Park. The fire company also houses a scuba team.

The Borough is also serviced by one (1) volunteer/paid rescue squad. This rescue squad is known as Tri-Boro First Aid Squad, which serves residents of the Borough, the South Seaside Park section of the Township of Berkeley, Seaside Heights and Island Beach State Park.

### **Department of Public Works**

The Department of Public Works is responsible for the maintenance and repair of all Borough roads, parking meters, buildings and facilities, the maintenance and repair of beaches and playgrounds, the collection of trash, and the maintenance of the Borough's water and sewer utility.

## **Employment and Unemployment Comparisons**

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Borough, the County, and the State:

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<b><u>Borough</u></b>				
2022	757	726	31	4.1%
2021	736	692	44	6.0%
2020	729	665	64	8.8%
2019	728	704	24	3.3%
2018	725	688	37	5.1%
<b><u>County</u></b>				
2022	298,372	287,322	11,050	3.7%
2021	292,423	274,068	18,355	6.3%
2020	289,547	263,207	26,340	9.1%
2019	289,325	279,014	10,311	3.6%
2018	281,631	270,013	11,618	4.1%
<b><u>State</u></b>				
2022	4,739,800	4,564,100	175,700	3.7%
2021	4,661,100	4,365,400	295,700	6.3%
2020	4,642,900	4,203,300	439,700	9.5%
2019	4,686,700	4,528,200	158,500	3.4%
2018	4,609,800	4,426,600	183,200	4.0%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

## **Income (as of 2022)**

	<b><u>Borough</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Median Household Income	\$80,658	\$82,379	\$97,126
Median Family Income	113,864	104,483	119,240
Per Capita Income	76,859	42,497	50,995

Source: US Bureau of the Census, 2022 American Community Survey 5-Year Estimates

## **Population**

The following tables summarize population increases and the decreases for the Borough, the County, and the State.

<b><u>Year</u></b>	<b><u>Borough</u></b>		<b><u>County</u></b>		<b><u>State</u></b>	
	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>
2022 est.	1,473	2.58%	655,735	2.90%	9,290,841	0.02%
2020	1,436	-9.06%	637,229	10.52%	9,288,994	5.65%
2010	1,579	-30.23%	576,567	12.85%	8,791,894	4.49%
2000	2,263	20.95	510,916	17.94	8,414,350	8.85
1990	1,871	4.23	433,203	25.19	7,730,188	4.96

Source: United States Department of Commerce, Bureau of the Census

## **Largest Taxpayers**

The ten largest taxpayers in the Borough and their assessed valuations are listed below:

<b><u>Taxpayers</u></b>	<b><u>2022</u></b>	<b><u>% of Total</u></b>
	<b><u>Assessed Valuation</u></b>	<b><u>Assessed Valuation</u></b>
Friedland Family Trust	\$8,150,169	0.70%
Joy-Jam, Inc. (Windjammer Motor Inn)	5,258,997	0.45%
Taxpayer#1	4,406,646	0.38%
Shree Jyoti LLC	4,048,180	0.35%
Seaside Park Yacht Club	3,716,168	0.32%
Taxpayer#2	3,568,372	0.31%
Taxpayer#3	3,472,080	0.30%
Taxpayer#4	3,466,369	0.30%
Taxpayer#5	3,184,707	0.27%
Taxpayer#6	<u>3,036,210</u>	<u>0.26%</u>
<b>Total</b>	<b><u>\$42,307,898</u></b>	<b><u>3.65%</u></b>

Source: Comprehensive Annual Financial Report of the School District and Municipal Tax Assessor

### **Comparison of Tax Levies and Collections**

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Current Year Collection</u></b>	<b><u>Current Year % of Collection</u></b>
2022	\$18,065,074	\$17,830,003	98.70%
2021	17,597,231	17,473,237	99.30%
2020	17,343,181	17,189,188	99.11%
2019	16,933,391	16,720,457	98.74%
2018	15,698,801	15,566,816	99.16%

Source: Annual Audit Reports of the Borough

### **Delinquent Taxes and Tax Title Liens**

<b><u>Year</u></b>	<b><u>Amount of Tax Title Liens</u></b>	<b><u>Amount of Delinquent Tax</u></b>	<b><u>Total Delinquent</u></b>	<b><u>% of Tax Levy</u></b>
2022	\$0	\$209,349	\$209,349	1.16%
2021	0	119,732	119,732	0.68%
2020	0	141,199	141,199	0.81%
2019	0	176,551	176,551	1.04%
2018	0	115,267	115,267	0.73%

Source: Annual Audit Reports of the Borough

### **Property Acquired by Tax Lien Liquidation**

<b><u>Year</u></b>	<b><u>Amount</u></b>
2022	\$0
2021	0
2020	0
2019	0
2018	0

Source: Annual Audit Reports of the Borough

*[Remainder of Page Intentionally Left Blank]*

### **Tax Rates per \$100 of Net Valuations Taxable and Allocations**

The table below lists the tax rates for Borough residents for the past five (5) years.

<b><u>Year</u></b>	<b><u>Municipal</u></b>	<b><u>Local School</u></b>	<b><u>Regional School</u></b>	<b><u>County</u></b>	<b><u>Total</u></b>
2023	\$0.588	\$0.049	\$0.508	\$0.464	\$1.609
2022	0.572	0.036	0.525	0.419	1.552
2021	0.553	0.039	0.520	0.407	1.519
2020	0.553	0.051	0.483	0.416	1.503
2019	0.517	0.053	0.493	0.424	1.487

Source: Abstract of Ratables and State of New Jersey – Property Taxes

### **Valuation of Property**

<b><u>Year</u></b>	<b><u>Aggregate Assessed Valuation of Real Property</u></b>	<b><u>Aggregate True Value of Real Property</u></b>	<b><u>Ratio of Assessed to True Value</u></b>	<b><u>Assessed Value of Personal Property</u></b>	<b><u>Equalized Valuation</u></b>
2023	\$1,166,529,000	\$1,680,635,355	69.41%	\$0	\$1,680,635,355
2022	1,160,077,000	1,493,981,970	77.65	0	1,493,981,970
2021	1,155,477,800	1,276,066,041	90.55	0	1,276,066,041
2020	1,150,844,000	1,183,387,147	97.25	0	1,183,387,147
2019	1,134,411,800	1,165,771,041	97.31	0	1,165,771,041

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

### **Classification of Ratables**

The table below lists the comparative assessed valuation for each classification of real property within the Borough for the past five (5) years.

<b><u>Year</u></b>	<b><u>Vacant Land</u></b>	<b><u>Residential</u></b>	<b><u>Farm</u></b>	<b><u>Commercial</u></b>	<b><u>Industrial</u></b>	<b><u>Apartments</u></b>	<b><u>Total</u></b>
2023	\$19,165,000	\$1,103,772,400	\$0	\$35,492,100	\$0	\$8,099,500	\$1,166,529,000
2022	20,675,100	1,095,810,300	0	35,492,100	0	8,099,500	1,160,077,000
2021	22,313,100	1,088,745,900	0	36,380,700	0	8,038,100	1,155,477,800
2020	23,404,400	1,083,413,800	0	35,991,700	0	8,034,100	1,150,844,000
2019	21,823,400	1,069,596,400	0	35,110,200	0	7,881,800	1,134,411,800

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

## **Financial Operations**

The following table summarizes the Borough's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

### **Summary of Current Fund Budget**

<b><u>Anticipated Revenues</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Fund Balance Utilized	\$1,800,000	\$1,800,000	\$2,000,000	\$2,100,000	\$2,140,000
Miscellaneous Revenues	3,169,899	2,676,122	2,922,642	3,164,871	3,183,342
Receipts from Delinquent Taxes	115,000	95,000	60,000	60,000	60,000
Amount to be Raised by Taxation	<u>5,869,371</u>	<u>6,365,974</u>	<u>6,388,845</u>	<u>6,638,181</u>	<u>6,863,153</u>
Total Revenue:	<u>\$10,954,270</u>	<u>\$10,937,096</u>	<u>\$11,371,487</u>	<u>\$11,963,052</u>	<u>\$12,246,495</u>
<b><u>Appropriations</u></b>					
General Appropriations	\$8,637,856	\$9,023,189	\$9,534,410	\$9,828,299	\$10,136,567
Operations (Excluded from CAPS)	290,577	313,905	293,325	424,363	652,058
Deferred Charges and Statutory Expenditures	0	0	0	0	0
Judgments	300,000	50,000	0	0	0
Capital Improvement Fund	609,915	448,000	448,000	629,000	442,705
Municipal Debt Service	774,002	757,002	745,752	731,390	769,065
Reserve for Uncollected Taxes	<u>341,920</u>	<u>345,000</u>	<u>350,000</u>	<u>350,000</u>	<u>246,100</u>
Total Appropriations:	<u>\$10,954,270</u>	<u>\$10,887,096</u>	<u>\$11,371,487</u>	<u>\$11,963,052</u>	<u>\$12,246,495</u>

Source: Annual Adopted Budgets of the Borough

## **Fund Balance**

### **Current Fund**

The following table lists the Borough's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

<b><u>Year</u></b>	<b><u>Current Fund</u></b>	
	<b><u>Balance</u></b>	<b><u>Utilized in Budget</u></b>
	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2022	\$2,669,087	2,140,000
2021	3,066,539	2,100,000
2020	2,977,184	2,000,000
2019	2,442,276	1,800,000
2018	2,382,682	1,800,000

Source: Annual Audit Reports of the Borough

Water-Sewer Utility Operating Fund

The following table lists the Borough's fund balance and the amount utilized in the succeeding year's budget for the Water-Sewer Utility Operating Fund for the past five (5) fiscal years ending December 31.

<b><u>Water/Sewer Utility Operating Fund</u></b>		
<b><u>Year</u></b>	<b><u>Balance 12/31</u></b>	<b><u>Utilized in Budget of Succeeding Year</u></b>
2022	\$945,196	\$600,000
2021	1,180,365	800,000
2020	1,194,492	800,000
2019	1,168,689	746,500
2018	1,329,604	685,281

Source: Annual Audit Reports of the Borough

Marina Utility Operating Fund

The following table lists the Borough's fund balance and the amount utilized in the succeeding year's budget for the Marina Utility Operating Fund for the past five (5) fiscal years ending December 31.

<b><u>Marina Utility Operating Fund</u></b>		
<b><u>Year</u></b>	<b><u>Balance 12/31</u></b>	<b><u>Utilized in Budget of Succeeding Year</u></b>
2022	\$490,001	\$75,000
2021	361,557	75,000
2020	307,574	81,300
2019	342,900	130,300
2018	328,578	132,080

Source: Annual Audit Reports of the Borough

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## **Borough Indebtedness as of December 31, 2022**

### **General Purpose Debt**

Serial Bonds	\$2,030,000
Bond Anticipation Notes	5,011,450
Bonds and Notes Authorized but Not Issued	7,985,825
Other Bonds, Notes and Loans	57,503
Total:	<u>\$15,084,778</u>

### **Local School District Debt**

Serial Bonds	\$79,565
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$79,565</u>

### **Self-Liquidating Debt**

Serial Bonds	\$1,140,000
Bond Anticipation Notes	2,230,000
Bonds and Notes Authorized but Not Issued	5,433,926
Other Bonds, Notes and Loans	8,318,631
Total:	<u>\$17,122,558</u>

### **TOTAL GROSS DEBT**

**\$32,207,336**

Less: Statutory Deductions	
General Purpose Debt	\$435,932
Local School District Debt	0
Self-Liquidating Debt	17,122,558
Total:	<u>\$17,558,490</u>

### **TOTAL NET DEBT**

**\$14,648,846**

Source: Annual Debt Statement of the Borough

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**Overlapping Debt (as of December 31, 2022)<sup>2</sup>**

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity Debt Outstanding</u></b>	<b><u>Borough Percentage</u></b>	<b><u>Borough Share</u></b>
Local School District	\$79,565	100.00%	\$79,565
Regional School District	0	13.91%	0
Ocean County (2023)	592,499,144	1.05%	6,240,236
Ocean County Utilities Authority (2021)	92,620,008	1.05%	<u>975,479</u>
Net Indirect Debt			\$7,215,716
Net Direct Debt			<u>14,648,846</u>

**Debt Limit**

Average Equalized Valuation Basis (2021, 2022, 2023)	\$1,483,561,122
Permitted Debt Limitation (3 1/2%)	51,924,639
Less: Net Debt	<u>14,648,846</u>
Remaining Borrowing Power	<u>\$37,275,794</u>
Percentage of Net Debt to Average Equalized Valuation	0.987%
Gross Debt Per Capita based on 2020 population of 1,436	\$22,429
Net Debt Per Capita based on 2020 population of 1,436	\$10,201

Source: Annual Debt Statement of the Borough

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<sup>2</sup> Borough percentage of County debt is based on the Borough's share of total equalized valuation in the County.

APPENDIX B  
FINANCIAL STATEMENTS OF THE BOROUGH OF SEASIDE PARK

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**UNAUDITED FINANCIAL DATA OF THE TOWNSHIP  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY**

**ANNUAL COMPREHENSIVE FISCAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY**

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN**

**PART I**

**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Members  
of the Borough Council  
Borough of Seaside Park  
County of Ocean  
Seaside Park, New Jersey

Management is responsible for the accompanying financial statements of the Borough of Seaside Park, County of Ocean, State of New Jersey, which comprise the statement of assets, liabilities reserves and fund balance—regulatory basis as of December 31, 2023 and 2022, and the related statement of operations and changes in fund balance—regulatory basis for the years then ended and the related statement of revenues-regulatory basis, statement of expenditures-regulatory basis for the year ended December 31, 2023 and the related notes to the financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements were prepared in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Management has elected to omit certain disclosures related to other post-employment benefits because updated information has not been provided by the New Jersey Division of Pension and Benefits. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Borough's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Respectfully submitted,

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

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

March 19, 2024  
Lakewood, New Jersey

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## **BASIC FINANCIAL STATEMENTS**

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

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Operating Fund:		
Cash - Treasurer	\$ 6,442,204	\$ 6,678,023
Petty Cash	1,675	1,277
Change Fund	6,274	6,474
	<u>6,450,153</u>	<u>6,685,774</u>
Receivables With Full Reserves:		
Taxes Receivable	468,480	209,349
Revenue Accounts Receivable	1,549	1,549
Due From:		
Animal Control Trust	24	283
Payroll	283	24
Grant Fund	41,464	-
	<u>511,800</u>	<u>211,205</u>
Deferred Charge		
Prior Year Expenditure	67,376	67,376
	<u>7,029,329</u>	<u>6,964,355</u>
Total Operating Fund		
	<u>7,029,329</u>	<u>6,964,355</u>
Grant Fund:		
Grants Receivable	457,151	316,698
Interfund Receivable - Current Fund	-	82,752
	<u>457,151</u>	<u>399,450</u>
Total Grant Fund		
	<u>457,151</u>	<u>399,450</u>
Total Assets	<u>\$ 7,486,480</u>	<u>\$ 7,363,805</u>

See independent accountant's compilation report and accompanying notes to financial statements.

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

	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Operating Fund:		
Appropriation Reserves	\$ 1,114,928	\$ 962,016
Encumbrances Payable	229,645	277,929
Contracts Payable	168,187	-
Due To/From State of New Jersey -		
Seniors' and Veterans' Deductions	2,125	1,250
Prepaid Beach Badges	2,130	183,300
Prepaid Taxes	369,429	405,603
Accounts Payable	-	67,843
County Taxes Payable	19,009	15,095
Regional District High School Tax Payable	1,461,816	1,524,155
Local District School Tax Payable	189,163	274,594
FEMA Sandy Overpayments	-	188,011
Due To State of New Jersey -		
Marriage Licences	-	25
DCA Surcharge Fees	6,100	4,507
Interfunds Payable		
Water Sewer Utility Capital	60,439	82,752
Trust Other	10	10
General Capital	447,705	-
Various Reserves	284,985	96,974
	<u>4,355,671</u>	<u>4,084,063</u>
Reserve for Receivables	511,800	211,205
Fund Balance	<u>2,161,858</u>	<u>2,669,087</u>
	<u>2,673,658</u>	<u>2,880,292</u>
Total Operating Fund	<u>7,029,329</u>	<u>6,964,355</u>
Grant Fund:		
Reserve for Grants:		
Unappropriated	30,225	16,720
Appropriated	353,454	377,101
Interfund Payable - Current Fund	41,464	-
Encumbrances Payable	32,008	5,629
Total Grant Fund	<u>457,151</u>	<u>399,450</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 7,486,480</u>	<u>\$ 7,363,805</u>

See independent accountant's compilation report and accompanying notes to financial statements.

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 2,140,000	\$ 2,100,000
Miscellaneous Revenue Anticipated	4,139,386	3,544,422
Receipts From Delinquent Taxes	209,348	111,237
Receipts From Current Taxes	18,370,907	17,830,003
Non-Budget Revenue	136,299	113,329
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	667,026	957,412
Interfunds Returned - Trust Other	-	33,909
	<hr/>	<hr/>
Total Revenue	25,662,966	24,690,312
	<hr/>	<hr/>
Expenditures:		
Budget Appropriations	12,068,982	11,612,220
County Taxes	5,402,408	4,860,489
Regional District High School Tax	5,930,846	6,086,693
Local District School Tax	567,486	411,890
Amount Due County for Added and Omitted Taxes	19,009	15,095
Prior Year Grant Revenue Refunded	-	28,823
Interfunds Advanced	41,464	-
Grant Receivables Cancelled	-	39,930
	<hr/>	<hr/>
Total Expenditures	24,030,195	23,055,140
	<hr/>	<hr/>
Excess in Revenue	1,632,771	1,635,172
	<hr/>	<hr/>
Adjustments To Income Before Fund Balance		
Expenditures Included Above Which Are By		
Statute Deferred Charges To Budget of		
Succeeding Year	-	67,376
	<hr/>	<hr/>
Statutory Excess To Fund Balance	1,632,771	1,702,548
	<hr/>	<hr/>
Fund Balance, January 1	2,669,087	3,066,539
	<hr/>	<hr/>
	4,301,858	4,769,087
Decreased By:		
Utilized as Anticipated Revenue	2,140,000	2,100,000
	<hr/>	<hr/>
Fund Balance, December 31	<u>\$ 2,161,858</u>	<u>\$ 2,669,087</u>

See independent accountant's compilation report and accompanying notes to financial statements.

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

	ANTICIPATED			
	ADOPTED	SPECIAL		EXCESS
	BUDGET	N.J.S.40A:4-87	REALIZED	(DEFICIT)
Fund Balance Anticipated	\$ 2,140,000	\$ -	\$ 2,140,000	\$ -
Miscellaneous Revenues Anticipated:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	10,000	-	10,180	180
Fees & Permits	165,000	-	220,160	55,160
Uniform Construction Code	225,000	-	210,879	(14,121)
Fines & Costs - Municipal Court	125,000	-	82,408	(42,592)
Interest & Costs on Taxes	30,000	-	53,638	23,638
Interest on Investments and Deposits	7,500	-	47,138	39,638
Parking Meters	550,000	-	959,327	409,327
Beach Badges	1,750,000	-	2,100,271	350,271
Energy Receipts Tax	206,517	-	207,945	1,428
Fire Protection Contract	30,000	-	24,000	(6,000)
Cable TV Franchise Fees	14,000	-	22,697	8,697
Subtotal Local Revenues	3,113,017	-	3,938,643	825,626
Federal, State & Local Grants:				
FY2023 NJDOT Grant - Bayview Ave. Phase 2	70,325	-	70,325	-
FY2023 Handicapped Improvements - Recreation Center	-	38,000	38,000	-
American Rescue Plan - Firefighter Grant	-	27,000	27,000	-
Municipal Alliance on Alcoholism and Drug Abuse	-	5,128	5,128	-
Recycling Tonnage Grant	-	5,290	5,290	-
Ocean Pump-Out Boat Program	-	40,000	40,000	-
NJ DEP Tier A Storm Water Permit Mapping	-	15,000	15,000	-
Total Miscellaneous Revenue	70,325	130,418	200,743	-
Receipts From Delinquent Taxes	60,000	-	209,348	149,348
Amount to be Raised by Taxes	6,863,153	-	6,697,258	(165,895)
Nonbudget Revenues	-	-	136,299	136,299
Total	\$ 12,246,495	\$ 130,418	\$ 13,322,291	\$ 945,378

See independent accountant's compilation report and accompanying notes to financial statements.

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

**ANALYSIS OF REALIZED REVENUE**

Allocation of Current Tax Collections:	
Revenue From Collection	<u>\$ 18,370,907</u>
Net Revenue from Collections	18,370,907
Allocated to School & County Taxes	<u>11,919,749</u>
Balance for Support of Municipal Budget Appropriations	6,451,158
Add: Reserve for Uncollected Taxes	<u>246,100</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 6,697,258</u></u>
Analysis of Delinquent Taxes:	
Tax Title Liens	\$ -
Delinquent Taxes	<u>209,348</u>
Total Receipts From Delinquent Taxes	<u><u>\$ 209,348</u></u>

**ANALYSIS OF NONBUDGET REVENUE**

Miscellaneous Revenue Not Anticipated:	
Seasonal Parking	\$ 33,901
Miscellaneous	33,525
Clerk Copies & OPRA	26,177
NSF Charges	20
Code Enforcement	50
Police Admin. Fees	4,560
Finance Miscellaneous Revenue	28,035
DPW/Recycling Miscellaneous Revenue	4,158
Junior Lifeguards	5,860
Prior Year Refunds	<u>13</u>
	<u><u>\$ 136,299</u></u>

**BOROUGH OF SEASIDE PARK  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS		EXPENDED			UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELLED
<b>GENERAL GOVERNMENT FUNCTIONS:</b>						
Administrative & Executive:						
General Administration						
Salaries and Wages	\$ 292,750	\$ 286,700	\$ 278,573	\$ -	\$ 8,127	\$ -
Other Expenses	164,000	164,000	133,135	15,578	15,287	-
Mayor & Council:						
Salaries and Wages	35,419	50,619	50,581	-	38	-
Other Expenses	6,120	6,120	2,592	48	3,480	-
Financial Administration:						
Salaries and Wages	55,000	55,000	43,854	-	11,146	-
Other Expenses	122,400	137,400	135,070	-	2,330	-
Audit Services:						
Other Expenses	76,000	76,000	32,000	1,600	42,400	-
Tax Collection Administration:						
Salaries and Wages	38,075	38,075	37,125	-	950	-
Other Expenses	15,300	15,300	5,816	525	8,959	-
Assessment of Taxes:						
Salaries and Wages	21,000	21,000	20,184	-	816	-
Other Expenses	10,200	10,200	5,099	-	5,101	-
Information Technology:						
Other Expenses	35,000	35,000	0	-	35,000	-
Legal Services & Costs:						
Other Expenses	375,000	375,000	174,039	7,669	193,292	-
Engineering Services & Costs:						
Other Expenses	150,000	150,000	96,404	248	53,348	-
Planning Board:						
Salaries and Wages	4,120	4,120	1,092	-	3,028	-
Other Expenses	8,000	38,000	35,287	648	2,065	-
<b>PUBLIC SAFETY FUNCTIONS:</b>						
Police:						
Salaries and Wages	2,080,000	2,240,375	2,240,375	-	-	-
Other Expenses	308,000	248,000	159,134	67,039	21,827	-
Emergency Management Services:						
Salaries and Wages	5,100	5,100	-	-	5,100	-
Other Expenses	21,800	21,800	10,074	-	11,726	-
Aid to Volunteer Ambulance Service:						
Other Expenses	70,000	70,000	70,000	-	-	-
Fire Department:						
Other Expenses - Hydrant Services	7,500	7,500	6,000	-	1,500	-
Other Expenses - Clothing Allowance	11,000	11,000	7,526	-	3,474	-
Other Expenses - Miscellaneous	96,500	152,575	132,494	20,032	49	-
Municipal Prosecutor:						
Other Expenses	36,000	36,000	31,500	-	4,500	-
<b>PUBLIC WORKS FUNCTION:</b>						
Public Works:						
Salaries and Wages	1,040,000	1,040,000	990,684	-	49,316	-
Other Expenses	40,700	40,700	16,661	3,223	20,816	-
Streets & Roads Maintenance:						
Other Expenses	26,500	26,500	13,939	5,584	6,977	-
Recycling:						
Other Expenses	3,500	3,500	2,968	-	532	-
Public Buildings & Grounds:						
Other Expenses	138,500	138,500	83,595	12,078	42,827	-
Vehicle Maintenance:						
Other Expenses	104,000	104,000	77,372	17,984	8,644	-
<b>MUNICIPAL COURT FUNCTIONS:</b>						
Municipal Court:						
Salaries and Wages	103,000	73,000	70,468	-	2,532	-
Other Expenses	28,550	28,550	11,232	980	16,338	-
Public Defender:						
Other Expenses	10,000	10,000	1,562	438	8,000	-
<b>HEALTH &amp; HUMAN SERVICES FUNCTIONS:</b>						
Environmental Commission (N.J.S. 40:56-A-1, et seq.):						
Other Expenses	3,800	3,800	902	2,764	134	-
Animal Control:						
Other Expenses	1,000	1,000	-	-	1,000	-
Aid to Domestic Shelter:						
Other Expenses	1,000	1,000	630	370	-	-

See independent accountant's compilation report and accompanying notes to financial statements.

**BOROUGH OF SEASIDE PARK  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS		EXPENDED			UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELLED
<b>PARKS &amp; RECREATION FUNCTIONS:</b>						
Recreation Services & Programs:						
Salaries and Wages	25,000	25,000	691	-	24,309	-
Other Expenses	30,000	30,000	26,388	3,529	83	-
<b>SEASONAL BEACH OPERATIONS:</b>						
Salaries & Wages:						
Beach Patrol	473,800	488,800	487,981	-	819	-
Beach Control	360,000	368,710	368,706	-	4	-
Other Expenses:						
Beach Patrol	61,000	61,000	24,489	2,877	33,634	-
Beach Control	68,500	68,500	66,276	1,933	291	-
Beach Clean-Up	27,000	27,000	19,371	-	7,629	-
Beach Bathroom Operations:						
Other Expenses	7,000	7,000	-	-	7,000	-
Beach, Bayfront, Boardwalk & Dock Maintenance:						
Other Expenses	50,000	50,000	23,309	1,174	25,517	-
<b>CODE ENFORCEMENT &amp; ADMINISTRATION:</b>						
State Uniform Construction Code Officials:						
Salaries and Wages	369,360	196,360	195,280	-	1,080	-
Other Expenses	75,000	75,000	41,531	11,750	21,719	-
<b>INSURANCE:</b>						
General Liability	262,895	262,895	262,112	-	783	-
Workers Compensation Insurance	457,036	457,036	400,000	-	57,036	-
Group Insurance Plan for Employees	870,000	825,490	741,203	9,175	75,112	-
Other	48,980	48,980	41,435	2,400	5,145	-
Health Insurance Waivers	5,000	5,000	-	-	5,000	-
<b>UTILITY EXPENSES &amp; BULK PURCHASES:</b>						
Electricity	65,000	65,000	49,342	1,666	13,992	-
Street Lighting	65,000	65,000	38,707	24,006	2,287	-
Telephone	78,000	78,000	55,508	4,383	18,109	-
Natural Gas	20,000	20,000	12,277	723	7,000	-
Gasoline	150,000	150,000	90,490	6,445	53,065	-
Garbage & Trash Removal						
Other Expenses	173,000	173,000	125,619	860	46,521	-
Accumulated Leave Compensation						
Other Expenses	20,000	20,000	-	-	20,000	-
Total Operations Within CAPS	9,306,405	9,293,205	8,048,682	227,729	1,016,794	-
Total Operations Including Contingent Within "CAPS"	9,306,405	9,293,205	8,048,682	227,729	1,016,794	-
Detail:						
Salaries and Wages	4,064,704	4,031,229	3,927,815	-	103,414	-
Other Expenses	5,241,701	5,261,976	4,120,867	227,729	913,380	-
<b>DEFERRED CHARGES &amp; STATUTORY EXPENDITURES WITHIN CAPS:</b>						
<b>Statutory Expenditures:</b>						
Contributions to Employees Retirement System	189,106	189,106	189,106	-	-	-
Social Security System (O.A.S.I.)	360,000	364,500	364,457	-	43	-
NJ Police & Fireman's Retirement System	499,792	499,792	499,792	-	-	-
Unemployment Insurance	7,500	7,500	-	-	7,500	-
Deferred Charges & Statutory Expenditures Within CAPS	1,056,398	1,060,898	1,053,355	-	7,543	-
Total Appropriations Within CAPS	10,362,803	10,354,103	9,102,037	227,729	1,024,337	-
<b>OPERATIONS - EXCLUDED FROM CAPS</b>						
LOSAP:						
Other Expenses	20,000	20,000	-	-	20,000	-
Shared Service Agreements:						
Seaside Heights Borough Transportation	5,000	5,000	5,000	-	-	-
Berkeley Township Animal Control Service	5,900	6,400	6,378	-	22	-
Ocean County:						
Board of Health - Animal Shelter Service	800	800	121	679	-	-
Road Dept. - Road Material & Paving	12,000	12,000	1,490	1,237	9,273	-
Fire/Police 911 Dispatch	183,000	183,000	182,521	-	479	-
Manchester Township - Firearms Range	1,000	1,000	700	-	300	-
Borough of Lavalette - Court Administrator	49,225	57,425	57,370	-	55	-
Borough of Seaside Heights - Chief Financial Officer	78,572	78,572	73,572	-	5,000	-
Total Operations Excluded from "CAPS"	355,497	364,197	327,152	1,916	35,129	-

See independent accountant's compilation report and accompanying notes to financial statements.

**BOROUGH OF SEASIDE PARK  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
<b>Public &amp; Private Programs Offset by Revenues:</b>						
FY2023 NJDOT Grant - Bayview Ave. Phase 2	70,325	70,325	70,325	-	-	-
FY2023 Handicapped Improvements - Recreation Center	-	38,000	38,000	-	-	-
American Rescue Plan - Firefighter Grant	-	27,000	27,000	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse	-	5,128	5,128	-	-	-
Recycling Tonnage Grant	-	5,290	5,290	-	-	-
Ocean Pump-Out Boat Program	-	40,000	40,000	-	-	-
NJ DEP Tier A Storm Water Permit Mapping	-	15,000	15,000	-	-	-
Total Public & Private Programs Offset by Revenues	70,325	200,743	200,743	-	-	-
<b>Capital Improvements - Excluded from "CAPS":</b>						
Capital Improvement Fund	322,705	322,705	322,705	-	-	-
Aquisition of Police Vehicle	55,000	55,000	-	-	55,000	-
Acquisition of Equipment	65,000	65,000	64,538	-	462	-
Total Capital Improvements - Excluded from CAPS	442,705	442,705	387,243	-	55,462	-
<b>Municipal Debt Service - Excluded from "CAPS":</b>						
Payment of Bond Principal	595,000	595,000	595,000	-	-	-
Interest on Bonds	66,100	66,100	66,100	-	-	-
Interest on Notes	60,014	60,014	-	-	-	60,014
Green Trust Loan Program: Loan Repayments for Principal & Interest	47,951	47,951	46,134	-	-	1,817
Total Municipal Debt Service - Excluded from CAPS	769,065	769,065	707,234	-	-	61,831
Total General Appropriations Excluded from CAPS	1,637,592	1,776,710	1,622,372	1,916	90,591	61,831
Subtotal General Appropriations	12,000,395	12,130,813	10,724,409	229,645	1,114,928	61,831
Reserve For Uncollected Taxes	246,100	246,100	246,100	-	-	-
Total General Appropriations	\$ 12,246,495	\$ 12,376,913	\$ 10,970,509	\$ 229,645	\$ 1,114,928	\$ 61,831
Budget		\$ 12,246,495				
Added by N.J.A. 40A:4-87		130,418				
Total		\$ 12,376,913				

See independent accountant's compilation report and accompanying notes to financial statements.

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Assessment Trust Fund:		
Cash	\$ 93,667	\$ 93,667
Total Assessment Trust Fund	<u>93,667</u>	<u>93,667</u>
Animal Control Trust Fund:		
Cash	464	955
Due from State of New Jersey	<u>55</u>	<u>0</u>
Total Animal Control Fund	<u>519</u>	<u>955</u>
Trust - Other Funds:		
Due From Current	10	10
Cash	<u>325,844</u>	<u>325,844</u>
Total Trust - Other Fund	<u>325,854</u>	<u>325,854</u>
Length of Service Award Program Fund ("LOSAP"):		
Investments	<u>442,673</u>	<u>442,673</u>
Total LOSAP	<u>442,673</u>	<u>442,673</u>
Total Assets	<u><u>\$ 862,714</u></u>	<u><u>\$ 863,150</u></u>

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Assessment Trust Fund:		
Fund Balance	\$ 93,667	\$ 93,667
Total Assessment Trust Fund	93,667	93,667
Animal Control Trust Fund:		
Due To:		
Current Fund	24	283
Reserve for Animal Control Fund Expenditures	495	672
Total Animal Control Fund	519	955
Trust - Other Funds:		
Various Reserves	325,854	325,854
Total Trust - Other Fund	325,854	325,854
Length of Service Award Program Fund ("LOSAP"):		
Miscellaneous Reserves	442,673	442,673
Total LOSAP	442,673	442,673
Total Liabilities, Reserves and Fund Balance	\$ 862,714	\$ 863,150

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
TRUST FUND  
STATEMENT OF ASSESSMENT FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

Balance, December 31, 2023 and 2022

\$ 93,667

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
GENERAL CAPITAL FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash - Treasurer	\$ 1,473,378	\$ 2,356,801
Grants Receivable	466,400	591,400
Due Current Fund	447,705	-
Due From Water Capital Fund	2,854,864	-
Deferred Charges To Future Taxation:		
Funded	1,445,417	2,087,503
Unfunded	12,997,275	12,997,275
	<hr/>	<hr/>
Total Assets	<u>\$ 19,685,039</u>	<u>\$ 18,032,979</u>
 <u>Liabilities, Reserves and Fund Balance</u>		
Serial Bonds	\$ 1,435,000	\$ 2,030,000
Bond Anticipation Notes	7,783,000	5,011,450
Green Trust Loans Payable	10,416	57,503
Reserve for Encumbrances	-	286,496
Improvement Authorizations:		
Funded	851,315	1,339,156
Unfunded	8,163,258	8,558,841
Capital Improvement Fund	395,607	72,902
Encumbrances Payable	286,499	-
Reserve to Pay Debt Service	435,932	435,932
Fund Balance	324,012	240,698
	<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balance	<u>\$ 19,685,039</u>	<u>\$ 18,032,979</u>

There were bonds and notes authorized but not issued on December 31, 2023 in the amount of \$5,299,275.00 and December 31, 2022 in the amount of \$7,985,825.00.

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 240,698
Increased By:	
Premium on BAN Proceeds	<u>\$ 83,315</u>
Balance, December 31, 2023	<u><u>\$ 324,012</u></u>

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
WATER/SEWER UTILITY FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Operating Fund:		
Cash - Treasurer	\$ 2,434,624	\$ 2,186,126
Cash - Change Fund	<u>200</u>	<u>200</u>
	<u>2,434,824</u>	<u>2,186,326</u>
Receivables With Full Reserves:		
Consumer Accounts Receivable	<u>222,388</u>	<u>279,992</u>
	<u>222,388</u>	<u>279,992</u>
Total Operating Fund	<u>2,657,212</u>	<u>2,466,319</u>
Capital Fund:		
Cash	3,842,929	868,170
Performance Deposit - N.J. DOT	50,000	50,000
Performance Deposit - Ocean County Utilities Authority	2,000	2,000
Due From Current Fund	60,439	-
Due From Water Operating	27,875	-
Fixed Capital	23,781,370	23,781,370
Fixed Capital Authorized & Uncompleted	<u>13,588,407</u>	<u>10,988,407</u>
Total Capital Fund	<u>41,353,020</u>	<u>35,689,947</u>
Total Assets	<u><u>\$ 44,010,232</u></u>	<u><u>\$ 38,156,265</u></u>

See independent accountant's compilation report and accompanying notes to financial statements.

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
WATER/SEWER UTILITY FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves and Fund Balances</u>		
Operating Fund:		
Appropriation Reserves	\$ 711,157	\$ 1,027,384
Encumbrances Payable	28,323	31,584
Accrued Interest Payable	101,312	74,384
Due to Water Capital Fund	27,875	-
Customer Overpayments	13,526	13,525
Accounts Payable	53,585	94,253
	<u>935,778</u>	<u>1,241,130</u>
Reserve for Receivables	222,388	279,992
Fund Balance	<u>1,499,046</u>	<u>945,196</u>
Total Operating Fund	<u>2,657,212</u>	<u>2,466,319</u>
Capital Fund:		
Serial Bonds	640,000	1,014,000
USDA Loans Payable	7,645,332	2,327,058
NJEIT Interim Construction Loan	-	5,991,573
Capital Improvement Fund	112,365	112,365
Bond Anticipation Notes	2,525,000	2,230,000
Improvement Authorizations:		
Funded	43,233	43,233
Unfunded	7,063,392	4,577,213
Reserve for Amortization	18,334,893	17,287,594
Due to General Capital Fund	2,854,864	-
Deferred Reserve for Amortization	818,125	818,125
Reserve for Debt Service	628,567	628,566
Fund Balance	<u>687,249</u>	<u>660,220</u>
Total Capital Fund	<u>41,353,020</u>	<u>35,689,947</u>
Total Liabilities, Reserves and Fund Balances	<u>\$ 44,010,232</u>	<u>\$ 38,156,265</u>

There were bonds and notes authorized but not issued on December 31, 2023 in the amount of \$4,806,426.48 and on December 31, 2022 in the amount of \$5,101,426.48.

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
WATER/SEWER UTILITY FUND  
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 600,000	\$ 800,000
Water/Sewer Rents	2,428,181	2,379,673
Elevated Tank Lease	163,995	206,949
Miscellaneous Revenue Anticipated	98,002	17,220
Unexpended Balance of Appropriation Reserves	1,031,275	574,450
Cancelled Accounts Payable	-	1,432
	<hr/>	<hr/>
Total Revenue	4,321,453	3,979,724
	<hr/>	<hr/>
Expenditures:		
Operating	1,517,800	1,496,800
Capital Improvements	300,000	600,000
Debt Service	1,277,459	1,232,092
Deferred Charges and Statutory Expenditures	72,344	86,000
	<hr/>	<hr/>
Total Expenditures	3,167,603	3,414,892
	<hr/>	<hr/>
Excess in Revenue	1,153,850	564,832
	<hr/>	<hr/>
Fund Balance, January 1	945,196	1,180,365
	<hr/>	<hr/>
	2,099,046	1,745,196
Decreased By:		
Utilized as Anticipated Revenue	600,000	800,000
	<hr/>	<hr/>
Fund Balance, December 31	<u>\$ 1,499,046</u>	<u>\$ 945,196</u>

See independent accountant's compilation report and accompanying notes to financial statements.

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
WATER/SEWER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 660,220
Increased By:	
BAN Premium	<u>27,029</u>
Balance, December 31, 2023	<u><u>\$ 687,249</u></u>

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
WATER/SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 600,000	\$ 600,000	\$ -
Water/Sewer Rents	2,300,000	2,428,181	128,181
Elevated Tank Lease	206,000	163,995	(42,005)
Miscellaneous Revenue Anticipated	10,000	98,002	88,002
	<u>\$ 3,116,000</u>	<u>\$ 3,290,178</u>	<u>\$ 174,178</u>

## Miscellaneous:

Interest on Investments	\$ 31,066
Temporary Service Disconnect	1,600
Water Tap Fees	15,800
NSF Charges	40
Sewer Lateral Fees	6,020
Interest on Delinquent Accounts	26,061
Miscellaneous Receipts	17,415
	<u>\$ 98,002</u>

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
WATER/SEWER UTILITY FUND  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 425,000	\$ 425,000	\$ 271,672	\$ -	\$ 153,328	\$ -
Other Expenses	592,800	592,800	405,916	28,323	158,561	-
Ocean County Utilities Authority	500,000	500,000	412,099	-	87,901	-
Total Operating	1,517,800	1,517,800	1,089,687	28,323	399,790	-
Capital Improvements:						
Capital Outlay	200,000	200,000	2,050	-	197,950	-
Capital Improvement Fund	100,000	100,000	-	-	100,000	-
Total Capital Improvements	300,000	300,000	2,050	-	297,950	-
Debt Service:						
Payment of Bonds	374,000	374,000	374,000	-	-	-
Interest on Bonds	34,800	34,800	34,800	-	-	-
Interest on Notes	3,200	3,200	3,200	-	-	-
NJEIT - Loan Principal	605,911	605,911	605,911	-	-	-
NJEIT - Loan Interest	99,168	99,168	99,168	-	-	-
USDA Level Debt Payment	108,778	108,778	108,778	-	-	-
Total Debt Service	1,225,857	1,225,857	1,225,857	-	-	-
Statutory Expenditures:						
Contributions To:						
Public Employees' Retirement System	40,000	40,000	40,000	-	-	-
Unemployment Compensation Insurance	6,344	6,344	-	-	6,344	-
Social Security System (O.A.S.I.)	26,000	26,000	18,926	-	7,074	-
Total Statutory Expenditures	72,344	72,344	58,926	-	13,418	-
Total Water Utility Appropriations	\$ 3,116,001	\$ 3,116,001	\$ 2,376,520	\$ 28,323	\$ 711,158	\$ -
Analysis of Paid or Charged:						
Cash Disbursements			\$ 2,239,352			
Accrued Interest Payable			137,168			
			<u>\$ 2,376,520</u>			

See independent accountant's compilation report and accompanying notes to financial statements.

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
MARINA UTILITY OPERATING FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Operating Fund:		
Cash - Treasurer	\$ 838,364	\$ 917,999
Change Fund	600	600
	<hr/>	<hr/>
Total Operating Fund	838,964	918,599
	<hr/>	<hr/>
Capital Fund:		
Cash	421,809	304,316
Fixed Capital	4,024,387	4,024,387
Fixed Capital Authorized and Uncompleted	350,000	350,000
	<hr/>	<hr/>
Total Capital Fund	4,796,196	4,678,703
	<hr/>	<hr/>
Total Assets	<u>\$ 5,635,160</u>	<u>\$ 5,597,302</u>
<u>Liabilities, Reserves and Fund Balances</u>		
Operating Fund:		
Appropriation Reserves	\$ 66,098	\$ 187,441
Prepaid Slip Rental Fees	-	225,906
Reserve for Encumbrances	15,889	13,257
Accrued Interest Payable	301	808
Accounts Payable	124	-
Sales Tax Payable	1,956	1,185
	<hr/>	<hr/>
	84,368	428,598
	<hr/>	<hr/>
Fund Balance	754,596	490,001
	<hr/>	<hr/>
Total Operating Fund	838,964	918,599
	<hr/>	<hr/>
Capital Fund:		
Serial Bonds	80,000	126,000
Reserve for Debt Service	9,231	9,231
Improvement Authorizations:		
Unfunded	79,871	301,340
Reserve for Encumbrances	-	11,038
Capital Improvement Fund	582,075	232,075
Reserve for Amortization	3,944,387	3,898,387
Deferred Reserve for Amortization	17,500	17,500
Fund Balance	83,132	83,132
	<hr/>	<hr/>
Total Capital Fund	4,796,196	4,678,703
	<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balances	<u>\$ 5,635,160</u>	<u>\$ 5,597,302</u>

There were bonds and notes authorized but not issued on December 31, 2023 in the amount of \$332,500.00 and December 31, 2022 in the amount of \$332,500.

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
MARINA UTILITY OPERATING FUND  
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 75,000	\$ 75,000
Boat Slip Rental Fees	587,759	348,429
Miscellaneous Revenue Anticipated	105,713	63,320
Unexpended Balance of Appropriation Reserves	25,615	141,286
Cancelled Accrued Interest	508	-
	<u>794,595</u>	<u>628,034</u>
Total Revenue		
Expenditures:		
Operating	198,600	166,000
Capital Improvements	200,000	150,000
Debt Service	50,300	102,489
Deferred Charges and Statutory Expenditures	6,100	6,100
	<u>455,000</u>	<u>424,589</u>
Total Expenditures		
Excess in Revenue	339,595	203,445
Fund Balance, January 1	490,001	361,557
	829,596	565,001
Decreased By:		
Utilized as Anticipated Revenue	75,000	75,000
	<u>75,000</u>	<u>75,000</u>
Fund Balance, December 31	<u>\$ 754,596</u>	<u>\$ 490,001</u>

See independent accountant's compilation report and accompanying notes to financial statements.

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
MARINA UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 & 2022

\$ 83,132

**BOROUGH OF SEASIDE PARK**  
**COUNTY OF OCEAN, NEW JERSEY**  
**MARINA UTILITY OPERATING FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 75,000	\$ 75,000	\$ -
Rents	350,000	587,759	237,759
Miscellaneous Revenue Anticipated	30,000	105,713	75,713
	<u>\$ 455,000</u>	<u>\$ 768,472</u>	<u>\$ 313,472</u>

See independent accountant's compilation report and accompanying notes to financial statements.

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
MARINA UTILITY FUND  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Expended		
	Original Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved Cancelled
Operating:					
Salaries and Wages	\$ 47,600	\$ 47,600	\$ 38,795	\$ -	\$ 8,805
Other Expenses	151,000	151,000	79,458	15,889	55,653
Total Operating	198,600	198,600	118,253	15,889	64,458
Capital Improvements:					
Capital Outlay	100,000	100,000	100,000	-	-
Capital Improvement Fund	100,000	100,000	100,000	-	-
Total Capital Improvements	200,000	200,000	200,000	-	-
Debt Service:					
Payment of Bond Principal	46,000	46,000	46,000	-	-
Interest on Bonds	4,300	4,300	4,300	-	-
Total Debt Service	50,300	50,300	50,300	-	-
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	1,500	1,500	1,500	-	-
Unemployment Compensation Insurance	500	500	-	-	500
Social Security System (O.A.S.I.)	4,100	4,100	2,960	-	1,140
Total Statutory Expenditures	6,100	6,100	4,460	-	1,640
Total Marina Utility Appropriations	\$ 455,000	\$ 455,000	\$ 373,013	\$ 15,889	\$ 66,098

Analysis of Paid or Charged:	
Cash Disbursements	\$ 368,713
Accrued Interest on Payable	4,300
	<u>\$ 373,013</u>

**BOROUGH OF SEASIDE PARK**  
**COUNTY OF OCEAN, NEW JERSEY**  
**PAYROLL FUND**  
**STATEMENTS OF ASSETS, LIABILITIES AND RESERVES -**  
**REGULATORY BASIS**  
**DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash	\$ 13,993	\$ 83,935
Total Assets	<u>\$ 13,993</u>	<u>\$ 83,935</u>
<u>Liabilities and Reserves</u>		
Due to Various Agencies	\$ 13,969	\$ 83,911
Miscellaneous Interfunds	<u>24</u>	<u>24</u>
Total Liabilities and Reserves	<u>\$ 13,993</u>	<u>\$ 83,935</u>

**BOROUGH OF SEASIDE PARK**  
**COUNTY OF OCEAN, NEW JERSEY**  
**PUBLIC ASSISTANCE FUND**  
**STATEMENTS OF ASSETS, LIABILITIES AND RESERVES -**  
**REGULATORY BASIS**  
**DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash	\$ 23	\$ 23
Total Assets	<u>\$ 23</u>	<u>\$ 23</u>
<u>Liabilities and Reserves</u>		
Reserve for Public Assistance	\$ 23	\$ 23
Total Liabilities and Reserves	<u>\$ 23</u>	<u>\$ 23</u>

**BOROUGH OF SEASIDE PARK**  
**COUNTY OF OCEAN, NEW JERSEY**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**STATEMENT OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Land	\$ 22,271,253	\$ 22,271,253
Riparian Grants - Land	121,992,200	121,992,200
Buildings	10,082,931	10,082,931
Machinery & Equipment	<u>6,567,766</u>	<u>6,567,766</u>
Total Assets	<u>\$ 160,914,150</u>	<u>\$ 160,914,150</u>
<u>Fund Balance</u>		
Investment in Fixed Assets	<u>\$ 160,914,150</u>	<u>\$ 160,914,150</u>
Total Fund Balance	<u>\$ 160,914,150</u>	<u>\$ 160,914,150</u>

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**AUDITED FINANCIAL STATEMENTS OF THE TOWNSHIP  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Borough Council  
Borough of Seaside Park  
Seaside Park, New Jersey

### Opinions

We have audited the accompanying financial statements of the various funds and account group of the Borough of Seaside Park, which comprise the statements of assets, liabilities, reserves and fund balance – regulatory basis as of December 31, 2022 and 2021, and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2022, and the related notes to the financial statements.

### Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance – regulatory basis of the Borough of Seaside Park, as of December 31, 2022 and 2021, and the results of its operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis, statements of expenditures – regulatory basis for the year ended December 31, 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 discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Seaside Park, as of December 31, 2022 and 2021, or the results of its operations and changes in fund balance for the years then ended.

### Basis for Opinions

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

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

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

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

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

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2023, on our consideration of the Borough of Seaside Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Seaside Park's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Seaside Park's internal control over financial reporting and compliance.

Respectfully submitted,

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

A handwritten signature in black ink, appearing to read 'J. Conaty', with a stylized flourish at the end.

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

Lakewood, New Jersey  
September 21, 2023

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

Honorable Mayor and Members  
of the Borough Council  
Borough of Seaside Park  
Seaside Park, New Jersey 07739

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Borough of Seaside Park, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated September 21, 2023. Our report indicated that the Borough's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Report on Internal Control Over Financial Reporting**

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

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

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

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

## **Purpose of this Report**

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'J. Conaty', with a stylized, overlapping flourish extending to the right.

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

Lakewood, New Jersey  
September 21, 2023

## **BASIC FINANCIAL STATEMENTS**

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**BOROUGH OF SEASIDE PARK  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Operating Fund:		
Cash - Treasurer	\$ 6,678,022.78	\$ 7,176,816.94
Petty Cash	1,277.39	1,277.39
Change Fund	6,474.00	1,374.00
	<u>6,685,774.17</u>	<u>7,179,468.33</u>
Receivables With Full Reserves:		
Taxes Receivable	209,349.43	119,731.62
Revenue Accounts Receivable	1,548.52	5,106.68
Due From:		
Animal Control Trust	283.00	327.60
Payroll	24.01	-
Grant Fund	-	41,007.05
Trust - Other Fund	-	59.37
	<u>211,204.96</u>	<u>166,232.32</u>
Deferred Charge		
Prior Year Expenditure	<u>67,375.51</u>	<u>-</u>
Total Operating Fund	<u>6,964,354.64</u>	<u>7,345,700.65</u>
Grant Fund:		
Grants Receivable	316,697.55	1,656,672.41
Interfund Receivable - Current Fund	82,752.34	-
Total Grant Fund	<u>399,449.89</u>	<u>1,656,672.41</u>
Total Assets	<u>\$ 7,363,804.53</u>	<u>\$ 9,002,373.06</u>

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

**BOROUGH OF SEASIDE PARK**  
**CURRENT FUND**  
**STATEMENTS OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Operating Fund:		
Appropriation Reserves	962,015.62	\$ 1,024,042.94
Encumbrances Payable	277,928.94	408,176.08
Due To/From State of New Jersey -		
Seniors' and Veterans' Deductions	1,250.00	1,000.00
Prepaid Beach Badges	183,300.00	141,820.00
Prepaid Taxes	405,603.34	445,038.27
Accounts Payable	67,842.51	25,675.00
County Taxes Payable	15,094.77	12,082.37
Regional District High School Tax Payable	1,524,155.21	1,465,011.21
Local District School Tax Payable	274,594.00	313,509.00
FEMA Sandy Overpayments	188,010.68	188,010.68
Due To State of New Jersey -		
Marriage Licences	25.00	25.00
DCA Surcharge Fees	4,507.00	2,787.00
Interfunds Payable		
Grant	82,752.34	-
Trust Other	10.00	-
Reserve for:		
Municipal Relief	10,772.74	-
American Rescue Plan	80,751.79	80,751.79
Insurance Proceeds	5,000.00	5,000.00
Other Reserves	449.04	-
	<u>4,084,062.98</u>	<u>4,112,929.34</u>
Reserve for Receivables	211,204.96	166,232.32
Fund Balance	<u>2,669,086.70</u>	<u>3,066,538.99</u>
	<u>2,880,291.66</u>	<u>3,232,771.31</u>
Total Operating Fund	<u>6,964,354.64</u>	<u>7,345,700.65</u>
Grant Fund:		
Reserve for Grants:		
Unappropriated	16,719.74	16,133.33
Appropriated	377,101.46	1,514,589.22
Interfund Payable - Current Fund	-	41,007.05
Encumbrances Payable	5,628.69	84,942.81
Total Grant Fund	<u>399,449.89</u>	<u>1,656,672.41</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 7,363,804.53</u>	<u>\$ 9,002,373.06</u>

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 2,100,000.00	\$ 2,000,000.00
Miscellaneous Revenue Anticipated	3,544,421.66	3,522,693.06
Receipts From Delinquent Taxes	111,237.26	141,199.36
Receipts From Current Taxes	17,830,002.98	17,473,237.33
Non-Budget Revenue	113,328.60	285,076.49
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	957,412.24	936,532.26
Cancellation of Accounts Payable	-	26,821.50
Interfunds Returned - Trust Other	33,909.04	-
Grant Appropriated Cancelled	-	639,372.61
	<u>24,690,311.78</u>	<u>25,024,932.61</u>
Total Revenue		
Expenditures:		
Budget Appropriations	11,612,219.73	11,092,026.22
County Taxes	4,860,489.06	4,702,287.90
Regional District High School Tax	6,086,693.00	6,006,497.00
Local District School Tax	411,890.00	451,844.00
Amount Due County for Added and Omitted Taxes	15,094.77	12,082.37
Prior Year Grant Revenue Refunded	28,822.91	-
Interfunds Advanced	-	41,333.11
Grant Receivables Cancelled	39,930.11	629,506.74
	<u>23,055,139.58</u>	<u>22,935,577.34</u>
Total Expenditures		
Excess in Revenue	<u>1,635,172.20</u>	<u>2,089,355.27</u>
Adjustments To Income Before Fund Balance		
Expenditures Included Above Which Are By		
Statute Deferred Charges To Budget of		
Succeeding Year	<u>67,375.51</u>	<u>-</u>
Statutory Excess To Fund Balance	<u>1,702,547.71</u>	<u>2,129,766.64</u>
Fund Balance, January 1	<u>3,066,538.99</u>	<u>2,977,183.72</u>
	4,769,086.70	5,066,538.99
Decreased By:		
Utilized as Anticipated Revenue	<u>2,100,000.00</u>	<u>2,000,000.00</u>
Fund Balance, December 31	<u>\$ 2,669,086.70</u>	<u>\$ 3,066,538.99</u>

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	\$ 2,100,000.00	\$ 2,100,000.00	\$ -
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	10,000.00	10,180.00	180.00
Fees and Permits	120,000.00	193,658.06	73,658.06
Fines and Costs:			
Municipal Court	125,000.00	135,180.02	10,180.02
Interest and Costs on Taxes	30,000.00	39,540.93	9,540.93
Parking Meters	480,000.00	666,919.90	186,919.90
Interest on Investments and Deposits	7,500.00	21,660.67	14,160.67
Beach Badges	1,700,000.00	1,830,855.10	130,855.10
Fire Protection Contract	30,000.00	30,000.00	-
Cable Television Franchise Fees	14,000.00	16,070.00	2,070.00
Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)	206,517.00	206,517.00	-
Uniform Construction Code Fees	225,000.00	176,986.00	(48,014.00)
Reserve for American Rescue Plan	80,751.79	80,751.79	-
Recycling Tonnage Grant	4,821.03	4,821.03	-
DMHAS Youth Leadership Grant	4,828.79	4,828.79	-
Clean Communities Program	11,312.30	11,312.30	-
Community Development Block Grant	35,000.00	35,000.00	-
Local Share	6,668.00	6,668.00	-
Ocean County "Circle of Life" Barnegat Bay			
Sewerage Pump Out Vessel Program	72,500.00	72,500.00	-
Body Worn Cameras Grant	972.07	972.07	-
Total Miscellaneous Revenues	3,164,870.98	3,544,421.66	379,550.68
Receipts From Delinquent Taxes	60,000.00	111,237.26	51,237.26
Amount to be Raised by Taxes for Support of Municipal Budget	6,638,181.44	6,805,836.15	167,654.71
Budget Totals	11,963,052.42	12,561,495.07	598,442.65
Non-Budget Revenue	-	113,328.60	113,328.60
	\$ 11,963,052.42	\$ 12,674,823.67	\$ 711,771.25

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Analysis of Realized Revenue

Revenue From Collections	\$	17,830,002.98
Allocated To:		
Regional District School	\$	411,890.00
Regional District High School		6,086,693.00
County Taxes		4,875,583.83
		<u>11,374,166.83</u>
Balance for Support of Municipal Budget Purposes		6,455,836.15
Add: Appropriation Reserve for Uncollected Taxes		<u>350,000.00</u>
Amount for Support of Municipal Budget Appropriations	\$	<u><u>6,805,836.15</u></u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:		
Clerk	\$	1,725.00
Police Off-Duty Administrative Fees		23,897.07
DPW/Recycling		573.00
Reimbursement of Expense		39,585.34
Beach - Product Sales		32,755.00
Finance Miscellaneous		455.07
Other		14,338.12
	\$	<u><u>113,328.60</u></u>

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
GENERAL GOVERNMENT						
Administration and Executive:						
Salaries and Wages	\$ 235,000.00	\$ 235,000.00	\$ 231,469.89	\$ -	\$ 3,530.11	\$ -
Other Expenses	160,000.00	152,500.00	128,217.70	6,693.98	17,588.32	-
Mayor & Council						
Salaries and Wages	49,000.00	49,000.00	48,897.42	-	102.58	-
Other Expenses	6,000.00	6,000.00	1,314.00	-	4,686.00	-
Financial Administration:						
Salaries and Wages	200,000.00	170,000.00	143,225.77	-	26,774.23	-
Other Expenses	120,000.00	120,000.00	14,473.96	35,313.12	70,212.92	-
Audit Services:						
Other Expenses	76,000.00	76,000.00	38,175.00	17,500.00	20,325.00	-
Tax Collection Administration:						
Salaries and Wages	37,000.00	37,000.00	36,056.36	-	943.64	-
Other Expenses	15,000.00	15,000.00	5,500.15	100.00	9,399.85	-
Tax Assessment Administration:						
Salaries and Wages	20,400.00	20,400.00	20,356.24	-	43.76	-
Other Expenses	10,000.00	2,500.00	451.50	1,161.00	887.50	-
Legal Services:						
Other Expenses	360,000.00	435,000.00	373,042.25	300.00	61,657.75	-
Engineering Services:						
Other Expenses	150,000.00	142,500.00	122,823.06	1,380.00	18,296.94	-
Land Use Administration:						
Planning Board:						
Salaries and Wages	4,000.00	4,000.00	-	-	4,000.00	-
Other Expenses	10,000.00	10,000.00	5,240.19	612.69	4,147.12	-

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
Insurance:						
General Liability Insurance	225,000.00	205,000.00	183,783.07	-	21,216.93	-
Worker's Compensation Insurance	320,000.00	320,000.00	317,752.89	-	2,247.11	-
Employee Group Insurance	740,000.00	740,000.00	702,623.44	5,910.70	31,465.86	-
Other	80,000.00	73,300.00	43,604.21	2,274.10	27,421.69	-
Health Benefits Waiver	5,000.00	5,000.00	-	-	5,000.00	-
Public Safety:						
Police:						
Salaries and Wages	2,000,000.00	2,000,000.00	1,984,215.49	-	15,784.51	-
Other Expenses	255,000.00	255,000.00	201,617.84	48,681.00	4,701.16	-
Office of Emergency Management:						
Salaries and Wages	5,100.00	5,100.00	-	-	5,100.00	-
Other Expenses	21,800.00	21,800.00	4,187.66	4,734.82	12,877.52	-
Aid to Volunteer Ambulance Service:						
Other Expenses	70,000.00	70,000.00	70,000.00	-	-	-
Fire Department:						
Other Expenses - Hydrant Service	7,500.00	7,500.00	-	-	7,500.00	-
Other Expenses - Clothing Allowance	11,000.00	11,000.00	9,067.75	-	1,932.25	-
Other Expenses - Miscellaneous	96,500.00	114,500.00	68,775.21	27,346.75	18,378.04	-
Municipal Prosecutor's Office:						
Other Expenses	36,000.00	36,000.00	33,045.00	-	2,955.00	-
Municipal Court:						
Salaries and Wages	100,000.00	100,000.00	79,447.64	-	20,552.36	-
Other Expenses	27,000.00	27,000.00	21,304.10	1,224.83	4,471.07	-
Public Defender:						
Other Expenses	10,000.00	10,000.00	1,372.80	660.00	7,967.20	-
Streets and Road Maintenance:						
Other Expenses	18,000.00	18,000.00	4,395.68	892.88	12,711.44	-

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	<u>Reserved</u>	
Public Works Functions:						
Public Works:						
Salaries and Wages	1,000,000.00	1,000,000.00	971,142.78	-	28,857.22	-
Other Expenses	45,000.00	45,000.00	13,077.64	4,372.07	27,550.29	-
Recycling Program:						
Other Expenses	7,500.00	7,500.00	1,731.30	202.15	5,566.55	-
Public Buildings and Grounds Maintenance:						
Other Expenses	130,500.00	125,000.00	86,200.59	7,713.60	31,085.81	-
Vehicle Maintenance:						
Other Expenses	114,000.00	114,000.00	63,128.28	34,226.00	16,645.72	-
Health and Human Services:						
Environmental Committee:						
Other Expenses	3,400.00	3,400.00	253.47	3,125.00	21.53	-
Animal Control Services:						
Other Expenses	1,000.00	1,000.00	-	-	1,000.00	-
Aid to Domestic Violence Shelter (N.J.S.A. 14-11)						
Other Expenses	1,000.00	1,000.00	420.00	280.00	300.00	-
Parks and Recreation:						
Recreation:						
Salaries and Wages	24,000.00	24,200.00	24,000.08	-	199.92	-
Other Expenses	25,000.00	41,000.00	24,793.24	85.51	16,121.25	-
Seasonal Beach Operations:						
Salaries and Wages:						
Beach Patrol	460,000.00	460,000.00	460,000.00	-	-	-
Beach Control	360,000.00	360,000.00	343,871.22	-	16,128.78	-
Other Expenses:						
Beach Patrol	61,000.00	56,000.00	38,776.23	836.26	16,387.51	-
Beach Control	68,500.00	76,500.00	69,318.84	4,470.16	2,711.00	-

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Expended		Unexpended
	Original Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	Balance Canceled
Beach Clean Up	18,000.00	18,000.00	16,381.80	-	1,618.20
Beach Bathroom Operations					
Other Expenses	28,000.00	20,000.00	139.50	-	19,860.50
Beach, Bayfront, Boardwalk and Dock Maintenance					
Other Expenses	68,000.00	60,000.00	17,287.14	770.02	41,942.84
Other Common Operating Functions:					
Accumulated Leave Compensation:					
Salaries and Wages	20,000.00	20,000.00	20,000.00	-	-
Information Technology:					
Other Expenses	35,000.00	35,000.00	31,818.80	-	3,181.20
Uniform Construction Code - Appropriations					
Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):					
Code Enforcement and Construction:					
Salaries and Wages	360,000.00	325,000.00	310,927.72	-	14,072.28
Other Expenses	90,000.00	62,000.00	36,537.59	7,811.44	17,650.97
Unclassified:					
Utilities:					
Electricity	55,000.00	60,500.00	47,715.76	3,664.57	9,119.67
Street Lighting	60,000.00	60,000.00	49,013.57	4,490.49	6,495.94
Telephone	75,000.00	77,500.00	69,270.77	4,129.69	4,099.54
Natural Gas	20,000.00	20,000.00	12,818.65	2,381.35	4,800.00
Gasoline	140,000.00	140,000.00	113,989.12	6,357.37	19,653.51
Solid Waste Disposal Costs:					
Garbage and Trash Removal:					
Other Expenses	160,000.00	160,000.00	130,235.20	6,595.00	23,169.80
Total Operations - Within "CAPS"	8,910,200.00	8,866,700.00	7,847,285.56	246,296.55	773,117.89

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u> <u>Reserved</u>	
Detail:					
Salaries and Wages	4,892,500.00	4,809,700.00	4,673,610.61	-	136,089.39
Other Expenses	3,667,700.00	4,057,000.00	3,173,674.95	246,296.55	637,028.50
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Contribution To:					
Public Employees' Retirement System	159,877.11	159,877.11	159,877.11	-	-
Social Security System (O.A.S.I.)	340,000.00	348,500.00	347,504.02	-	995.98
Police & Firemen's Retirement System	410,722.00	410,722.00	410,722.00	-	-
Unemployment Insurance	5,000.00	5,000.00	5,000.00	-	-
Defined Contribution Retirement Program	2,500.00	2,500.00	-	-	2,500.00
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	918,099.11	926,599.11	923,103.13	-	3,495.98
Total General Appropriations for Municipal Purposes - Within "CAPS"	9,828,299.11	9,793,299.11	8,770,388.69	246,296.55	776,613.87

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Expended			Unexpended Balance <u>Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
Operations Excluded from "CAPS"						
LOSAP:						
Other Expenses	20,000.00	20,000.00	18,755.00	-	1,245.00	-
Interlocal Municipal Service Agreements:						
Seaside Heights Borough - Transportation	5,000.00	5,000.00	-	-	5,000.00	-
Berkeley Township - Animal Control Service	5,900.00	5,900.00	5,315.02	-	584.98	-
Borough of Lavalette Court Administrator	49,225.00	49,225.00	49,224.92	-	0.08	-
Ocean County:						
Board of Health - Animal Shelter Services	800.00	800.00	-	-	800.00	-
Road Department - Road Materials and Paving	12,000.00	12,000.00	3,285.21	6,814.79	1,900.00	-
Fire/Police 911 Dispatch Services	183,000.00	183,000.00	182,520.80	-	479.20	-
Manchester Township - Firearms Range	1,000.00	1,000.00	500.00	-	500.00	-
Total Other Operations - Excluded from "CAPS"	276,925.00	276,925.00	259,600.95	6,814.79	10,509.26	-
Public and Private Programs Offset By Revenues:						
Municipal Alliance on Alcoholism and Drug Abuse:						
State Share	6,668.00	6,668.00	6,668.00	-	-	-
Local Share	6,668.00	6,668.00	6,668.00	-	-	-
Ocean County "Circle of Life" Barnegat Bay						
Sewerage Pump Out Vessel Program	72,500.00	72,500.00	72,500.00	-	-	-
Clean Communities Grant	11,312.30	11,312.30	11,312.30	-	-	-
Body Armor	972.07	972.07	972.07	-	-	-
Recycling Tonnage	9,489.15	9,489.15	4,821.03	-	4,668.12	-
Community Development Block Grant	35,000.00	35,000.00	35,000.00	-	-	-
DMHAS Youth Leadership	4,828.79	4,828.79	4,828.79	-	-	-

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Original</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbered</u>	<u>Balance</u>
	<u>Budget</u>	<u>Modifications</u>	<u>Charged</u>	<u>Reserved</u>	<u>Canceled</u>
Total Public and Private Programs Offset By Revenues	147,438.31	147,438.31	142,770.19	-	4,668.12
Total Operations - Excluded from "CAPS"	424,363.31	424,363.31	402,371.14	6,814.79	15,177.38
Detail:					
Salaries and Wages	424,363.31	424,363.31	402,371.14	6,814.79	15,177.38
Other Expenses					
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	450,000.00	450,000.00	450,000.00	-	-
Acquisition of Police Vehicle -	55,000.00	55,000.00	-	-	55,000.00
Purchase Fire Truck	30,000.00	65,000.00	-	-	65,000.00
Acquisition of Equipment	50,000.00	50,000.00	18,958.03	24,817.60	6,224.37
Acquisition of HVAC	44,000.00	44,000.00	-	-	44,000.00
Total Capital Improvements - Excluded From "CAPS"	629,000.00	664,000.00	468,958.03	24,817.60	170,224.37
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Principal	588,000.00	588,000.00	588,000.00	-	-
Interest on Bonds	83,740.00	83,740.00	83,740.00	-	-
Interest on Notes	650.00	650.00	605.80	-	44.20
Loan Repayments for Principal and Interest	59,000.00	59,000.00	58,211.51	-	788.49
Total Municipal Debt Service - Excluded From "CAPS"	731,390.00	731,390.00	730,557.31	-	832.69

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Expended		Unexpended Balance <u>Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u> <u>Reserved</u>	
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	1,784,753.31	1,819,753.31	1,601,886.48	31,632.39	185,401.75
					832.69
Subtotal General Appropriations	11,613,052.42	11,613,052.42	10,372,275.17	277,928.94	832.69
Reserve for Uncollected Taxes	350,000.00	350,000.00	350,000.00	-	-
Total General Appropriations	\$ 11,963,052.42	\$ 11,963,052.42	\$ 10,722,275.17	\$ 277,928.94	\$ 832.69
Analysis of Paid or Charged:					
Cash Disbursements			\$ 10,229,504.98		
Reserve for:					
Uncollected Taxes			350,000.00		
Grants Appropriated			142,770.19		
			<u>\$ 10,722,275.17</u>		

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Assessment Trust Fund:		
Cash	\$ 93,667.25	\$ 93,667.25
Total Assessment Trust Fund	<u>93,667.25</u>	<u>93,667.25</u>
Animal Control Trust Fund:		
Cash	<u>955.40</u>	<u>1,157.00</u>
Total Animal Control Fund	<u>955.40</u>	<u>1,157.00</u>
Trust - Other Funds:		
Due From Current	10.00	-
Cash	<u>325,844.32</u>	<u>260,611.48</u>
Total Trust - Other Fund	<u>325,854.32</u>	<u>260,611.48</u>
Length of Service Award Program Fund ("LOSAP"):		
Investments	<u>442,673.22</u>	<u>511,758.92</u>
Total LOSAP	<u>442,673.22</u>	<u>511,758.92</u>
Total Assets	<u><u>\$ 863,150.19</u></u>	<u><u>\$ 867,194.65</u></u>

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<u>Liabilities, Reserves and Fund Balance</u>		
Assessment Trust Fund:		
Fund Balance	\$ 93,667.25	\$ 93,667.25
Total Assessment Trust Fund	<u>93,667.25</u>	<u>93,667.25</u>
Animal Control Trust Fund:		
Due To:		
Current Fund	283.00	327.60
Reserve for Animal Control Fund Expenditures	<u>672.40</u>	<u>829.40</u>
Total Animal Control Fund	<u>955.40</u>	<u>1,157.00</u>
Trust - Other Funds:		
Various Reserves	<u>325,854.32</u>	<u>260,611.48</u>
Total Trust - Other Fund	<u>325,854.32</u>	<u>260,611.48</u>
Length of Service Award Program Fund ("LOSAP"):		
Miscellaneous Reserves	<u>442,673.22</u>	<u>511,758.92</u>
Total LOSAP	<u>442,673.22</u>	<u>511,758.92</u>
Total Liabilities, Reserves and Fund Balance	<u><u>\$ 863,150.19</u></u>	<u><u>\$ 867,194.65</u></u>

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
TRUST FUND  
STATEMENT OF ASSESSMENT FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021**

Balance, December 31, 2022 and 2021

\$ 93,667.25

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
GENERAL CAPITAL FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash - Treasurer	\$ 2,356,801.18	\$ 2,741,809.94
Grants Receivable	591,400.00	730,600.00
Deferred Charges To Future Taxation:		
Funded	2,087,503.21	2,731,719.99
Unfunded	12,997,275.00	3,098,825.00
	<hr/>	<hr/>
Total Assets	<u>\$ 18,032,979.39</u>	<u>\$ 9,302,954.93</u>
 <u>Liabilities, Reserves and Fund Balance</u>		
Serial Bonds	\$ 2,030,000.00	\$ 2,618,000.00
Bond Anticipation Notes	5,011,450.00	233,000.00
Green Trust Loans Payable	57,503.21	113,719.99
Reserve for Encumbrances	286,496.32	28,991.42
Improvement Authorizations:		
Funded	1,339,156.26	2,481,576.77
Unfunded	8,558,840.84	2,990,583.99
Capital Improvement Fund	72,902.44	160,452.44
Reserve to Pay Debt Service	435,932.48	435,932.48
Fund Balance	240,697.84	240,697.84
	<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balance	<u>\$ 18,032,979.39</u>	<u>\$ 9,302,954.93</u>

There were bonds and notes authorized but not issued on December 31, 2022 in the amount of \$7,985,825.00 and on December 31, 2021 in the amount of \$2,865,825.00.

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2022 & 2021

\$ 240,697.84

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
WATER/SEWER UTILITY FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Operating Fund:		
Cash - Treasurer	\$ 2,186,126.42	\$ 2,002,522.94
Cash - Change Fund	200.00	200.00
	<u>2,186,326.42</u>	<u>2,002,722.94</u>
Receivables With Full Reserves:		
Consumer Accounts Receivable	279,992.42	213,871.70
	<u>279,992.42</u>	<u>213,871.70</u>
Total Operating Fund	<u>2,466,318.84</u>	<u>2,216,594.64</u>
Capital Fund:		
Cash	868,169.98	497,877.64
Performance Deposit - N.J. DOT	50,000.00	50,000.00
Performance Deposit - Ocean County Utilities Authority	2,000.00	2,000.00
Fixed Capital	23,781,369.60	23,781,369.60
Fixed Capital Authorized & Uncompleted	10,988,407.00	17,488,407.00
Total Capital Fund	<u>35,689,946.58</u>	<u>41,819,654.24</u>
Total Assets	<u>\$ 38,156,265.42</u>	<u>\$ 44,036,248.88</u>

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
WATER/SEWER UTILITY FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<u>Liabilities, Reserves and Fund Balances</u>		
Operating Fund:		
Appropriation Reserves	\$ 1,027,383.73	\$ 631,864.38
Encumbrances Payable	31,583.99	105,402.79
Accrued Interest Payable	74,384.08	60,356.92
Customer Overpayments	13,525.23	7,722.61
Accounts Payable	94,253.00	17,011.50
	<u>1,241,130.03</u>	<u>822,358.20</u>
Reserve for Receivables	279,992.42	213,871.70
Fund Balance	<u>945,196.39</u>	<u>1,180,364.74</u>
Total Operating Fund	<u>2,466,318.84</u>	<u>2,216,594.64</u>
Capital Fund:		
Serial Bonds	1,014,000.00	1,370,000.00
USDA Loans Payable	2,327,057.90	2,370,934.79
NJEIT Interim Construction Loan	5,991,573.27	4,509,706.02
NJEIT Loan Payable	-	971,980.00
Capital Improvement Fund	112,365.00	112,365.00
Bond Anticipation Notes	2,230,000.00	1,230,000.00
Improvement Authorizations:		
Funded	43,232.93	43,232.93
Unfunded	4,577,212.88	12,902,796.54
Reserve for Amortization	17,287,594.43	16,201,728.79
Deferred Reserve for Amortization	818,124.52	818,124.52
Reserve for Debt Service	628,566.14	628,566.14
Fund Balance	<u>660,219.51</u>	<u>660,219.51</u>
Total Capital Fund	<u>35,689,946.58</u>	<u>41,819,654.24</u>
Total Liabilities, Reserves and Fund Balances	<u>\$ 38,156,265.42</u>	<u>\$ 44,036,248.88</u>

There were bonds and notes authorized but not issued on December 31, 2022 in the amount of \$5,101,426.48 and on December 31, 2021 in the amount of \$13,797,203.48.

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
WATER/SEWER UTILITY FUND  
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 800,000.00	\$ 800,000.00
Water/Sewer Rents	2,379,673.39	2,513,775.37
Elevated Tank Lease	206,949.47	206,378.08
Miscellaneous Revenue Anticipated	17,219.73	23,785.02
Unexpended Balance of Appropriation Reserves	574,449.84	468,372.90
Cancelled Accrued Interest Payable	-	8,100.27
Cancelled Accounts Payable	1,431.50	14,211.00
	<hr/>	<hr/>
Total Revenue	3,979,723.93	4,034,622.64
	<hr/>	<hr/>
Expenditures:		
Operating	1,496,800.00	1,435,000.00
Capital Improvements	600,000.00	500,000.00
Debt Service	1,232,092.28	1,217,750.19
Deferred Charges and Statutory Expenditures	86,000.00	96,000.00
	<hr/>	<hr/>
Total Expenditures	3,414,892.28	3,248,750.19
	<hr/>	<hr/>
Excess in Revenue	564,831.65	785,872.45
	<hr/>	<hr/>
Fund Balance, January 1	1,180,364.74	1,194,492.29
	<hr/>	<hr/>
	1,745,196.39	1,980,364.74
Decreased By:		
Utilized as Anticipated Revenue	800,000.00	800,000.00
	<hr/>	<hr/>
Fund Balance, December 31	<u>\$ 945,196.39</u>	<u>\$ 1,180,364.74</u>

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
WATER/SEWER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2022 & 2021

\$ 660,219.51

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
WATER/SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 800,000.00	\$ 800,000.00	\$ -
Water/Sewer Rents	2,425,000.00	2,379,673.39	(45,326.61)
Elevated Tank Lease	180,000.00	206,949.47	26,949.47
Miscellaneous Revenue Anticipated	20,000.00	17,219.73	(2,780.27)
	<u>\$ 3,425,000.00</u>	<u>\$ 3,403,842.59</u>	<u>\$ (21,157.41)</u>

## Analysis of Rents:

Cash Receipts	\$ 2,371,950.78
Overpayments Applied	<u>7,722.61</u>
	<u>\$ 2,379,673.39</u>

## Miscellaneous:

Interest on Investments	\$ 6,729.21
Temporary Service Disconnect	1,100.00
Water Tap Fees	2,050.00
Interest on Delinquent Accounts	<u>7,340.52</u>
	<u>\$ 17,219.73</u>

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
WATER/SEWER UTILITY FUND  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved Cancelled</u>
Operating:					
Salaries and Wages	\$ 400,000.00	\$ 400,000.00	\$ 256,824.14	\$ -	\$ 143,175.86
Other Expenses	596,800.00	596,800.00	365,182.54	31,583.99	200,033.47
Ocean County Utilities Authority	500,000.00	500,000.00	444,290.00	-	55,710.00
Total Operating	1,496,800.00	1,496,800.00	1,066,296.68	31,583.99	398,919.33
Capital Improvements:					
Capital Outlay	400,000.00	400,000.00	-	-	400,000.00
J Street Building	100,000.00	100,000.00	-	-	100,000.00
Capital Improvement Fund	100,000.00	100,000.00	-	-	100,000.00
Total Capital Improvements	600,000.00	600,000.00	-	-	600,000.00
Debt Service:					
Payment of Bonds	356,000.00	356,000.00	356,000.00	-	-
Interest on Bonds	48,000.00	48,000.00	42,795.00	-	5,205.00
Interest on Notes	3,200.00	3,200.00	3,198.00	-	2.00
NJEIT - Loan Principal	600,000.00	600,000.00	597,060.75	-	2,939.25
NJEIT - Loan Interest	125,000.00	125,000.00	124,381.89	-	618.11
USDA Level Debt Payment	110,000.00	110,000.00	108,656.64	-	1,343.36
Total Debt Service	1,242,200.00	1,242,200.00	1,232,092.28	-	10,107.72
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	40,000.00	40,000.00	40,000.00	-	-
Unemployment Compensation Insurance	20,000.00	20,000.00	-	-	20,000.00
Social Security System (O.A.S.I.)	26,000.00	26,000.00	17,535.60	-	8,464.40
Total Statutory Expenditures	86,000.00	86,000.00	57,535.60	-	28,464.40
Total Water Utility Appropriations	\$ 3,425,000.00	\$ 3,425,000.00	\$ 2,355,924.56	\$ 31,583.99	\$ 1,027,383.73
Analysis of Paid or Charged:					
Cash Disbursements			\$ 2,205,024.82		
Accrued Interest Payable			150,899.74		
			<u>\$ 2,355,924.56</u>		

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
MARINA UTILITY OPERATING FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Operating Fund:		
Cash - Treasurer	\$ 917,998.76	\$ 723,077.76
Change Fund	600.00	600.00
	<hr/>	<hr/>
Total Operating Fund	918,598.76	723,677.76
	<hr/>	<hr/>
Capital Fund:		
Cash	304,315.63	332,437.88
Fixed Capital	4,024,387.39	4,024,387.39
Fixed Capital Authorized and Uncompleted	350,000.00	350,000.00
	<hr/>	<hr/>
Total Capital Fund	4,678,703.02	4,706,825.27
	<hr/>	<hr/>
Total Assets	<u>\$ 5,597,301.78</u>	<u>\$ 5,430,503.03</u>
	<hr/>	<hr/>
<u>Liabilities, Reserves and Fund Balances</u>		
Operating Fund:		
Appropriation Reserves	\$ 187,441.26	\$ 140,657.42
Prepaid Slip Rental Fees	225,905.92	210,506.16
Reserve for Encumbrances	13,256.74	8,195.09
Accrued Interest Payable	808.33	1,151.64
Sales Tax Payable	1,185.48	1,610.95
	<hr/>	<hr/>
	428,597.73	362,121.26
	<hr/>	<hr/>
Fund Balance	490,001.03	361,556.50
	<hr/>	<hr/>
Total Operating Fund	918,598.76	723,677.76
	<hr/>	<hr/>
Capital Fund:		
Green Trust Loans Payable	-	50,646.24
Serial Bonds	126,000.00	172,000.00
Reserve for Debt Service	9,230.50	9,230.50
Improvement Authorizations:		
Funded	-	8,000.00
Unfunded	301,340.10	332,500.00
Reserve for Encumbrances	11,037.65	-
Capital Improvement Fund	232,075.45	232,075.45
Reserve for Amortization	3,898,387.39	3,801,741.15
Deferred Reserve for Amortization	17,500.00	17,500.00
Fund Balance	83,131.93	83,131.93
	<hr/>	<hr/>
Total Capital Fund	4,678,703.02	4,706,825.27
	<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balances	<u>\$ 5,597,301.78</u>	<u>\$ 5,430,503.03</u>
	<hr/>	<hr/>

There were bonds and notes authorized but not issued on December 31, 2022 in the amount of \$332,500.00 and on December 31, 2021 in the amount of \$0.00.

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
MARINA UTILITY OPERATING FUND  
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 75,000.00	\$ 81,300.00
Boat Slip Rental Fees	348,428.56	354,553.40
Payables Cancelled	-	255.00
Miscellaneous Revenue Anticipated	63,319.85	72,465.86
Unexpended Balance of Appropriation Reserves	141,285.51	54,233.33
Petty Cash	-	400.00
	<hr/>	<hr/>
Total Revenue	628,033.92	563,207.59
	<hr/>	<hr/>
Expenditures:		
Operating	166,000.00	166,000.00
Capital Improvements	150,000.00	100,000.00
Debt Service	102,489.39	156,125.42
Deferred Charges and Statutory Expenditures	6,100.00	5,800.00
	<hr/>	<hr/>
Total Expenditures	424,589.39	427,925.42
	<hr/>	<hr/>
Excess in Revenue	203,444.53	135,282.17
Fund Balance, January 1	361,556.50	307,574.33
	<hr/>	<hr/>
	565,001.03	442,856.50
Decreased By:		
Utilized as Anticipated Revenue	75,000.00	81,300.00
	<hr/>	<hr/>
Fund Balance, December 31	<u>\$ 490,001.03</u>	<u>\$ 361,556.50</u>

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
MARINA UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2022 & 2021

\$ 83,131.93

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
MARINA UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 75,000.00	\$ 75,000.00	\$ -
Rents	325,000.00	348,428.56	23,428.56
Miscellaneous Revenue Anticipated	25,000.00	63,319.85	38,319.85
	<u>\$ 425,000.00</u>	<u>\$ 486,748.41</u>	<u>\$ 61,748.41</u>

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY  
MARINA UTILITY FUND  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		
	Original Budget	Budget After Modifications		Encumbered	Reserved	Cancelled
Operating:						
Salaries and Wages	\$ 46,000.00	\$ 46,000.00	\$ 36,930.10	\$ -	\$ 9,069.90	\$ -
Other Expenses	120,000.00	120,000.00	80,128.37	13,256.74	26,614.89	-
Total Operating	166,000.00	166,000.00	117,058.47	13,256.74	35,684.79	-
Capital Improvements:						
Capital Outlay	100,000.00	100,000.00	-	-	100,000.00	-
Capital Improvement Fund	50,000.00	50,000.00	-	-	50,000.00	-
Total Capital Improvements	150,000.00	150,000.00	-	-	150,000.00	-
Debt Service:						
Payment of Bond Principal	46,000.00	46,000.00	46,000.00	-	-	-
Interest on Bonds	5,680.00	5,680.00	5,345.00	-	-	335.00
Green Trust Loan Program	51,220.00	51,220.00	51,144.39	-	-	75.61
Total Debt Service	102,900.00	102,900.00	102,489.39	-	-	410.61
Statutory Expenditures:						
Contributions To:						
Public Employees' Retirement System	1,500.00	1,500.00	1,500.00	-	-	-
Unemployment Compensation Insurance	500.00	500.00	-	-	500.00	-
Social Security System (O.A.S.I.)	4,100.00	4,100.00	2,843.53	-	1,256.47	-
Total Statutory Expenditures	6,100.00	6,100.00	4,343.53	-	1,756.47	-
Total Marina Utility Appropriations	\$ 425,000.00	\$ 425,000.00	\$ 223,891.39	\$ 13,256.74	\$ 187,441.26	\$ 410.61

Analysis of Paid or Charged:	
Cash Disbursements	\$ 218,546.39
Accrued Interest on Payable	5,345.00
	<u>\$ 223,891.39</u>

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

**BOROUGH OF SEASIDE PARK**  
**COUNTY OF OCEAN, NEW JERSEY**  
**PAYROLL FUND**  
**STATEMENTS OF ASSETS, LIABILITIES AND RESERVES -**  
**REGULATORY BASIS**  
**DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash	\$ 83,935.20	\$ 61,217.98
Total Assets	<u>\$ 83,935.20</u>	<u>\$ 61,217.98</u>
<u>Liabilities and Reserves</u>		
Due to Various Agencies	\$ 83,911.19	\$ 52,274.34
Miscellaneous Interfunds	<u>24.01</u>	<u>8,943.64</u>
Total Liabilities and Reserves	<u>\$ 83,935.20</u>	<u>\$ 61,217.98</u>

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

**BOROUGH OF SEASIDE PARK**  
**COUNTY OF OCEAN, NEW JERSEY**  
**PUBLIC ASSISTANCE FUND**  
**STATEMENTS OF ASSETS, LIABILITIES AND RESERVES -**  
**REGULATORY BASIS**  
**DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash	\$ 23.22	\$ 6,142.22
Total Assets	<u>\$ 23.22</u>	<u>\$ 6,142.22</u>
<u>Liabilities and Reserves</u>		
Reserve for Public Assistance	\$ 23.22	\$ 6,142.22
Total Liabilities and Reserves	<u>\$ 23.22</u>	<u>\$ 6,142.22</u>

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

**BOROUGH OF SEASIDE PARK**  
**COUNTY OF OCEAN, NEW JERSEY**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**STATEMENT OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Land	\$ 22,271,252.82	\$ 22,271,252.82
Riparian Grants - Land	121,992,200.00	121,992,200.00
Buildings	10,082,931.00	6,345,831.00
Machinery & Equipment	<u>6,567,765.68</u>	<u>6,549,765.68</u>
Total Assets	<u>\$ 160,914,149.50</u>	<u>\$ 157,159,049.50</u>
 <u>Fund Balance</u>		
Investment in Fixed Assets	<u>\$ 160,914,149.50</u>	<u>\$ 157,159,049.50</u>
Total Fund Balance	<u>\$ 160,914,149.50</u>	<u>\$ 157,159,049.50</u>

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

**BOROUGH OF SEASIDE PARK  
COUNTY OF OCEAN, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

**Description of Financial Reporting Entity**

The Borough of Seaside Park, County of Ocean, New Jersey (hereafter referred to as the "Borough") is governed by the Borough form of government, with a mayor and a 6-member Borough Council. Administrative responsibilities are assigned to the Borough Manager. Policy is determined by Council and the Manager is responsible for carrying out such policy.

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

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

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

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

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

**Trust Assessment Fund**– This fund accounts for the financing of local improvements deemed to benefit the properties against which assessments are levied.

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

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

**Marina Utility Operating and Capital Funds** – These funds accounts for the operations and acquisition of capital facilities of the municipality owned marina utility.

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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

**Public Assistance Fund** – This fund accounts for receipts and disbursements that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes

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

**Payroll Fund** – This fund accounts for receipts and disbursements to account for the payroll and payroll tax liabilities of the Borough.

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

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

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

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

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

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

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

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

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

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

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

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

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

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

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

**Marina Utility Revenues** – Utility charges are based upon storage fees and slip rentals. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough’s Marina utility operating fund.

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

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

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

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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

**Deferred School Taxes** – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

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

**Expenditures** – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided on the accrual basis.

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

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

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

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*.
- Statement No. 93, *Replacement of Interbank Offered Rates*.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*. Requirements of this pronouncement related to paragraphs 4 and 5 were implemented in the prior year.

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

Accounting Pronouncements Effective in Future Reporting Periods

The following accounting pronouncements will become effective in future reporting periods:

- Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.
- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.
- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

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

**Note 2. Deposits and Investments**

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

**Deposits**

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

As of December 31, 2022, the Borough's bank balance of \$12,844,072.00 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 13,876,673.70
Uninsured and Uncollateralized	<u>269,587.75</u>
	<u><u>\$ 14,146,261.45</u></u>

**Investments**

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

Investments at Fair Value – The fair value measurements of investments are required to be reported based on the hierarchy established by GAAP. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available. As of December 31, 2022, the Borough had no investments held at Level 2 or 3.

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

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

<u>Investment type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2022</u>		<u>Investment Maturities (in Years)</u>
		<u>Level 1</u>	<u>Total</u>	<u>Less Than 1 Year</u>
Mutual Funds	\$ 390,426.49	\$ 390,426.49	\$ 390,426.49	\$ 390,426.49
	<u>\$ 390,426.49</u>	<u>\$ 390,426.49</u>	<u>\$ 390,426.49</u>	<u>\$ 390,426.49</u>
<u>Fund</u>				
Trust Fund - LOSAP	390,426.49	390,426.49	390,426.49	390,426.49
	<u>\$ 390,426.49</u>	<u>\$ 390,426.49</u>	<u>\$ 390,426.49</u>	<u>\$ 390,426.49</u>

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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

Investments at Contract Value - The Borough held a fully benefit-responsive investment contract with the Lincoln Financial Group (Lincoln) totaling \$51,601.86 as of December 31, 2022. Lincoln maintains the contributions in the group fixed annuity contract (fixed account). The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contract held by the Borough is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the LOSAP Plan. The Borough's ability to receive amounts due in accordance with the fully benefit-responsive investment contract is dependent on the contract issuer's ability to meet its financial obligations. The fixed account continues in-force until they are terminated by Lincoln or the LOSAP Plan and do not define a maturity date. The Borough does not policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

No events are probable of occurring that might limit the ability of the LOSAP Plan to transact at contract value with the contract issuer and also limit the ability of the LOSAP Plan to transact at contract value with participants. This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. The total Trust Fund LOSAP value held by the Borough at December 31, 2022 was as follows:

Trust Fund - LOSAP (Fair Value)	\$ 390,426.49
Trust Fund - LOSAP (Contract Value)	<u>52,246.73</u>
Total Trust Fund - LOSAP	<u><u>\$ 442,673.22</u></u>

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

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

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

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A: 5-15.1, the Borough's investment policies place no limit in the amount the Borough may invest in any one issuer. More than 5% of the Borough's investments are in Money Markets and Fixed Asset Account Investments. These investments represent 100% of the Borough's total investments.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 3. Property Taxes**

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

**Comparison Schedule of Tax Rates**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>\$ 1.552</u>	<u>\$ 1.519</u>	<u>\$ 1.503</u>
Apportionment of Tax Rate:			
Municipal	0.572	0.553	0.553
County General	0.419	0.407	0.416
Local School	0.036	0.039	0.051
Regional School	0.525	0.520	0.483

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2022	\$ 1,160,077,000.00
2021	1,155,477,800.00
2020	1,150,844,000.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2022	\$ 18,065,073.70	\$ 17,830,002.98	98.69%
2021	17,597,231.27	17,473,237.33	99.29%
2020	17,343,180.79	17,189,187.70	99.11%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2022	\$ 209,349.43	\$ 209,349.43	1.16%
2021	119,731.62	119,731.62	0.68%
2020	141,199.36	141,199.36	0.81%

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

The Borough had no properties acquired by liquidation of tax title liens as of December 31, 2022, 2021 or 2020.

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 5. Utility Service Charges**

The following are three-year comparisons of utility charges (rents) and collections for the current and previous two years.

<u>Year</u>	<u>Beginning Balance</u>	<u>Water/Sewer Charges</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2022	\$ 213,871.70	\$ 2,455,794.11	\$ 2,659,665.81	\$ 2,379,673.39	89.47%
2021	237,289.00	2,490,358.07	2,727,647.07	2,513,775.37	92.15%
2020	235,137.19	2,424,204.42	2,659,341.61	2,422,052.61	91.07%

<u>Year</u>	<u>Beginning Balance</u>	<u>Marina Charges</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2022	\$ -	\$ 348,428.56	\$ 348,428.56	\$ 348,428.56	100.00%
2021	100.00	354,453.40	354,553.40	354,553.40	100.00%
2020	-	345,274.20	345,274.20	345,174.20	99.97%

**Note 6. Fund Balances Appropriated**

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b>Current Fund:</b>			
2022	\$ 2,669,086.70	\$ 2,140,000.00	80.18%
2021	3,066,538.99	2,100,000.00	68.48%
2020	2,977,183.72	2,000,000.00	67.18%
<b>Water/Sewer Utility Operating Fund:</b>			
2022	\$ 945,196.39	\$ 600,000.00	63.48%
2021	1,180,364.74	800,000.00	67.78%
2020	1,194,492.29	800,000.00	66.97%
<b>Marina Utility Operating Fund:</b>			
2022	\$ 490,001.03	\$ 75,000.00	15.31%
2021	361,556.50	75,000.00	20.74%
2020	307,574.33	81,300.00	26.43%

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

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
Current Fund	\$ 307.01	\$ 82,762.34
State and Federal Grant Fund	82,752.34	-
Animal Control Trust	-	283.00
Trust Other Fund	10.00	-
Payroll Fund	-	24.01
	<u>\$ 83,069.41</u>	<u>\$ 83,069.41</u>

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

A summary of interfund transfers is as follows:

<b>Fund</b>	<b>Transfers In</b>	<b>Transfers Out</b>
Current Fund	\$ -	\$ 239,733.33
State and Federal Grant Fund	239,733.33	-
	<u>\$ 239,733.33</u>	<u>\$ 239,733.33</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

**Note 9. Fixed Assets**

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

	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2022</u>
Land	\$ 22,271,252.82	\$ -	\$ -	\$ 22,271,252.82
Riparian Grants - Land	121,992,200.00	-	-	121,992,200.00
Buildings and Improvements	6,345,831.00	3,737,100.00	-	10,082,931.00
Machinery & Equipment	6,549,765.68	18,000.00	-	6,567,765.68
	<u>\$ 157,159,049.50</u>	<u>\$ 3,755,100.00</u>	<u>\$ -</u>	<u>\$ 160,914,149.50</u>

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 10. Pension Obligations**

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2021, the Borough's contractually required contribution to PERS plan was \$230,606.

**Components of Net Pension Liability** - At December 31, 2022, the Borough's proportionate share of the PERS net pension liability was \$2,759,738. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Borough's proportion measured as of June 30, 2022, was 0.0182868532% which was an increase of 0.0011399641% from its proportion measured as of June 30, 2021.

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

	<u>12/31/2022</u>	<u>12/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Deferred Outflows of Resources	\$ 535,213	\$ 734,086
Deferred Inflows of Resources	869,706	1,982,815
Net Pension Liability	2,759,738	2,031,306
Borough's portion of the Plan's total Net Pension Liability	0.01829%	0.01715%

**Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources** - At December 31, 2022, the Borough's proportionate share of the PERS expense/(credit), calculated by the plan as of the June 30, 2022 measurement date is \$230,606.

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 19,919	\$ 17,565
Changes of Assumptions	8,551	413,242
Net Difference between Projected and Actual Earnings on Pension Plan Investments	114,223	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>392,520</u>	<u>438,899</u>
	<u>\$ 535,213</u>	<u>\$ 869,706</u>

The Borough will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.00
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	-	5.00
June 30, 2022	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04

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

<b><u>Year Ending December 31,</u></b>	<b><u>Amount</u></b>
2023	\$ (246,004)
2024	(129,881.00)
2025	(68,093.00)
2026	119,040.00
2027	(9,555.00)
	<hr/>
	<b><u>\$ (334,493)</u></b>

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

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.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

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

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

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 3,575,481	\$ 2,759,738	\$ 2,108,770

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

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

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

The following represents the membership tiers for PFRS:

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

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

**Basis of Presentation** - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2022, the State contributed an amount more than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2022, the Borough's contractually required contributions to PFRS plan was \$499,792.

**Net Pension Liability and Pension Expense** - At December 31, 2022 the Borough's proportionate share of the PFRS net pension liability was \$4,398,741. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Borough's proportion measured as of June 30, 2022, was 0.0384291800%, which was a increase of 0.0031881181% from its proportion measured as of June 30, 2021.

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

	<u>12/31/2022</u>	<u>12/30/2021</u>
	June 30, 2022	June 30, 2021
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 1,034,236	\$ 120,739
Deferred Inflows of Resources	1,341,091	2,906,896
Net Pension Liability	4,398,741	2,575,823
Borough's portion of the Plan's total net pension Liability	0.03843%	0.03524%

**Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources** – At December 31, 2022, the Borough's proportionate share of the PFRS expense/(credit), calculated by the plan as of the June 30, 2022 measurement date was \$(156,500). This expense/(credit) is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$499,792 to the plan in 2022.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 199,099	\$ 269,483
Changes of Assumptions	12,055	553,715
Net Difference between Projected and Actual Earnings on Pension Plan Investments	402,795	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	420,287	517,893
	<u>\$ 1,034,236</u>	<u>\$ 1,341,091</u>

The Borough will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.59	-
June 30, 2018	5.73	-
June 30, 2019	-	5.92
June 30, 2020	5.90	-
June 30, 2021	-	6.17
June 30, 2022	6.22	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90
June 30, 2022	-	6.22

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.00
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	-	5.00
June 30, 2022	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73
June 30, 2019	5.92	5.92
June 30, 2020	5.90	5.90
June 30, 2021	6.17	6.17
June 30, 2022	6.22	6.22

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

<b><u>Year Ending December 31,</u></b>	<b><u>Amount</u></b>
2023	\$ (239,528)
2024	(160,119.00)
2025	(153,456.00)
2026	260,249.00
2027	(16,825.00)
Thereafter	<u>(19,522.00)</u>
	<u><u>\$ (329,201)</u></u>

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

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

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Borough is \$782,847 as of December 31, 2022. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The State's proportion of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2022 was 0.0384291800%, which was an increase of 0.0031881181% from its proportion measured as of June 30, 2021, which is the same proportion as the Borough's. At December 31, 2022, the Borough's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 4,398,741
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>782,847</u>
	<u><u>\$ 5,181,588</u></u>

At December 31, 2022, the State's proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2022 measurement date was \$90,320.

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All future years
	3.25 - 16.25%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
	PubS-2010 amount-weighted mortality table
PFRS	using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2018 - June 30, 2021

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.

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

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

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

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 6,679,351	\$ 4,398,741	\$ 2,500,380
State of New Jersey's Proportionate  Share of Net Pension Liability associated with the Borough	<u>1,188,729</u>	<u>782,847</u>	<u>444,994</u>
	<u>\$ 7,868,080</u>	<u>\$ 5,181,588</u>	<u>\$ 2,945,374</u>

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

**Note 11. Postemployment Benefits Other Than Pensions**

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the year ended June 30, 2022. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2021.

**General Information about the OPEB Plan**

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 11. Postemployment Benefits Other Than Pensions (continued):**

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

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

**Basis of Presentation**

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

**Allocation Methodology**

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2021 were \$3,872,142,278 and \$14,177,910,609, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2020 through June 30, 2021. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

**Net OPEB Liability**

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 11. Postemployment Benefits Other Than Pensions (continued):**

Inflation Rate 2.50%

Salary Increases\*:

Public Employees' Retirement System (PERS)

Initial Fiscal Year Applied

Rate through 2026 2.00% to 6.00%

Rate thereafter 3.00% to 7.00%

Police and Firemen's Retirement System (PFRS)

Rate for all future years 3.25% to 15.25%

Mortality:

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

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

\* - Salary Increases are based on the defined benefit plan that the member is enrolled in and his or her age.

**OPEB Obligation and OPEB (benefit) Expense** - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Borough's as of June 30, 2021 was \$6,650,919. The Borough's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2021, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the OPEB Obligation associated with the Borough was based on projection of the State's long-term contributions to the OPEB plan associated with the Borough relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2021, the State proportionate share of the OPEB Obligation attributable to the Borough was 0.036950%, which was an increase of 0.011038% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$430,061.00 for the State's proportionate share of the OPEB (benefit) expense attributable to the Borough. This OPEB (benefit) expense was based on the OPEB plans June 30, 2021 measurement date.

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

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

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 11. Postemployment Benefits Other Than Pensions (continued):**

*Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after eight years.

*Discount Rate*

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

***Sensitivity of Net OPEB Liability to Changes in the Discount Rate***

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

	<u>At 1% Decrease (1.16%)</u>	<u>At Discount Rate (2.16%)</u>	<u>At 1% Increase (3.16%)</u>
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Township	\$ 7,826,855.92	\$ 6,650,919.00	\$ 5,718,963.71
State of New Jersey's Total Nonemployer OPEB Liability	21,182,289,882.00	17,999,781,235.00	15,477,574,697.00

***Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate:***

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Township	\$ 5,549,106.41	\$ 6,650,919.00	\$ 8,088,648.01
State of New Jersey's Total Nonemployer OPEB Liability	15,017,879,689.00	17,999,781,235.00	21,890,793,528.00

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 11. Postemployment Benefits Other Than Pensions (continued):**

**Additional Information** – The following is a summary of the collective balances of the local group at June 30, 2021:

**Collective Balances at December 31, 2021 and December 31, 2020**

	<u>12/31/2021</u>	<u>12/31/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 8,536,291,345.00	\$ 7,524,438,130.00
Collective Deferred Inflows of Resources	12,481,961,743.00	11,689,136,161.00
Collective Net OPEB Liability	17,999,781,235.00	17,946,612,946.00
Township's Portion	0.036950%	0.025912%

The collective amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2022	\$ (1,074,753,405.00)
2023	(1,076,167,210.00)
2024	(1,077,459,075.00)
2025	(769,416,743.00)
2026	(129,344,414.00)
Thereafter	<u>181,470,449.00</u>
	<u><u>\$ (3,945,670,398.00)</u></u>

*Changes in Proportion*

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Plan Membership**

At June 30, 2021, the Program membership consisted of the following:

	<u>June 30, 2021</u>
Active Plan Members	82,448
Retirees Currently Receiving Benefits	<u>16,707</u>
Total Plan Members	<u><u>99,155</u></u>

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 11. Postemployment Benefits Other Than Pensions (continued):**

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

Service Cost	\$ 846,075,674.00
Interest on the Total OPEB Liability	413,837,061.00
Change of Benefit Terms	2,029,119.00
Differences Between Expected and Actual Experience	(1,196,197,410.00)
Changes of Assumptions	339,165,715.00
Contributions From the Employer	(325,097,477.00)
Contributions From Non-Employer Contributing Entity	(37,777,433.00)
Net Investment Income	(201,343.00)
Administrative Expense	<u>11,334,383.00</u>
 Net Change in Total OPEB Liability	 53,168,289.00
 Total OPEB Liability (Beginning)	 <u>17,946,612,946.00</u>
 Total OPEB Liability (Ending)	 <u><u>\$ 17,999,781,235.00</u></u>

**Special Funding Situation**

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

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

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each employer are provided as each employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under the special funding situation and include their proportionate share of the collective net OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 11. Postemployment Benefits Other Than Pensions (continued):**

Additionally, the State's proportionate share of the OPEB liability attributable to the Borough is \$2,613,985.00 as of December 31, 2021. The OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of July 1, 2020, to the measurement date of June 30, 2021. The State's proportion of the OPEB liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2021 was 0.067696%, which was a decrease of 0.026978% from its proportion measured as of June 30, 2020, which is the same proportion as the Borough's. At December 31, 2021, the Borough's and the State of New Jersey's proportionate share of the OPEB liability were as follows:

State of New Jersey's	
Proportionate Share of OPEB Liability	
Associated with the Borough	\$ 2,613,985.00

At December 31, 2021, the State's proportionate share of the OPEB expense and related revenue, associated with the Borough, calculated by the plan as of the June 30, 2021 measurement date was \$(356,689.00).

**Note 12. Municipal Debt**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Issued:</b>			
General:			
Bonds, Notes and Loans	\$ 7,098,953.21	\$ 2,964,719.99	\$ 3,374,829.10
Water/Sewer Utility:			
Bonds, Notes and Loans	9,332,631.17	9,222,620.81	9,226,770.91
Marina Utility:			
Bonds, Notes and Loans	126,000.00	222,646.24	369,439.36
Total Debt Issued	<u>16,557,584.38</u>	<u>12,409,987.04</u>	<u>12,971,039.37</u>
<b>Authorized but not issued:</b>			
General:			
Bonds, Notes and Loans	7,985,825.00	2,865,825.00	512,925.00
Water/Sewer Utility:			
Bonds, Notes and Loans	5,101,426.48	13,797,302.48	15,999,282.48
Marina Utility:			
Bonds, Notes and Loans	332,500.00	-	-
Total Authorized But Not Issued	<u>13,419,751.48</u>	<u>16,663,127.48</u>	<u>16,512,207.48</u>
<b>Total Gross Debt</b>	<u><u>\$ 29,977,335.86</u></u>	<u><u>\$ 29,073,114.52</u></u>	<u><u>\$ 29,483,246.85</u></u>

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 12. Municipal Debt (Continued)**

**Deductions:**

General:

Funds on Hand For Payment of Bonds and Notes:

Reserve for Debt Service	435,932.48	435,932.48	435,932.48
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Utility:

Self Liquidating Debt	14,892,557.65	23,242,569.53	25,595,492.75
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Total Deductions	15,328,490.13	23,678,502.01	26,031,425.23
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<b>Total Net Debt</b>	<b>\$ 14,648,845.73</b>	<b>\$ 5,394,612.51</b>	<b>\$ 3,451,821.62</b>
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Summary of Statutory Debt Condition - Annual Debt Statement

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 15,084,778.21	\$ 435,932.48	\$ 14,648,845.73
Utility Debt	14,892,557.65	14,892,557.65	-
	<u>\$ 29,977,335.86</u>	<u>\$ 15,328,490.13</u>	<u>\$ 14,648,845.73</u>

Net Debt \$14,648,845.73 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$1,137,811,719.33 equals 1.112%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2022 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 46,123,410.18
Net Debt	<u>14,648,845.73</u>
Remaining Borrowing Power	<u>\$ 31,474,564.45</u>

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 12. Municipal Debt (Continued)**

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

Cash Receipts From Fees, Rents or Other Charges for the Year		\$ 3,403,842.59
Deductions:		
Operating and Maintenance Costs	\$ 1,582,800.00	
Debt Service	<u>1,232,092.20</u>	
Total Deductions		<u>2,814,892.20</u>
Excess/(Deficit) in Revenue		<u>\$ 588,950.39</u>

\*If Excess in Revenues all Utility Debt is Deducted

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

Cash Receipts From Fees, Rents or Other Charges for the Year		\$ 486,748.41
Deductions:		
Operating and Maintenance Costs	\$ 172,100.00	
Debt Service	<u>102,489.39</u>	
Total Deductions		<u>274,589.39</u>
Excess/(Deficit) in Revenue		<u>\$ 212,159.02</u>

\*If Excess in Revenues all Utility Debt is Deducted

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 12. Municipal Debt (Continued):**

**General Debt**

**A. Serial Bonds Payable**

On July 18, 2017, the Borough issued \$1,335,000.00 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 2.000% to 5.000% and mature on September 1, 2023.

On December 6, 2017, the Borough issued \$3,361,000.00 of General Improvement Bonds. The General Improvement Bonds were issued at an interest rate of 3.000% and mature on November 15, 2027.

Principal and interest due on the outstanding bonds is as follows:

Year	Principal	Interest	Total
2023	\$ 595,000.00	\$ 66,100.00	\$ 661,100.00
2024	345,000.00	43,050.00	388,050.00
2025	355,000.00	32,700.00	387,700.00
2026	360,000.00	22,050.00	382,050.00
2027	375,000.00	11,250.00	386,250.00
	<u>\$ 2,030,000.00</u>	<u>\$ 175,150.00</u>	<u>\$ 2,205,150.00</u>

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

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2022:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2022</u>
Reconstruction of 12th & 13th Avenues	4/13/2021	4/13/2022	1.25%	\$ 165,000.00
Reconstruction of H Street	4/13/2021	4/13/2023	1.25%	68,000.00
Bayfront Flooding and Wave Attenuation	4/13/2022	4/13/2023	1.25%	85,000.00
Reconstruction of G Street	4/13/2022	4/13/2023	1.25%	85,000.00
Acquisition of Real Property	12/22/2022	4/13/2023	3.84%	3,650,000.00
Acquisition of Garbage Truck	12/22/2022	4/13/2023	3.84%	270,750.00
Acquisition of Fire Equipment	12/22/2022	4/13/2023	3.84%	62,700.00
Boardwalk Improvements	4/13/2022	4/13/2023	1.25%	625,000.00
				<u><u>\$ 5,011,450.00</u></u>

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

As of December 31, 2022, the Borough had \$7,985,825.00 in various General Capital bonds and notes authorized but not issued.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 12. Municipal Debt (Continued):**

**D. Loans Payable**

Green Trust Loans

The Borough has entered into the following Green Trust Loan Agreements with the State of New Jersey:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance December 31, 2022</u>
Bayview Ave Walkway	8/14/2004	5/14/2023	\$ 17,812.73
Oceanfront Boardwalk	9/10/2004	8/15/2023	32,970.78
Bayview Ave Development	6/24/2006	3/30/2026	<u>6,719.69</u>
			<u><u>\$ 57,503.21</u></u>

The loans are payable over 20 years at an interest rate of 2.000%.

Principal and interest due on the outstanding loans is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 47,086.53	\$ 864.76	\$ 47,951.29
2024	4,104.58	187.92	4,292.50
2025	4,187.10	105.41	4,292.51
2026	<u>2,125.00</u>	<u>21.25</u>	<u>2,146.25</u>
	<u><u>\$ 57,503.21</u></u>	<u><u>\$ 1,179.34</u></u>	<u><u>\$ 58,682.55</u></u>

**Water/Sewer Utility Debt**

**A. Serial Bonds Payable**

On July 18, 2017, the Borough issued \$1,110,000.00 of Utility Refunding Bonds. The Bonds were issued at interest rates varying from 2.000% to 5.000% and mature on September 21, 2023.

On December 6, 2017, the Borough issued \$1,430,000.00 of Utility Improvement Bonds. The Bonds were issued at an interest rate of 3.000% and mature on November 15, 2027.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 12. Municipal Debt (Continued):**

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 374,000.00	\$ 34,800.00	\$ 408,800.00
2024	160,000.00	19,200.00	179,200.00
2025	160,000.00	14,400.00	174,400.00
2026	160,000.00	9,600.00	169,600.00
2027	160,000.00	4,800.00	164,800.00
	<u>\$ 1,014,000.00</u>	<u>\$ 82,800.00</u>	<u>\$ 1,096,800.00</u>

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

The following is a summary of bond anticipation notes payable accounted for in the Water/Sewer Utility Capital Fund at December 31, 2022:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2022</u>
Construction of Ph3A Watermain Replacement	4/13/2022	4/13/2023	1.25%	\$ 2,230,000.00
				<u>\$ 2,230,000.00</u>

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

As of December 31, 2022 the Borough had \$5,101,426.48 in various Water/Sewer Utility bonds and notes authorized but not issued.

**D. Loans Payable**

New Jersey Environmental Infrastructure Trust

In 2007 the Borough finalized one loan agreement with the State of New Jersey Department of Environmental Protection, pursuant to the 2007 New Jersey Environmental Infrastructure Trust (NJEIT) Financing Program.

The loan consists of two agreements, a Trust Loan Agreement of \$4,095,000.00 to be repaid over a 20 year period at interest rates ranging from 4.25% to 5.00%, and a no interest Fund Loan Agreement of \$3,861,964.00 to be repaid over a 20 year period. The proceeds of the loans are to provide for Water/Sewer System Improvements.

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 12. Municipal Debt (Continued):**

In 2012 the Borough finalized one loan agreement with the State of New Jersey Department of Environmental Protection, pursuant to the 2012 New Jersey Environmental Infrastructure Trust Financing Program.

The loan consists of two agreements, a Trust Loan Agreement of \$1,600,000.00 to be repaid over a 20 year period at interest rates ranging from 3.00% to 5.00%, and a no interest Fund Loan Agreement of \$1,746,000 to be repaid over a 20 year period. The proceeds of the loans are to provide for Water/Sewer System Improvements.

Principal and interest due on the outstanding loans is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 628,206.66	\$ 133,577.92	\$ 761,784.58
2024	676,911.71	133,317.50	810,229.21
2025	689,350.04	115,967.50	805,317.54
2026	706,423.54	97,867.50	804,291.04
2027	619,764.62	78,767.50	698,532.12
2028-2032	1,125,178.64	257,815.00	1,382,993.64
2033-2037	317,684.45	191,000.00	508,684.45
2038-2042	357,684.45	153,500.00	511,184.45
2043-2047	402,684.45	105,500.00	508,184.45
2048-2052	467,684.71	44,500.00	512,184.71
<hr/>			
	\$ 5,991,573.27	\$ 1,311,812.92	\$ 7,303,386.19

U.S. Department of Agriculture – Rural Development Program

The Borough has also entered into two agreements with U.S. Department of Agriculture – Rural Development Program. The first loan is dated June 10, 2015 for Water System Improvements. The agreement provides for an interest-bearing loan not to exceed \$1,653,700.00 at an interest rate of 2.750%. The second loan is dated June 10, 2015 for the Sewer System Improvements. This agreement provides for an interest bearing loan not to exceed \$975,000.00 at an interest rate of 2.750%.

Principal and interest due on the outstanding loans is as follows:

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 12. Municipal Debt (Continued):**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 45,091.80	\$ 63,686.20	\$ 108,778.00
2024	46,340.35	62,437.65	108,778.00
2025	47,623.46	61,154.54	108,778.00
2026	48,942.12	59,835.88	108,778.00
2027	50,297.28	58,480.72	108,778.00
2028-2032	273,164.08	305,594.99	578,759.07
2033-2037	313,135.48	270,725.92	583,861.40
2038-2042	358,955.78	230,754.52	589,710.30
2043-2047	411,480.85	132,409.15	543,890.00
2048-2052	471,691.78	72,198.22	543,890.00
2053-2055	260,334.92	11,610.09	271,945.01
	<u>\$ 2,327,057.90</u>	<u>\$ 1,328,887.88</u>	<u>\$ 3,655,945.78</u>

**Marina Utility Debt**

**A. Serial Bonds Payable**

On July 18, 2017, the Borough issued \$130,000.00 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 2.000% to 5.000% and mature on September 1, 2023.

On December 6, 2017, the Borough issued \$199,000.00 of Marina Improvement Bonds. The Marina Improvement Bonds were issued at an interest rate of 3.000% and mature on November 15, 2027.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 46,000.00	\$ 4,300.00	\$ 50,300.00
2024	20,000.00	2,400.00	22,400.00
2025	20,000.00	1,800.00	21,800.00
2026	20,000.00	1,200.00	21,200.00
2027	20,000.00	600.00	20,600.00
	<u>\$ 126,000.00</u>	<u>\$ 10,300.00</u>	<u>\$ 136,300.00</u>

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

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

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

The Borough had \$332,500 in bonds and notes authorized but not issued in the Marina Utility Fund at December 31, 2022.

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 12. Municipal Debt (Continued):**

	Balance December 31, <u>2021</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2022</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 2,618,000.00	\$ -	\$ 588,000.00	\$ 2,030,000.00	\$ 595,000.00
Bond Anticipation Notes	233,000.00	5,011,450.00	233,000.00	5,011,450.00	5,011,450.00
Green Trust Loans	113,719.99	-	56,216.79	57,503.21	47,086.53
	<u>\$ 2,964,719.99</u>	<u>\$ 5,011,450.00</u>	<u>\$ 877,216.79</u>	<u>\$ 7,098,953.21</u>	<u>\$ 5,653,536.53</u>
Water/Sewer Utility Capital:					
Utility Bonds	\$ 1,370,000.00	\$ -	\$ 356,000.00	\$ 1,014,000.00	\$ 374,000.00
Bond Anticipation Notes	1,230,000.00	2,230,000.00	1,230,000.00	2,230,000.00	2,230,000.00
NJEIT Loans	5,481,686.02	1,195,876.00	685,988.75	5,991,573.27	628,206.66
USDA Loans	2,370,057.90	-	43,000.00	2,327,057.90	45,091.80
	<u>\$ 10,451,743.92</u>	<u>\$ 3,425,876.00</u>	<u>\$ 2,314,988.75</u>	<u>\$ 11,562,631.17</u>	<u>\$ 3,277,298.46</u>
Marina Utility Capital:					
Utility Bonds	\$ 172,000.00	\$ -	\$ 46,000.00	\$ 126,000.00	\$ 46,000.00
Green Trust Loans	50,646.24	-	50,646.24	-	-
	<u>\$ 222,646.24</u>	<u>\$ -</u>	<u>\$ 96,646.24</u>	<u>\$ 126,000.00</u>	<u>\$ 46,000.00</u>

**Summary of Debt Principal**

A summary of the changes in long-term and short term debt of the Borough is as follows:

**Note 13. Deferred School Taxes**

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

<u>Local School Taxes</u>	Balance, December 31,	
	<u>2022</u>	<u>2021</u>
Total Balance of Local Tax	<u>\$ 274,594.00</u>	<u>\$ 313,509.00</u>
Local Tax Payable	<u>\$ 274,594.00</u>	<u>\$ 313,509.00</u>
<u>Regional High School Tax</u>	Balance, December 31,	
	<u>2022</u>	<u>2021</u>
Total Balance of Regional Tax	<u>\$ 2,434,678.21</u>	<u>\$ 2,375,534.21</u>
Deferred Taxes	<u>910,523.00</u>	<u>910,523.00</u>
Regional Tax Payable	<u>\$ 1,524,155.21</u>	<u>\$ 1,465,011.21</u>

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 14. Deferred Compensation Salary Account**

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

**Note 15. Accrued Sick, Vacation and Compensation Time**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation, sick pay and compensation time. The Borough permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$1,027,109.37 at December 31, 2022.

**Note 16. Risk Management**

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

**Joint Insurance Pool**

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

Crime	\$50,000
Commercial General Liability	\$300,000
Law Enforcement Professional Liability	\$300,000
Bodily Injury and Property Damage Liability (Auto)	\$300,000
Workers Compensation	\$300,000
Environmental Legal Liability	various

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

Worker's Compensation	\$5,000,000
Commercial General Liability	\$5,000,000
Law Enforcement Professional Liability	\$5,000,000
Employer's Liability	\$5,000,000
Auto Liability	\$5,000,000
Crime	\$1,000,000

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 16. Risk Management (Continued)**

**New Jersey Unemployment Compensation Insurance**

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

**Note 17. Contingencies**

**Grantor Agencies**

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency.

**Litigation**

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

**Tax Appeals**

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2022.

**Note 18. Length of Service Awards Program**

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

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

**Contributions** - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Borough elected to contribute between \$0.00 and \$1,705.00 for the year ended December 31, 2022 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2022, the Borough contributed a total of \$17,050.00 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 18. Length of Service Awards Program (continued)**

The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

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

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

**Payment of Benefits** - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2022 payouts of \$6,043.16 were made to vested participants.

**Forfeited Accounts** – During the year ended December 31, 2022, no accounts were forfeited.

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

**Note 19. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2022 and September 21, 2023, the date the financial statements were available to be issued.

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**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**Description of Financial Reporting Entity**

The Borough of Seaside Park, County of Ocean, New Jersey (hereafter referred to as the "Borough") is governed by the Borough form of government, with a mayor and a 6-member Borough Council. Administrative responsibilities are assigned to the Borough Manager. Policy is determined by Council and the Manager is responsible for carrying out such policy.

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

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

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

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

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

**Trust Assessment Fund**– This fund accounts for the financing of local improvements deemed to benefit the properties against which assessments are levied.

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

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

**Marina Utility Operating and Capital Funds** – These funds accounts for the operations and acquisition of capital facilities of the municipality owned marina utility.

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**Public Assistance Fund** – This fund accounts for receipts and disbursements that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes

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

**Payroll Fund** – This fund accounts for receipts and disbursements to account for the payroll and payroll tax liabilities of the Borough.

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

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

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

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

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

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

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

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

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

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

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

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

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

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

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

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

**Marina Utility Revenues** – Utility charges are based upon storage fees and slip rentals. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough’s Marina utility operating fund.

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

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

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

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**Deferred School Taxes** – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

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

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

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

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

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

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Accounting Pronouncements Adopted in Current Year

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

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

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

Accounting Pronouncements Effective in Future Reporting Periods

The following accounting pronouncements will become effective in future reporting periods:

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

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

**Note 2. Deposits and Investments**

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

**Deposits**

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

As of December 31, 2023, the Borough's bank balance of \$16,218,383 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 15,811,862
Uninsured and Uncollateralized	<u>406,521</u>
	<u><u>\$ 16,218,383</u></u>

**Investments**

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

Investments at Fair Value – The fair value measurements of investments are required to be reported based on the hierarchy established by GAAP. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available. As of December 31, 2023, the Borough had no investments held at Level 2 or 3.

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

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

<u>Investment type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2023</u>		<u>Investment Maturities (in Years)</u>
		<u>Level 1</u>	<u>Total</u>	<u>Less Than 1 Year</u>
Mutual Funds	\$ 390,426	\$ 390,426	\$ 390,426	\$ 390,426
	<u>\$ 390,426</u>	<u>\$ 390,426</u>	<u>\$ 390,426</u>	<u>\$ 390,426</u>
<u>Fund</u>				
Trust Fund - LOSAP	\$ 390,426	\$ 390,426	\$ 390,426	\$ 390,426
	<u>\$ 390,426</u>	<u>\$ 390,426</u>	<u>\$ 390,426</u>	<u>\$ 390,426</u>

See independent accountant's compilation report.

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Investments at Contract Value - The Borough held a fully benefit-responsive investment contract with the Lincoln Financial Group (Lincoln) totaling \$51,602 as of December 31, 2023. Lincoln maintains the contributions in the group fixed annuity contract (fixed account). The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contract held by the Borough is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the LOSAP Plan. The Borough's ability to receive amounts due in accordance with the fully benefit-responsive investment contract is dependent on the contract issuer's ability to meet its financial obligations. The fixed account continues in-force until they are terminated by Lincoln or the LOSAP Plan and do not define a maturity date. The Borough does not policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

No events are probable of occurring that might limit the ability of the LOSAP Plan to transact at contract value with the contract issuer and also limit the ability of the LOSAP Plan to transact at contract value with participants. This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. The total Trust Fund LOSAP value held by the Borough at December 31, 2023 was as follows:

Trust Fund - LOSAP (Fair Value)	\$ 390,426
Trust Fund - LOSAP (Contract Value)	<u>52,247</u>
Total Trust Fund - LOSAP	<u><u>\$ 442,673</u></u>

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

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

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

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A: 5-15.1, the Borough's investment policies place no limit in the amount the Borough may invest in any one issuer. More than 5% of the Borough's investments are in Money Markets and Fixed Asset Account Investments. These investments represent 100% of the Borough's total investments.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 3. Property Taxes**

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

**Comparison Schedule of Tax Rates**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	<u>\$ 1.609</u>	<u>\$ 1.552</u>	<u>\$ 1.519</u>
Apportionment of Tax Rate:			
Municipal	0.588	0.572	0.553
County General	0.464	0.419	0.407
Local School	0.049	0.036	0.039
Regional School	0.508	0.525	0.520

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2023	\$ 1,166,529,000
2022	1,160,077,000
2021	1,155,477,800

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2023	\$ 18,843,994	\$ 18,389,809	97.58%
2022	18,065,074	17,830,003	98.69%
2021	17,597,231	17,473,237	99.29%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2023	\$ 468,480	\$ 468,480	2.49%
2022	209,349	209,349	1.16%
2021	119,732	119,732	0.68%

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

The Borough had no properties acquired by liquidation of tax title liens as of December 31, 2023, 2022 or 2021.

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 5. Utility Service Charges**

The following are three-year comparisons of utility charges (rents) and collections for the current and previous two years.

<u>Year</u>	<u>Beginning Balance</u>	<u>Water/Sewer Charges</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2023	\$ 279,992	\$ 2,370,577	\$ 2,650,569	\$ 2,428,181	91.60%
2022	213,872	2,445,794	2,659,666	2,379,673	89.47%
2021	237,289	2,490,358	2,727,647	2,513,775	92.15%

<u>Year</u>	<u>Beginning Balance</u>	<u>Marina Charges</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2023	\$ -	\$ 587,759	\$ 587,759	\$ 587,759	100.00%
2022	-	348,429	348,429	348,429	100.00%
2021	100	354,453	354,553	354,553	100.00%

**Note 6. Fund Balances Appropriated**

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b>Current Fund:</b>			
2023	\$ 2,161,858	* Not available	N/A
2022	2,669,087	2,140,000	80.18%
2021	3,066,539	2,100,000	68.48%
<b>Water/Sewer Utility Operating Fund:</b>			
2023	\$ 1,600,358	* Not available	N/A
2022	945,196	600,000	63.48%
2021	1,180,365	800,000	67.78%
<b>Marina Utility Operating Fund:</b>			
2023	\$ 754,896	* Not available	N/A
2022	490,001	75,000	15.31%
2021	361,557	75,000	20.74%

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

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

See independent accountant's compilation report.

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
Current Fund	\$ 41,771	\$ 508,154
State and Federal Grant Fund	-	41,464
Animal Control Trust	-	24
Trust Other Fund	10	-
Payroll Fund	-	283
Utility Operating Fund	60,439	-
Utility Capital Fund	-	2,854,864
General Capital Fund	3,302,569	-
	<u>\$ 3,404,789</u>	<u>\$ 3,404,789</u>

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

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

**Note 9. Fixed Assets**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2023.

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2023</u>
Land	\$ 22,271,253	\$ -	\$ -	\$ 22,271,253
Riparian Grants - Land	121,992,200	-	-	121,992,200
Buildings and Improvements	10,082,931	-	-	10,082,931
Machinery & Equipment	6,567,766	-	-	6,567,766
	<u>\$ 160,914,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,914,150</u>

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 10. Pension Obligations**

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
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**Note 10. Pension Obligations (continued)**

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

normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2021, the Borough's contractually required contribution to PERS plan was \$230,606.

**Components of Net Pension Liability** - At December 31, 2022, the Borough's proportionate share of the PERS net pension liability was \$2,759,738. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Borough's proportion measured as of June 30, 2022, was 0.0182868532% which was an increase of 0.0011399641% from its proportion measured as of June 30, 2021.

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

	<u>12/31/2022</u>	<u>12/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Deferred Outflows of Resources	\$ 535,213	\$ 734,086
Deferred Inflows of Resources	869,706	1,982,815
Net Pension Liability	2,759,738	2,031,306
Borough's portion of the Plan's total Net Pension Liability	0.01829%	0.01715%

**Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources** - At December 31, 2022, the Borough's proportionate share of the PERS expense/(credit), calculated by the plan as of the June 30, 2022 measurement date is \$230,606.

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 19,919	\$ 17,565
Changes of Assumptions	8,551	413,242
Net Difference between Projected and Actual Earnings on Pension Plan Investments	114,223	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>392,520</u>	<u>438,899</u>
	<u>\$ 535,213</u>	<u>\$ 869,706</u>

The Borough will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04

See independent accountant's compilation report.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.00
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	-	5.00
June 30, 2022	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04

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

<b><u>Year Ending December 31,</u></b>	<b><u>Amount</u></b>
2023	\$ (246,004)
2024	(129,881.00)
2025	(68,093.00)
2026	119,040.00
2027	(9,555.00)
	<hr/>
	<b><u>\$ (334,493)</u></b>

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

See independent accountant's compilation report.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

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

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the Borough as of December 31, 2022. At December 31, 2022, the State's proportionate share of the PERS expense, associated with the Borough, calculated by the plan as of the June 30, 2021 measurement date was \$5,807.

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

Inflation:

Price	2.75%
Wage	3.25%

Salary Increases:

2.75 - 6.55%  
Based on Years of Service

Investment Rate of Return 7.00%

Mortality Rate Table

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

Period of Actuarial Experience

Study upon which Actuarial

Assumptions were Based

July 1, 2018 - June 30, 2021

Pre-retirement mortality rates were based on the Pub-2010 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.

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**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

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

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

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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.

See independent accountant's compilation report.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 3,575,481	\$ 2,759,738	\$ 2,108,770

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

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

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

The following represents the membership tiers for PFRS:

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

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

**Basis of Presentation** - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles.

See independent accountant's compilation report.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2022, the State contributed an amount more than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2022, the Borough's contractually required contributions to PFRS plan was \$499,792.

**Net Pension Liability and Pension Expense** - At December 31, 2022 the Borough's proportionate share of the PFRS net pension liability was \$4,398,741. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Borough's proportion measured as of June 30, 2022, was 0.0384291800%, which was a increase of 0.0031881181% from its proportion measured as of June 30, 2021.

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

	<u>12/31/2022</u>	<u>12/30/2021</u>
	June 30, 2022	June 30, 2021
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 1,034,236	\$ 120,739
Deferred Inflows of Resources	1,341,091	2,906,896
Net Pension Liability	4,398,741	2,575,823
Borough's portion of the Plan's total net pension Liability	0.03843%	0.03524%

**Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources** – At December 31, 2022, the Borough's proportionate share of the PFRS expense/(credit), calculated by the plan as of the June 30, 2022 measurement date was \$(156,500). This expense/(credit) is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$499,792 to the plan in 2022.

See independent accountant's compilation report.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

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

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 199,099	\$ 269,483
Changes of Assumptions	12,055	553,715
Net Difference between Projected and Actual Earnings on Pension Plan Investments	402,795	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	420,287	517,893
	<b><u>\$ 1,034,236</u></b>	<b><u>\$ 1,341,091</u></b>

The Borough will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.59	-
June 30, 2018	5.73	-
June 30, 2019	-	5.92
June 30, 2020	5.90	-
June 30, 2021	-	6.17
June 30, 2022	6.22	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90
June 30, 2022	-	6.22

See independent accountant's compilation report.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.00
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	-	5.00
June 30, 2022	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73
June 30, 2019	5.92	5.92
June 30, 2020	5.90	5.90
June 30, 2021	6.17	6.17
June 30, 2022	6.22	6.22

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

<b><u>Year Ending December 31,</u></b>	<b><u>Amount</u></b>
2023	\$ (239,528)
2024	(160,119.00)
2025	(153,456.00)
2026	260,249.00
2027	(16,825.00)
Thereafter	<u>(19,522.00)</u>
	<u><u>\$ (329,201)</u></u>

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

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**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

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

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Borough is \$782,847 as of December 31, 2022. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The State's proportion of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2022 was 0.0384291800%, which was an increase of 0.0031881181% from its proportion measured as of June 30, 2021, which is the same proportion as the Borough's. At December 31, 2022, the Borough's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 4,398,741
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>782,847</u>
	<u><u>\$ 5,181,588</u></u>

At December 31, 2022, the State's proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2022 measurement date was \$90,320.

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All future years
	3.25 - 16.25%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PFRS	PubS-2010 amount-weighted mortality table using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2018 - June 30, 2021

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.

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

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

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

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

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 6,679,351	\$ 4,398,741	\$ 2,500,380
State of New Jersey's Proportionate  Share of Net Pension Liability associated with the Borough	<u>1,188,729</u>	<u>782,847</u>	<u>444,994</u>
	<u><u>\$ 7,868,080</u></u>	<u><u>\$ 5,181,588</u></u>	<u><u>\$ 2,945,374</u></u>

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

**Note 12. Municipal Debt**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Issued:</b>			
General:			
Bonds, Notes and Loans	\$ 9,228,417	\$ 7,098,953	\$ 2,964,720
Water/Sewer Utility:			
Bonds, Notes and Loans	10,810,333	9,332,631	9,222,621
Marina Utility:			
Bonds, Notes and Loans	<u>80,000</u>	<u>126,000</u>	<u>222,646</u>
Total Debt Issued	<u>\$ 20,118,749</u>	<u>\$ 16,557,584</u>	<u>\$ 12,409,987</u>
<b>Authorized but not issued:</b>			
General:			
Bonds, Notes and Loans	\$ 5,299,275	\$ 7,985,825	\$ 2,865,825
Water/Sewer Utility:			
Bonds, Notes and Loans	4,806,426	5,101,426	13,797,302
Marina Utility:			
Bonds, Notes and Loans	<u>332,500</u>	<u>332,500</u>	<u>-</u>
Total Authorized But Not Issued	<u>10,438,201</u>	<u>13,419,751</u>	<u>16,663,127</u>
<b>Total Gross Debt</b>	<u><u>\$ 30,556,951</u></u>	<u><u>\$ 29,977,336</u></u>	<u><u>\$ 29,073,115</u></u>

See independent accountant's compilation report.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 12. Municipal Debt (Continued)**

**Deductions:**

General:

Funds on Hand For Payment of Bonds and Notes:

Reserve for Debt Service	\$	435,932	\$	435,932	\$	435,932
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Utility:

Self Liquidating Debt		16,029,259		14,892,558		23,242,570
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Total Deductions		16,465,192		15,328,490		23,678,502
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<b>Total Net Debt</b>	<b>\$</b>	<b>14,091,759</b>	<b>\$</b>	<b>14,648,846</b>	<b>\$</b>	<b>5,394,613</b>
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Summary of Statutory Debt Condition - Annual Debt Statement

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

	<u>Gross Debt</u>		<u>Deductions</u>		<u>Net Debt</u>
General Debt	\$ 14,527,692	\$	435,932	\$	14,091,759
Utility Debt	16,029,259		16,029,259		-
	<u>\$ 30,556,951</u>	<u>\$</u>	<u>16,465,192</u>	<u>\$</u>	<u>14,091,759</u>

Net Debt \$14,091,759 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$1,680,635,355 equals .838%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2023 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$	58,822,237
Net Debt		<u>14,091,759</u>
Remaining Borrowing Power	<u>\$</u>	<u>44,730,478</u>

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 12. Municipal Debt (Continued)**

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

Cash Receipts From Fees, Rents or Other Charges for the Year		\$ 3,290,177
Deductions:		
Operating and Maintenance Costs	\$ 1,590,144	
Debt Service	1,225,856	
Total Deductions		2,816,000
Excess/(Deficit) in Revenue		\$ 474,177

\*If Excess in Revenues all Utility Debt is Deducted

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

Cash Receipts From Fees, Rents or Other Charges for the Year		\$ 768,472
Deductions:		
Operating and Maintenance Costs	\$ 204,700	
Debt Service	50,300	
Total Deductions		255,000
Excess/(Deficit) in Revenue		\$ 513,472

\*If Excess in Revenues all Utility Debt is Deducted

**General Debt**

**A. Serial Bonds Payable**

On July 18, 2017, the Borough issued \$1,335,000.00 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 2.000% to 5.000% and matured on September 1, 2023.

On December 6, 2017, the Borough issued \$3,361,000.00 of General Improvement Bonds. The General Improvement Bonds were issued at an interest rate of 3.000% and mature on November 15, 2027.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 12. Municipal Debt (Continued):**

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 345,000	\$ 43,050	\$ 388,050
2025	355,000	32,700	387,700
2026	360,000	22,050	382,050
2027	375,000	11,250	386,250
	<u>\$ 1,435,000</u>	<u>\$ 109,050</u>	<u>\$ 1,544,050</u>

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

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

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2023</u>
Reconstruction of 12th & 13th Avenues	4/13/2023	4/12/2024	4.50%	\$ 165,000
Reconstruction of H Street	4/13/2023	4/12/2024	4.50%	153,000
Reconstruction of G Street	4/13/2023	4/12/2024	4.50%	85,000
Acquisition of Real Property	4/13/2023	4/12/2024	4.50%	4,275,000
Acquisition of Garbage Truck	4/13/2023	4/12/2024	4.50%	270,750
Acquisition of Fire Equipment	4/13/2023	4/12/2024	4.50%	62,700
Improvements to Ballfields	4/13/2023	4/12/2024	4.50%	949,550
Improvements to Parking Lots	4/13/2023	4/12/2024	4.50%	950,000
Boardwalk Improvements	4/13/2023	4/12/2024	4.50%	872,000
				<u>\$ 7,783,000</u>

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

As of December 31, 2023, the Borough had \$5,299,275 in various General Capital bonds and notes authorized but not issued.

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 12. Municipal Debt (Continued):**

**D. Loans Payable**

Green Trust Loans

The Borough has entered into the following Green Trust Loan Agreements with the State of New Jersey:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance December 31, 2023</u>
Bayview Ave Walkway	8/14/2004	5/14/2023	\$ 3,227
Oceanfront Boardwalk	9/10/2004	8/15/2023	5,973
Bayview Ave Development	6/24/2006	3/30/2026	<u>1,217</u>
			<u>\$ 10,417</u>

The loans are payable over 20 years at an interest rate of 2.00%.

Principal and interest due on the outstanding loans is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,105	\$ 188	\$ 4,293
2025	4,187	105	4,294
2026	<u>2,125</u>	<u>22</u>	<u>2,147</u>
	<u>\$ 10,417</u>	<u>\$ 315</u>	<u>\$ 10,734</u>

**Water/Sewer Utility Debt**

**A. Serial Bonds Payable**

On July 18, 2017, the Borough issued \$1,110,000 of Utility Refunding Bonds. The Bonds were issued at interest rates varying from 2.00% to 5.00% and matured on September 21, 2023.

On December 6, 2017, the Borough issued \$1,430,000 of Utility Improvement Bonds. The Bonds were issued at an interest rate of 3.00% and mature on November 15, 2027.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 12. Municipal Debt (Continued):**

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 160,000	\$ 19,200	\$ 179,200
2025	160,000	14,400	174,400
2026	160,000	9,600	169,600
2027	160,000	4,800	164,800
	<u>\$ 640,000</u>	<u>\$ 48,000</u>	<u>\$ 688,000</u>

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

The following is a summary of bond anticipation notes payable accounted for in the Water/Sewer Utility Capital Fund at December 31, 2023:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2023</u>
Construction of Ph3A Watermain Replacement	4/12/2023	4/12/2024	4.50%	\$ 2,525,000
				<u>\$ 2,525,000</u>

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

As of December 31, 2023 the Borough had \$4,806,426.48 in various Water/Sewer Utility bonds and notes authorized but not issued.

**D. Loans Payable**

New Jersey Environmental Infrastructure Trust

In 2007 the Borough finalized one loan agreement with the State of New Jersey Department of Environmental Protection, pursuant to the 2007 New Jersey Environmental Infrastructure Trust (NJEIT) Financing Program.

The loan consists of two agreements, a Trust Loan Agreement of \$4,095,000.00 to be repaid over a 20 year period at interest rates ranging from 4.25% to 5.00%, and a no interest Fund Loan Agreement of \$3,861,964.00 to be repaid over a 20 year period. The proceeds of the loans are to provide for Water/Sewer System Improvements.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 12. Municipal Debt (Continued):**

In 2012 the Borough finalized one loan agreement with the State of New Jersey Department of Environmental Protection, pursuant to the 2012 New Jersey Environmental Infrastructure Trust Financing Program.

The loan consists of two agreements, a Trust Loan Agreement of \$1,600,000.00 to be repaid over a 20 year period at interest rates ranging from 3.00% to 5.00%, and a no interest Fund Loan Agreement of \$1,746,000 to be repaid over a 20 year period. The proceeds of the loans are to provide for Water/Sewer System Improvements.

Principal and interest due on the outstanding loans is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 676,912	\$ 133,318	\$ 810,229
2025	689,350	115,968	805,318
2026	706,424	97,868	804,291
2027	619,765	78,768	698,532
2028	248,576	257,406	505,982
2029-2033	887,429	229,690	1,117,119
2034-2038	322,684	164,500	487,184
2039-2043	367,684	153,500	521,184
2044-2048	412,684	105,500	518,184
2049-2052	431,859	44,500	476,359
<hr/>			
	\$ 5,363,367	\$ 1,381,016	\$ 6,744,383

U.S. Department of Agriculture – Rural Development Program

The Borough has also entered into two agreements with U.S. Department of Agriculture – Rural Development Program. The first loan is dated June 10, 2015 for Water System Improvements. The agreement provides for an interest-bearing loan not to exceed \$1,653,700.00 at an interest rate of 2.750%. The second loan is dated June 10, 2015 for the Sewer System Improvements. This agreement provides for an interest bearing loan not to exceed \$975,000.00 at an interest rate of 2.750%.

Principal and interest due on the outstanding loans is as follows:

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 12. Municipal Debt (Continued):**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 46,340	\$ 62,438	\$ 108,778
2025	47,623	61,155	108,778
2026	48,942	59,836	108,778
2027	50,297	58,481	108,778
2028	51,690	57,088	108,778
2029-2033	280,728	263,162	543,890
2034-2038	321,806	222,084	543,890
2039-2043	368,895	174,995	543,890
2044-2048	422,874	121,016	543,890
2049-2053	484,753	59,138	543,890
2054-2055	158,017	5,150	163,167
	<u>\$ 2,281,966</u>	<u>\$ 1,144,541</u>	<u>\$ 3,426,507</u>

**Marina Utility Debt**

**A. Serial Bonds Payable**

On July 18, 2017, the Borough issued \$130,000.00 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 2.000% to 5.000% and matured on September 1, 2023.

On December 6, 2017, the Borough issued \$199,000.00 of Marina Improvement Bonds. The Marina Improvement Bonds were issued at an interest rate of 3.000% and mature on November 15, 2027.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 20,000	\$ 2,400	\$ 22,400
2025	20,000	1,800	21,800
2026	20,000	1,200	21,200
2027	20,000	600	20,600
	<u>\$ 80,000</u>	<u>\$ 6,000</u>	<u>\$ 86,000</u>

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

The Borough had no bond anticipation notes outstanding in the Marina Utility Fund at December 31, 2023

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

The Borough had \$332,500 in bonds and notes authorized but not issued in the Marina Utility Fund at December 31, 2023.

**BOROUGH OF SEASIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 12. Municipal Debt (Continued):**

	Balance December 31, <u>2022</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2023</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 2,030,000	\$ -	\$ 595,000	\$ 1,435,000	\$ 345,000
Bond Anticipation Notes	5,011,450	5,011,450	233,000	9,789,900	9,789,900
Green Trust Loans	57,503	-	47,087	10,417	10,417
	<u>\$ 7,098,953</u>	<u>\$ 5,011,450</u>	<u>\$ 875,087</u>	<u>\$ 11,235,317</u>	<u>\$ 10,145,317</u>
Water/Sewer Utility Capital:					
Utility Bonds	\$ 1,014,000	\$ -	\$ 374,000	\$ 640,000	\$ 160,000
Bond Anticipation Notes	2,230,000	2,230,000	1,230,000	2,230,000	2,230,000
NJEIT Loans	29,915,736	1,195,876	685,989	30,425,624	676,912
USDA Loans	2,327,058	-	45,092	2,281,966	46,340
	<u>\$ 35,486,794</u>	<u>\$ 3,425,876</u>	<u>\$ 2,335,081</u>	<u>\$ 35,577,590</u>	<u>\$ 3,113,252</u>
Marina Utility Capital:					
Utility Bonds	\$ 126,000	\$ -	\$ 46,000	\$ 80,000	\$ 20,000
	<u>\$ 126,000</u>	<u>\$ -</u>	<u>\$ 46,000</u>	<u>\$ 80,000</u>	<u>\$ 20,000</u>

**Summary of Debt Principal**

A summary of the changes in long-term and short term debt of the Borough is as follows:

**Note 13. Deferred School Taxes**

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

<u>Local School Taxes</u>	Balance, December 31,	
	<u>2023</u>	<u>2022</u>
Total Balance of Local Tax	\$ 189,163	\$ 274,594
Local Tax Payable	<u>\$ 189,163</u>	<u>\$ 274,594</u>
	Balance, December 31,	
<u>Regional High School Tax</u>	<u>2023</u>	<u>2022</u>
Total Balance of Regional Tax	\$ 2,372,339	\$ 2,434,678
Deferred Taxes	<u>910,523</u>	<u>910,523</u>
Regional Tax Payable	<u>\$ 1,461,816</u>	<u>\$ 1,524,155</u>

See independent accountant's compilation report.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 14. Deferred Compensation Salary Account**

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

**Note 15. Accrued Sick, Vacation and Compensation Time**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation, sick pay and compensation time. The Borough permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$1,027,109 at December 31, 2023.

**Note 16. Risk Management**

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

**Joint Insurance Pool**

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

Crime	\$50,000
Commercial General Liability	\$300,000
Law Enforcement Professional Liability	\$300,000
Bodily Injury and Property Damage Liability (Auto)	\$300,000
Workers Compensation	\$300,000
Environmental Legal Liability	various

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

Worker's Compensation	\$5,000,000
Commercial General Liability	\$5,000,000
Law Enforcement Professional Liability	\$5,000,000
Employer's Liability	\$5,000,000
Auto Liability	\$5,000,000
Crime	\$1,000,000

Contributions to the Funds are payable in two installments and are based on actuarial assumptions determined by the Funds' actuaries. The Fund publishes its own financial report for the year ended December 31, 2023 which can be obtained on the Fund's website.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 16. Risk Management (Continued)**

**New Jersey Unemployment Compensation Insurance**

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

**Note 17. Contingencies**

**Grantor Agencies**

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency.

**Litigation**

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

**Tax Appeals**

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

**Note 18. Length of Service Awards Program**

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

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

**Contributions** - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Borough elected to contribute between \$0.00 and \$1,705.00 for the year ended December 31, 2023 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2023, the Borough contributed a total of \$17,050.00 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan.

**BOROUGH OF SEASIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 18. Length of Service Awards Program (continued)**

The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

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

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

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

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

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

**Note 19. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2023 and March 19, 2024, the date the financial statements were available to be issued.

APPENDIX C  
FORMS OF BOND COUNSEL OPINIONS

*An opinion in substantially the following form  
will be delivered at Closing, assuming no  
material changes in facts or law*

\_\_\_\_\_, 2024

Mayor and Borough Council of the  
Borough of Seaside Park, in the  
County of Ocean, New Jersey

Re: Borough of Seaside Park, in the County of Ocean, New Jersey  
\$\_\_\_\_\_ General Obligation Bonds, Series 2024

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Borough of Seaside Park, in the County of Ocean, New Jersey (the “Borough”), of its General Obligation Bonds, Series 2024, in the aggregate principal amount of \$\_\_\_\_\_ (the “2024 Bonds”). The 2024 Bonds are general obligations of the Borough and the full faith, credit and taxing power of the Borough is available to pay the principal of and interest on the 2024 Bonds. The 2024 Bonds are dated \_\_\_\_\_, 2024 and mature on April 1 in the years and in the principal amounts and bear interest at the rates, payable on October 1, 2024, and semiannually thereafter on April 1 and October 1 in each year until maturity or earlier redemption, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025			2035		
2026			2036		
2027			2037		
2028			2038		
2029			2039		
2030			2040		
2031			2041		
2032			2042		
2033			2043		
2034			2044		

The 2024 Bonds will be initially issued in book-entry form only in the form of one certificate for the principal amount of the 2024 Bonds maturing in each year, registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2024 Bonds. DTC will be responsible for maintaining the book-entry system for recording the interests of its participants or the transfers of such interests among such participants. Such participants shall be responsible for maintaining records regarding the beneficial ownership interests in the 2024 Bonds on behalf of individual purchasers. Individual purchases of the 2024 Bonds may be made in the principal amount of \$5,000 or multiples of \$1,000 in excess thereof through book-entries on the books and records of DTC and its participants.

The 2024 Bonds are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective October 1, 1962, and the acts amendatory thereof and supplemental thereto (the "Act"), Bond Ordinance Nos. 2020-05, 2020-11 as amended and restated by 2022-05, 07-2021 as amended and restated by 2022-05, 1-2022, 2022-13, 2022-14 and 2022-15 (collectively, the "Ordinances"), and a resolution adopted by the Borough Council on March 7, 2024 (the "Resolution"). The 2024 Bonds are issued for the purpose of providing funds for the refinancing of the capital improvements described in the Ordinances.

The 2024 Bonds are subject to redemption prior to maturity as described in the Resolution.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the 2024 Bonds, including (a) copies of the Resolution and the Ordinances; (b) such matters of law, including, *inter alia*, the Act and the Internal Revenue Code of 1986, as amended (the "Code"); and (c) such other agreements, proceedings, certificates, records, approvals, resolutions and documents as to various matters with respect to the issuance of the 2024 Bonds as we have deemed necessary. We have further assumed and relied upon the genuineness, accuracy and completeness of all of the documents and other instruments which we have examined. As to questions of fact material to our opinion, we have relied upon the proceedings and other certifications of public officials executed and furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The 2024 Bonds have been duly authorized, issued, executed and sold by the Borough; the Ordinances and the Resolution have been duly authorized and adopted by the Borough; and the 2024 Bonds, the Ordinances and the Resolution are legal, valid and binding obligations of the Borough enforceable in accordance with their respective terms.

2. The Borough has covenanted to comply with any continuing requirements that may be necessary to preserve the exclusion from gross income for purposes of federal income taxation of interest on the 2024 Bonds under the Code. Failure to comply with certain requirements of the Code could cause interest on the 2024 Bonds to be includable in gross income for federal income

tax purposes retroactive to the date of issuance of the 2024 Bonds. In our opinion, assuming continuing compliance by the Borough with its covenants, under current law, interest on the 2024 Bonds is not includable in gross income for federal income tax purposes and is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

3. Under current law, interest on the 2024 Bonds and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act.

4. The power and obligation of the Borough to pay the 2024 Bonds is unlimited, and the Borough shall be required to levy *ad valorem* taxes upon all taxable property within the Borough for the payment of the principal of and interest on the 2024 Bonds without limitation as to rate or amount.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their respective terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraphs 2 and 3 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the 2024 Bonds.

The opinions expressed herein are limited to and based upon the laws and judicial decisions of the State of New Jersey and the federal laws and judicial decisions of the United States of America as of the date hereof, and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions or to any laws or judicial decisions hereafter enacted or rendered.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the 2024 Bonds.

DECOTIIS, FITZPATRICK, COLE & GIBLIN, LLP

*An opinion in substantially the following form  
will be delivered at Closing, assuming no  
material changes in facts or law*

\_\_\_\_\_, 2024

Mayor and Council of the  
Borough of Seaside Park, in the  
County of Ocean, New Jersey

Re: Borough of Seaside Park, in the County of Ocean, New Jersey  
\$5,777,000 Bond Anticipation Notes, Series 2024

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Borough of Seaside Park, in the County of Ocean, New Jersey (the “Borough” or the “Issuer”), of its \$5,777,000 Bond Anticipation Notes, Series 2024, consisting of \$3,268,000 General Capital Bond Anticipation Notes and \$2,509,000 Water and Sewer Utility Bond Anticipation Notes (collectively, the “Notes”). The Notes are general obligations of the Issuer and the full faith, credit and taxing power of the Issuer are available to pay the principal of and the interest on the Notes. The Notes are issued in registered form and are dated April \_\_, 2024, mature on April 11, 2025, bear interest at a rate of \_\_% per annum payable at maturity, and are not subject to redemption prior to maturity.

The Notes are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962 and the acts amendatory thereof and supplemental thereto (the “Act”), and ordinances of the Issuer numbered 1-2022, 2022-15, 2022-16, 2022-17, 2022-18 and 2022-19 (collectively, the “Ordinances”). The Notes are issued for the purpose of financing and refinancing previously authorized capital improvement projects as described in the Ordinances.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Notes, including: (a) copies of the Ordinances; (b) such matters of law, including, inter alia, the Act and the Internal Revenue Code of 1986, as amended (the “Code”); and (c) such other agreements, proceedings, certificates, records, approvals, resolutions, and documents as to various matters with respect to the issuance of the Notes, as we have deemed necessary. We have further assumed and relied upon the genuineness, accuracy and completeness of all of the documents and other instruments which we have examined. As to questions of fact material to our opinion, we have relied on the forms of the proceedings and other certifications of public officials to be executed and furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The Notes have been duly authorized, issued, executed and sold by the Issuer; the Ordinances have been duly authorized and adopted by the Issuer; and the Notes and the Ordinances are legal, valid and binding obligations enforceable in accordance with their respective terms.

2. The Issuer has covenanted to comply with any continuing requirements that may be necessary to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Notes under the Code. Failure to comply with certain requirements of the Code could cause interest on the Notes to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. In our opinion, assuming continuing compliance by the Issuer with its covenants, under current law, interest on the Notes is not includable in gross income for federal income tax purposes and is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

3. Under current law, interest on the Notes and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act.

4. The power and obligation of the Issuer to pay the Notes is unlimited, and, unless paid from other sources, the Issuer shall be obligated to levy ad valorem taxes upon all the taxable property within the Borough of Seaside Park for the payment of the principal of and interest on the Notes, without limitation as to rate or amount.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally, and by equitable principles, and the phrase "enforceable in accordance with their respective terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraphs 2 and 3, we express no opinion regarding other federal and state tax consequences arising with respect to the Notes.

The opinions expressed herein are limited to and based upon the laws and judicial decisions of the State of New Jersey and the federal laws and judicial decisions of the United States of America as of the date hereof, and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions or to any laws or judicial decisions hereafter enacted or rendered.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Notes.

DECOTIIS, FITZPATRICK, COLE & GIBLIN, LLP

APPENDIX D  
FORMS OF CONTINUING DISCLOSURE CERTIFICATES

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Borough of Seaside Park, in the County of Ocean, New Jersey (the "Issuer"), in connection with the issuance by the Issuer of \$\_\_\_\_\_ aggregate principal amount of General Obligation Bonds, Series 2024 (the "Bonds"). The Issuer covenants and agrees as follows:

*Section 1. Purpose of the Disclosure Certificate.* This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

*Section 2. Definitions.* In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any Bond, including holders of beneficial interests in the Bonds.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" means the MSRB's Electronic Municipal Markets Access System.

"Financial Obligation" means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b); provided, however that the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of New Jersey.

*Section 3.      Provision of Annual Reports.*

(a) Not later than nine (9) months after the end of the Issuer’s fiscal year, beginning with the fiscal year ending December 31, 2024, the Issuer shall, or shall cause the Dissemination Agent to, provide to the MSRB, in an electronic format as prescribed by the MSRB and accompanied by such identifying information as is prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information which has been made available to the public on the MSRB’s website or filed with the Securities and Exchange Commission; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall, if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided.

*Section 4.      Content of Annual Reports.* The Issuer's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting standards (GAAS) as from time to time in effect, and as prescribed by the Division of Local Government Services in the Department of Community Affairs of the State pursuant to Chapter 5 of Title 40A of the New Jersey Statutes. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be provided pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be provided in the same manner as the Annual Report when they become available.

(b) The financial information and operating data consisting of information concerning the Issuer’s debt, overlapping indebtedness, tax rate, levy and collection data, property valuation and fund balance of the type contained in the Official Statement dated \_\_\_\_\_, 2024, pertaining

to the sale of the Bonds.

*Section 5.      Reporting of Significant Events.*

(a) Pursuant to the provisions of this Section 5, the Issuer will provide, in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events, to the MSRB through EMMA, notice of any of the following events with respect to the Bonds (each, a “Listed Event”):

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of holders of the Bonds, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee, or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Bonds, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) Upon the occurrence of a Listed Event, the Issuer shall promptly file, in a timely manner not in excess of ten (10) business days after the occurrence of the Listed Event, in an electronic format as prescribed by the MSRB and accompanied by such identifying information as is prescribed by the MSRB, a notice of such occurrence with the MSRB through EMMA. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Bondholders of affected Bonds pursuant to the Resolution.

*Section 6. Termination of Reporting Obligation.* The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

*Section 7. Dissemination Agent.* The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

*Section 8. Amendment; Waiver.* Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

*Section 9.*     Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

*Section 10.*     Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

*Section 11.*     Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

*Section 12.*      Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the Bondholders and Beneficial Owners from time to time of the Bonds and shall create no rights in any other person or entity.

Dated: \_\_\_\_\_, 2024

BOROUGH OF SEASIDE PARK, IN THE  
COUNTY OF OCEAN, NEW JERSEY

By: \_\_\_\_\_  
Chief Financial Officer

**EXHIBIT A**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Borough of Seaside Park, in the County of Ocean, New Jersey

Name of Bond Issue: \$\_\_\_\_\_ aggregate principal amount of General Obligation Bonds,  
Series 2024

Dated Date: \_\_\_\_\_, 2024

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated \_\_\_\_\_, 2024. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.  
\_\_\_\_\_.

Dated: \_\_\_\_\_

BOROUGH OF SEASIDE PARK, IN THE  
COUNTY OF OCEAN, NEW JERSEY

By:

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Borough of Seaside Park, in the County of Ocean, New Jersey (the “Issuer”), in connection with the issuance by the Issuer of \$5,777,000 principal amount of the Issuer’s Bond Anticipation Notes, (the “Notes”). The Issuer covenants and agrees as follows:

*Section 1. Purpose of the Disclosure Certificate.* This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Noteholders and Beneficial Owners of the Notes and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission.

*Section 2. Definitions.* The following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes for federal income tax purposes.

“Dissemination Agent” shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“EMMA” means the MSRB’s Electronic Municipal Markets Access System.

“Financial Obligation” means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b); provided, however that the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 3(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Noteholder” shall mean any person who is the registered owner of any Note, including holders of beneficial interests in the Note.

“Participating Underwriter” shall mean any of the original underwriters of the Notes required to comply with the Rule in connection with offering of the Notes.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

*Section 3.      Reporting of Significant Events.*

(a) Pursuant to the provisions of this Section 3, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Notes:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on the debt service reserves reflecting financial difficulties;
4. unscheduled draws on the credit enhancements reflecting financial difficulties;
5. substitution of the credit or liquidity providers or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes or other material events affecting the tax status of the Notes;
7. modifications to rights of Noteholders;
8. note calls, if material, and tender offers;
9. defeasances;
10. release, substitution or sale of property securing repayment of the Notes, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the Issuer;
13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee, or the change of name of a trustee, if material;

15. incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Bonds, if material; and

16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall file or cause to be filed a notice of such occurrence with the MSRB through EMMA in a timely manner not in excess of ten (10) business days after the occurrence of such event. The notice shall be filed in an electronic format as prescribed by the MSRB and shall be accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Notes.

*Section 4. Termination of Reporting Obligation.* The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes. If such termination occurs prior to the final maturity of the Notes, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 3(b).

*Section 5. Dissemination Agent.* The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

*Section 6. Amendment; Waiver.* Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Notes, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Noteholders or Beneficial Owners of the Notes.

*Section 7.*     Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future or notice of occurrence of a Listed Event.

*Section 8.*     Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Noteholder or Beneficial Owner of the Notes may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Notes, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

*Section 9.*     Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section 9 shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

*Section 10.*    Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the Noteholders and Beneficial Owners from time to time of the Notes and shall create no rights in any other person or entity.

Dated: \_\_\_\_\_, 2024

BOROUGH OF SEASIDE PARK, IN THE COUNTY  
OF OCEAN, NEW JERSEY

By: \_\_\_\_\_  
Joyce E. Tinnes, Chief Financial Officer