

BOROUGH OF CLAYTON
COUNTY OF GLOUCESTER

REPORT OF AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2022

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BOROUGH OF CLAYTON

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Clayton
Clayton, New Jersey 08312

Report on the Audit of the Financial Statements

Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

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

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

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

Basis for Opinion on Regulatory Basis of Accounting

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

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

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

Emphasis of Matter***Change in Accounting Principle***

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

Consistency of Financial Statements

Because of the implementation of GASB Statement No. 87, the Borough has determined that lease agreements in which they are the lessor have now been disclosed in accordance with the Statement (note 8). Our opinions are not modified with respect to this matter. In addition, the Borough has determined that certain disclosures relating to capital leases in the prior year are now disclosed as financed purchases (note 14). Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2023 on our consideration of the Borough of Clayton'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 Clayton'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 Clayton's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael D. Cesaro
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 14, 2023

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Clayton
Clayton, New Jersey 08312

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of Clayton, in the County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated August 14, 2023. That report indicated that the Borough of Clayton's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle and an additional paragraph on the consistency of financial statements resulting from the new accounting principle.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 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 were not 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael D. Cesaro
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 14, 2023

BOROUGH OF CLAYTON
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2022 and 2021

	Ref.	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Regular Fund:			
Cash--Treasurer	SA-1	\$ 6,155,106.69	\$ 6,369,785.24
Cash--Payroll and Agency	SA-1	41,825.84	36,968.20
Cash--Collector	SA-2	241,939.69	243,508.82
Cash--Change Funds	SA-3	400.00	400.00
		<u>6,439,272.22</u>	<u>6,650,662.26</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	403,007.59	340,248.71
Tax Title Liens Receivable	SA-5	178,144.85	178,621.12
Property Acquired for Taxes--Assessed Valuation	SA-10	1,053,500.00	1,148,000.00
Revenue Accounts Receivable	SA-6	3,164.34	1,662.98
Miscellaneous Charges Receivable	SA-8	27,195.96	20,127.75
Clean-up Charges Receivable	SA-9	4,637.57	6,201.07
Due from Animal Control Fund	SB-4	587.62	7.10
Due from Federal and State Grant Fund	SA-23	150,173.58	
Due from Trust Other Fund	SB-5	1,298.13	2,380.91
Due from General Capital Fund	SC-2	626.65	255.06
		<u>1,822,336.29</u>	<u>1,697,504.70</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-53)	SA-19		11,000.00
		<u>-</u>	<u>11,000.00</u>
		<u>8,261,608.51</u>	<u>8,359,166.96</u>
Federal and State Grant Fund:			
Cash	SA-1		354,586.75
Federal and State Grants Receivable	SA-24	2,366,905.93	523,166.28
		<u>2,366,905.93</u>	<u>877,753.03</u>
		<u>\$ 10,628,514.44</u>	<u>\$ 9,236,919.99</u>

(Continued)

BOROUGH OF CLAYTON
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2022 and 2021

	Ref.	2022	2021
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3 & SA-8	\$ 1,158,070.63	\$ 1,438,320.82
Reserve for Encumbrances	SA-12	202,067.59	121,732.76
Prepaid Taxes	SA-15	200,565.06	158,250.44
Prepaid PILOT	SA-11	8,658.62	6,678.47
Due to County for Added and Omitted Taxes	SA-18	16,943.08	20,376.45
Due to County of Gloucester - PILOT	SA-11	12,093.47	12,188.18
Local School Taxes Payable	SA-22	768,024.53	763,909.53
Due to State of New Jersey (Ch. 73, P.L. 1976)	SA-7	4,541.35	5,153.55
Accounts Payable	SA-14	7,988.75	57,570.66
Payroll Deductions Payable	SA-20	41,800.66	36,949.27
Reserve for Codification of Ordinance	SA-11	124.00	124.00
Reserve for Master Plan	SA-21	1,535.00	1,535.00
Reserve for Security Deposits	SA-11	500.00	470.00
Reserve for Municipal Relief Aid	SA-1	28,898.22	
Due to Township of Elk	SA-11	2.00	
Due to State of New Jersey--Marriage License Fees	SA-11		125.00
Due to State of New Jersey--DCA Fees	SA-11	1,859.00	1,637.00
		2,453,671.96	2,625,021.13
Reserve for Receivables and Other Assets	A	1,822,336.29	1,697,504.70
Fund Balance	A-1	3,985,600.26	4,036,641.13
		8,261,608.51	8,359,166.96
Federal and State Grant Fund:			
Due to Current Fund	SA-23	150,173.58	
Unappropriated Reserves	SA-25	1,305.76	457,296.91
Reserve for Encumbrances	SA-13 & SA-26	390,563.08	73,884.76
Appropriated Reserves	SA-26	1,824,863.51	346,571.36
		2,366,905.93	877,753.03
		\$ 10,628,514.44	\$ 9,236,919.99

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

BOROUGH OF CLAYTON

CURRENT FUND

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

	2022	2021
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,437,950.00	\$ 1,410,000.00
Miscellaneous Revenue Anticipated	3,834,288.72	2,349,502.92
Receipts from Delinquent Taxes	384,807.14	466,509.11
Receipts from Current Taxes	18,545,473.85	18,272,125.18
Non-Budget Revenues	347,862.80	438,176.81
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,112,995.37	1,226,649.75
Accounts Payable Cancelled	2,892.61	
Tax Overpayments Cancelled		206.30
Statutory Excess in Reserve for Dog Fund Expenditures	578.00	
Cancellation of Reserves for Federal and State Grants	24,763.95	60,639.77
Reserves Liquidated:		
Due from Federal and State Grant Fund		199,167.63
Due from Trust Other Fund	1,082.78	
Due from General Capital Fund		35.70
Total Income	25,692,695.22	24,423,013.17
<u>Expenditures</u>		
Budget Appropriations:		
Operations--Within "CAPS":		
Salaries and Wages	3,051,799.00	2,971,950.00
Other Expenses	3,407,725.00	3,417,815.00
Deferred Charges and Statutory Expenditures--Within "CAPS"	809,431.00	745,003.00
Operations-- Excluded from "CAPS":		
Salaries and Wages	52,080.00	49,104.00
Other Expenses	410,202.47	456,814.28
Capital Improvements--Excluded from "CAPS"	2,010,482.00	327,186.00
Municipal Debt Service--Excluded from "CAPS"	497,041.62	495,119.94
Deferred Charges--Excluded from "CAPS"	11,000.00	11,000.00
County Taxes	3,724,695.16	3,642,845.00
Due to County for Added and Omitted Taxes	16,943.08	20,376.45
Local School Tax	10,137,872.00	10,129,643.00
Senior Citizens' Deductions Disallowed by Tax Collector--		
Prior Year Taxes	625.12	1,041.12
Cancellation of Federal and State Grants Receivable	24,763.95	60,639.77
Reserves Created:		
Due from Federal and State Grant Fund	150,173.58	
Due from General Capital Fund	371.59	
Due from Trust Other Fund		333.97
Due from Animal Control Fund	580.52	0.86
Total Expenditures	24,305,786.09	22,328,872.39
Excess in Revenue	1,386,909.13	2,094,140.78
Balance Jan. 1	4,036,641.13	3,352,500.35
Decreased by:	5,423,550.26	5,446,641.13
Utilized as Revenue	1,437,950.00	1,410,000.00
Balance Dec. 31	\$ 3,985,600.26	\$ 4,036,641.13

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

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

	<u>Anticipated</u>		
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>
			<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 1,437,950.00		\$ 1,437,950.00
Miscellaneous Revenue			
Fees and Permits:			
Other	27,000.00		39,261.70 \$ 12,261.70
Fines and Costs:			
Municipal Court	33,000.00		32,253.56 (746.44)
Interest and Cost on Taxes	91,000.00		77,354.55 (13,645.45)
Interest on Investments and Deposits	32,000.00		43,818.55 11,818.55
Energy Receipts Tax	553,989.00		553,989.00
Uniform Construction Code Fees	114,000.00		106,693.00 (7,307.00)
Shared Services Agreement - Clayton BOE School Res. Off.	55,380.00		55,380.00
NJ DOT Trust Fund Authority Act - Local Freight Impact - Cenco		\$ 900,000.00	900,000.00
NJ DOT Trust Fund Authority Act - Safe Routes to School Program		632,000.00	632,000.00
NJ Transportation Trust Fund - E. High Street Improvements	275,532.00		275,532.00
Recycling Tonnage Grant	9,433.71		9,433.71
Municipal Alliance on Alcoholism and Drug Abuse	5,500.00	4,000.00	9,500.00
Safe and Secure Community Program	32,400.00		32,400.00
Body Armor Replacement Fund	1,044.70		1,044.70
Distracted Driving Campaign	1,200.00		1,200.00
County of Gloucester - Road Imp. on Roberts Avenue	50,000.00		50,000.00
County of Gloucester - Road Imp. on Bellview Avenue	50,000.00		50,000.00
Environmental Commission Grant		500.00	500.00
Clean Communities Program		19,038.66	19,038.66
Drive Sober or Get Pulled Over		3,120.00	3,120.00
Bulletproof Vest Partnership		2,570.40	2,570.40
Click It or Ticket		1,920.00	1,920.00
Other Special Items:			
Payment in Lieu of Taxes - The Reserve and Aberdeen	895,000.00		937,278.89 42,278.89
Miscellaneous Revenue Anticipated	2,226,479.41	1,563,149.06	3,834,288.72 44,660.25
Receipts from Delinquent Taxes	395,000.00		384,807.14 (10,192.86)
Amounts to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes Including			
Reserve for Uncollected Taxes	5,046,907.00		5,085,684.61 38,777.61
Budget Totals	9,106,336.41	1,563,149.06	10,742,730.47 73,245.00
Non-Budget Revenues			347,862.80 347,862.80
	\$ 9,106,336.41	\$ 1,563,149.06	\$ 11,090,593.27 \$ 421,107.80

(Continued)

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

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections	\$ 18,545,473.85
Allocated to:	
School, County and Local Open Space Taxes	<u>13,879,510.24</u>

Balance for Support of Municipal Budget Appropriations	4,665,963.61
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Add: Appropriation "Reserve for Uncollected Taxes"	<u>419,721.00</u>
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Amount for Support of Municipal Budget Appropriations	<u><u>\$ 5,085,684.61</u></u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 336,357.37
Tax Title Lien Collections	<u>48,449.77</u>

	<u><u>\$ 384,807.14</u></u>
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Fees and Permits-- Other:

Clerk:	
Fees and Permits-- Other	<u><u>\$ 39,261.70</u></u>

Interest on Investments:

Treasurer	<u><u>\$ 43,818.55</u></u>
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Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:

Protested Check Fees	\$ 40.00
Senior Citizens and Veteran's Deduction Administrative Fee	1,200.53
Cable TV Franchise Fees	107,437.67
Administrative Fees	17,575.98
OPRA Request Fees	219.01
Landlord Registration Certificate	5,292.50
Vacant Properties	5,200.00
Cat License Fees	1,916.40
Recycling Marketables	337.36
PILOT Agreements	100,741.47
Cost of Tax Sale	1,358.72
Miscellaneous Charges Receivable	300.00
Clean-up Charges Receivable	9,704.60
Sale of Municipal Assets	2,520.00
Cell Tower Leases	83,171.60
Miscellaneous- Other	<u>10,846.96</u>

	<u><u>\$ 347,862.80</u></u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

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

	Appropriations		Expended			Unexpended Balance
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>OPERATIONS - WITHIN "CAPS"</u>						
<u>General Government</u>						
General Administration						
Salaries and Wages	\$ 97,900.00	\$ 97,900.00	\$ 89,305.71		\$ 8,594.29	
Other Expenses	12,000.00	12,000.00	7,241.09	\$ 1,050.77	3,708.14	
Mayor and Council						
Salaries and Wages	15,800.00	15,800.00	13,575.08		2,224.92	
Other Expenses	2,700.00	2,700.00	45.00		2,655.00	
Municipal Clerk						
Salaries and Wages	53,000.00	53,000.00	51,861.23		1,138.77	
Other Expenses - Printing and Advertising	9,000.00	9,000.00	5,204.70		3,795.30	
Other Expenses - Codification of Ordinances	4,000.00	6,000.00	1,195.00		4,805.00	
Other Expenses - Miscellaneous	2,700.00	2,700.00	2,663.99		36.01	
Elections	9,500.00	9,500.00	4,979.44		4,520.56	
Financial Administration						
Salaries and Wages	115,500.00	115,500.00	98,774.73		16,725.27	
Other Expenses	75,950.00	75,950.00	56,008.74	2,493.07	17,448.19	
Annual Audit	40,500.00	40,500.00	1,650.00	2,975.00	35,875.00	
Collection of Taxes						
Salaries and Wages	64,500.00	64,500.00	63,031.35		1,468.65	
Other Expenses - Tax Sale Costs	1,500.00	1,500.00	500.00		1,000.00	
Other Expenses - Miscellaneous	4,500.00	4,500.00	1,267.68		3,232.32	
Liquidation of Tax Title Liens						
Other Expenses	7,500.00	7,500.00			7,500.00	
Costs for Sale of Municipal Property						
Other Expenses	25.00	25.00			25.00	
Legal Services						
Other Expenses - Legal Services	130,000.00	130,000.00	40,895.60		89,104.40	
Other Expenses - Labor Counsel	70,000.00	40,000.00	8,076.06		31,923.94	
Engineering Services						
Other Expenses - Engineering	85,000.00	93,000.00	51,738.75	41,261.25		
Other Expenses - Environmental Engineer	40,000.00	40,000.00	18,467.22	16,578.80	4,953.98	
Economic Development Committee						
Other Expenses	20,000.00	20,000.00	10,608.77	6,281.25	3,109.98	
Historical Commission						
Other Expenses	1,000.00	1,000.00	950.09		49.91	

(Continued)

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

	Appropriations		Expended			Unexpended Balance
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>OPERATIONS - WITHIN "CAPS" (CONTD)</u>						
<u>Land Use Administration</u>						
Planning Board						
Salaries and Wages	\$ 2,860.00	\$ 2,860.00	\$ 2,728.10		\$ 131.90	
Other Expenses	7,500.00	7,500.00	2,946.83		4,553.17	
Zoning Official						
Salaries and Wages	7,300.00	7,400.00	7,395.60		4.40	
Other Expenses	600.00	600.00	45.00		555.00	
Car Lease Expenses	850.00	850.00	635.40		214.60	
Council on Affordable Housing						
Other Expenses	10,000.00	10,000.00	81.00		9,919.00	
<u>Code Enforcement and Administration</u>						
Code Enforcement Office						
Salaries and Wages	7,300.00	7,400.00	7,395.42		4.58	
Other Expenses	500.00	500.00			500.00	
Car Lease Expenses	850.00	850.00	635.40		214.60	
Housing Safety						
Salaries and Wages	1,500.00	1,500.00	808.96		691.04	
Other Expenses	300.00	300.00	70.00		230.00	
Occupancy						
Salaries and Wages - Administrative	5,550.00	5,550.00	5,404.86		145.14	
Salaries and Wages - Secretarial	3,300.00	3,300.00	1,779.69		1,520.31	
Other Expenses	400.00	400.00	75.00		325.00	
<u>Insurance</u>						
Liability Insurance	148,000.00	148,000.00	108,687.45	\$ 10,080.00	29,232.55	
Insurance Miscellaneous	23,000.00	23,000.00	12,414.00	2,101.00	8,485.00	
Workers Compensation Insurance	175,000.00	175,000.00	135,982.34		39,017.66	
Employee Group Insurance	877,000.00	877,000.00	698,598.77		178,401.23	
<u>Public Safety Functions</u>						
Police						
Salaries and Wages	2,144,950.00	2,113,664.00	1,922,294.05		191,369.95	
Other Expenses	66,400.00	66,400.00	52,355.15	8,298.67	5,746.18	
Car Lease Expenses	43,500.00	43,500.00	38,449.00		5,051.00	
Office of Emergency Management						
Salaries and Wages	1,850.00	1,850.00	1,837.60		12.40	
Other Expenses	500.00	500.00	396.00		104.00	
Aid to Volunteer Fire Co.						
Other Expenses	38,500.00	38,500.00	38,500.00			
Car Lease Expenses	12,200.00	12,200.00		12,120.00	80.00	
Uniform Fire Safety Act (PL 1983, C 383) - Fire Official						
Other Expenses	3,100.00	3,100.00	2,468.00		632.00	

(Continued)

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

	Appropriations		Expended			Unexpended
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>			<u>Canceled</u>
<u>OPERATIONS - WITHIN "CAPS" (CONTD)</u>						
<u>Public Works Functions</u>						
Road Repair and Maintenance						
Salaries and Wages	\$ 415,000.00	\$ 415,000.00	\$ 378,991.85		\$ 36,008.15	
Other Expenses	63,000.00	69,400.00	49,235.56	\$ 15,986.60	4,177.84	
Snow Removal						
Salaries and Wages	15,000.00	15,000.00	9,657.14		5,342.86	
Other Expenses	1,500.00	1,500.00	190.00		1,310.00	
Solid Waste Collection						
Other Expenses	360,000.00	360,000.00	319,118.13	27,350.73	13,531.14	
Recycling Program						
Salaries and Wages	4,400.00	4,400.00	4,106.87		293.13	
Other Expenses - Miscellaneous	200.00	200.00			200.00	
Other Expenses - Contractual	310,000.00	310,000.00	235,730.77	18,611.78	55,657.45	
Public Buildings and Grounds						
Other Expenses	50,000.00	54,000.00	36,361.77	12,826.50	4,811.73	
Equipment Repair & Maintenance						
Other Expenses	65,000.00	65,000.00	28,116.78	4,748.80	32,134.42	
<u>Health and Human Services</u>						
Board of Health						
Other Expenses	1,000.00	1,000.00			1,000.00	
Register of Vital Statistics						
Salaries and Wages	3,700.00	3,850.00	3,829.34		20.66	
Other Expenses	500.00	500.00	25.00	198.00	277.00	
Environmental Committee						
Other Expenses	950.00	950.00	375.00		575.00	
<u>Recreation</u>						
Recreation Committee						
Salaries and Wages	9,200.00	9,200.00	7,814.73		1,385.27	
Other Expenses	11,500.00	11,500.00	7,024.86	3,581.74	893.40	
Senior Center						
Salaries and Wages	12,000.00	12,000.00	9,404.33		2,595.67	
Other Expenses	6,000.00	6,000.00	3,643.96	195.40	2,160.64	
Senior Citizen Transportation						
Salaries and Wages	18,000.00	18,000.00	9,553.12		8,446.88	
Other Expenses	500.00	500.00	24.99		475.01	
<u>Other Common Operating Functions</u>						
Celebration of Public Events, Anniversary or Holidays						
Other Expenses	10,500.00	10,500.00	190.00		10,310.00	
Special Events	7,750.00	7,750.00	7,350.48		399.52	
Veteran's Committee						
Other Expenses	750.00	750.00	100.00		650.00	

(Continued)

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

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>Utility Expenses and Bulk Purchases</u>						
Electricity	\$ 52,000.00	\$ 52,000.00	\$ 31,340.91		\$ 20,659.09	
Street Lighting	85,000.00	85,000.00	48,117.29		36,882.71	
Telephone	12,000.00	12,000.00	7,265.97	\$ 25.77	4,708.26	
Fuel Oil	26,000.00	26,000.00	17,972.68		8,027.32	
Gasoline	80,000.00	80,000.00	58,725.09		21,274.91	
<u>Landfill / Solid Waste Disposal Costs</u>						
Solid Waste Disposal						
Tipping Fees	302,000.00	302,000.00	256,615.04		45,384.96	
State Uniform Construction Code						
Construction Official						
Salaries and Wages	77,000.00	77,000.00	69,894.86		7,105.14	
Other Expenses	7,000.00	7,000.00	3,948.11		3,051.89	
Group Insurance	100.00	100.00			100.00	
Sub-Code Official						
Fire Protection						
Salaries and Wages	7,100.00	7,125.00	7,103.91		21.09	
<u>Unclassified</u>						
Accumulated Leave Compensation	40,000.00	40,000.00	40,000.00			
Total Operations within "CAPS"	6,500,035.00	6,459,524.00	5,221,852.39	186,765.13	1,050,906.48	-
Detail:						
Salaries and Wages	3,082,710.00	3,051,799.00	2,766,548.53	-	285,250.47	-
Other Expenses (Including Contingent)	3,417,325.00	3,407,725.00	2,455,303.86	186,765.13	765,656.01	-
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>						
<u>Statutory Expenditures:</u>						
<u>Contribution to:</u>						
Public Employees' Retirement System	129,495.00	129,901.00	129,895.75		5.25	
Social Security System	246,000.00	246,000.00	209,254.24		36,745.76	
Police and Firemen's Retirement System	363,425.00	400,530.00	400,529.43		0.57	
Unemployment Compensation Insurance	30,000.00	30,000.00	29,729.51		270.49	
Defined Contribution Retirement Program	3,000.00	3,000.00	2,528.66		471.34	
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	771,920.00	809,431.00	771,937.59	-	37,493.41	-
Total General Appropriations for Municipal Purposes within "CAPS"	7,271,955.00	7,268,955.00	5,993,789.98	186,765.13	1,088,399.89	-
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>						
<u>Public Safety Functions</u>						
Length of Service Award Program (P.L. 1977, c.388)	12,000.00	12,000.00			12,000.00	
<u>Landfill / Solid Waste Disposal Costs</u>						
Recycling Tax (P.L. 2007, c.311 (N.JSA 13:1E-96.5))	11,500.00	11,500.00	7,269.78		4,230.22	
Total Other Operations - Excluded from "CAPS"	23,500.00	23,500.00	7,269.78	-	16,230.22	-
<u>Shared Service Agreements</u>						
Clayton Board of Education (School Resource Officer)						
Salaries and Wages	52,080.00	52,080.00	52,080.00			
Other Expenses	3,300.00	3,300.00	3,300.00			
Gloucester County - Fleet Maintenance	81,200.00	81,200.00	59,138.05		22,061.95	
Gloucester County Improvement Authority - Snow Removal	10,000.00	13,000.00	7,930.00		5,070.00	
Township of Elk - Municipal Court						
Other Expenses	107,100.00	107,100.00	107,100.00			
Total Shared Service Agreements	253,680.00	256,680.00	229,548.05	-	27,131.95	-

(Continued)

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

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
OPERATIONS - EXCLUDED FROM "CAPS" (CONT'D)						
Public and Private Programs Offset by Revenues						
Recycling Tonnage Grant	\$ 9,433.71	\$ 9,433.71	\$ 9,433.71			
Municipal Alliance on Alcoholism and Drug Abuse (NJSA 40A:4-87 + \$4,000.00)	6,875.00	10,875.00	10,875.00			
Safe and Secure Community Program	32,400.00	32,400.00	32,400.00			
Body Armor Replacement	1,044.70	1,044.70	1,044.70			
Distracted Driving Campaign	1,200.00	1,200.00	1,200.00			
County of Gloucester - Road Imp. On Bellview	50,000.00	50,000.00	50,000.00			
County of Gloucester - Road Imp. on Roberts	50,000.00	50,000.00	50,000.00			
Environmental Commission Grant (NJSA 40A:4-87 + \$500.00)		500.00	500.00			
Clean Communities (NJSA 40A:4-87 + \$19,038.66)		19,038.66	19,038.66			
Bulletproof Vest Program (NJSA 40A:4-87 + \$2,570.40)		2,570.40	2,570.40			
Click It or Ticket (NJSA 40A:4-87 + \$1,920.00)		1,920.00	1,920.00			
Drive Sober or Get Pulled Over (NJSA 40A:4-87 + \$3,120.00)		3,120.00	3,120.00			
Total Public and Private Programs Offset by Revenues	150,953.41	182,102.47	182,102.47	-	-	-
Total Operations - Excluded from "CAPS"	428,133.41	462,282.47	418,920.30	-	\$ 43,362.17	-
Detail:						
Salaries and Wages	52,080.00	52,080.00	52,080.00	-	-	-
Other Expenses	376,053.41	410,202.47	366,840.30	-	43,362.17	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	95,000.00	95,000.00	95,000.00			
Purchase of Municipal Equipment	20,000.00	20,000.00	35.70	\$ 12,377.46	7,586.84	
Purchase of Land and Drainage Improvements	60,000.00	60,000.00	38,353.27	2,925.00	18,721.73	
Improvements to Municipal Buildings	27,950.00	27,950.00	27,950.00			
Public and Private Programs Offset by Revenues						
NJ Transportation Trust Fund Authority Act (NJSA 40A:4-87 + \$1,532,000.00)	275,532.00	1,807,532.00	1,807,532.00			
Total Capital Improvements - Excluded from "CAPS"	478,482.00	2,010,482.00	1,968,870.97	15,302.46	26,308.57	-
Municipal Debt Service - Excluded from "CAPS"						
Payment of Bond Principal	335,000.00	335,000.00	335,000.00			
Interest on Bonds	66,225.00	66,225.00	66,225.00			
Capital Lease Obligations						
Principal	85,000.00	85,000.00	85,000.00			
Interest	10,820.00	10,820.00	10,816.62			\$ 3.38
Total Municipal Debt Service - Excluded from "CAPS"	497,045.00	497,045.00	497,041.62	-	-	3.38

(Continued)

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

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"</u>						
Special Emergency Authorizations - 5 Years	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	11,000.00	11,000.00	11,000.00	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,414,660.41	2,980,809.47	2,895,832.89	\$ 15,302.46	\$ 69,670.74	\$ 3.38
Subtotal General Appropriations	8,686,615.41	10,249,764.47	8,889,622.87	202,067.59	1,158,070.63	3.38
Reserve for Uncollected Taxes	419,721.00	419,721.00	419,721.00			
Total General Appropriations	\$ 9,106,336.41	\$ 10,669,485.47	\$ 9,309,343.87	\$ 202,067.59	\$ 1,158,070.63	\$ 3.38
Appropriation by 40A:4-87 Budget		\$ 1,563,149.06 <u>9,106,336.41</u>				
		<u>\$ 10,669,485.47</u>				
Reserve for Federal and State Grants			\$ 1,989,634.47			
Deferred Charges - Special Emergency Authorizations			11,000.00			
Reserve for Uncollected Taxes			419,721.00			
Disbursed			<u>6,888,988.40</u>			
			<u>\$ 9,309,343.87</u>			

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

BOROUGH OF CLAYTON
TRUST FUND
 Statements of Assets, Liabilities and Reserves--Regulatory Basis
 As of December 31, 2022 and 2021

<u>ASSETS</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Animal Control License Fund:			
Cash	SB-1	\$ 15,602.02	\$ 16,649.16
Change Fund		25.00	25.00
Total Animal Control License Fund		<u>15,627.02</u>	<u>16,674.16</u>
Other Funds:			
Cash	SB-1	839,769.88	752,485.64
Escrow Receivable		400.00	400.00
Total Other Funds		<u>840,169.88</u>	<u>752,885.64</u>
Length of Service Awards Program:			
Investments - Length of Service Awards Program	SB-7	227,017.81	267,509.09
Total Length of Service Awards Program		<u>227,017.81</u>	<u>267,509.09</u>
		<u>\$ 1,082,814.71</u>	<u>\$ 1,037,068.89</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control License Fund:			
Reserve for Animal Control Fund Expenditures	SB-2	\$ 13,025.00	\$ 16,636.46
Reserve for Animal Control Fund Expenditures - Encumbrances	SB-2	2,000.00	
Due State of New Jersey	SB-3	14.40	30.60
Due to Current Fund	SB-4	587.62	7.10
Total Animal Control License Fund		<u>15,627.02</u>	<u>16,674.16</u>
Other Funds:			
Due to Current Fund	SB-5	1,298.13	2,380.91
Encumbrances Payable	SB-6	600.00	867.50
Reserve for Affordable Housing	SB-6	53,317.03	53,041.74
Reserve for Developer's Escrow Trust Fund	SB-6	111,805.48	114,111.24
Reserve for Disposal of Forfeited Property	SB-6	11,646.97	9,922.18
Reserve for Special Events	SB-6	2,029.17	1,539.86
Reserve for Donations - K9 Unit	SB-6	2,397.00	2,397.00
Reserve for Outside Employment of Off-Duty Municipal Police Officers	SB-6		750.00
Reserve for Parks and Recreation Trust Fund	SB-6	101,442.64	107,652.23
Reserve for Tax Sale Premium	SB-6	363,600.00	308,200.00
Reserve for Tax Sale Redemption	SB-6	8,160.72	23,357.62
Reserve for Performance Bond Escrow Trust Fund	SB-6	38,323.75	42,532.50
Reserve for Unaccumulated Absences	SB-6	40,000.00	
Reserve for Unemployment Compensation Insurance	SB-6	105,548.99	86,132.86
Total Other Funds		<u>840,169.88</u>	<u>752,885.64</u>
Length of Service Awards Program:			
Reserve for Length of Service Awards Program	SB-7	227,017.81	267,509.09
Total Length of Service Awards Program		<u>227,017.81</u>	<u>267,509.09</u>
		<u>\$ 1,082,814.71</u>	<u>\$ 1,037,068.89</u>

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

BOROUGH OF CLAYTON
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2022 and 2021

<u>Assets</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Cash	SC-1	\$ 1,151,105.23	\$ 615,079.27
Deferred Charges to Future Taxation--Funded	SC-3	1,770,000.00	2,105,000.00
Deferred Charges to Future Taxation--Unfunded	SC-4	2,041,360.00	361,000.00
Amounts to be Provided by Lease Payments	SC-9	90,000.00	175,000.00
		<u>\$ 5,052,465.23</u>	<u>\$ 3,256,079.27</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	SC-10	\$ 1,770,000.00	\$ 2,105,000.00
Bond Anticipation Notes	SC-9	525,000.00	
Capital Improvement Fund	SC-6	124,991.25	118,431.25
Obligations Under Capital Lease	SC-9	90,000.00	175,000.00
Reserve for Encumbrances	SC-7	1,567,406.97	129,792.00
Improvement Authorizations:			
Funded	SC-5	301,404.13	234,230.79
Unfunded	SC-5	467,308.00	315,591.94
Due to Current Fund	SC-2	626.65	255.06
Reserve for Improvements to Roads	SC-8	2,831.20	2,831.20
Reserve for Land & Drainage - Coyle	SC-8	170,750.00	170,750.00
Reserve for Capital Improvements	SC-8	27,950.00	
Fund Balance	C-1	<u>4,197.03</u>	<u>4,197.03</u>
		<u>\$ 5,052,465.23</u>	<u>\$ 3,256,079.27</u>

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

BOROUGH OF CLAYTON
GENERAL CAPITAL FUND
Schedule of General Capital Fund Balance - Regulatory Basis
As of December 31, 2022

Balance Dec. 31, 2022	<u>\$ 4,197.03</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Operating Fund:			
Cash--Treasurer	SD-1	\$ 970,224.18	\$ 825,609.62
Cash--Collector	SD-2	518,435.15	402,564.36
Cash--Escrow	SD-1	100,426.00	98,049.50
Cash--Change Fund		100.00	100.00
Due from Water-Sewer Utility Capital Fund	SD-18	801.98	100.25
		<u>1,589,987.31</u>	<u>1,326,423.73</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	264,926.04	188,930.44
Water-Sewer Utility Liens	SD-5	13,360.74	13,374.03
		<u>278,286.78</u>	<u>202,304.47</u>
Total Operating Fund		<u>1,868,274.09</u>	<u>1,528,728.20</u>
Capital Fund:			
Cash	SD-1	1,532,899.78	235,625.83
Fixed Capital	SD-7	17,215,133.82	17,020,788.67
Fixed Capital Authorized and Uncompleted	SD-8	2,657,853.26	656,941.60
Total Capital Fund		<u>21,405,886.86</u>	<u>17,913,356.10</u>
		<u>\$ 23,274,160.95</u>	<u>\$ 19,442,084.30</u>

(Continued)

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4 & SD-9	\$ 594,952.01	\$ 445,171.26
Reserve for Encumbrances	SD-10	59,417.82	47,645.13
Overpayment of Rents	SD-6	8,808.25	6,865.10
Accrued Interest on Serial Bonds and Notes	SD-12	10,907.90	12,016.29
Accounts Payable	SD-11	35,341.05	6,460.30
Reserve for Escrow Deposits	SD-14	100,378.28	98,016.82
		<u>809,805.31</u>	<u>616,174.90</u>
Reserve for Receivables	D	278,286.78	202,304.47
Fund Balance	D-1	<u>780,182.00</u>	<u>710,248.83</u>
Total Operating Fund		<u>1,868,274.09</u>	<u>1,528,728.20</u>
Capital Fund:			
Serial Bonds	SD-21	315,000.00	375,000.00
USDA Loan Payable	SD-19	2,169,207.90	2,210,173.20
NJ Environmental Infrastructure Loan Payable	SD-20	1,416,528.16	1,538,369.41
Bond Anticipation Notes	SD-22	775,000.00	
Capital Improvement Fund	SD-13	159,641.73	124,641.73
Reserve for Encumbrances	SD-3	337,620.73	255,120.38
Accrued Interest on Serial Bonds	SD-12	1,509.66	
Due to Water-Sewer Utility Operating Fund	SD-18	801.98	100.25
Improvement Authorizations:			
Funded	SD-15	854,576.04	86,809.21
Unfunded	SD-15	1,147,863.07	274,661.52
Reserves for:			
Amortization	SD-16	13,237,779.70	12,972,716.34
Deferred Amortization	SD-17	926,065.15	11,471.32
Fund Balance	D-2	<u>64,292.74</u>	<u>64,292.74</u>
Total Capital Fund		<u>21,405,886.86</u>	<u>17,913,356.10</u>
		<u>\$ 23,274,160.95</u>	<u>\$ 19,442,084.30</u>

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

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

<u>Revenue and Other Income Realized</u>	<u>2022</u>	<u>2021</u>
Operating Fund Balance Utilized	\$ 295,807.00	\$ 283,991.00
Rents	2,856,566.46	2,740,938.17
Miscellaneous	58,260.92	42,801.10
Additional Rents		82,500.00
American Rescue Plan Funds	914,593.83	
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	310,792.56	181,824.38
Total Income	4,436,020.77	3,332,054.65
<u>Expenditures</u>		
Operating	2,583,680.00	2,437,100.00
Capital Improvements	1,059,593.83	90,000.00
Debt Service	305,325.77	389,400.05
Deferred Charges and Statutory Expenditures	121,681.00	105,456.00
Total Expenditures	4,070,280.60	3,021,956.05
Excess in Revenue	365,740.17	310,098.60
<u>Fund Balance</u>		
Balance Jan. 1	710,248.83	684,141.23
	1,075,989.00	994,239.83
Decreased by:		
Utilized in Operating Budget	295,807.00	283,991.00
Balance Dec. 31	\$ 780,182.00	\$ 710,248.83

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

BOROUGH OF CLAYTON
WATER-SEWER UTILITY CAPITAL FUND
Schedule of Fund Balance -- Regulatory Basis
As of December 31, 2022

Balance Dec. 31, 2022	<u>\$ 64,292.74</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF CLAYTON
WATER-SEWER UTILITY FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2022

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 295,807.00	\$ 295,807.00	
Rents	2,818,000.00	2,856,566.46	\$ 38,566.46
American Rescue Plan FY21 Funds	457,296.91	457,296.91	
American Rescue Plan FY22 Funds	457,296.92	457,296.92	
Miscellaneous	43,000.00	58,260.92	15,260.92
	<u>\$ 4,071,400.83</u>	<u>\$ 4,125,228.21</u>	<u>\$ 53,827.38</u>

Analysis of Realized Revenue

Rents & Additional Rents:

Consumer Accounts Receivable	<u>\$ 2,856,566.46</u>
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Miscellaneous:

Interest on Investments	\$ 25,002.01
Penalties on Delinquent Accounts	7,452.20
Connection Fees	15,900.00
Transfer Fee	5,130.99
Meter Charges	2,170.00
Bulk Sale of Water	254.00
Bad Check Fee	260.00
Miscellaneous	<u>2,091.72</u>
	<u>\$ 58,260.92</u>

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

BOROUGH OF CLAYTON
WATER-SEWER UTILITY FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2022

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 583,550.00	\$ 583,550.00	\$ 443,973.85		\$ 139,576.15	
Other Expenses	2,000,130.00	2,000,130.00	1,562,481.10	\$ 37,319.26	400,329.64	
Total Operating	2,583,680.00	2,583,680.00	2,006,454.95	37,319.26	539,905.79	
Capital Improvements:						
Capital Improvement Fund	35,000.00	35,000.00	35,000.00			
Capital Outlay	55,000.00	55,000.00	12,480.20	1,176.00	41,343.80	
Replacement of Water Meters/Pumps & Controls	55,000.00	55,000.00	30,215.25	20,922.56	3,862.19	
Replacement of Water Main on Delsea Drive - ARP	914,593.83	914,593.83	914,593.83			
Total Capital Improvements	1,059,593.83	1,059,593.83	992,289.28	22,098.56	45,205.99	
Debt Service:						
Payment of Bond Principal	60,000.00	60,000.00	60,000.00			
Payment of Loan Principal	162,811.00	162,811.00	162,806.55			\$ 4.45
Interest on Bonds	11,800.00	11,800.00	11,331.25			468.75
Interest on Loans	71,835.00	71,835.00	71,187.97			647.03
Total Debt Service	306,446.00	306,446.00	305,325.77			1,120.23
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	69,726.00	69,726.00	69,725.95		0.05	
Social Security System (O.A.S.I.)	44,000.00	44,000.00	34,284.30		9,715.70	
Unemployment Compensation Insurance	7,955.00	7,955.00	7,830.52		124.48	
Total Deferred Charges and Statutory Expenditures	121,681.00	121,681.00	111,840.77		9,840.23	
	\$ 4,071,400.83	\$ 4,071,400.83	\$ 3,415,910.77	\$ 59,417.82	\$ 594,952.01	\$ 1,120.23
Interest on Bonds			\$ 11,331.25			
Interest on Loans			71,187.97			
American Rescue Plan - Ordinance 2022-12			914,593.83			
Disbursed			2,418,797.72			
			<u>\$ 3,415,910.77</u>			

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

BOROUGH OF CLAYTON
GENERAL FIXED ASSETS ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts--Regulatory Basis
For the Year Ended December 31, 2022

	Balance <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2022</u>
General Fixed Assets:				
Land	\$ 1,389,900.00			\$ 1,389,900.00
Buildings and Improvements	2,042,771.00			2,042,771.00
Equipment	2,517,517.00	\$ 274,446.00	\$ 253,954.00	2,538,009.00
Vehicles	3,246,881.00		385,394.00	2,861,487.00
				<hr/>
Total General Fixed Assets	\$ 9,197,069.00	\$ 274,446.00	\$ 639,348.00	\$ 8,832,167.00
				<hr/>
Total Investment in General Fixed Assets	<u>\$ 9,197,069.00</u>			<u>\$ 8,832,167.00</u>

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

BOROUGH OF CLAYTON
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 Clayton (hereafter referred to as the "Borough") was incorporated as a borough by an act of the New Jersey legislature on May 9, 1887 from portions of Clayton Borough. The Borough, located in Gloucester County, New Jersey, has a total area of approximately seven square miles, and is located approximately twenty miles from the City of Philadelphia. The Borough borders Elk Township, Franklin Township, Glassboro and Monroe Township. According to the 2020 census, the population is 8,807.

The Borough has a Mayor-Council form of government where the Mayor is separately elected to a four-year term. The Council consists of six members elected to three-year terms. The Borough is managed daily by the Borough Administrator.

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

In accordance with the *Requirements*, the Borough accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

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

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

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

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

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

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

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

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the Borough's length of service awards program, however, are stated at fair value.

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

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

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The 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. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The 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 asset group of accounts, 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 include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

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

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

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

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

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

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

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the 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 to the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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

School Taxes - The Borough is responsible for levying, collecting, and remitting school taxes for the Borough of Clayton School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31. For the regional high school district, operations is charged for the Borough's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2021 and decreased by the amount deferred at December 31, 2022.

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

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 immediately preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

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

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

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

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

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

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

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

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to measure and disclose a lease liability and a lessor is required to measure and disclose a lease receivable; thereby enhancing the relevance and consistency of information about governments' leasing activities. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only required financial statement disclosures. There exists no impact on the financial statements of the Borough. Because of the implementation of GASB Statement No. 87, the Borough has determined that lease agreements in which they are the lessor are now disclosed in accordance with the Statement (note 8). In addition, the Borough has determined that certain disclosures relating to capital leases in the prior year are now disclosed as financed purchase obligations (note 14).

Recently Issued Accounting Pronouncements

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2022, the Borough's bank balances of \$11,779,918.40 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 11,524,407.27
Uninsured and Uncollateralized	<u>255,511.13</u>
Total	<u>\$ 11,779,918.40</u>

Note 3: PROPERTY TAXES

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

	<u>Year Ended</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>\$ 3.997</u>	<u>\$ 3.949</u>	<u>\$ 3.957</u>	<u>\$ 3.888</u>	<u>\$ 3.835</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.066	\$ 1.019	\$.995	\$.992	\$.992
County	.789	.776	.776	.767	.749
Local School	2.142	2.154	2.186	2.129	2.094

Note 3: PROPERTY TAXES (CONT'D)

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2022	\$ 473,155,767.00
2021	470,251,879.00
2020	466,743,682.00
2019	466,959,231.00
2018	466,254,207.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2022	\$ 18,997,881.12	\$ 18,543,224.66	97.61%
2021	18,673,401.71	18,272,125.18	97.85%
2020	18,536,159.11	18,015,697.53	97.19%
2019	18,189,541.34	17,590,335.54	96.71%
2018	17,962,151.22	17,327,892.01	96.47%

Delinquent Taxes and Tax Title Liens

	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2022	\$ 178,144.85	\$ 403,007.59	\$ 581,152.44	3.06%
2021	178,621.12	340,248.71	518,869.83	2.78%
2020	124,442.02	468,011.48	592,453.50	3.20%
2019	111,162.56	532,740.17	643,902.73	3.54%
2018	169,208.74	536,673.08	705,881.82	3.93%

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

<u>Year</u>	<u>Number</u>
2022	33
2021	27
2020	20
2019	17
2018	33

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2022	\$ 1,053,500.00
2021	1,148,000.00
2020	1,341,100.00
2019	1,343,300.00
2018	1,119,500.00

Note 5: WATER & SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2022	\$ 188,930.44	\$ 13,374.03	\$ 2,932,562.06	\$ 3,134,866.53	\$ 2,849,714.65
2021	175,112.66	10,574.53	2,837,255.95	3,022,943.14	2,815,343.60
2020	79,619.86	11,184.26	2,699,733.01	2,790,537.13	2,604,863.09
2019	84,371.67	10,910.32	2,632,615.58	2,727,897.57	2,634,628.61
2018	98,134.59	5,825.34	2,482,696.20	2,586,656.13	2,491,889.25

Note 6: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2022	\$ 3,985,600.26	\$ 1,499,955.00	37.63%
2021	4,036,641.13	1,437,950.00	35.62%
2020	3,352,500.35	1,410,000.00	42.06%
2019	3,353,924.60	1,411,088.00	42.07%
2018	3,234,541.75	1,261,446.31	39.00%

Water & Sewer Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2022	\$ 780,182.00	\$ 311,000.00	39.86%
2021	710,248.83	295,807.00	41.65%
2020	684,141.23	283,991.00	41.51%
2019	800,167.17	322,684.00	40.33%
2018	1,096,321.48	430,000.00	39.22%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 152,685.98	
Federal and State Grant		\$ 150,173.58
Trust - Animal Control		587.62
Trust - Other		1,298.13
General Capital		626.65
Water & Sewer Utility - Operating	801.98	
Water & Sewer Utility - Capital		801.98
Totals	<u>\$ 153,487.96</u>	<u>\$ 153,487.96</u>

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

Note 8: LEASES RECEIVABLE

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

Cell Tower Leases

On March 1, 2016, the Borough entered into a five-year lease agreement with Verizon for the lease of cell towers with an incremental borrowing rate of 4.00%. The initial ten-year term was for \$1,900.00 monthly with an annual increase of 3%. The agreement included five (5) five-year automatic extensions under the same terms unless the lessee terminates it at the end of the then current term by giving written notice of intent to terminate at least 90 days prior. The initial and extension period will end with the monthly payment in February 2046. After the final extension period, the agreement can continue under the same terms but subject to the termination by either party.

On March 3, 1998, the Borough entered into a ten-year lease agreement with T-Mobile for the lease of cell towers with an incremental borrowing rate of 5.00%. The initial ten-year term was for \$1,000.00 monthly with an annual increase of 3%. The agreement included five (5) five-year automatic extensions under the same terms unless the lessee terminates it at the end of the then current term by giving written notice of intent to terminate at least 90 days prior. The initial and extension period will end with the monthly payment in March 2033. After the final extension period, the agreement can continue under the same terms but subject to the termination by either party.

On December 1, 2010, the Borough entered into a five-year lease agreement with T-Mobile for the lease of cell towers with an incremental borrowing rate of 4.00%. The initial five-year term was for \$1,600.00 monthly with an annual increase of 4% after the initial five-year term. The agreement included four (4) five-year automatic extensions under the same terms unless the lessee terminates it at the end of the then current term by giving written notice of intent to terminate at least 90 days prior. The initial and extension period will end with the monthly payment in November 2035. After the final extension period, the agreement can continue under the same terms but subject to the termination by either party.

Note 8: LEASES RECEIVABLE (CONT'D)**Cell Tower Leases (Cont'd)**

Under the provisions of GASB 87, as of December 31, 2022, the balance of the lease's receivable is \$1,203,046.76. As a result of the regulatory basis of accounting previously described in note 1, such balance is not recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund.

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

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Cell Towers	<u>\$ 1,203,046.76</u>	<u>\$ 52,395.60</u>	<u>\$ 47,742.05</u>

Under the provisions of GASB 87, for the year ended December 31, 2022, the Borough would have recognized \$35,668.21 in a reduction of lease receivable and \$47,742.05 in interest revenue related to the leases. In addition, \$52,395.60 would have been recognized as both lease revenue and a reduction in deferred inflows of resources related to leases.

As a result of the regulatory basis of accounting previously described in note 1, the rental payments collected of \$83,171.60 were reported as revenue in the current fund.

The following schedule represents the future payments that are included in the measurement of the lease receivable:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 40,233.63	\$ 50,799.13	\$ 91,032.76
2024	45,101.26	49,042.83	94,144.09
2025	50,287.95	47,076.03	97,363.98
2026	55,811.34	44,884.95	100,696.29
2027	61,689.99	42,455.03	104,145.02
2028-2032	410,488.67	166,341.55	576,830.22
2033-2037	250,710.84	79,649.60	330,360.44
2038-2042	160,165.93	45,910.70	206,076.63
2042-2045	<u>128,557.15</u>	<u>10,526.44</u>	<u>139,083.59</u>
Total	<u>\$ 1,203,046.76</u>	<u>\$ 536,686.26</u>	<u>\$ 1,739,733.02</u>

Note 9: PENSION PLANS

In May 2023, the New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 68, *Accounting and Financial Reporting for Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2022 was not available for both plans; therefore, the information from the measurement period June 30, 2021 is disclosed below.

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

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

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

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

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

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

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

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

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

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

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

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

Contributions

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

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

Public Employees' Retirement System (Cont'd) - The Borough's contractually required contribution rate for the year ended December 31, 2021 was 18.13% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2021, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2021 is \$189,374.00, and is payable by April 1, 2022. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020 was \$164,287.00, which was paid on April 1, 2021.

Employee contributions to the Plan for the year ended December 31, 2021 were \$79,449.93.

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

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

The Borough's contractually required contribution rate for the year ended December 31, 2021 was 28.98% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2021, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2021 is \$363,425.00, and is payable by April 1, 2022. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020 was \$368,216.00, which was paid on April 1, 2021.

Employee contributions to the Plan for the year ended December 31, 2021 were \$126,794.80.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2021 was 4.44% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2021 the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2021 was \$55,685.00, and is payable by April 1, 2022. For the prior year measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2020 was \$50,860.00, which was paid on April 1, 2021.

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

For the year ended December 31, 2022, employee contributions totaled \$3,433.83, and the Borough's contributions were \$1,873.05. There were no forfeitures during the year.

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

Pension Liability - As of December 31, 2021, the Borough's proportionate share of the PERS net pension liability was \$1,915,625.00. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2021 measurement date, the Borough's proportion was .0161703848%, which was an increase of .0011525992% from its proportion measured as of June 30, 2020.

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

Pension (Benefit) Expense - For the year ended December 31, 2021, the Borough's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date was \$(269,262.00). This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the Borough's contribution to PERS was \$164,287.00, and was paid on April 1, 2021.

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2021, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 2,279,202.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>641,025.00</u>
	<u><u>\$ 2,920,227.00</u></u>

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

Pension Liability - The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2021 measurement date, the Borough's proportion was .0311828510%, which was a decrease of .0017768345% from its proportion measured as of June 30, 2020. Likewise, at June 30, 2021, the State of New Jersey's proportion, on-behalf of the Borough, was .0311826271%, which was a decrease of .0017770584% from its proportion, on-behalf of the Borough, measured as of June 30, 2020.

Pension (Benefit) Expense - For the year ended December 31, 2021, the Borough's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date was \$(471,972.00). This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the Borough's contribution to PFRS was \$363,425.00, and was paid on April 1, 2021.

For the year ended December 31, 2021, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Borough, calculated by the Plan as of the June 30, 2021 measurement date, was \$71,391.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2021, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 30,212.00	\$ 26,003.00	\$ 56,215.00	\$ 13,714.00	\$ 273,025.00	\$ 286,739.00
Changes of Assumptions	9,977.00	12,128.00	22,105.00	681,975.00	683,066.00	1,365,041.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	504,626.00	971,242.00	1,475,868.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	286,907.00	22,037.00	308,944.00	140,890.00	719,592.00	860,482.00
Borough Contributions Subsequent to the Measurement Date	94,687.00	181,713.00	276,400.00	-	-	-
	<u>\$ 421,783.00</u>	<u>\$ 241,881.00</u>	<u>\$ 663,664.00</u>	<u>\$ 1,341,205.00</u>	<u>\$ 2,646,925.00</u>	<u>\$ 3,988,130.00</u>

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

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amounts of \$94,687.00 and \$181,713.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2022. These amounts were based on an estimated April 1, 2023 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2021 to the Borough's year end of December 31, 2021.

The Borough will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2017	-	5.00	-	5.00
June 30, 2018	-	5.00	-	5.00
June 30, 2019	-	5.00	-	5.00
June 30, 2020	-	5.00	-	5.00
June 30, 2021	-	5.00	-	5.00
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17

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

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

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2022	\$ (455,429.00)	\$ (783,201.00)	\$ (1,238,630.00)
2023	(295,890.00)	(641,551.00)	(937,441.00)
2024	(156,763.00)	(541,052.00)	(697,815.00)
2025	(112,462.00)	(511,998.00)	(624,460.00)
2026	6,435.00	(93,126.00)	(86,691.00)
Thereafter	-	(15,829.00)	(15,829.00)
	<u>\$ (1,014,109.00)</u>	<u>\$ (2,586,757.00)</u>	<u>\$ (3,600,866.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: ⁽¹⁾		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

⁽¹⁾ based on years of service

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

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

Police and Firemen's Retirement System

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

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

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Police and Firemen's Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.16% as of June 30, 2021 measurement date based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Public Employees' Retirement System (PERS) - The following presents the Borough's proportionate share of the net pension liability as of the June 30, 2021 measurement date, calculated using a discount rate of 7.00%, 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% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 2,608,692.00</u>	<u>\$ 1,915,625.00</u>	<u>\$ 1,327,458.00</u>

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

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Borough's annual required contribution. As such, the net pension liability as of the June 30, 2021 measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Borough's Proportionate Share of the Net Pension Liability	\$ 3,460,897.00	\$ 2,279,202.00	\$ 1,295,569.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>973,377.00</u>	<u>641,025.00</u>	<u>364,378.00</u>
	<u>\$ 4,434,274.00</u>	<u>\$ 2,920,227.00</u>	<u>\$ 1,659,947.00</u>

Pension Plan Fiduciary Net Position

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

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

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

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

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net Pension Liability	0.0161703848%	0.0150177856%	0.0144527824%	0.0155884787%	0.0154869444%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,915,625.00	\$ 2,449,008.00	\$ 2,604,172.00	\$ 3,069,294.00	\$ 3,605,113.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,184,856.00	\$ 1,095,416.00	\$ 1,043,828.00	\$ 1,086,824.00	\$ 1,179,168.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	161.68%	223.57%	249.48%	282.41%	305.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Borough's Proportion of the Net Pension Liability	0.0171505459%	0.0161502691%	0.0162433701%	0.0153872784%	
Borough's Proportionate Share of the Net Pension Liability	\$ 5,079,500.00	\$ 3,625,412.00	\$ 3,041,203.00	\$ 2,940,815.00	
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,185,148.00	\$ 1,131,708.00	\$ 1,150,452.00	\$ 1,085,444.00	
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	428.60%	320.35%	264.35%	270.93%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%	

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

	<u>Year Ended December 31,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Contractually Required Contribution	\$ 189,374.00	\$ 164,287.00	\$ 140,583.00	\$ 155,055.00	\$ 143,470.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(189,374.00)</u>	<u>(164,287.00)</u>	<u>(140,583.00)</u>	<u>(155,055.00)</u>	<u>(143,470.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,044,290.00	\$ 1,192,475.00	\$ 1,097,859.00	\$ 1,047,662.00	\$ 1,082,117.00
Borough's Contributions as a Percentage of Covered Payroll	18.13%	13.78%	12.81%	14.80%	13.26%
	<u>Year Ended December 31,</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Borough's Contractually Required Contribution	\$ 152,363.00	\$ 138,849.00	\$ 133,908.00	\$ 115,940.00	
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(152,363.00)</u>	<u>(138,849.00)</u>	<u>(133,908.00)</u>	<u>(115,940.00)</u>	
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Borough's Covered Payroll (Calendar Year)	\$ 1,071,655.00	\$ 1,097,874.00	\$ 1,097,470.00	\$ 1,105,839.00	
Borough's Contributions as a Percentage of Covered Payroll	14.22%	12.65%	12.20%	10.48%	

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

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net Pension Liability	0.0311828510%	0.0329596855%	0.0363861147%	0.0369717165%	0.0387055204%
Borough's Proportionate Share of the Net Pension Liability	\$ 2,279,202.00	\$ 4,258,826.00	\$ 4,452,867.00	\$ 5,002,883.00	\$ 5,975,384.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	641,025.00	660,950.00	703,116.00	579,559.00	669,293.00
Total	<u>\$ 2,920,227.00</u>	<u>\$ 4,919,776.00</u>	<u>\$ 5,155,983.00</u>	<u>\$ 5,582,442.00</u>	<u>\$ 6,644,677.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,186,604.00	\$ 1,230,192.00	\$ 1,325,864.00	\$ 1,316,520.00	\$ 1,288,180.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	192.08%	346.19%	335.85%	380.01%	463.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.26%	63.52%	65.00%	62.48%	58.60%
	<u>Measurement Date Ended June 30,</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Borough's Proportion of the Net Pension Liability	0.0373359309%	0.0376045620%	0.0404907597%	0.0416845225%	
Borough's Proportionate Share of the Net Pension Liability	\$ 7,132,118.00	\$ 6,263,609.00	\$ 5,093,362.00	\$ 5,541,581.00	
State's Proportionate Share of the Net Pension Liability associated with the Borough	598,921.00	549,297.00	548,469.00	516,543.00	
Total	<u>\$ 7,731,039.00</u>	<u>\$ 6,812,906.00</u>	<u>\$ 5,641,831.00</u>	<u>\$ 6,058,124.00</u>	
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,263,660.00	\$ 1,273,452.00	\$ 1,361,760.00	\$ 1,410,992.00	
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	564.40%	491.86%	374.03%	392.74%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%	

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

	Year Ended December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Contractually Required Contribution	\$ 363,425.00	\$ 368,216.00	\$ 367,540.00	\$ 361,453.00	\$ 342,551.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(363,425.00)</u>	<u>(368,216.00)</u>	<u>(367,540.00)</u>	<u>(361,453.00)</u>	<u>(342,551.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,254,062.00	\$ 1,196,234.00	\$ 1,260,140.00	\$ 1,346,161.00	\$ 1,322,057.00
Borough's Contributions as a Percentage of Covered Payroll	28.98%	30.78%	29.17%	26.85%	25.91%
	Year Ended December 31,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Borough's Contractually Required Contribution	\$ 304,415.00	\$ 305,669.00	\$ 310,997.00	\$ 304,121.00	
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(304,415.00)</u>	<u>(305,669.00)</u>	<u>(310,997.00)</u>	<u>(304,121.00)</u>	
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Borough's Covered Payroll (Calendar Year)	\$ 1,326,423.00	\$ 1,257,246.00	\$ 1,274,631.00	\$ 1,349,830.00	
Borough's Contributions as a Percentage of Covered Payroll	22.95%	24.31%	24.40%	22.53%	

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

The June 30, 2021 measurement date included one change to the plan provisions. Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the defined contribution retirement program (DCRP) and regular part of PERS into the WCJ Part of PERS.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	5.00%
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

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

None

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	6.14%
2020	7.00%	2016	5.55%
2019	6.85%	2015	5.79%
2018	6.51%	2014	6.32%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS) (Cont'd)*****Changes in Assumptions (Cont'd)**

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

Note 10: LENGTH OF SERVICE AWARDS PROGRAM

Plan Description - The Borough's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Borough's trust fund, was created by a Borough Ordinance adopted on August 24, 2000 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

The voters of the Borough approved the adoption of the Plan at the general election held on November 7, 2000, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2001. The Plan provides tax deferred income benefits to active volunteer firefighters and is administered by VALIC ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. 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.

The tax deferred income benefits for emergency service volunteers of the Borough of Clayton, consisting of the volunteer fire department, come from contributions made solely by the governing body of the Borough, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Plan Amendments - The Borough may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the Borough, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the Borough's governing body, provided, however, that any amendment required by the IRS, may be adopted by the Borough's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the Borough shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The Borough may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the Borough shall notify all participants in writing prior to making any amendment to the Plan.

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 \$100.00 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 \$500.00 for the year ended December 31, 2022 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2022, the Borough's total expenditure, net of forfeitures of \$0.00, to the Plan was \$5,000.00.

Note 10: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

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 an account maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the Borough to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the Borough. These funds, however, are not available for funding the operations of the Borough.

Vesting - The Borough, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

Payment of Benefits - Upon separation from volunteer service, retirement or disability, termination of the Plan, participants may select various payout options of vested accumulated deferrals, 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 - For the year ended December 31, 2022, no accounts were forfeited.

Investments - The investments of the length of service awards program reported in the trust - other funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

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

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**STATE HEALTH BENEFITS BENEFITS PLAN**

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

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

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

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

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

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

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS BENEFITS PLAN (CONT'D)****General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The Borough was billed monthly by the Plan and paid \$180,608.64, for the year ended December 31, 2021, representing 7.86% of the Borough's covered payroll. During the year ended December 31, 2021, retirees were required to contribute \$2,948.88 to the Plan.

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2021, the Borough's proportionate share of the net OPEB liability was \$10,573,251.00.

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

The Borough's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2020 through June 30, 2021. For the June 30, 2021 measurement date, the Borough's proportion was 0.058741%, which was a decrease of 0.000760% from its proportion measured as of the June 30, 2020 measurement date.

OPEB (Benefit) Expense - At December 31, 2021, the Borough's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date, is (\$94,424.00). This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the Borough made contributions to the Plan totaling \$180,608.64.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2021, the Borough had deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 237,251.00	\$ 2,212,080.00
Changes of Assumptions	1,520,994.00	1,868,946.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	5,055.00	-
Changes in Proportion	675,198.00	1,418,837.00
Contributions Subsequent to the Measurement Date	90,304.32	-
	<u>\$ 2,528,802.32</u>	<u>\$ 5,499,863.00</u>

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS BENEFITS PLAN (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$90,304.32 will be included as a reduction of the Borough's net OPEB liability during the year ending December 31, 2022. The Borough will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
June 30, 2018	-	8.14
June 30, 2019	-	8.05
June 30, 2020	7.87	-
June 30, 2021	-	7.82
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
June 30, 2019	-	8.05
June 30, 2020	7.87	-
June 30, 2021	7.82	-
Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
Changes in Proportion		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14
June 30, 2019	8.05	8.05
June 30, 2020	7.87	7.87
June 30, 2021	7.82	7.82

Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

<u>Year Ending Dec. 31,</u>	
2022	\$ (841,473.00)
2023	(842,303.00)
2024	(843,062.00)
2025	(597,342.00)
2026	(99,839.00)
Thereafter	162,654.00
	<u>\$ (3,061,365.00)</u>

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS BENEFITS PLAN (CONT'D)****Actuarial Assumptions**

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

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Initial Fiscal Year Applied:	
Rate through 2026	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Rate for all Future Years	3.25% to 15.25%

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

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

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

Actuarial assumptions used in the valuation were based on the results of the PFRS 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.

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

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

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS BENEFITS PLAN (CONT'D)****Actuarial Assumptions (Cont'd)**

Health Care Trend Assumptions - The health care trend assumptions used is as follows:

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

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

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

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 12,442,688.00</u>	<u>\$ 10,573,251.00</u>	<u>\$ 9,091,682.00</u>

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

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

	1% Decrease <u></u>	Healthcare Cost Trend Rate <u></u>	1% Increase <u></u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 8,821,652.00</u>	<u>\$ 10,573,251.00</u>	<u>\$ 12,858,870.00</u>

OPEB Plan Fiduciary Net Position

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

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS BENEFITS PLAN (CONT'D)****Supplementary OPEB Information**

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

Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Last Five Plan Years)

	Measurement Date Ended June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net OPEB Liability	0.058741%	0.059501%	0.055441%	0.058901%	0.063860%
Borough's Proportionate Share of the Net OPEB Liability	\$ 10,573,251.00	\$ 10,678,414.00	\$ 7,510,077.00	\$ 9,227,795.00	\$ 13,037,523.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 2,315,190.00	\$ 2,393,060.00	\$ 2,375,499.00	\$ 2,380,753.00	\$ 2,388,480.00
Borough's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	456.69%	446.22%	316.15%	387.60%	545.85%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	0.91%	1.98%	1.97%	1.03%

Schedule of the Borough's Contributions (Last Five Years)

	Year Ended December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Required Contributions	\$ 180,608.64	\$ 227,825.76	\$ 273,613.20	\$ 390,825.60	\$ 355,385.52
Borough's Contributions in Relation to the Required Contribution	(180,608.64)	(227,825.76)	(273,613.20)	(390,825.60)	(355,385.52)
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll (Calendar Year)	\$ 2,298,352.00	\$ 2,388,709.00	\$ 2,357,999.00	\$ 2,393,823.00	\$ 2,404,174.00
Borough's Contributions as a Percentage of Covered Payroll	7.86%	9.54%	11.60%	16.33%	14.78%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021, included changes due to employers adopting and /or changing Chapter 48 provisions.

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

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

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

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS BENEFITS PLAN (CONT'D)****Other Notes to Supplementary OPEB Information (Cont'd)**

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

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

BOROUGH OF CLAYTON POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided - The Borough provides postretirement dental and vision insurance through a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: general tier 1 and tier 2 employees may retire after age 60 or 25 years of service, general tier 3 and tier 4 employees may retire after age 62 or 25 years of service and tier 5 employees may retire after age 65 or 30 years of service; police employees hired prior to April 2, 2001 may retire with 20 years of service and police employees hired after April 1, 2001 may retire with 25 years of service. This provision is part of various Labor Agreements between the Borough and its employees. The plan is administered by the Borough; therefore, premium payments are made directly to the insurance carriers.

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

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	24
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	
Active Employees	35
	<hr/>
	59

Total OPEB Liability

The Borough's total OPEB liability of \$1,764,725.00 was measured as of December 31, 2022 and was determined by an actuarial valuation as of December 31, 2022.

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

Inflation	3.00% Annually
Salary Increases	3.00% Annually
Discount Rate	4.31%
Healthcare Cost Trend Rates	Dental and Vision: 5.0% per annum
Retirees' Share of Benefit-Related Costs	Contribution rates in effect at retirement

The discount rate was based on the S&P Municipal Bond 20 year High Grade Bond index rate.

Mortality rates were based on the PUB-2010 Mortality Table with MP-2021 Projection.

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

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**BOROUGH OF CLAYTON POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Changes in Total OPEB Liability**

Balance at January 1, 2022		\$ 2,598,601.00
Changes for the Year:		
Service Cost	\$ 104,142.00	
Interest Cost	58,036.00	
Benefit Payments	(38,424.00)	
Changes in Assumptions	(109,044.00)	
Difference between Expected and Actual Experience	(848,586.00)	
Net Changes		<u>(833,876.00)</u>
Balance at December 31, 2022		<u>\$ 1,764,725.00</u>

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

Changes of assumptions and other inputs reflect a change in the discount rate from 2.25% at January 1, 2022 to 4.31% at December 31, 2022.

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

	<u>December 31, 2022</u>		
	<u>1.00% Decrease (3.31%)</u>	<u>Current Discount Rate (4.31%)</u>	<u>1.00% Increase (5.31%)</u>
Total OPEB Liability	<u>\$ 2,740,984.00</u>	<u>\$ 1,764,725.00</u>	<u>\$ 2,137,367.00</u>

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

	<u>December 31, 2022</u>		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1.00% Increase</u>
Total OPEB Liability	<u>\$ 2,107,746.00</u>	<u>\$ 1,764,725.00</u>	<u>\$ 2,776,848.00</u>

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**BOROUGH OF CLAYTON POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2022, the Borough recognized OPEB (benefit) expense of \$25,373.00. As of December 31, 2022, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ -	\$ -
Difference Between Expected and Actual Experience	-	(820,825.00)
	<u>\$ -</u>	<u>\$ (820,825.00)</u>

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

Year Ending <u>Dec 31,</u>	
2023	\$ 136,805.00
2024	136,805.00
2025	136,805.00
2026	136,805.00
2027	136,805.00
Thereafter	<u>136,800.00</u>
	<u>\$ 820,825.00</u>

Supplementary OPEB Information

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

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**BOROUGH OF CLAYTON POSTEMPLOYMENT BENEFIT PLAN (CONT'D)*****Schedule of Changes in the Borough's Total OPEB Liability and Related Ratios***

	Plan Measurement Date December 31,
	<u>2022</u>
Total OPEB Liability	
Service Cost	\$ 104,142.00
Interest Cost	58,036.00
Benefit Payments	(38,424.00)
Changes in Assumptions	(109,044.00)
Difference Between Expected and Actual Experience	<u>(848,586.00)</u>
Net Change in Total OPEB Liability	(833,876.00)
Total OPEB Liability, January 1	<u>2,598,601.00</u>
Total OPEB Liability, December 31	<u><u>\$ 1,764,725.00</u></u>
Covered-Employee Payroll	\$ 2,876,802.00
Total OPEB Liability as a Percentage of Covered Payroll	61.34%

Other Notes to Supplementary OPEB Information**Changes in Benefit Terms**

None

Changes in Assumptions

The discount rate changed from 2.25% as of the January 1, 2022 measurement date to 4.31% as of the December 31, 2022 measurement date.

Note 12: COMPENSATED ABSENCES

Police employees hired prior to December 31, 2019 have unlimited sick time. They also carry-over one week's vacation into the next year. At retirement, police employees receive the full year's vacation time that they are entitled to receive for the year in which they are retiring.

Police employees hired after December 31, 2019 receive twelve (12) working days of sick leave per year. They also carry-over one week's vacation into the next year.

The Borough of Clayton has contracted with the Government Worker's Union ("GWU") for the office personnel, shuttle bus driver, and all Public Works employees. The GWU contract does not permit employees to carry over vacation days from year to year. Upon separation or retirement, an employee shall receive payment for all vacation leave not used in the current year. The GWU contract allows employees to accumulate unused sick leave into a bank at the end of each year. If an employee is laid off for any reason, unused sick leave may be sold back to the Borough at the rate of one (1) sick day for one (1) day's current rate pay. Upon retirement, any employee may sell back to the Borough; at their current rate of pay, any unused sick days at the rate of one (1) day for one (1) day. The payouts are subject to the cap established by NJSA 40A:9-10.4.

Non-contracted employees accrue vacation time based on number of years employed by the Borough. These vacation days may not be carried over. Vacation time is paid out at 100% upon retirement or separation. Non-contracted employees are granted 12 sick days per year and can accumulate all unused sick days into a bank at the end of each year. The Borough also has local ordinance that covers all non-union personnel.

The Borough has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2022, the balance of the fund was \$40,000.00. It is estimated that, at December 31, 2022, accrued benefits for compensated absences are valued at \$280,425.22.

Note 13: 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 benefit 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 14: FINANCED PURCHASE OBLIGATIONS**Gloucester County Improvement Authority Agreement**

As of December 31, 2022, the Borough is financing equipment, a fire truck, and municipal building improvements with a total cost of \$1,610,000.00. The agreement is for a term of twenty (20) years with an interest rate of ranging from 1%-5.99% through the Gloucester County Improvement Authority. The final maturity of the financed purchase is January 20, 2023.

Vehicles

As of December 31, 2022, the Borough is financing two (2) Ford Interceptors with a total cost of \$78,130.80. The monthly payments are \$1,572.55. The agreement is for a term of five (5) years with an interest rate of 7.70%. The final maturity of the financed purchase is March 31, 2026.

As of December 31, 2022, the Borough is financing one (1) Chevrolet Impala with a total cost of \$20,303.40. The monthly payments are \$423.60. The agreement is for a term of five (5) years with an interest rate of 8.00%. The final maturity of the financed purchase is October 31, 2025.

The following is an analysis of the financed purchase obligation liability:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2022</u>	<u>2021</u>
GCIA Capital Improvements	\$ 90,000.00	\$ 175,000.00
Vehicles	62,290.28	97,693.12
	<u>\$ 152,290.28</u>	<u>\$ 272,693.12</u>

The following schedule represents the remaining future minimum payments under the financed purchase obligations, and the present value of the net minimum payments as of December 31, 2022:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 109,686.84	\$ 8,766.96	\$ 118,453.80
2024	19,686.84	4,266.96	23,953.80
2025	19,010.06	4,096.54	23,106.60
2026	3,906.54	811.11	4,717.65
	<u>\$ 152,290.28</u>	<u>\$ 17,941.57</u>	<u>\$ 170,231.85</u>

Under the provisions of GASB 87, for the year ended December 31, 2022, the Borough would have reported assets in the amount of \$1,708,434.20 and a financed purchase obligation in the amount of \$152,290.28. In addition, for the year ended December 31, 2022, the Borough would have recognized a reduction of the financed purchase obligation of \$120,402.84 and interest expense of \$5,279.02.

As a result of the regulatory basis of accounting previously described in note 1, the above noted cost of the assets, along with the financed purchase obligation liability, have not been recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund, instead, the annual payment of the financed purchase obligations of \$136,498.48 were budgeted and paid from the current fund.

Note 15: CAPITAL DEBT**General Improvement Bonds**

\$2,652,000.00 General Improvement Bonds dated October 31, 2018, payable in annual installments through October 1, 2027. Interest is paid semi-annually at rates of 3.00% to 3.25% per annum.

\$531,000.00 Water & Sewer Utility Bonds dated October 31, 2018, payable in annual installments through October 1, 2027. Interest is paid semi-annually at rates of 3.00% to 3.25% per annum.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 410,000.00	\$ 65,681.26	\$ 475,681.26
2024	415,000.00	52,868.76	467,868.76
2025	420,000.00	39,900.00	459,900.00
2026	420,000.00	26,775.02	446,775.02
2027	420,000.00	13,650.00	433,650.00
Totals	<u>\$ 2,085,000.00</u>	<u>\$ 198,875.04</u>	<u>\$ 2,283,875.04</u>

General Debt - New Jersey Environmental Infrastructure Loans

\$505,000.00 Department of Environmental Infrastructure Loan (NJEIT) trust loan dated May 21, 2014, payable in semi-annual installments through August 2033. The trust loan interest is paid at a rate of 3.00% to 5.00% per annum.

\$1,542,750.00 Department of Environmental Infrastructure Loan (NJEIT) fund loan dated May 21, 2014, payable in semi-annual installments through August 2033. The fund loan interest is paid at a rate of 0% per annum.

\$184,500.00 Department of Environmental Infrastructure Loan (NJEIT) trust loan dated May 21, 2014, payable in semi-annual installments through August 2033. The trust loan interest is paid at a rate of 2%-3.35% per annum.

\$553,500.00 Department of Environmental Infrastructure Loan (NJEIT) fund loan dated May 21, 2014, payable in semi-annual installments through August 2033. The fund loan interest is paid at a rate of 0% per annum. Water and Sewer funds in the amount of \$337,728.80 were de-obligated from the Fund loan during 2016 due to the realization of ARRA forgiveness.

Note 15: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Environmental Infrastructure Loans (Cont'd)**

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 122,021.25	\$ 14,500.24	\$ 136,521.49
2024	122,220.25	13,051.62	135,271.87
2025	127,436.25	11,585.54	139,021.79
2026	127,672.25	10,450.08	138,122.33
2027	127,933.25	9,289.16	137,222.41
2028-2032	654,309.25	28,150.74	682,459.99
2033	134,935.66	1,543.16	136,478.82
Totals	<u>\$ 1,416,528.16</u>	<u>\$ 88,570.54</u>	<u>\$ 1,505,098.70</u>

General Debt - USDA Loans

\$620,000.00 Water & Sewer Utility USDA Loan dated December 27, 2011, payable in annual installments through December 27, 2051. Interest is paid semi-annually at a rate of 3.00% per annum.

\$297,000.00 Water & Sewer Utility USDA Loan dated December 11, 2018, payable in semiannual installments through December 11, 2057. Interest is paid semi-annually at a rate of 1.875% per annum.

\$1,500,000.00 Water & Sewer Utility USDA Loan dated December 11, 2018, payable in annual installments through December 11, 2057. Interest is paid semi-annually at a rate of 2.5% per annum.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 42,017.35	\$ 54,846.65	\$ 96,864.00
2024	43,096.88	53,767.12	96,864.00
2025	44,205.30	52,658.70	96,864.00
2026	45,341.42	51,522.58	96,864.00
2027	46,507.97	50,356.03	96,864.00
2028-2032	251,135.88	233,184.12	484,320.00
2033-2037	285,244.14	199,075.86	484,320.00
2038-2042	324,075.03	160,244.97	484,320.00
2043-2047	368,293.94	116,026.06	484,320.00
2048-2052	391,574.54	65,864.46	457,439.00
2053-2057	327,715.45	22,994.55	350,710.00
Totals	<u>\$ 2,169,207.90</u>	<u>\$ 1,060,541.10</u>	<u>\$ 3,229,749.00</u>

Note 15: CAPITAL DEBT (CONT'D)

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 2,295,000.00	\$ 2,105,000.00	\$ 2,430,000.00
Water & Sewer Utility:			
Bonds, Loans and Notes	4,675,736.06	4,123,542.64	4,425,164.92
Total Issued	<u>6,970,736.06</u>	<u>6,228,542.64</u>	<u>6,855,164.92</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	1,516,360.00	361,000.00	
Water & Sewer Utility:			
Bonds, Loans and Notes	1,033,406.17	570,000.00	
Total Authorized but not Issued	<u>2,549,766.17</u>	<u>931,000.00</u>	<u>-</u>
Total Issued and Authorized but not Issued	<u>9,520,502.23</u>	<u>7,159,542.64</u>	<u>6,855,164.92</u>
<u>Deductions</u>			
Water & Sewer Utility:			
Self-Liquidating	5,709,142.23	4,693,542.64	4,425,164.92
Total Deductions	<u>5,709,142.23</u>	<u>4,693,542.64</u>	<u>4,425,164.92</u>
<u>Net Debt</u>	<u>\$ 3,811,360.00</u>	<u>\$ 2,466,000.00</u>	<u>\$ 2,430,000.00</u>

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 0.690%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 14,149,444.00	\$ 14,149,444.00	
Self-Liquidating	5,709,142.23	5,709,142.23	
General	3,811,360.00		\$ 3,811,360.00
	<u>\$ 23,669,946.23</u>	<u>\$ 19,858,586.23</u>	<u>\$ 3,811,360.00</u>

Net debt \$3,811,360.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$551,979,300.33, equals 0.690%.

Note 15: CAPITAL DEBT (CONT'D)**Summary of Statutory Debt Condition - Annual Debt Statement****Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$	19,319,275.51
Less: Net Debt		<u>3,811,360.00</u>
Remaining Borrowing Power	\$	<u><u>15,507,915.51</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$	4,125,228.21
Deductions:		
Operating and Maintenance Costs	\$	2,705,361.00
Debt Service		<u>305,325.77</u>
Total Deductions		<u>3,010,686.77</u>
Excess in Revenue	\$	<u><u>1,114,541.44</u></u>

Note 16: SCHOOL TAXES

Borough of Clayton Local School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance December 31,</u>	
	<u>2022</u>	<u>2021</u>
Balance of Tax	\$ 5,047,133.03	\$ 5,043,018.03
Deferred	<u>4,279,108.50</u>	<u>4,279,108.50</u>
Taxes Payable	<u>\$ 768,024.53</u>	<u>\$ 763,909.53</u>

Note 17: 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.

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

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

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 29,400.00	\$ 5,407.74	\$ 472.81	\$ 15,864.42	\$ 105,548.99
2021	33,100.00	4,705.73	255.18	5,744.36	86,132.86
2020	47,015.00	4,977.19	85.85	5,451.63	53,816.31

Joint Insurance Pool - The Borough of Clayton is a member of the Gloucester, Salem, and Cumberland Counties Municipal Insurance Joint Insurance Fund (TRICO JIF). The Fund provides its members with the following coverage:

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

Note 17: RISK MANAGEMENT (CONT'D)**Joint Insurance Pool (Cont'd)**

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

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

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

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

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund
P.O. Box 488
Marlton, New Jersey 08053

Note 18: CONTINGENCIES

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

Note 19: CONCENTRATIONS

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

Note 20: TAX ABATEMENTS

The Borough enters into property tax abatement agreements with local businesses under NJSA 40A:20-1 et seq., "Long Term Tax Exemption Law," which provides for long term tax exemption for designated areas. The abatements may be granted to any business located within or promising to relocate to the Borough.

For the year ended December 31, 2022, the Borough abated property taxes totaling \$1,167,898.18, including the following tax abatement agreements that each exceeded ten percent (10%) of the total amount abated:

- A seventy-six percent (76%) property tax abatement to a developer of a 103-unit affordable housing project for low and moderate income elderly individuals. The abatement amounted to \$187,939.60.
- A ninety-one percent (91%) property tax abatement to a developer of a 76-unit affordable housing project for low and moderate income project with a preference for veterans. The abatement amounted to \$249,472.47.
- A thirty-seven percent (37%) property tax abatement to a developer of a 47-unit age restricted housing project. The abatement amounted to \$160,618.72.
- A forty-four percent (44%) property tax abatement to a developer of a 159-unit age restricted housing project. The abatement amounted to \$569,867.40.

Note 21: SUBSEQUENT EVENTS

Tax Appeals - As of December 31, 2022, several tax appeals were on file against the Borough. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the Borough, the estimated impact of the tax refunds could be material.

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

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Various Equipment and Various Capital Improvements	02/23/23	\$ 125,400.00

COVID-19 - On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Borough's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Borough is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2023.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF CLAYTON
CURRENT FUND
Statement of Current Cash -- Treasurer
For the Year Ended December 31, 2022

	<u>Current Fund--Treasurer</u>	<u>Current Fund--Payroll and Agency</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2021	\$ 6,369,785.24	\$ 36,968.20	\$ 354,586.75
Increased by Receipts:			
Collector	\$ 19,036,798.19		
Revenue Accounts Receivable	1,724,856.15		
Due State of New Jersey - (Ch. 73, P.L. 1976)	59,276.72		
Due State of New Jersey--			
Marriage License Fees (R.S. 37:1-12)	425.00		
Prepaid PILOT	1,980.15		
Due County of Gloucester - PILOT	50,589.65		
Due State of New Jersey--DCA Fees	6,658.00		
Security Deposits	30.00		
Due to Township of Elk	87.00		
Reserve for Municipal Relief Aid	28,898.22		
Miscellaneous Revenue not Anticipated	347,862.80		
Interest on Investments and Deposits	43,818.55		
Payroll Deductions Payable		\$ 2,906,063.58	
Due Current Fund - Treasurer's Account		6.25	
Due Trust Other Fund	20,791.73		
Federal and State Grant Fund:			
Matching Funds for Grants			\$ 1,375.00
Due Current Fund			150,173.58
Receivable			121,061.63
	<u>21,322,072.16</u>	<u>2,906,069.83</u>	<u>272,610.21</u>
	27,691,857.40	2,943,038.03	627,196.96
Decreased by Disbursements:			
2022 Budget Appropriations	6,888,988.40		
2021 Appropriation Reserves	447,058.21		
Accounts Payable	46,689.30		
Refund of Tax Overpayments	45,792.94		
County Taxes	3,724,695.16		
Due County for Added and Omitted Taxes	20,376.45		
Local School Taxes	10,133,757.00		
Due State of New Jersey--Marriage License Fees	550.00		
Due State of New Jersey--DCA Fees	6,436.00		
Payroll Deductions Payable		2,901,212.19	
Due County of Gloucester - PILOT	50,684.36		
Due to Township of Elk	85.00		
Due Current Fund - Payroll & Agency Account	6.25		
Due Federal and State Grant Fund	150,173.58		
Due Animal Control Fund	2.52		
Due Trust Other Fund	19,708.95		
Due General Capital Fund	371.59		
Matching Funds for Grants	1,375.00		
Federal and State Grant Fund:			
Due Water Utility Operating Fund (ARP Grant)			457,296.91
Appropriated Reserve			169,900.05
	<u>21,536,750.71</u>	<u>2,901,212.19</u>	<u>627,196.96</u>
Balance Dec. 31, 2022	<u>\$ 6,155,106.69</u>	<u>\$ 41,825.84</u>	<u>-</u>

BOROUGH OF CLAYTON
CURRENT FUND
Statement of Current Cash--Collector
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 243,508.82
Received:		
Taxes Receivable	\$ 18,660,817.55	
Revenue Accounts Receivable	---	
2023 Prepaid Taxes	200,565.06	
Tax Overpayments	48,042.13	
Tax Title Liens	48,449.77	
Interest and Costs on Taxes	<u>77,354.55</u>	
		<u>19,035,229.06</u>
		19,278,737.88
Decreased by:		
Payments to Treasurer		<u>19,036,798.19</u>
Balance Dec. 31, 2022		<u><u>\$ 241,939.69</u></u>

BOROUGH OF CLAYTON
CURRENT FUND
Schedule of Change Funds
As of December 31, 2022

<u>Office</u>	<u>Dec. 31, 2022</u>
Collector	<u>\$ 400.00</u>

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

	Balance		Added		Collected		Overpayments	Due from	Transferred		Balance
Year	Dec. 31, 2021	2022 Levy	Taxes	2021	2022		Applied	State of	to Tax	Cancelled	Dec. 31, 2022
								New Jersey	Title Liens		
2021	\$ 340,248.71		\$ 625.12		\$ 336,357.37				\$ 4,446.68		\$ 69.78
	340,248.71		625.12		336,357.37				4,446.68		69.78
2022		\$ 18,997,881.12		\$ 158,250.44	18,324,460.18	\$ 2,249.19	\$ 60,514.04		42,911.03	\$ 6,558.43	\$ 402,937.81
	\$ 340,248.71	\$ 18,997,881.12	\$ 625.12	\$ 158,250.44	\$ 18,660,817.55	\$ 2,249.19	\$ 60,514.04	\$ 47,357.71	\$ 6,558.43	\$ 403,007.59	

Analysis of 2022 Property Tax Levy

Tax Yield

General Purpose Tax	\$ 18,912,036.01
Added/Omitted Taxes (54:4-63.1 et seq.)	85,845.11
	<u>\$ 18,997,881.12</u>

Tax Levy

Local School Tax	\$ 10,137,872.00
County Taxes:	
County Tax	\$ 3,304,336.89
County Library Tax	224,667.34
County Open Space Fund Tax	195,690.93
Due County for Added/Omitted Taxes (54:4-63.1 et seq.)	<u>16,943.08</u>
Total County Taxes	3,741,638.24
Local Tax for Municipal Purposes	5,046,907.00
Add: Additional Tax Levied	<u>71,463.88</u>
Local Tax for Municipal Purposes Levied	<u>5,118,370.88</u>
	<u>\$ 18,997,881.12</u>

BOROUGH OF CLAYTON
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 178,621.12
Increased by:		
Transfers from Taxes Receivable	\$ 47,357.71	
Interest and Costs Accrued at Tax Sale	<u>615.79</u>	
		<u>47,973.50</u>
		226,594.62
Decreased by:		
Receipts		<u>48,449.77</u>
Balance Dec. 31, 2022		<u><u>\$ 178,144.85</u></u>

BOROUGH OF CLAYTON
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2022

	Balance <u>Dec. 31, 2021</u>	Accrued <u>in 2022</u>	<u>Collection</u> <u>Treasurer</u>	Balance <u>Dec. 31, 2022</u>
Clerk -- Registrar of Vital Statistics:				
Fees and Permits--Other		\$ 39,261.70	\$ 39,261.70	
Energy Receipts Tax		553,989.00	553,989.00	
Payment in Lieu of Taxes - The Reserve and Aberdeen		937,278.89	937,278.89	
Uniform Construction Code Fees		106,693.00	106,693.00	
Shared Services Agreement - Clayton BOE School Resource Officer		55,380.00	55,380.00	
Municipal Court:				
Shared Services Agreement - Municipal Court Services	\$ 1,662.98	33,754.92	32,253.56	\$ 3,164.34
	<u>\$ 1,662.98</u>	<u>\$ 1,726,357.51</u>	<u>\$ 1,724,856.15</u>	<u>\$ 3,164.34</u>

BOROUGH OF CLAYTON
CURRENT FUND
Statement of Due To State of New Jersey Senior Citizens' and
Veterans' Deductions Ch. 73, P.L. 1976
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$	5,153.55	
Increased by:				
Collections			<u>59,276.72</u>	
				64,430.27
Decreased by:				
Accrued in 2022:				
Senior Citizens' Deductions per Billings	\$	14,250.00		
Veterans' Deductions per Billings		<u>44,000.00</u>		
			58,250.00	
Add:				
Veterans' and Senior Citizens' Deductions				
Allowed by Tax Collector		<u>3,250.00</u>		
			61,500.00	
Deduct:				
Veterans' and Senior Citizens' Deductions				
Disallowed by Tax Collector		<u>985.96</u>		
Subtotal - 2022 Taxes			60,514.04	
Less: Deductions Disallowed by				
Tax Collector--Prior Year Taxes		<u>625.12</u>		
				<u>59,888.92</u>
Balance Dec. 31, 2022		\$	<u><u>4,541.35</u></u>	

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

Balance Dec. 31, 2021		\$ 20,127.75
Increased by:		
Tax Abatement Receivable	\$ 2,868.21	
Transfer from Clean-up Charges Receivable	<u>4,200.00</u>	
		<u>7,068.21</u>
Balance Dec. 31, 2022		<u><u>\$ 27,195.96</u></u>

Analysis of 2022 Balance

Tax Abatement Receivable	\$ 9,445.96
Clean-up Liens Receivable	<u>17,750.00</u>
	<u><u>\$ 27,195.96</u></u>

BOROUGH OF CLAYTON
CURRENT FUND
Statement of Clean-up Charges Receivable
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$	6,201.07
Increased by:			
Code Violations			<u>12,341.10</u>
			18,542.17
Decreased by:			
Cash Received as Miscellaneous Revenue not Anticipated	\$	9,704.60	
Transfer to Miscellaneous Charges Receivable		<u>4,200.00</u>	
			<u>13,904.60</u>
Balance Dec. 31, 2022		\$	<u><u>4,637.57</u></u>

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

Balance Dec. 31, 2021		\$ 1,148,000.00
Decreased by:		
Loss on Sales	\$ 91,980.00	
Cash from Sales - Miscellaneous Revenue not Anticipated	<u>2,520.00</u>	
		<u>94,500.00</u>
Balance Dec. 31, 2022		<u>\$ 1,053,500.00</u>

BOROUGH OF CLAYTON
CURRENT FUND
Statement of Changes in Miscellaneous Reserves
For the Year Ended December 31, 2022

	Balance <u>Dec. 31, 2021</u>	<u>Increased by</u> <u>Receipts</u>	<u>Decreased by</u> <u>Disbursements</u>	Balance <u>Dec. 31, 2022</u>
Reserve For:				
Prepaid PILOT	\$ 6,678.47	\$ 1,980.15		\$ 8,658.62
Due County of Gloucester - PILOT	12,188.18	50,589.65	\$ 50,684.36	12,093.47
Codification of Ordinance	124.00			124.00
Security Deposits	470.00	30.00		500.00
Township of Elk		87.00	85.00	2.00
Due State of New Jersey--Marriage License Fees	125.00	425.00	550.00	
Due State of New Jersey--DCA Fees	<u>1,637.00</u>	<u>6,658.00</u>	<u>6,436.00</u>	<u>1,859.00</u>
	<u><u>\$ 21,222.65</u></u>	<u><u>\$ 59,769.80</u></u>	<u><u>\$ 57,755.36</u></u>	<u><u>\$ 23,237.09</u></u>

BOROUGH OF CLAYTON
CURRENT FUND
Statement of 2021 Appropriation Reserves
For the Year Ended December 31, 2022

	Balance December 31, 2021		Balance After	Paid or	Balance
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
OPERATIONS--WITHIN "CAPS"					
<u>General Government</u>					
<u>General Administration</u>					
Salaries and Wages		\$ 6,787.09	\$ 6,787.09		\$ 6,787.09
Other Expenses	\$ 5,150.00	5,864.44	11,014.44	\$ 4,775.77	6,238.67
<u>Mayor and Council</u>					
Salaries and Wages		2,540.80	2,540.80		2,540.80
Other Expenses	1,920.00	305.00	2,225.00	1,920.00	305.00
<u>Municipal Clerk</u>					
Salaries and Wages		1,124.94	1,124.94		1,124.94
Other Expenses		11,363.59	11,363.59	8,082.52	3,281.07
Elections		4,627.39	4,627.39		4,627.39
<u>Financial Administration</u>					
Salaries and Wages		7,716.02	7,716.02		7,716.02
Other Expenses	2,089.14	19,969.77	22,058.91	2,102.55	19,956.36
Annual Audit		35,100.00	35,100.00	30,413.10	4,686.90
<u>Collection of Taxes</u>					
Salaries and Wages		1,314.99	1,314.99		1,314.99
Other Expenses		3,469.98	3,469.98	270.00	3,199.98
<u>Liquidation of Tax Title Liens</u>					
Other Expenses		7,500.00	7,500.00		7,500.00
<u>Costs for Sale of Municipal Property</u>					
Other Expenses		25.00	25.00		25.00
<u>Legal Services and Costs</u>					
Other Expenses		143,402.32	143,402.32	35,202.15	108,200.17
<u>Engineering Services and Costs</u>					
Other Expenses	27,650.00	33,682.63	61,332.63	39,585.85	21,746.78
<u>Economic Development Committee</u>					
Other Expenses		23,574.50	23,574.50		23,574.50
<u>Historical Commission</u>					
Other Expenses		472.00	472.00		472.00
<u>Land Use Administration</u>					
<u>Planning Board</u>					
Salaries and Wages		131.47	131.47		131.47
Other Expenses		5,580.43	5,580.43	792.50	4,787.93
<u>Zoning Board</u>					
Salaries and Wages		657.00	657.00		657.00
Other Expenses		240.81	240.81		240.81
<u>Council on Affordable Housing</u>					
Other Expenses		8,034.51	8,034.51		8,034.51
<u>Code Enforcement Administration</u>					
<u>Code Enforcement Office</u>					
Salaries and Wages		657.11	657.11		657.11
Other Expenses		528.40	528.40		528.40
<u>Housing Safety</u>					
Salaries and Wages		1,081.92	1,081.92		1,081.92
Other Expenses		300.00	300.00		300.00
<u>Occupancy</u>					
Salaries and Wages		2,590.59	2,590.59		2,590.59
Other Expenses		400.00	400.00		400.00
<u>Insurance</u>					
Liability Insurance		60,773.40	60,773.40	4,150.14	56,623.26
Miscellaneous Insurance	49.75	18,350.61	18,400.36	49.75	18,350.61
Workers Compensation Insurance		39,538.00	39,538.00		39,538.00
Group Insurance		173,192.29	173,192.29	70,530.51	102,661.78
<u>Public Safety Functions</u>					
<u>Police</u>					
Salaries and Wages		332,956.05	332,956.05	94,385.11	238,570.94
Other Expenses	10,416.03	2,540.18	12,956.21	9,918.10	3,038.11
<u>Office of Emergency Management</u>					
Salaries and Wages		7.40	7.40		7.40
Other Expenses		500.00	500.00		500.00
<u>Aid to Volunteer Fire Co</u>					
Other Expenses		8,500.00	8,500.00		8,500.00
<u>Uniform Fire Safety - Fire Protection Official</u>					
Other Expenses		1,550.00	1,550.00		1,550.00
<u>Public Works Functions</u>					
<u>Road Repairs and Maintenance</u>					
Salaries and Wages		32,178.52	32,178.52		32,178.52
Other Expenses	5,995.49	13,716.48	19,711.97	5,646.22	14,065.75
<u>Snow Removal</u>					
Other Expenses		226.40	226.40		226.40
<u>Solid Waste Collection</u>					
Other Expenses	26,814.44	17,913.78	44,728.22	32,228.93	12,499.29
<u>Recycling Program</u>					
Salaries and Wages		109.66	109.66		109.66
Other Expenses	18,246.84	58,827.42	77,074.26	20,480.36	56,593.90

(Continued)

BOROUGH OF CLAYTON
CURRENT FUND
Statement of 2021 Appropriation Reserves
For the Year Ended December 31, 2022

	Balance December 31, 2021		Balance After	Paid or	Balance
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
OPERATIONS--WITHIN "CAPS" (CONT'D)					
<u>Public Works Functions</u>					
Public Buildings and Grounds					
Other Expenses	\$ 2,779.73	\$ 21,644.88	\$ 24,424.61	\$ 3,513.97	\$ 20,910.64
Equipment Repair & Maintenance					
Other Expenses	12,937.09	7,412.35	20,349.44	12,610.09	7,739.35
<u>Health and Welfare</u>					
Board of Health					
Other Expenses		1,000.00	1,000.00		1,000.00
Registrar of Vital Statistics					
Salaries and Wages		209.64	209.64		209.64
Other Expenses		475.00	475.00		475.00
Environmental Committee					
Other Expenses		575.00	575.00		575.00
<u>Recreation</u>					
Recreation Committee					
Salaries and Wages		802.10	802.10		802.10
Other Expenses	3,500.00	1,821.00	5,321.00	3,600.00	1,721.00
Senior Center					
Salaries and Wages		9,978.00	9,978.00		9,978.00
Other Expenses		5,146.35	5,146.35	160.40	4,985.95
Senior Citizens' Transportation					
Salaries and Wages		5,132.63	5,132.63		5,132.63
Other Expenses		740.00	740.00		740.00
<u>Other Common Operating Functions</u>					
Celebration of Public Event, Anniversary or Holiday					
Other Expenses		10,332.39	10,332.39		10,332.39
Veteran's Committee					
Other Expenses		750.00	750.00		750.00
<u>Utility Expenses and Bulk Purchases</u>					
Electricity		20,304.30	20,304.30	3,099.67	17,204.63
Street Lighting		58,438.93	58,438.93	4,303.35	54,135.58
Telephone and Telegraph		3,013.54	3,013.54	25.77	2,987.77
Fuel Oil		6,778.84	6,778.84	4,301.07	2,477.77
Gasoline		14,140.55	14,140.55	696.41	13,444.14
<u>Landfill/Solid Waste Disposal Costs</u>					
Solid Waste Disposal					
Tipping Fees		41,009.24	41,009.24	23,037.84	17,971.40
<u>Uniform Construction Code -</u>					
<u>Appropriations Offset by Dedicated Revenues</u>					
Construction Official					
Salaries and Wages		23,795.56	23,795.56		23,795.56
Other Expenses		27,064.95	27,064.95		27,064.95
Fire Protection					
Salaries and Wages		2.72	2.72		2.72
Total Operations--Within "CAPS"	117,548.51	1,350,490.86	1,468,039.37	415,882.13	1,052,157.24
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		42,312.83	42,312.83	6,592.13	35,720.70
Public Employees' Retirement System		0.45	0.45		0.45
Unemployment Insurance		153.30	153.30		153.30
Defined Contribution Retirement Program		1,960.16	1,960.16	148.34	1,811.82
Total Deferred Charges and Statutory Expenditures					
Municipal--Within "CAPS"	-	44,426.74	44,426.74	6,740.47	37,686.27
Total General Appropriations for Municipal Purposes Within "CAPS"	117,548.51	1,394,917.60	1,512,466.11	422,622.60	1,089,843.51
OPERATIONS - EXCLUDED FROM "CAPS"					
<u>Public Safety Functions</u>					
Length of Service Award Program		12,000.00	12,000.00	5,000.00	7,000.00
<u>Landfill/Solid Waste Disposal Costs</u>					
Recycling Tax (P.L. 2007, c.311 (N.J.S.A. 13:1E-96.5))		4,283.90	4,283.90	706.83	3,577.07
<u>Shared Service Agreements</u>					
Gloucester County - Fleet Maintenance		18,588.05	18,588.05	9,224.83	9,363.22
Gloucester County Improvement Authority - Snow Removal		3,200.00	3,200.00		3,200.00
<u>Capital Improvements - Excluded from "CAPS"</u>					
Purchase of Municipal Equipment	4,184.25	5,331.27	9,515.52	9,503.95	11.57
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,184.25	43,403.22	47,587.47	24,435.61	23,151.86
\$ 121,732.76 \$ 1,438,320.82 \$ 1,560,053.58 \$ 447,058.21 \$ 1,112,995.37					
Disbursed				\$ 447,058.21	

BOROUGH OF CLAYTON
CURRENT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		
Current Fund	\$ 121,732.76	
Federal and State Grant Fund	<u>73,884.76</u>	
		\$ 195,617.52
Increased by - Transfers from:		
2022 Budget Appropriations	202,067.59	
Reserve for Federal and State Grants Appropriated	<u>390,563.08</u>	
		<u>592,630.67</u>
		788,248.19
Decreased by - Transfers to:		
2021 Appropriation Reserves	121,732.76	
Reserve for Federal and State Grants Appropriated	<u>73,884.76</u>	
		<u>195,617.52</u>
Balance Dec. 31, 2022		<u><u>\$ 592,630.67</u></u>
<u>Analysis of Balance Dec. 31, 2022</u>		
Current Fund		\$ 202,067.59
Federal and State Grant Fund		<u>390,563.08</u>
		<u><u>\$ 592,630.67</u></u>

Exhibit SA-14

BOROUGH OF CLAYTON
CURRENT FUND
Statement of Accounts Payable
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 57,570.66
Decreased by:		
Canceled	\$ 2,892.61	
Disbursements	<u>46,689.30</u>	
		<u>49,581.91</u>
Balance Dec. 31, 2022		<u><u>\$ 7,988.75</u></u>

BOROUGH OF CLAYTON
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2022

Balance Dec. 31, 2021 (2022 Taxes)	\$ 158,250.44
Increased by:	
Collections--2023 Taxes	<u>200,565.06</u>
	358,815.50
Decreased by:	
Application to 2022 Taxes Receivable	<u>158,250.44</u>
Balance Dec. 31, 2022 (2023 Taxes)	<u><u>\$ 200,565.06</u></u>

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

Increased by:		
Overpayments in 2022		\$ 48,042.13
Decreased by:		
Refunds	\$ 45,792.94	
Applied to Current Year Taxes	<u>2,249.19</u>	
		<u>\$ 48,042.13</u>

BOROUGH OF CLAYTON
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2022

2022 Tax Levy:	
County Tax	\$ 3,304,336.89
County Library Tax	224,667.34
County Open Space Fund Tax	<u>195,690.93</u>
	\$ 3,724,695.16
Decreased by:	
Payments	<u><u>\$ 3,724,695.16</u></u>

Exhibit SA-18

BOROUGH OF CLAYTON
CURRENT FUND
Statement of Due County for Added Taxes
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 20,376.45
Increased by County Share of 2022 Levy:	
Added Taxes (R.S.54:4-63.1 et seq.)	<u>16,943.08</u>
	37,319.53
Decreased by:	
Payments	<u>20,376.45</u>
Balance Dec. 31, 2022	<u><u>\$ 16,943.08</u></u>

Exhibit SA-19

BOROUGH OF CLAYTON
CURRENT FUND
Statement of Deferred Charges N.J.S. 40A:4-53 Special Emergency
For the Year Ended December 31, 2022

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	<u>1/5 of</u> <u>Net Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Funded</u> <u>by Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
9/27/2017	Preparation of the Master Plan	\$ 25,000.00	\$ 5,000.00	\$ 11,000.00	\$ 11,000.00	-
				<u>\$ 11,000.00</u>	<u>\$ 11,000.00</u>	<u>-</u>

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

Balance Dec. 31, 2021	\$ 36,949.27
Increased by:	
Receipts	<u>2,906,063.58</u>
	2,943,012.85
Decreased by:	
Disbursements	<u>2,901,212.19</u>
Balance Dec. 31, 2022	<u><u>\$ 41,800.66</u></u>

BOROUGH OF CLAYTON
CURRENT FUND
Schedule of Reserve for Master Plan
As of December 31, 2022

Balance Dec. 31, 2022

\$ 1,535.00

BOROUGH OF CLAYTON
CURRENT FUND
Statement of Local School Tax
For the Year Ended December 31, 2022

Balance Dec. 31, 2021:		
School Tax Payable	\$ 763,909.53	
School Tax Deferred	<u>4,279,108.50</u>	\$ 5,043,018.03
Increased by:		
Levy--School Year July 1, 2022 to June 30, 2023		<u>10,137,872.00</u>
		15,180,890.03
Decreased by:		
Payments		<u>10,133,757.00</u>
Balance Dec. 31, 2022:		
School Tax Payable	768,024.53	
School Tax Deferred	<u>4,279,108.50</u>	\$ <u>5,047,133.03</u>
2022 Liability for Local School Tax		
Tax Paid		\$ 10,133,757.00
Add: Tax Payable Dec. 31, 2022		<u>768,024.53</u>
		10,901,781.53
Less: Tax Payable Dec. 31, 2021		<u>763,909.53</u>
Amount Charged to 2022 Operations		<u>\$ 10,137,872.00</u>

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

Decreased by:		
Cancellation of Federal and State Grants Receivable		<u>\$ 24,763.95</u>
Increased by:		
Receipts	\$ 150,173.58	
Cancellation of Federal and State Grants Appropriated	<u>24,763.95</u>	
		<u>174,937.53</u>
Balance Dec. 31, 2022		<u><u>\$ 150,173.58</u></u>

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

<u>Program</u>	<u>Balance Dec. 31, 2021</u>	<u>Accrued</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2022</u>
Federal Grants:					
CDBG - County of Gloucester - Roberts Avenue		\$ 50,000.00			\$ 50,000.00
CDBG - County of Gloucester - Bellview Avenue		50,000.00			50,000.00
Body Worn Camera Grant	\$ 48,912.00		\$ 45,244.00		3,668.00
Distracted Driving Grant		1,200.00	1,200.00		
Drive Sober or Get Pulled Over	1,440.00	3,120.00	2,880.00		1,680.00
Total Federal Grants Receivable	50,352.00	104,320.00	49,324.00	-	105,348.00
State Grants:					
Hazardous Discharge Site Remediation	24,763.95			\$ 24,763.95	
Clean Communities		19,038.66	19,038.66		
Body Armor Replacement Fund		2,350.46	2,350.46		
Recycling Tonnage Grant		9,433.71	9,433.71		
Click It or Ticket		1,920.00	1,920.00		
N.J. Department of Transportation - Walnut Street	106,345.48				106,345.48
N.J. Department of Transportation - S. Broad Street	105,338.25				105,338.25
N.J. Department of Transportation - Broad Street Phase 2	217,186.00				217,186.00
N.J. Department of Transportation - Local Freight Impact - Cenco		900,000.00			900,000.00
N.J. Department of Transportation - Safe Routes to School Program		632,000.00			632,000.00
N.J. Transportation Trust Fund - E. High Street Improvements		275,532.00			275,532.00
Bulletproof Vest Partnership	4,730.60	2,570.40	1,094.80		6,206.20
Safe and Secure	9,450.00	32,400.00	32,400.00		9,450.00
Municipal Alliance on Alcohol and Drug Abuse	5,000.00	9,500.00	5,000.00		9,500.00
GCIA-Environmental Commission Grant		500.00	500.00		
Total State Grants Receivable	472,814.28	1,885,245.23	71,737.63	24,763.95	2,261,557.93
Total Federal and State Grants Receivable	\$ 523,166.28	\$ 1,989,565.23	\$ 121,061.63	\$ 24,763.95	\$ 2,366,905.93

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

<u>Program</u>	<u>Balance Dec. 31, 2021</u>	<u>Grants Receivable</u>	<u>Realized as Miscellaneous Revenue in 2022 Budget</u>	<u>Balance Dec. 31, 2022</u>
Federal Grants:				
CDBG - County of Gloucester - Roberts Avenue		\$ 50,000.00	\$ 50,000.00	
CDBG - County of Gloucester - Bellview Avenue		50,000.00	50,000.00	
American Rescue Plan	\$ 457,296.91		457,296.91	
Distracted Driving Grant		1,200.00	1,200.00	
Drive Sober or Get Pulled Over		3,120.00	3,120.00	
Total Federal Grants	457,296.91	104,320.00	561,616.91	-
State Grants:				
Recycling Tonnage Grant		9,433.71	9,433.71	
Clean Communities		19,038.66	19,038.66	
Body Armor Replacement Fund		2,350.46	1,044.70	\$ 1,305.76
Click It or Ticket		1,920.00	1,920.00	
N.J. Department of Transportation - Local Freight Impact - Cenco		900,000.00	900,000.00	
N.J. Department of Transportation - Safe Routes to School Program		632,000.00	632,000.00	
N.J. Transportation Trust Fund - E. High Street Improvements		275,532.00	275,532.00	
Bulletproof Vest Partnership		2,570.40	2,570.40	
Safe and Secure		32,400.00	32,400.00	
Municipal Alliance on Alcohol and Drug Abuse		9,500.00	9,500.00	
Association of N.J. Environmental Commissions		500.00	500.00	
Total State Grants	-	1,885,245.23	1,883,939.47	1,305.76
Total Reserve Federal and State Grants	\$ 457,296.91	\$ 1,989,565.23	\$ 2,445,556.38	\$ 1,305.76
Current Fund			\$ 1,988,259.47	
Water-Sewer Operating Budget			457,296.91	
			<u>\$ 2,445,556.38</u>	

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

<u>Program</u>	<u>Balance Dec. 31, 2021</u>		<u>Transfer from 2022 Budget Appropriation</u>	<u>Disbursed</u>	<u>Encumbered</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2022</u>
	<u>Encumbered</u>	<u>Reserved</u>					
Federal Grants:							
CDBG - County of Gloucester - Roberts Avenue			\$ 50,000.00	\$ 18,181.68	\$ 31,818.32		
CDBG - County of Gloucester - Bellview Avenue			50,000.00	6,875.00	43,125.00		
Body Worn Camera Grant	\$ 48,912.00			48,912.00			
Distracted Driving Grant			1,200.00	1,200.00			
Drive Sober or Get Pulled Over		\$ 240.00	3,120.00	2,520.00			\$ 840.00
Total Reserve for Federal Grants	48,912.00	240.00	104,320.00	77,688.68	74,943.32		840.00
State Grants:							
Hazardous Discharge Site Remediation		35,166.36		10,402.41		\$ 24,763.95	
Clean Communities	590.00	9,838.23	19,038.66	26,147.79			3,319.10
Body Armor Replacement Fund			1,044.70	1,044.70			
Recycling Tonnage Grant	3,500.00	15,748.50	9,433.71	4,950.79	6,000.00		17,731.42
Drunk Driving Enforcement Program	299.00	4,816.16		1,600.20			3,514.96
N.J. Department of Transportation - S. Broad Street	20,583.76	52,230.25			20,583.76		52,230.25
N.J. Department of Transportation - Broad Street Phase 2		217,186.00			217,186.00		
N.J. Department of Transportation - Local Freight Impact - Cenco			900,000.00		71,850.00		828,150.00
N.J. Department of Transportation - Safe Routes to School Program			632,000.00				632,000.00
N.J. Transportation Trust Fund - E. High Street Improvements			275,532.00				275,532.00
Bulletproof Vest Partnership		3,635.80	2,570.40	2,570.48			3,635.72
Safe and Secure			32,400.00	32,400.00			
Municipal Alliance on Alcohol and Drug Abuse		4,925.00	10,875.00	11,175.00			4,625.00
Click It or Ticket			1,920.00	1,920.00			
Association of N.J. Environmental Commissions		2,785.06	500.00				3,285.06
Total Reserve for State Grants	24,972.76	346,331.36	1,885,314.47	92,211.37	315,619.76	24,763.95	1,824,023.51
Total Reserve for Federal and State Grants	\$ 73,884.76	\$ 346,571.36	\$ 1,989,634.47	\$ 169,900.05	\$ 390,563.08	\$ 24,763.95	\$ 1,824,863.51

SUPPLEMENTAL EXHIBITS

TRUST FUND

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

	<u>Animal Control License</u>	<u>Other</u>
Balance Dec. 31, 2021	\$ 16,649.16	\$ 752,485.64
Increased by Receipts:		
Due Current	\$ 2.52	\$ 19,708.95
Dog License Fees	8,910.40	
State Registration Fees	1,767.00	
Reserve for Affordable Housing		275.29
Reserve for Developer's Escrow Trust Fund		70,262.57
Reserve for Disposal of Forfeited Property		4,740.09
Reserve for Special Events		6,732.32
Reserve for Outside Employment of Off-Duty Police		37,437.50
Reserve for Parks and Recreation Trust Fund		1,440.41
Reserve for Tax Sale Premium		217,300.00
Reserve for Tax Sale Redemption		193,767.06
Reserve for Performance Bond Escrow Trust Fund		7,500.00
Reserve for Unaccumulated Absences		40,000.00
Reserve for Unemployment Compensation Insurance		35,280.55
	<u>10,679.92</u>	<u>634,444.74</u>
	27,329.08	1,386,930.38
Decreased by Disbursements:		
Due Current		20,791.73
Expenditures Under R.S.4:19-15.11	9,943.86	
State Registration Fees	1,783.20	
Reserve for Developer's Escrow Trust Fund		72,568.33
Reserve for Disposal of Forfeited Property		3,015.30
Reserve for Special Events		5,643.01
Reserve for Outside Employment of Off-Duty Police		39,055.00
Reserve for Parks and Recreation Trust Fund		7,650.00
Reserve for Tax Sale Premium		161,900.00
Reserve for Tax Sale Redemption		208,963.96
Reserve for Performance Bond Escrow Trust Fund		11,708.75
Reserve for Unemployment Compensation Insurance		15,864.42
	<u>11,727.06</u>	<u>547,160.50</u>
Balance Dec. 31, 2022	<u>\$ 15,602.02</u>	<u>\$ 839,769.88</u>

BOROUGH OF CLAYTON
ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Fund Expenditures
For the Year End December 31, 2022

Balance Dec. 31, 2021	\$ 16,636.46
Increased by:	
Dog License Fees Collected	<u>8,910.40</u>
	25,546.86
Decreased by:	
Encumbrances	\$ 2,000.00
Statutory Excess Due Current Fund	578.00
Expenditures Under R.S.4:19-15.11--Cash	<u>9,943.86</u>
	<u>12,521.86</u>
Balance Dec. 31, 2022	<u><u>\$ 13,025.00</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2020	\$ 7,242.00
2021	<u>5,783.00</u>
	<u><u>\$ 13,025.00</u></u>

Exhibit SB-3

BOROUGH OF CLAYTON
ANIMAL CONTROL FUND
Statement of Due to State of New Jersey
Dog Registration Fees
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 30.60
Increased by:	
Receipts	<u>1,767.00</u>
	1,797.60
Decreased by:	
Disbursements	<u>1,783.20</u>
Balance Dec. 31, 2022	<u><u>\$ 14.40</u></u>

Exhibit SB-4

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

Balance Dec. 31, 2021	\$ 7.10
Increased by:	
Receipts	\$ 2.52
Statutory Excess Due to Current	<u>578.00</u>
	<u>580.52</u>
Balance Dec. 31, 2022	<u><u>\$ 587.62</u></u>

BOROUGH OF CLAYTON
TRUST-OTHER FUND
Statement of Due to Current Fund
For the Year End December 31, 2022

Balance Dec. 31, 2021		\$ 2,380.91
Increased By:		
Interest Due to Current Fund:		
Developer's Escrow Trust	\$ 707.81	
Special Events	31.00	
Donations - K9 Unit	12.45	
Outside Employment of Off-Duty Police	17,397.54	
Tax Sale Premium	1,472.88	
Tax Sale Redemption	87.27	
	<u>19,708.95</u>	<u>19,708.95</u>
		22,089.86
Decreased by:		
Interest Paid to Current Fund:		
Developer's Escrow Trust	652.83	
Special Events	29.97	
Donations - K9 Unit	12.02	
Outside Employment of Off-Duty Police	18,625.87	
Tax Sale Premium	1,382.96	
Tax Sale Redemption	88.08	
	<u>20,791.73</u>	<u>20,791.73</u>
Balance Dec. 31, 2022		<u><u>\$ 1,298.13</u></u>
<u>Account</u>		<u>Amount</u>
Developer's Escrow Trust		\$ 101.11
Special Events		1.65
Donations - K9 Unit		1.45
Outside Employment of Off-Duty Police		968.00
Tax Sale Premium		220.88
Tax Sale Redemption		5.04
		<u><u>\$ 1,298.13</u></u>

BOROUGH OF CLAYTON
TRUST-OTHER FUND
Statement of Changes in Miscellaneous Trust Other Reserves
For the Year End December 31, 2022

	Balance Dec. 31, 2021	Increased by		Decreased by		Balance Dec. 31, 2022
		Transfer from Reserve for Encumbrances	Trust Fund	Reserve for Encumbrances	Trust Fund	
Reserve For:						
Reserve for Affordable Housing	\$ 53,041.74		\$ 275.29			\$ 53,317.03
Reserve for Developer's Escrow Trust Fund	114,111.24		70,262.57		\$ 72,568.33	111,805.48
Reserve for Disposal of Forfeited Property	9,922.18		4,740.09		3,015.30	11,646.97
Reserve for Special Events	1,539.86		6,732.32	\$ 600.00	5,643.01	2,029.17
Reserve for Donations - K9 Unit	2,397.00					2,397.00
Reserve for Outside Employment of Off-Duty Police	750.00	\$ 867.50	37,437.50		39,055.00	
Reserve for Parks and Recreation Trust Fund	107,652.23		1,440.41		7,650.00	101,442.64
Reserve for Tax Sale Premium	308,200.00		217,300.00		161,900.00	363,600.00
Reserve for Tax Sale Redemption	23,357.62		193,767.06		208,963.96	8,160.72
Reserve for Performance Bond Escrow Trust Fund	42,532.50		7,500.00		11,708.75	38,323.75
Reserve for Unaccumulated Absences			40,000.00			40,000.00
Reserve for Unemployment Compensation Insurance	86,132.86		35,280.55		15,864.42	105,548.99
	<u>\$ 749,637.23</u>	<u>\$ 867.50</u>	<u>\$ 614,735.79</u>	<u>\$ 600.00</u>	<u>\$ 526,368.77</u>	<u>\$ 838,271.75</u>

BOROUGH OF CLAYTON
LENGTH OF SERVICE AWARD PROGRAM
Statement of Investments - Length of Service Awards Program
For the Year End December 31, 2022

Balance December 31, 2021		\$ 267,509.09
Increased by:		
Borough Contributions	\$ 5,000.00	
Interest Earned	<u>1,114.48</u>	
		<u>6,114.48</u>
		273,623.57
Decreased by:		
Benefits Paid to Participants	6,669.15	
Unrealized Loss on Investments	<u>39,936.61</u>	
		<u>46,605.76</u>
Balance December 31, 2022		<u><u>\$ 227,017.81</u></u>

Schedule of Investments, December 31, 2022

<u>Description</u>	<u>Amount</u>
Fixed Annuity Contract	\$ 39,380.28
Mutual Funds	<u>187,637.53</u>
	<u><u>\$ 227,017.81</u></u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BOROUGH OF CLAYTON
GENERAL CAPITAL FUND
Statement of General Capital Cash -- Treasurer
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 615,079.27
Increased by Receipts:		
Bond Anticipation Notes	\$ 525,000.00	
Due Current Fund	371.59	
Recreation Trust Fund	7,650.00	
Proceeds from Sale of Truck	140,000.00	
2022 Budget Appropriations:		
Reserve for Municipal Improvements	27,950.00	
Capital Improvement Fund	95,000.00	
	<u> </u>	<u>795,971.59</u>
		1,411,050.86
Decreased by Disbursements:		
Improvement Authorizations		<u>259,945.63</u>
Balance Dec. 31, 2022		<u><u>\$ 1,151,105.23</u></u>

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

	Balance (Deficit) Dec. 31, 2021	Budget Appropriations	Receipts Bond Anticipation Notes	Miscellaneous	Disbursements Improvement Authorizations	In	Transfer Out	Balance (Deficit) Dec. 31, 2022
Fund Balance	\$ 4,197.03							\$ 4,197.03
Capital Improvement Fund	118,431.25	\$ 95,000.00					\$ 88,440.00	124,991.25
Current Fund.	255.06			\$ 371.59				626.65
Reserve for Encumbrances	129,792.00					\$ 1,567,406.97	129,792.00	1,567,406.97
Reserve for Improvements to Municipal Roads	2,831.20							2,831.20
Reserve for Land and Drainage-Coyle	170,750.00							170,750.00
Reserve for Capital Improvements		27,950.00						27,950.00
Improvement Authorizations:								
<u>Ordinance Number</u>		<u>Improvement Description</u>						
General Improvements:								
2011-9	Site Remediation and/or Environmental Investigaitons	4,604.23						4,604.23
2011-13	Acquisition of Capital Equipment and the completion of Capital Projects	6,481.01						6,481.01
2012-9	Site Remediation and/or Environmental Investigaitons	71.61						71.61
2015-17	Redevelopment Area Improvements	82,269.78			\$ 9,536.64			72,733.14
2017-19	Drainage Improvements to West Center Street	1,936.88						1,936.88
2017-23	Acquisition of Capital Equipment and the Completion of Various Capital Improvements	33,936.00						33,936.00
2018-15	Acquisition of Capital Equipment and the Completion of Various Capital Improvements	101,197.68			81,091.00	81,091.00	2,686.99	98,510.69
2019-20	Completion of Various LED Lighting and HVAC Improvements in Public Buildings	401.65						401.65
2020-05	Reappropriation of Unexpected Balance of Previous Ordinances Per 40A:22-39 by Resolution for the Purpose of: Various Capital Projects	3,331.95			2,646.74			685.21
2021-15	Acquisition of Capital Equipment and the completion of Capital Projects	(45,408.06)	\$ 268,000.00		44,085.96	137,141.00	20,429.04	295,217.94
2022-7	Parl and Recreation Field Improvements			7,650.00	7,650.00			
	Acquisition of Capital Equipment and the Completion of Various Capital Improvements		257,000.00		62,928.29		183,193.65	10,878.06
2022-14	Acquistion of Certain Fire Apparatus				1,738.00		1,353,410.00	(1,355,148.00)
2022-17	Acquistion of Various Equipment for the Fire Department			140,000.00	50,269.00		7,687.29	82,043.71
	\$ 615,079.27	\$ 122,950.00	\$ 525,000.00	\$ 148,021.59	\$ 259,945.63	\$ 1,785,638.97	\$ 1,785,638.97	\$ 1,151,105.23
Current Fund		\$ 122,950.00						

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

Balance Dec. 31, 2021	\$ 2,105,000.00
Decreased by:	
2022 Budget Appropriation to Pay:	
Current Fund Budget:	
Serial Bonds	<u>335,000.00</u>
Balance Dec. 31, 2022	<u><u>\$ 1,770,000.00</u></u>

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

		Analysis of Balance Dec. 31, 2022					
Ordinance Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Balance Dec. 31, 2022	Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
General Improvements:							
2021-15	Acquisition of Capital Equipment and the completion of Capital Projects	\$ 361,000.00		\$ 361,000.00	\$ 268,000.00		\$ 93,000.00
	Acquisition of Capital Equipment and the Completion of Various						
2022-13	Capital Improvements		\$ 264,385.00	264,385.00	257,000.00		7,385.00
2022-14	Acquistion of Certain Fire Apparatus		1,415,975.00	1,415,975.00		\$ 1,355,148.00	60,827.00
		<u>\$ 361,000.00</u>	<u>\$ 1,680,360.00</u>	<u>\$ 2,041,360.00</u>	<u>\$ 525,000.00</u>	<u>\$ 1,355,148.00</u>	<u>\$ 161,212.00</u>
		Improvement Authorizations - Unfunded					
		Less: Unexpended Proceeds of Bond Anticipation Notes Issued:					
		2021-15 \$ 295,217.94					
		2022-13 10,878.06					
		<u>306,096.00</u>					
		<u>\$ 161,212.00</u>					

[illegible]

BOROUGH OF CLAYTON
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 118,431.25
Increased by:	
2022 Budget Appropriation	<u>95,000.00</u>
	213,431.25
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>88,440.00</u>
Balance Dec. 31, 2022	<u><u>\$ 124,991.25</u></u>

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

Balance Dec. 31, 2021	\$ 129,792.00
Increased by:	
Charges to Improvement Authorizations	<u>1,567,406.97</u>
	1,697,198.97
Decreased by:	
Transferred to Improvement Authorizations	<u>129,792.00</u>
Balance Dec. 31, 2022	<u><u>\$ 1,567,406.97</u></u>

BOROUGH OF CLAYTON
GENERAL CAPITAL FUND
Statement of Reserve for Municipal Improvements
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 173,581.20
Increased by:	
Receipts	<u>27,950.00</u>
Balance Dec. 31, 2022	<u><u>\$ 201,531.20</u></u>

Analysis of Balance

Reserve for Municipal Road Improvements	\$ 2,831.20
Reserve for Land and Drainage Improvements - Coyle/Carvin	170,750.00
Reserve for Capital Improvements	<u>27,950.00</u>
	<u><u>\$ 201,531.20</u></u>

BOROUGH OF CLAYTON
GENERAL CAPITAL FUND
Statement of Obligations Under Financed Purchases
For the Year Ended December 31, 2022

<u>Purpose</u>	<u>Date of Agreement</u>	<u>Term of Agreement</u>	<u>Amount of Original Issue</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Decreased</u>	<u>Balance</u>
			<u>Principal</u>	<u>Interest</u>		<u>Dec. 31, 2021</u>		<u>Dec. 31, 2022</u>
Various Capital Improvements	1/20/2004	20 yrs	\$ 1,610,000.00	\$ 608,355.63	1%-5.99%	\$ 175,000.00	\$ 85,000.00	\$ 90,000.00
Paid by Budget Appropriation - Current Fund							\$ 85,000.00	

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2022</u>
			<u>Date</u>	<u>Amount</u>				
General Improvements of 2018	10/31/2018	\$ 2,652,000.00	10/01/23	\$ 350,000.00	3.125%			
			10/01/24	355,000.00	3.125%			
			10/01/25	355,000.00	3.125%			
			10/01/26	355,000.00	3.125%			
			10/01/27	355,000.00	3.250%			
						\$ 2,105,000.00	\$ 335,000.00	\$ 1,770,000.00
						<u>\$ 2,105,000.00</u>	<u>\$ 335,000.00</u>	<u>\$ 1,770,000.00</u>
Paid by Budget Appropriation - Current Fund							<u>\$ 335,000.00</u>	

<u>Improvement Description</u>	<u>Ord. Number</u>	<u>Note No.</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased</u>	<u>Balance Dec. 31, 2022</u>
Acquisition of Capital Equipment and the completion of Capital Projects	15-2021	2022A	12/14/2022	12/14/2022	12/13/2023	3.95%	\$ 268,000.00	\$ 268,000.00
Acquisition of Capital Equipment and the Completion of Various Capital Improvements	13-2022	2022A	12/14/2022	12/14/2022	12/13/2023	3.95%	257,000.00	257,000.00
							<u>\$ 525,000.00</u>	<u>\$ 525,000.00</u>
							<u>\$ 525,000.00</u>	
							<u>\$ 525,000.00</u>	

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2021</u>	<u>2022 Authorizations</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2022</u>
General Improvements:					
2021-15	Acquisition of Capital Equipment and the completion of Capital Projects	\$ 361,000.00		\$ 268,000.00	\$ 93,000.00
2022-13	Acquisition of Capital Equipment and the Completion of Various Capital Improvements		\$ 264,385.00	257,000.00	7,385.00
2022-14	Acquisition of Certain Fire Apparatus		1,415,975.00		1,415,975.00
		<u>\$ 361,000.00</u>	<u>\$ 1,680,360.00</u>	<u>\$ 525,000.00</u>	<u>\$ 1,516,360.00</u>

SUPPLEMENTAL EXHIBITS
WATER & SEWER UTILITY FUND

BOROUGH OF CLAYTON
WATER-SEWER UTILITY FUND
Statement of Water-Sewer Utility Cash -- Treasurer
For the Year Ended December 31, 2022

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2021	\$ 923,659.12	\$ 235,625.83
Increased by Receipts:		
Tax Collector	\$ 2,807,831.31	
Reserve for Escrow Deposits	2,659.46	
2022 Budget Appropriations:		
Capital Improvement Fund		\$ 35,000.00
Bond Anticipation Notes Issued		775,000.00
American Rescue Plan		914,593.83
Due Water-Sewer Utility Capital Fund		701.73
	<u>2,810,490.77</u>	<u>1,725,295.56</u>
	3,734,149.89	1,960,921.39
Decreased by Disbursements:		
2022 Appropriations	2,418,797.72	
2021 Appropriation Reserves	153,143.08	
Accrued Interest on Bonds	11,800.00	
Accrued Interest on Loans	71,827.61	
Reserve for Escrow Deposits	298.00	
Overpayment Refunds	6,931.57	
Due Water-Sewer Utility Operating Fund	701.73	
Improvement Authorizations		428,021.61
	<u>2,663,499.71</u>	<u>428,021.61</u>
Balance Dec. 31, 2022	<u><u>\$ 1,070,650.18</u></u>	<u><u>\$ 1,532,899.78</u></u>

BOROUGH OF CLAYTON
WATER-SEWER UTILITY FUND
Statement of Water-Sewer Utility Cash--Collector
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 402,564.36
Receipts:		
Consumer Accounts Receivable	\$ 2,856,566.46	
Overpayment of Rents	8,874.72	
Miscellaneous	<u>58,260.92</u>	
		<u>2,923,702.10</u>
		3,326,266.46
Disbursements:		
Payments to Treasurer		<u>2,807,831.31</u>
Balance Dec. 31, 2022		<u><u>\$ 518,435.15</u></u>

BOROUGH OF CLAYTON
WATER-SEWER UTILITY CAPITAL FUND
 Analysis of Water-Sewer Utility Capital Cash
 For the Year Ended December 31, 2022

	Balance (Deficit) Dec. 31, 2021	Receipts Bond			Disbursements			Balance (Deficit) Dec. 31, 2022
		Budget Appropriation	Anticipation Notes	Miscellaneous	Improvement Authorizations	Transfers		
						From	To	
Fund Balance	\$ 64,292.74							\$ 64,292.74
Capital Improvement Fund	124,641.73	\$ 35,000.00						159,641.73
Reserve for Encumbrances	255,120.38					\$ 255,120.38	\$ 337,620.73	337,620.73
Accrued Interest							1,509.66	1,509.66
<u>Ordinance Number</u>								
General Improvements:								
2011-14 Various Capital Equipment	19,488.37							19,488.37
2015-19 Various Water & Sewer Utility Improvements	19,167.13							19,167.13
2017-21 Acquisition of Equipment for the Water & Sewer Utility System	3,882.39							3,882.39
2018-16 Improvements to Sewer Mains	32,800.00				\$ 21,017.34			11,782.66
2019-17 Completion of Various Water & Sewer Utility Improvements	27.65							27.65
2019-22 Removal & Replacement of the Variable Frequency Drive at Well #5	4,350.00							4,350.00
2020-11 Improvements to Sewer System & Well #5 Motor	3,292.93							3,292.93
2021-08 Improvements to Sewer System - N Dennis Dr	3,800.74							3,800.74
2021-14 Acquisition of Various Water & Sewer Equip and Utility Improvements	(295,338.48)		\$ 525,000.00		367,327.82	70,609.77	255,120.38	46,844.31
2022-11 Various Water & Sewer Capital Improvements			250,000.00			182,487.41		67,512.59
2022-12 Replace Portion of Delsea Drive Water Main				\$ 914,593.83	39,676.45	86,033.21		788,884.17
<u>Interfund</u>								
Due Water-Sewer Operating Fund	100.25			701.73				801.98
	\$ 235,625.83	\$ 35,000.00	\$ 775,000.00	\$ 915,295.56	\$ 428,021.61	\$ 594,250.77	\$ 594,250.77	\$ 1,532,899.78

BOROUGH OF CLAYTON
WATER-SEWER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$	188,930.44
Increased by:			
Water-Sewer Rents Levied			<u>2,932,562.06</u>
			3,121,492.50
Decreased by:			
Collections	\$	2,847,135.36	
Overpayments Applied		6,865.10	
Transfers to Water-Sewer Utility Liens		<u>2,566.00</u>	
			<u>2,856,566.46</u>
Balance Dec. 31, 2022		\$	<u><u>264,926.04</u></u>

BOROUGH OF CLAYTON
WATER-SEWER UTILITY OPERATING FUND
Statement of Utility Liens Receivable--Water-Sewer
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 13,374.03
Increased by:	
Transfer from Consumer Accounts Receivable	<u>2,566.00</u>
	15,940.03
Decreased by:	
Collections	<u>2,579.29</u>
Balance Dec. 31, 2022	<u><u>\$ 13,360.74</u></u>

BOROUGH OF CLAYTON
WATER-SEWER UTILITY OPERATING FUND
Statement of Utility Overpayments
For the Year Ended December 31, 2022

<hr/>		
Balance Dec. 31, 2021		\$ 6,865.10
Increased by:		
Overpayments in 2022		<u>8,874.72</u>
		15,739.82
Decreased by:		
Applied to Consumer Accounts Receivable	\$ 6,865.10	
Refunds	<u>66.47</u>	
		<u>6,931.57</u>
Balance Dec. 31, 2022		<u><u>\$ 8,808.25</u></u>

BOROUGH OF CLAYTON
WATER-SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2022

<u>Account</u>	<u>Balance Dec. 31, 2021</u>	<u>Additions</u>		<u>Balance Dec. 31, 2022</u>
		<u>By Budget Capital Outlay</u>	<u>Ordinance</u>	
Wells and Tanks	\$ 7,987,026.13		\$ 16,090.00	\$ 8,003,116.13
Land	94,058.75			94,058.75
Walk and Appurtenance	5,443.68			5,443.68
Collecting Reservoir	1,268.02			1,268.02
Pumping Station Structure	3,721.19			3,721.19
Steam Power Pumping Equipment	9,993.49			9,993.49
Electric Power Pumping Equipment	291,298.21		8,610.00	299,908.21
Portable Air Compressor	19,444.92			19,444.92
Chlorinator	26,937.37			26,937.37
Distribution Mains and Accessories	968,702.59			968,702.59
Service Pipes and Stops	521,835.91			521,835.91
Meters and Meter Boxes	842,063.29	\$ 7,536.00		849,599.29
Fire Hydrants	52,568.23			52,568.23
Frame Dwellings and General Structures	19,066.35			19,066.35
General Equipment	579,613.99	34,720.81	114,981.00	729,315.80
Organization Exepnses	1,000.00			1,000.00
Auto and Trucks	395,548.72			395,548.72
Garage	3,901.73			3,901.73
Office Equipment	7,186.00			7,186.00
Engineering and Legal Fees	79,635.17			79,635.17
Bonded Interest	20,667.81			20,667.81
Industrial Park Water System	230,035.14			230,035.14
Improvements In-Town Water System	1,450,595.10			1,450,595.10
Safety Equipment	2,302.82			2,302.82
Sewer Authority Assets and Dissolution	1,541,038.69			1,541,038.69
Sewer Extensions	1,399,526.82		12,407.34	1,411,934.16
Booster Station	331,924.94			331,924.94
Water Tower Ladders/Roof Vent	119,981.00			119,981.00
Hagelstein Treatment Plant Access	14,402.61			14,402.61
	<u>\$ 17,020,788.67</u>	<u>\$ 42,256.81</u>	<u>\$ 152,088.34</u>	<u>\$ 17,215,133.82</u>

Capital Outlay:

2022 Budget Appropriation

\$ 42,256.81

BOROUGH OF CLAYTON
WATER-SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2022

Ordinance Number	Improvement Description	Date	<u>Ordinance</u>		Balance Dec. 31, 2021	Charges to Future Revenue	Costs to Fixed Capital	Balance Dec. 31, 2022
				<u>Amount</u>				
2011-14	Various Capital Equipment	8/11/2011	\$	52,274.58	\$ 19,620.76			\$ 19,620.76
2015-19	Various Water & Sewer Utility Improvements	10/8/2015		25,000.00	19,167.13			19,167.13
2017-21	Acquisition of Equipment for the Water & Sewer Utility System	10/12/2017		35,000.00	3,882.39			3,882.39
2018-16	Improvements to Sewer Mains	8/9/2018		60,000.00	32,800.00		\$ 21,017.34	11,782.66
2019-17	Completion of Various Water & Sewer Utility Improvements	9/26/2019		33,400.00	27.65			27.65
2019-22	Removal & Replacement of the Variable Frequency Drive at Well #5	11/14/2019		22,000.00	4,350.00			4,350.00
2020-11	Improvements to Sewer System & Well #5 Motor	9/10/2020		110,000.00	3,292.93			3,292.93
2021-08	Improvements to Sewer System - N Dennis Dr	5/13/2021		23,000.00	3,800.74			3,800.74
2021-14	Acquisition of Various Water & Sewer Equip and Utility Improvements	8/12/2021		570,000.00	570,000.00		131,071.00	438,929.00
2022-11	Various Water & Sewer Capital Improvements	8/11/2022		353,000.00		\$ 353,000.00		353,000.00
2022-12	Replace Portion of Delsea Drive Water Main	8/11/2022		1,800,000.00		1,800,000.00		1,800,000.00
					<u>\$ 656,941.60</u>	<u>\$ 2,153,000.00</u>	<u>\$ 152,088.34</u>	<u>\$ 2,657,853.26</u>

BOROUGH OF CLAYTON
WATER-SEWER UTILITY OPERATING FUND
Statement of 2021 Appropriation Reserves
For the Year Ended December 31, 2022

	Balance Dec. 31, 2021		Paid or	Balance
	<u>Encumbered</u>	<u>Reserved</u>	<u>Charged</u>	<u>Lapsed</u>
Operating:				
Salaries and Wages		\$ 184,409.71		\$ 184,409.71
Other Expenses	\$ 47,645.13	204,268.86	\$ 175,663.83	76,250.16
Total Operating	47,645.13	388,678.57	175,663.83	260,659.87
Capital Improvements				
Capital Outlay		16,049.69	6,360.00	9,689.69
Replacement of Water Meters/Pumps & Controls		32,040.00		32,040.00
Total Capital Improvements	-	48,089.69	6,360.00	41,729.69
Statutory Expenditures:				
Contribution to:				
Public Employee's Retirement System (PERS)		0.55		0.55
Social Security System (O.A.S.I.)		8,356.40		8,356.40
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)		46.05		46.05
Total Statutory Expenditures	-	8,403.00	-	8,403.00
	\$ 47,645.13	\$ 445,171.26	\$ 182,023.83	\$ 310,792.56
Disbursed			\$ 153,143.08	
Accounts Payable			28,880.75	
			<u>\$ 182,023.83</u>	

BOROUGH OF CLAYTON
WATER-SEWER UTILITY OPERATING FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 47,645.13
Increased by:	
Encumbrances--2022 Appropriations	<u>59,417.82</u>
	107,062.95
Decreased by:	
Transferred-- 2021 Appropriation Reserves	<u>47,645.13</u>
Balance Dec. 31, 2022	<u><u>\$ 59,417.82</u></u>

Exhibit SD-11

BOROUGH OF CLAYTON
WATER-SEWER UTILITY OPERATING FUND
Statement of Accounts Payable
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 6,460.30
Increased by:	
Transferred -- 2021 Appropriation Reserves	<u>28,880.75</u>
Balance Dec. 31, 2022	<u><u>\$ 35,341.05</u></u>

BOROUGH OF CLAYTON
WATER-SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds and Notes and Analysis of Balance
For the Year Ended December 31, 2022

Balance Dec. 31, 2021							\$	12,016.29
Increased by:								
Budget Appropriation for:								
Interest on Bonds						\$	11,331.25	
Interest on Loans - USDA							55,855.02	
Interest on Loans - NJEIT							15,332.95	
Interest on Notes Charged to Improvement Authorizations							1,509.66	
								84,028.88
								96,045.17
Decreased by:								
Interest Paid by								
Operating Fund:								
Bonds							11,800.00	
Loans - USDA							55,898.70	
Loans - NJEIT							15,928.91	
								83,627.61
Balance Dec. 31, 2022							\$	12,417.56
<u>Analysis of Balance Dec. 31, 2022</u>								
Operating Fund							\$	10,907.90
Capital Fund								1,509.66
							\$	12,417.56
<u>Analysis of Accrued Interest Dec. 31, 2022</u>								
	Principal Outstanding Dec. 31, 2022	Interest Rate	From	To	Period		Amount	
Serial Bonds								
	\$ 60,000.00	3.125%	10/01/2022	12/31/2022	90 Days		\$ 468.75	
	60,000.00	3.125%	10/01/2022	12/31/2022	90 Days		468.75	
	65,000.00	3.125%	10/01/2022	12/31/2022	90 Days		507.81	
	65,000.00	3.125%	10/01/2022	12/31/2022	90 Days		507.81	
	65,000.00	3.250%	10/01/2022	12/31/2022	90 Days		528.13	
								2,481.25
USDA Loans								
	515,073.57	3.000%	12/26/2022	12/31/2022	5 Days		211.68	
	1,383,337.12	2.500%	12/11/2022	12/31/2022	20 Days		1,894.98	
	270,797.21	1.875%	12/11/2022	12/31/2022	20 Days		278.22	
								2,384.88
NJEIT Loans								
	115,439.00	2.941%	8/1/2022	12/31/2022	5 Months		1,382.91	
	335,000.00	3.000%	8/1/2022	12/31/2022	5 Months		4,658.86	
								6,041.77
Bond Anticipation Notes								
	775,000.00	3.950%	12/14/2022	12/31/2022	17 Days		1,509.66	
							\$	12,417.56

BOROUGH OF CLAYTON
WATER-SEWER UTILITY CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 124,641.73
Increased by:	
2022 Budget Appropriation	<u>35,000.00</u>
Balance Dec. 31, 2022	<u><u>\$ 159,641.73</u></u>

BOROUGH OF CLAYTON
WATER-SEWER UTILITY OPERATING FUND
Statement of Reserve for Escrow Deposits
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 98,016.82
Increased by:	
Receipts	<u>2,659.46</u>
	100,676.28
Decreased by:	
Disbursements	<u>298.00</u>
Balance Dec. 31, 2022	<u><u>\$ 100,378.28</u></u>

BOROUGH OF CLAYTON
WATER-SEWER UTILITY CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2022

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2021		Other Financing Sources	Deferred Charges to Future Revenue	Transfer from Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2022	
				Funded	Unfunded					Funded	Unfunded
General Improvements:											
2011-14	Various Capital Equipment	08/11/11	\$ 52,274.58	\$ 19,388.37	\$ 100.00					\$ 19,388.37	\$ 100.00
2015-19	Various Water & Sewer Utility Improvements	10/08/15	25,000.00	19,167.13						19,167.13	
2017-21	Acquisition of Equipment for the Water & Sewer Utility System	10/12/17	35,000.00	3,882.39						3,882.39	
2018-16	Improvements to Sewer Mains	08/09/18	60,000.00	32,800.00					\$ 21,017.34	11,782.66	
2019-17	Completion of Various Water & Sewer Utility Improvements	09/26/19	33,400.00	27.65						27.65	
2019-22	Removal & Replacement of the Variable Frequency Drive at Well #5	11/14/19	22,000.00	4,350.00						4,350.00	
2020-11	Improvements to Sewer System & Well #5 Motor	09/10/20	110,000.00	3,292.93						3,292.93	
2021-08	Improvements to Sewer System - N Dennis Dr	05/13/21	23,000.00	3,800.74						3,800.74	
2021-14	Acquisition of Various Water & Sewer Equip and Utility Improvements	08/12/21	570,000.00		274,661.52			\$ 255,120.38	437,937.59		91,844.31
2022-11	Various Water & Sewer Capital Improvements	08/11/22	353,000.00				\$ 353,000.00		182,487.41		170,512.59
2022-12	Replace Portion of Delsea Drive Water Main	08/11/22	1,800,000.00			\$ 914,593.83	885,406.17		125,709.66	788,884.17	885,406.17
				\$ 86,709.21	\$ 274,761.52	\$ 914,593.83	\$ 1,238,406.17	\$ 255,120.38	\$ 767,152.00	\$ 854,576.04	\$ 1,147,863.07
American Rescue Plan						\$ 914,593.83					
									Accrued Interest on Notes	\$ 1,509.66	
									Reserve for Encumbrances	337,620.73	
									Disbursed	428,021.61	
										\$ 767,152.00	

BOROUGH OF CLAYTON
WATER-SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2022

Balance Dec. 31, 2021		\$ 12,972,716.34
Increased by:		
Capital Outlay Paid by Operating Budget	\$ 42,256.81	
Loans Paid by Operating Budget	162,806.55	
Serial Bonds Paid by Operating Budget	<u>60,000.00</u>	
		<u>265,063.36</u>
Balance Dec. 31, 2022		<u><u>\$ 13,237,779.70</u></u>

BOROUGH OF CLAYTON
WATER-SEWER UTILITY CAPITAL FUND
Statement of Deferred Reserve For Amortization
For the Year Ended December 31, 2022

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2021</u>	<u>American Rescue Plan</u>	<u>Balance Dec. 31, 2022</u>
<u>General Improvements:</u>					
2019-17	Completion of Various Water & Sewer Utility Improvements	9/26/2019	\$ 27.65		\$ 27.65
2019-22	Removal & Replacement of the Variable Frequency Drive at Well #5	11/14/2019	4,350.00		4,350.00
2020-11	Improvements to Sewer System & Well #5 Motor	9/10/2020	3,292.93		3,292.93
2021-08	Improvements to Sewer System - N Dennis Dr	5/13/2021	3,800.74		3,800.74
2022-12	Replace Portion of Delsea Drive Water Main	8/11/2022		\$ 914,593.83	914,593.83
			<u>\$ 11,471.32</u>	<u>\$ 914,593.83</u>	<u>\$ 926,065.15</u>

BOROUGH OF CLAYTON
WATER-SEWER UTILITY CAPITAL FUND
Statement of Due Water-Sewer Operating Fund
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$	100.25
Increased by:		
Receipts		<u>701.73</u>
Balance Dec. 31, 2022	\$	<u><u>801.98</u></u>

BOROUGH OF CLAYTON
WATER-SEWER UTILITY CAPITAL FUND
Statement of USDA Loans Payable
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 2,210,173.20
Decreased by:	
Paid by Operating Budget	40,965.30
Balance Dec. 31, 2022	<u>\$ 2,169,207.90</u>

Schedule of New Jersey Environmental Infrastructure Loan Payable Dec. 31, 2022

<u>Due Date</u>	<u>Series 2011A</u> <u>Principal</u>	<u>Series 2017A</u> <u>Principal</u>	<u>Series 2017B</u> <u>Principal</u>	<u>Total</u>
2023	\$ 11,354.32	\$ 25,122.62	\$ 5,540.41	\$ 42,017.35
2024	11,697.50	25,754.61	5,644.77	43,096.88
2025	12,051.70	26,402.49	5,751.11	44,205.30
2026	12,415.30	27,066.68	5,859.44	45,341.42
2027	12,790.56	27,747.58	5,969.83	46,507.97
2028	13,177.15	28,445.60	6,082.28	47,705.03
2029	13,575.43	29,161.19	6,196.86	48,933.48
2030	13,985.75	29,894.78	6,313.60	50,194.13
2031	14,408.46	30,646.81	6,432.53	51,487.80
2032	14,843.96	31,417.78	6,553.70	52,815.44
2033	15,292.62	32,208.18	6,677.17	54,177.97
2034	15,754.84	33,018.36	6,802.94	55,576.14
2035	16,231.03	33,848.98	6,931.10	57,011.11
2036	16,721.62	34,700.49	7,061.67	58,483.78
2037	17,227.02	35,573.43	7,194.69	59,995.14
2038	17,747.71	36,468.32	7,330.22	61,546.25
2039	18,284.13	37,385.73	7,468.32	63,138.18
2040	18,836.77	38,326.21	7,609.00	64,771.98
2041	19,406.12	39,290.36	7,752.34	66,448.82
2042	19,992.67	40,278.76	7,898.37	68,169.80
2043	20,596.95	41,292.01	8,047.17	69,936.13
2044	21,219.48	42,330.77	8,198.76	71,749.01
2045	21,860.84	43,395.65	8,353.21	73,609.70
2046	22,521.59	44,487.32	8,510.56	75,519.47
2047	23,202.30	45,606.45	8,670.88	77,479.63
2048	23,903.59	46,753.74	8,834.22	79,491.55
2049	24,626.08	47,929.90	9,000.64	81,556.62
2050	25,370.40	49,135.63	9,170.20	83,676.23
2051	25,977.68	50,371.70	9,342.95	85,692.33
2052		51,638.86	9,518.95	61,157.81
2053		52,937.90	9,698.26	62,636.16
2054		54,269.62	9,880.96	64,150.58
2055		55,634.84	10,067.09	65,701.93
2056		57,034.41	10,256.73	67,291.14
2057		57,759.36	10,176.28	67,935.64
	<u>\$ 515,073.57</u>	<u>\$ 1,383,337.12</u>	<u>\$ 270,797.21</u>	<u>\$ 2,169,207.90</u>

BOROUGH OF CLAYTON
WATER-SEWER UTILITY CAPITAL FUND
Statement of New Jersey Environmental Infrastructure Loan Payable
For the Year Ended December 31, 2022

Balance Dec. 31, 2021	\$ 1,538,369.41
Decreased by:	
Paid by Operating Budget	<u>121,841.25</u>
Balance Dec. 31, 2022	<u><u>\$ 1,416,528.16</u></u>

Schedule of New Jersey Environmental Infrastructure Loan Payable Dec. 31, 2022

<u>Due Date</u>	<u>Series 2014A</u>		<u>Series 2014 Nano Loan</u>		<u>Total</u>
	<u>Trust</u>	<u>Fund</u>	<u>Trust</u>	<u>Fund</u>	
2023	\$ 25,000.00	\$ 78,444.91	\$ 9,195.00	\$ 9,381.34	\$ 122,021.25
2024	25,000.00	78,444.91	9,394.00	9,381.34	122,220.25
2025	30,000.00	78,444.91	9,610.00	9,381.34	127,436.25
2026	30,000.00	78,444.91	9,846.00	9,381.34	127,672.25
2027	30,000.00	78,444.91	10,107.00	9,381.34	127,933.25
2028	30,000.00	78,444.91	10,390.00	9,381.34	128,216.25
2029	30,000.00	78,444.91	10,691.00	9,381.34	128,517.25
2030	30,000.00	78,444.91	11,017.00	9,381.34	128,843.25
2031	35,000.00	78,444.91	11,358.00	9,381.34	134,184.25
2032	35,000.00	78,444.91	11,722.00	9,381.34	134,548.25
2033	35,000.00	78,445.01	12,109.00	9,381.65	134,935.66
	<u>\$ 335,000.00</u>	<u>\$ 862,894.11</u>	<u>\$ 115,439.00</u>	<u>\$ 103,195.05</u>	<u>\$ 1,416,528.16</u>

BOROUGH OF CLAYTON
WATER-SEWER UTILITY CAPITAL FUND
Statement of Water-Sewer Serial Bonds
For the Year Ended December 31, 2022

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2022</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Decreased</u>	<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>Dec. 31, 2021</u>		<u>Dec. 31, 2022</u>
Water & Sewer Improvements	10/17/2018	\$ 531,000.00	10/01/23	\$ 60,000.00	3.125%			
			10/01/24	60,000.00	3.125%			
			10/01/25	65,000.00	3.125%			
			10/01/26	65,000.00	3.125%			
			10/01/27	65,000.00	3.250%			
						\$ 375,000.00	\$ 60,000.00	\$ 315,000.00
						<u>\$ 375,000.00</u>	<u>\$ 60,000.00</u>	<u>\$ 315,000.00</u>
Paid by Budget Appropriation							<u>\$ 60,000.00</u>	

Ordinance Number	Improvement Description	Note Number	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Increased	Balance Dec. 31, 2022
2021-14	Various Water & Sewer Capital Improvements	2022A	12/14/2022	12/14/2022	12/13/2023	3.950%	\$ 525,000.00	\$ 525,000.00
2022-11	Replace Portion of Delsea Drive Water Main	2022A	12/14/2022	12/14/2022	12/13/2023	3.950%	250,000.00	250,000.00
							<u>\$ 775,000.00</u>	<u>\$ 775,000.00</u>
							<u>\$ 775,000.00</u>	
						Issued for Cash	<u>\$ 775,000.00</u>	

BOROUGH OF CLAYTON
WATER-SEWER UTILITY CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2022

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2021</u>	<u>2022 Authorizations</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2022</u>
2021-14	Acquisition of Various Water & Sewer Equip and Utility Improvements	\$ 570,000.00		\$ 525,000.00	\$ 45,000.00
2022-11	Various Water & Sewer Capital Improvements		\$ 353,000.00	250,000.00	103,000.00
2022-12	Replace Portion of Delsea Drive Water Main		885,406.17		885,406.17
		<u>\$ 570,000.00</u>	<u>\$ 1,238,406.17</u>	<u>\$ 775,000.00</u>	<u>\$ 1,033,406.17</u>

PART II
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

BOROUGH OF CLAYTON
Schedule of Findings and Recommendations
For the Year Ended December 31, 2022

Schedule of Financial Statement Findings

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

None.

BOROUGH OF CLAYTON
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

Not applicable.

STATE FINANCIAL ASSISTANCE PROGRAMS

Not applicable.

BOROUGH OF CLAYTON
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Thomas Bianco	Mayor	(B)
Anthony Saban	President of Council	(B)
Charles Simon	Councilmember	(B)
Darlene Vondran	Councilmember	(B)
Frank Rollo	Councilmember	(B)
Christina Moorhouse	Councilmember	(B)
Dave Chapes	Councilmember	(B)
Susan Miller	Borough Administrator	(B)
Donna Nestore	Chief Financial Officer and Tax Collector	(A)
Christine Newcomb	Municipal Clerk	(B)
Timothy D. Scaffidi, Esq.	Solicitor	

(A) Statutory Position Bond - TRICO Municipal Joint Insurance Pool \$50,000.00. Amounts in excess of \$50,000.00 covered by Municipal Excess Liability Joint Insurance Fund to \$950,000.00

(B) Public Officials Bond – TRICO Municipal Joint Insurance Pool \$50,000.00. Amounts in excess of \$50,000.00 covered by Municipal Excess Liability Joint Insurance Fund to \$950,000.00

APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink, appearing to read "Michael D. Cesaro", with a stylized flourish at the end.

Michael D. Cesaro
Certified Public Accountant
Registered Municipal Accountant

