

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY**

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

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COUNTY OF MONMOUTH, NEW JERSEY
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**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY**

PART I

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

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Little Silver
Little Silver, New Jersey 07739

Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance – regulatory basis of the Borough of Little Silver, as of December 31, 2022 and 2021, and the results of its operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis, statements of expenditures – regulatory basis for the year ended December 31, 2022, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control(s) relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Little Silver's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Little Silver'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 of Little Silver's basic financial statements. The accompanying supplemental schedules presented for the various funds and letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements. The schedule of state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2023, on our consideration of the Borough of Little Silver'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 Little Silver'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 Little Silver's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Lakewood, New Jersey
July 12, 2023

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

Honorable Mayor and Members
of the Borough Council
Borough of Little Silver
Little Silver, New Jersey 07739

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Borough of Little Silver, 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 July 12, 2023. Our report indicated that the Borough’s financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Register Municipal Accountant
RMA No. 483

Lakewood, New Jersey
July 12, 2023

BASIC FINANCIAL STATEMENTS

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**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2022 AND 2021**

	REFERENCE	<u>2022</u>	<u>2021</u>
ASSETS			
Regular Fund:			
Cash	A-4	\$ 8,001,755.02	\$ 7,331,350.47
Cash - Change Funds	A-5	250.00	250.00
Investment in BAN's	A-6	<u>4,514,750.60</u>	<u>5,395,594.50</u>
Total		<u>12,516,755.62</u>	<u>12,727,194.97</u>
Other Receivable:			
Due from State of NJ - Senior Citizens' and Veterans Deductions	A-14	750.00	1,250.00
Due from the Internal Revenue Service	A-11	<u>10,470.36</u>	<u>-</u>
Total Other Receivable		<u>11,220.36</u>	<u>1,250.00</u>
Receivables & Other Assets With Full Reserves:			
Taxes Receivable	A-7	209,572.71	176,588.26
Tax Title Liens Receivable	A-8	1,768.30	1,695.50
Interfund - Trust	B	-	263,166.91
Interfund - Animal Control	B	-	4,618.80
Interfund - Grants	A	-	61,012.86
Property Acquired for Taxes Assessed Valuation	A-9	10,350.00	10,350.00
Revenue Accounts Receivable	A-10	<u>5,360.70</u>	<u>7,759.02</u>
Total Receivables & Other Assets With Full Reserves		<u>227,051.71</u>	<u>525,191.35</u>
Total Regular Funds		<u>12,755,027.69</u>	<u>13,253,636.32</u>
State Grant Fund:			
Cash	A-4	37,604.01	283,705.83
Grants Receivable	A-21	<u>158,456.00</u>	<u>199,000.00</u>
Total State Grants		<u>196,060.01</u>	<u>482,705.83</u>
Total Assets		<u>\$ 12,951,087.70</u>	<u>\$ 13,736,342.15</u>

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2022 AND 2021**

	REFERENCE	<u>2022</u>	<u>2021</u>
LIABILITIES RESERVES & FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, A-12	\$ 738,994.13	\$ 663,887.46
Encumbrances Payable	A-3, A-12	309,328.02	153,601.06
Account Payable	A-13	29,643.17	5,280.72
Prepaid Taxes	A-15	293,745.80	329,224.22
County Taxes Payable	A-16	10,473.31	15,511.65
Local District School Tax Payable	A-17	5,676,372.75	6,154,398.23
Regional High School Taxes Payable	A-18	3,009,080.98	3,106,273.48
Various Reserves	A-19	<u>33,550.40</u>	<u>94,929.95</u>
Subtotal Regular Fund		<u>10,101,188.56</u>	<u>10,523,106.77</u>
Reserve for Receivables & Other Assets	A	227,051.71	525,191.35
Fund Balance	A-1	<u>2,426,787.42</u>	<u>2,205,338.20</u>
Total Regular Fund		<u>12,755,027.69</u>	<u>13,253,636.32</u>
State Grant Fund:			
Liabilities:			
Reserve for State Grants:			
Appropriated Reserves	A-22	194,700.53	95,564.76
Unappropriated Reserves	A-23	1,359.48	326,128.21
Interfund Payable	A	<u>-</u>	<u>61,012.86</u>
Total State & Federal Grants		<u>196,060.01</u>	<u>482,705.83</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 12,951,087.70</u>	<u>\$ 13,736,342.15</u>

The Borough had deferred school taxes of \$2,300,800.00 at the year ended December 31, 2022 and December 31, 2021.

BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT 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>Reference</u>	<u>2022</u>	<u>2021</u>
Fund Balance Utilized	A-2	\$ 1,985,000.00	\$ 2,068,881.00
Miscellaneous Revenue Anticipated	A-2	2,294,151.05	1,045,688.16
Receipts From Delinquent Taxes	A-2	176,587.06	241,391.11
Non-Budget Revenue	A-2	729,594.90	656,274.69
Receipts From Current Taxes	A-2,A-7	34,935,065.17	35,356,113.72
Other Credits To Income:			
Statutory Excess Animal Control	B-2	-	4,618.80
Unexpended Balances of Appropriation Reserves	A-12	611,727.95	726,373.59
		<hr/>	<hr/>
Total Revenues		40,732,126.13	40,099,341.07
		<hr/>	<hr/>
<u>Expenditures</u>			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	4,091,950.00	4,184,715.00
Other Expenses	A-3	4,290,700.00	3,950,250.00
Deferred Charges and Statutory			
Expenditures	A-3	1,086,694.00	1,060,390.12
Appropriations Excluded From "CAPS":			
Operations:			
Other Expenses	A-3	526,947.63	338,532.79
Capital Improvements	A-3	670,193.58	55,000.00
Debt Service	A-3	887,464.55	826,502.39
County Taxes	A-16	4,744,562.82	4,835,250.06
County Share of Added Taxes	A-16	10,473.31	15,511.80
Local District School Tax	A-17	14,403,371.00	14,724,360.00
Regional High School Tax	A-18	7,619,762.00	7,814,147.00
Municipal Open Space Tax	A-20	193,558.02	180,642.30
Interfund Created	A	-	267,785.71
Refund of Prior Year Revenue	A-1	-	4,586.79
		<hr/>	<hr/>
Total Expenditures		38,525,676.91	38,257,673.96
		<hr/>	<hr/>
Excess/(Deficit) in Revenue		2,206,449.22	1,841,667.11
Fund Balance, January 1	A	2,205,338.20	2,432,552.09
		<hr/>	<hr/>
		4,411,787.42	4,274,219.20
Decreased By:			
Utilized as Anticipated Revenue	A-1,A-2	1,985,000.00	2,068,881.00
		<hr/>	<hr/>
Fund Balance, December 31	A	\$ 2,426,787.42	\$ 2,205,338.20
		<hr/> <hr/>	<hr/> <hr/>

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

BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Anticipated <u>Budget</u>	Budget <u>Amendments</u>	Amount <u>Realized</u>	Excess/ <u>(Deficit)</u>
Fund Balance Anticipated	\$ 1,985,000.00	\$ -	\$ 1,985,000.00	\$ -
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	5,000.00	-	5,063.00	63.00
Fines and Costs:				
Municipal Court	70,000.00	-	92,361.65	22,361.65
Interest and Costs on Taxes	52,000.00	-	52,463.64	463.64
Interest on Investments and Deposits	5,000.00	-	145,011.52	140,011.52
Cell Tower Lease Agreement	40,000.00	-	42,060.87	2,060.87
Interfund - Trust Other	255,000.00	-	200,075.10	(54,924.90)
Interfund - Railroad Trust	30,000.00	-	32,300.06	2,300.06
State and Federal Aid Without Offsetting Appropriations:				
Energy Tax Receipts	585,662.00	-	585,662.00	-
Dedicated Uniform Construction Code Fees				
Uniform Construction Code Fees	230,000.00	-	329,612.00	99,612.00
State and Federal Revenues Offset With Appropriations:				
NJDLPS-Alcohol Education & Rehabilitation,FY 2022	-	4,737.97	4,737.97	-
NJDLPS-Body Worn Camera Grant Program,SFY 2021	-	24,456.00	24,456.00	-
NJDLPS-Body Armor Replacement Fund, FY 2021	-	1,081.01	1,081.01	-
NJDLPS-Distracted Driving Crack Down, FY 2022	-	7,000.00	7,000.00	-
NJDLPS-Drunk Driving Enforcement Fund, FY 2022	-	5,800.00	5,800.00	-
NJDEP-Recycling Tonnage Grant, FY 2019	-	13,996.38	13,996.38	-
NJDEP-Clean Communities Grant, FY 2021	-	13,531.42	13,531.42	-
NJDEP-Clean Communities Grant, FY 2022	-	13,744.85	13,744.85	-
NJDCALocal Recreation Improvement Grnt,FY 2022	-	60,000.00	60,000.00	-
Rumson Country Club Donation - Santelle Park	-	60,000.00	60,000.00	-
ARP Funds - Loss of Revenue	605,193.58	-	605,193.58	-
Total Miscellaneous Revenues	1,877,855.58	204,347.63	2,294,151.05	211,947.84
Receipts From Delinquent Taxes	175,000.00	-	176,587.06	1,587.06
Amount To Be Raised By Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	8,130,002.13	-	8,651,801.15	521,799.02
Budget Revenues	12,167,857.71	204,347.63	13,107,539.26	735,333.92
Non-Budget Revenues	-	-	729,594.90	729,594.90
	<u>\$ 12,167,857.71</u>	<u>\$ 204,347.63</u>	<u>\$ 13,837,134.16</u>	<u>\$ 1,464,928.82</u>

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Analysis of Realized Revenues

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 34,935,065.17
Allocated To:	
School, County and Municipal	
Open Spaces Tax	26,971,727.15
Balance for Support of Municipal Budget	
Appropriations	7,963,338.02
Add: Appropriation "Reserve for	
Uncollected Taxes"	688,463.13
Amount for Support of Municipal Budget	
Appropriations	\$ 8,651,801.15
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	\$ 176,587.06

Analysis of Non-Budget Revenues

Assessment Lists	\$ 580.00
Assessment Searches	5.00
Board of Health	384.52
Developer Permits	19,100.00
Duplicate Tax Bill Fee	445.00
Fire Arms	224.00
Food Handlers Permits	5,255.00
Garage Sales	140.00
Grading Plan Fee	5,300.00
LS BOE-Fuel Consumption	994.52
Library Fines	1,278.80
Recycling	3,483.39
RR Concession	29,658.32
Raffles	20.00
Reprints	170.00
Police Reports	657.35
Sign Application	230.00
Softball - Adults	250.00
Solicitor/Handbill	50.00
Recreation Programs	110,990.00
Street Opening Permit	9,759.33
Tax Searches	10.00
Softball - Girls	65.00
Variance Fees	22,400.00
Woman's Club	4,100.00
Office Duty Employment - Administrative Fee	32,472.00
Portable Storage Unit Permit Fee	225.00
Landscaper Permit	3,650.00
Red Bank Regional High School Resource Officer	80,407.00
Franchise Fees	114,144.66
Appropriation Refunds	30,120.85
LOSAP-Surrendered	51,451.54
FEMA Reimbursements	11,465.83
Sale of Fixed Assets	88,476.48
Monmouth County Municipal Excess Liability Joint Insurance Fund (MELJIF) - Dividend	18,741.00
Animal Licensing Statutory Excess	7,232.62
Clear Grant Interfund	61,012.86
Miscellaneous	14,644.83
	\$ 729,594.90

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriated		Expenditures			Cancelled
	Original Budget	Budget After Modification	Expended / Reimbursed	Encumbrances	Reserved	
GENERAL GOVERNMENT:						
General Administration:						
Salaries and Wages	\$ 186,000.00	\$ 146,000.00	\$ 134,161.75	\$ -	\$ 11,838.25	\$ -
Other Expenses	113,800.00	113,800.00	100,857.92	4,299.96	8,642.12	-
Mayor & Council						
Salaries and Wages	12,500.00	12,500.00	12,499.50	-	0.50	-
Municipal Clerk:						
Salaries and Wages	132,500.00	147,500.00	144,473.86	-	3,026.14	-
Elections:						
Other Expenses	4,000.00	4,000.00	3,287.68	-	712.32	-
Financial Administration (Treasury):						
Salaries and Wages	82,500.00	107,500.00	104,344.28	-	3,155.72	-
Other Expenses	45,000.00	55,000.00	47,584.91	-	7,415.09	-
Audit Services	40,000.00	40,000.00	39,250.00	-	750.00	-
Revenue Administration (Tax Collection):						
Salaries and Wages	100,000.00	100,000.00	92,302.61	-	7,697.39	-
Other Expenses	8,300.00	8,300.00	7,440.01	-	859.99	-
Tax Assessment Administration:						
Salaries and Wages	46,500.00	46,500.00	46,409.14	-	90.86	-
Other Expenses	19,500.00	19,500.00	18,411.26	-	1,088.74	-
Legal Services (Legal Department):						
Other Expenses	60,000.00	60,000.00	51,929.06	-	8,070.94	-
Engineering Services:						
Other Expenses	50,000.00	50,000.00	17,800.46	-	32,199.54	-

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriated		Expenditures			Cancelled
	Original Budget	Budget After Modification	Expended / Reimbursed	Encumbrances	Reserved	
LAND USE ADMINISTRATION:						
Planning Board:						
Salaries and Wages	73,000.00	74,000.00	73,000.12	-	999.88	-
Other Expenses	47,600.00	47,600.00	32,875.19	-	14,724.81	-
CODE ENFORCEMENT AND ADMINISTRATION:						
Uniform Construction Code Enforcement:						
Salaries and Wages	10,250.00	10,250.00	10,107.70	-	142.30	-
Other Expenses	1,500.00	1,500.00	414.95	-	1,085.05	-
COURT AND PUBLIC DEFENDER:						
Municipal Court:						
Salaries and Wages	120,000.00	120,000.00	107,032.04	-	12,967.96	-
Other Expenses	9,000.00	9,000.00	6,296.81	-	2,703.19	-
Public Defender:						
Other Expenses	1,000.00	1,000.00	551.00	-	449.00	-
INSURANCE (N.J.S.A. 40A:4-45.3(00)):						
General Liability						
Workers Compensation	156,500.00	156,500.00	153,547.00	-	2,953.00	-
Employee Group Health	146,000.00	146,000.00	145,228.00	-	772.00	-
Health Benefit Waiver	1,330,000.00	1,330,000.00	1,196,735.99	384.24	132,879.77	-
	10,000.00	20,000.00	15,445.94	-	4,554.06	-
PUBLIC SAFETY:						
Police Department:						
Salaries and Wages	2,250,000.00	2,094,000.00	2,040,864.04	-	53,135.96	-
Other Expenses	133,500.00	133,500.00	117,930.04	13,158.23	2,411.73	-
School Resource Officer Program:						
Salaries and Wages	79,000.00	2,000.00	-	-	2,000.00	-
Police Dispatch/911:						
Other Expenses	6,400.00	6,400.00	5,846.00	-	554.00	-

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriated		Expenditures			Cancelled
	Original Budget	Budget After Modification	Expended/ Reimbursed	Encumbrances	Reserved	
Office of Emergency Management:						
Salaries and Wages	6,000.00	6,000.00	6,000.00	-	-	-
Other Expenses	2,000.00	2,000.00	1,930.07	-	69.93	-
Aid To Volunteer Fire Companies:						
Other Expenses	70,000.00	70,000.00	61,093.02	3,118.61	5,788.37	-
Aid To Volunteer Ambulance Companies:						
Other Expenses	45,500.00	45,500.00	25,356.59	19,555.98	587.43	-
Municipal Prosecutor's Office:						
Salaries and Wages	14,500.00	14,500.00	13,236.78	-	1,263.22	-
PUBLIC WORKS:						
Streets and Road Maintenance:						
Salaries and Wages	684,000.00	684,000.00	669,777.27	-	14,222.73	-
Other Expenses	135,000.00	135,000.00	86,040.42	7,476.69	41,482.89	-
Other Public Works Functions:						
Other Expenses	25,000.00	40,000.00	31,755.00	-	8,245.00	-
Solid Waste Collection:						
Other Expenses	360,000.00	360,000.00	322,663.18	-	37,336.82	-
Buildings and Grounds:						
Other Expenses	168,500.00	243,500.00	186,448.80	40,325.40	16,725.80	-
Vehicle Maintenance (Inc. Police Vehicles):						
Salaries and Wages	174,000.00	184,000.00	179,701.98	-	4,298.02	-
Other Expenses	148,500.00	163,500.00	146,306.20	9,929.69	7,264.11	-

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriated		Expenditures			Cancelled
	Original Budget	Budget After Modification	Expended / Reimbursed	Encumbrances	Reserved	
Community Services Act (Condominium Community Co):						
Other Expenses	10,000.00	10,000.00	1,969.06	-	8,030.94	-
HEALTH AND HUMAN SERVICES:						
Public Health Services (Board of Health):						
Salaries and Wages	8,700.00	8,700.00	8,656.11	-	43.89	-
Other Expenses	59,500.00	59,500.00	58,462.34	-	1,037.66	-
Environmental Health Services:						
Other Expenses	2,000.00	2,000.00	536.97	-	1,463.03	-
PARKS AND RECREATION:						
Recreation Services and Programs:						
Salaries and Wages	75,000.00	75,000.00	74,746.01	-	253.99	-
Other Expenses	92,500.00	92,500.00	87,438.90	4,289.05	772.05	-
Maintenance of Parks:						
Salaries and Wages	79,500.00	82,500.00	80,927.93	-	1,572.07	-
Other Expenses	45,000.00	55,000.00	46,082.71	600.00	8,317.29	-
EDUCATION:						
Participation in Free County Library:						
Salaries and Wages	157,000.00	157,000.00	152,330.00	-	4,670.00	-
Other Expenses	6,000.00	6,000.00	5,187.69	-	812.31	-

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriated		Expenditures			Cancelled
	Original Budget	Budget After Modification	Expended/ Reimbursed	Encumbrances	Reserved	
OTHER COMMON OPERATING FUNCTIONS (UNCLASSIFIED):						
Celebration of Public Events:	20,000.00	20,000.00	20,000.00	-	-	-
UTILITY EXPENSES AND BULK PURCHASES:						
Electricity	65,500.00	75,500.00	66,092.63	676.25	8,731.12	-
Street Lighting	80,000.00	80,000.00	61,391.92	5,513.92	13,094.16	-
Telephone (excluding equipment acquisition)	70,000.00	70,000.00	53,872.47	-	16,127.53	-
Fire Hydrants	105,000.00	105,000.00	92,197.71	-	12,802.29	-
Water	13,000.00	35,000.00	10,459.05	-	24,540.95	-
Gas (natural or propane)	30,000.00	40,000.00	27,996.89	-	12,003.11	-
Fuel Oil	8,000.00	8,000.00	6,562.54	-	1,437.46	-
Sewerage Processing and Disposal	3,600.00	3,600.00	3,060.00	-	540.00	-
Gasoline	87,000.00	127,000.00	115,949.60	-	11,050.40	-
Landfill/Solid Waste Disposal Costs	260,000.00	260,000.00	195,893.79	-	64,106.21	-
Total Operations - Within "CAPS"	8,384,650.00	8,382,650.00	7,626,750.89	109,328.02	646,571.09	-
Contingent	-	-	-	-	-	-
Total Operations Including Contingent - Within "CAPS"	8,384,650.00	8,382,650.00	7,626,750.89	109,328.02	646,571.09	-
Detail:						
Salaries and Wages	4,300,950.00	4,091,950.00	3,966,017.06	-	125,932.94	-
Other Expenses	4,083,700.00	4,290,700.00	3,660,733.83	109,328.02	520,638.15	-

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriated		Expenditures			Cancelled
	Original Budget	Budget After Modification	Expended / Reimbursed	Encumbrances	Reserved	
STATUTORY EXPENDITURES						
Contribution To:						
Public Employees Retirement System	281,249.00	283,249.00	283,166.60	-	82.40	-
Social Security System (O.A.S.I.)	220,000.00	220,000.00	195,228.78	-	24,771.22	-
Police and Firemen's Retirement System of NJ	546,145.00	546,145.00	546,145.00	-	-	-
Unemployment Insurance	30,000.00	30,000.00	-	-	30,000.00	-
Defined Contribution Retirement Program	7,300.00	7,300.00	3,922.01	-	3,377.99	-
Total Statutory Expenditures - Municipal - Within "CAPS"	1,084,694.00	1,086,694.00	1,028,462.39	-	58,231.61	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	9,469,344.00	9,469,344.00	8,655,213.28	109,328.02	704,802.70	-
Operations - Excluded From "CAPS"	75,000.00	75,000.00	62,100.00	-	12,900.00	-
Length of Service Awards Program (LOSAP):	12,000.00	12,000.00	7,058.55	-	4,941.45	-
Recycling Costs						
SHARED SERVICES:						
Dispatch/911 - Monmouth County	5,600.00	5,600.00	4,320.00	-	1,280.00	-
Uniform Construction Code - Borough of Rumson	230,000.00	230,000.00	214,930.02	-	15,069.98	-

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriated		Expenditures			Cancelled
	Original Budget	Budget After Modification	Expended / Reimbursed	Encumbrances	Reserved	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:						
NJDLPs-Alcohol Education & Rehabilitation Fund, FY 2022	-	4,737.97	4,737.97	-	-	-
NJDLPs-Body Worn Camera Grant Program, SFY 2021	-	24,456.00	24,456.00	-	-	-
NJDLPs-Body Armor Replacement Fund, FY 2021	-	1,081.01	1,081.01	-	-	-
NJDLPs-Distracted Driving Crack Down, FY 2022	-	7,000.00	7,000.00	-	-	-
NJDLPs-Drunk Driving Enforcement Fund, FY 2022	-	5,800.00	5,800.00	-	-	-
NJDEP-Recycling Tonnage Grant, FY 2019	-	13,996.38	13,996.38	-	-	-
NJDEP-Clean Communities Grant, FY 2021	-	13,531.42	13,531.42	-	-	-
NJDEP-Clean Communities Grant, FY 2022	-	13,744.85	13,744.85	-	-	-
NJDCA-Local Recreation Improvement Grant, FY 2022	-	60,000.00	60,000.00	-	-	-
Rumson Country Club Donation - Santelle Park	-	60,000.00	60,000.00	-	-	-
Total Operations - Excluded From "CAPS"	322,600.00	526,947.63	492,756.20	-	34,191.43	-
Detail:						
Other Expenses	322,600.00	526,947.63	492,756.20	-	34,191.43	-
CAPITAL IMPROVEMENTS - Excluded From "CAPS":						
Capital Improvement Fund	470,193.58	470,193.58	470,193.58	-	-	-
Capital Outlay - Stryker Asset Replacement & Ambulance	200,000.00	200,000.00	-	200,000.00	-	-
Total Capital Improvements - Excluded From "CAPS"	670,193.58	670,193.58	470,193.58	200,000.00	-	-
MUNICIPAL DEBT SERVICE - Excluded From "CAPS":						
Payment of Bond Anticipation Notes and Capital Notes	985,636.00	985,636.00	880,843.90	-	-	104,792.10
Interest on Notes	25,000.00	25,000.00	-	-	-	25,000.00
Green Trust Loan Program:						
Loan Repayments for Principal and Interest (N.J.S.A. 40A:4-46)	6,621.00	6,621.00	6,620.65	-	-	0.35
Total Municipal Debt Service - Excluded From "CAPS"	1,017,257.00	1,017,257.00	887,464.55	-	-	129,792.45

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriated		Expenditures		Cancelled
	Original Budget	Budget After Modification	Expended / Reimbursed	Encumbrances Reserved	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	2,010,050.58	2,214,398.21	1,850,414.33	200,000.00	129,792.45
Subtotal General Appropriations	11,479,394.58	11,683,742.21	10,505,627.61	309,328.02	129,792.45
Reserve for Uncollected Taxes	688,463.13	688,463.13	688,463.13	-	-
Total General Appropriations	\$ 12,167,857.71	\$ 12,372,205.34	\$ 11,194,090.74	\$ 309,328.02	\$ 129,792.45

Analysis of Budget After Modification

Increased By Chapter 159's Original Budget	\$ 204,347.63
	<u>12,167,857.71</u>
	<u>\$ 12,372,205.34</u>

Analysis of Paid or Charged

Reserve for Uncollected Taxes	\$ 688,463.13
Accounts Payable	19,643.17
Cash Disbursements	10,524,219.52
Cash Receipts	(242,582.71)
Reserve for State Grants - Appropriated	<u>204,347.63</u>
	<u>\$ 11,194,090.74</u>

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2022 AND 2021**

ASSETS	REFERENCE	2022	2021
Animal Control Fund:			
Cash	B-1	\$ 18,397.40	\$ 22,936.60
Cash - Change Funds	B	25.00	50.00
Total Animal Control Fund		<u>18,422.40</u>	<u>22,986.60</u>
Trust - Other Fund:			
Cash	B-1	<u>1,888,728.94</u>	<u>2,051,679.96</u>
Unemployment Compensation Trust Fund:			
Cash	B-1	<u>33,168.46</u>	<u>30,088.50</u>
Payroll Fund:			
Cash	B-1	<u>30,914.84</u>	<u>147,113.63</u>
Length of Service Award Program Fund ("LOSAP"):			
Investments	B-7	<u>1,076,774.98</u>	<u>1,375,743.12</u>
Total Assets		<u>\$ 3,048,009.62</u>	<u>\$ 3,627,611.81</u>
 LIABILITIES, RESERVES, AND FUND BALANCE			
Animal Control Fund:			
Due to Current Fund - Statutory Excess	B	\$ -	\$ 4,618.80
Reserve for Animal Control Fund Expenditures	B-2	<u>18,422.40</u>	<u>18,367.80</u>
Total Animal Control Fund		<u>18,422.40</u>	<u>22,986.60</u>
Trust - Other Fund:			
Due to Current Fund	B	-	263,166.91
Various Reserves	B-4	<u>1,888,728.94</u>	<u>1,788,513.05</u>
Total Trust Other		<u>1,888,728.94</u>	<u>2,051,679.96</u>
Unemployment Compensation Trust Fund:			
Reserve for Unemployment Compensation	B-5	<u>33,168.46</u>	<u>30,088.50</u>
Payroll Fund:			
Reserve for Payroll Deductions	B-6	<u>30,914.84</u>	<u>147,113.63</u>
Length of Service Award Program Fund ("LOSAP"):			
Miscellaneous Reserves	B-8	<u>1,076,774.98</u>	<u>1,375,743.12</u>
Total		<u>\$ 3,048,009.62</u>	<u>\$ 3,627,611.81</u>

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2022 AND 2021**

ASSETS	REFERENCE	2022	2021
Cash	C-2, C-3	\$ 650,377.67	\$ 1,003,129.29
New Jersey Infrastructure Loan Receivable	C-5	-	1,248,060.30
Grants Receivable	C-4	337,628.22	183,228.22
Deferred Charges to Future Taxation:			
Funded	C-6	2,395,030.07	2,862,916.75
Unfunded	C-7	8,157,124.16	5,643,094.50
		<u> </u>	<u> </u>
Total Assets		<u>\$ 11,540,160.12</u>	<u>\$ 10,940,429.06</u>
LIABILITIES, RESERVES & FUND BALANCE			
Bond Anticipation Notes	C-8	\$ 4,762,250.60	\$ 5,643,094.50
Green Acres Loan Payable	C-9	6,522.63	12,916.75
New Jersey Infrastructure Loan	C-10	2,388,507.44	2,850,000.00
Improvement Authorizations:			
Funded	C-11	262,307.44	444,093.96
Unfunded	C-11	3,828,699.98	1,056,456.03
Encumbrances	C-11	-	787,815.37
Capital Improvement Fund	C-12	164,958.58	19,139.00
Fund Balance	C-1	126,913.45	126,913.45
		<u> </u>	<u> </u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 11,540,160.12</u>	<u>\$ 10,940,429.06</u>

There were bonds authorized but not issued on December 31, 2022 in the amount of \$3,394,873.56 and on December 31, 2021 in the amount of \$0.00.

**BOROUGH OF LITTLE SILVER
 COUNTY OF MONMOUTH, NEW JERSEY
 GENERAL CAPITAL FUND
 STATEMENT OF FUND BALANCE - REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022**

REFERENCE

Balance, December 31, 2022 and 2021	C	<u>\$ 126,913.45</u>
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The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	Balance December 31, <u>2022</u>	Balance December 31, <u>2021</u>
Land	D-1	\$ 12,237,641.85	\$ 11,747,627.82
Buildings	D-1	4,260,567.89	4,260,567.89
Equipment	D-1	<u>5,693,306.01</u>	<u>5,475,310.12</u>
Total General Fixed Assets		<u>\$ 22,191,515.75</u>	<u>\$ 21,483,505.83</u>
Investment in General Fixed Assets		<u>\$ 22,191,515.75</u>	<u>\$ 21,483,505.83</u>

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

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**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY**

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

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**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 1. Summary of Significant Accounting Policies:

Reporting Entity

The Borough of Little Silver was incorporated in 1923 and is located in eastern New Jersey. The population according to the 2020 census was 6,131.

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

Component Units

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

Basis of Accounting, Measurement Focus and Basis of Presentation

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

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

Current Fund - resources and expenditures for government operations of a general nature, including Federal and State Grant funds.

Trust Funds – 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 - receipt and disbursement of funds for the acquisition of capital facilities, other than those acquired in the Current Fund.

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its current fund 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 March 13 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the Borough. 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.40AA-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. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost with the exception of LOSAP investments which are reported at fair value. Therefore, unrealized gains or losses on investments have not been recorded.

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

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

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

BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022

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

operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

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

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

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 Borough to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the general fixed assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally over-expenditures 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.

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as 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 Monmouth, the Little Silver School District, and the Red Bank Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

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

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

County Taxes - The Borough is responsible for levying, collecting, and remitting county taxes for the County of Monmouth. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations are 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 immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash 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 fiscal year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital 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.

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

Accounting Pronouncements Adopted in Current Year

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

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

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

Accounting Pronouncements Effective in Future Reporting Periods

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

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

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

Note 2. Deposits and Investments:

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

Deposits

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

As of December 31, 2022, the Borough’s bank balance of \$10,785,242.12 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$	8,804,549.43
NJ Cash Management Fund		1.95
Uninsured and Uncollateralized		1,980,690.74
 Total	 \$	 <u><u>10,785,242.12</u></u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 2. Deposits and Investments (continued):

Investments

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

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

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

Bond Anticipation Notes: Valued at the market value of the Notes held by the Borough at year-end.

Money Market Funds: Valued at the quoted NAV of shares held by the Borough at year-end.

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

The Borough’s fair value, hierarchy level and maturities of its investments at December 31, 2022 was as follows:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2022</u>	
		<u>Level 1</u>	<u>Total</u>
Bond Anticipation Notes	\$ 4,514,750.60	\$ 4,514,750.60	\$ 4,514,750.60
Mutual Funds	821,389.44	821,389.44	821,389.44
	<u>\$ 5,336,140.04</u>	<u>\$ 5,336,140.04</u>	<u>\$ 5,336,140.04</u>
<u>Fund</u>			
Current Fund	\$ 4,514,750.60	\$ 4,514,750.60	\$ 4,514,750.60
Trust Fund - LOSAP	821,389.44	821,389.44	821,389.44
	<u>\$ 5,336,140.04</u>	<u>\$ 5,336,140.04</u>	<u>\$ 5,336,140.04</u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 2. Deposits and Investments (continued):

Investments at Contract Value - The Borough held a fully benefit-responsive investment contract with the Lincoln Financial Group (Lincoln) totaling \$255,385.54 as of December 31, 2022. Lincoln maintains the contributions in the group fixed annuity contract (fixed account). The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contract held by the Borough is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the LOSAP Plan. The Borough’s ability to receive amounts due in accordance with the fully benefit-responsive investment contract is dependent on the contract issuer’s ability to meet its financial obligations. The fixed account continues in-force until they are terminated by Lincoln or the LOSAP Plan and do not define a maturity date.

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

Trust Fund - LOSAP (Fair Value)	\$ 821,389.44
Trust Fund - LOSAP (Contract Value)	<u>255,385.54</u>
Total Trust Fund - LOSAP	<u>\$ 1,076,774.98</u>

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

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

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

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A; 5-15.1, the Borough’s investment policies place no limit in the amount the Borough may invest in any one issuer. 85% of the Borough’s investments are in bond anticipation notes.

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 3. Property Taxes:

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

Comparison of Tax Rate Information			
	2022	2021	2020
Total Tax Rate	<u>\$1.820</u>	<u>\$1.974</u>	<u>\$1.990</u>
Apportionment of Tax Rate:			
Municipal	0.432	0.451	0.456
County	0.246	0.269	0.289
Local School District	0.747	0.819	0.833
Regional High School	0.395	0.435	0.449
 Net Valuation Taxable:			
2022	<u><u>\$ 1,928,808,910</u></u>		
2021		<u><u>\$ 1,797,243,866</u></u>	
2020			<u><u>\$ 1,740,626,643</u></u>

Comparison of Tax Levies and Collection Currently

			PERCENTAGE OF
YEAR	TAX LEVY	CASH COLLECTIONS	COLLECTION
2022	\$ 35,181,799.34	\$ 34,935,065.17	99.29%
2021	35,591,401.88	35,356,113.72	99.34%
2020	35,420,688.44	35,161,444.21	99.27%

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 3. Property Taxes (continued):

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2022	\$ 1,768.30	\$ 209,572.71	\$ 211,341.01	0.60%
2021	1,695.50	176,588.26	178,283.76	0.50%
2020	1,616.54	247,478.19	249,094.73	0.70%

There was no tax sale for the year ended December 31, 2022.

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 two years was as follows:

YEAR	AMOUNT
2022	\$ 10,350.00
2021	10,350.00
2020	10,350.00

Note 5. Disaggregated Receivable and Payable Balances:

The following is a summary of receivable balances for the year ended December 31, 2022:

	Current Fund	State & Federal Grant Fund	General Capital Fund	Total
State Aid	\$ 750.00	\$ 84,456.00	\$ 337,628.22	\$ 422,834.22
Due From the Internal Revenue Service	10,470.36	-	-	10,470.36
Taxes	211,341.01	-	-	211,341.01
Other	5,360.70	74,000.00	-	79,360.70
Total	\$ 227,922.07	\$ 158,456.00	\$ 337,628.22	\$ 724,006.29

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 6. General Fixed Assets:

Fixed Assets activity for the year ended December 31, 2022 was as follows:

	Balance January 1, 2022	Increase	Decrease	Balance December 31, 2022
Land	\$ 11,747,627.82	\$ 490,014.03	\$ -	\$ 12,237,641.85
Buildings	4,260,567.89	-	-	4,260,567.89
Equipment	5,475,310.12	281,183.47	63,187.58	5,693,306.01
Total Fixed Assets	\$ 21,483,505.83	\$ 771,197.50	\$ 63,187.58	\$ 22,191,515.75

Note 7. Interfunds Receivables and Payables:

There were no Interfund balances as of December 31, 2022.

There following is a summary of interfund transfers during the year ended December 31, 2022:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Current Fund	\$ 328,798.57	\$ -
Grant Fund	-	61,012.86
Animal Control Trust	-	4,618.80
Other Trust Fund	-	263,166.91
	<u>\$ 328,798.57</u>	<u>\$ 328,798.57</u>

Note 8. Fund Balance Appropriated:

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

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
CURRENT FUND:			
2022	\$ 2,426,787.42	\$ 1,985,000.00	81.80%
2021	2,205,338.20	1,985,000.00	90.01%
2020	2,432,552.09	2,068,881.00	85.05%

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9. Local Borough School and Regional High School Taxes:

Regulations provide for deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school Borough.

The Borough has elected to defer school taxes as follows:

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Balance of Tax	\$ 7,176,372.75	\$ 7,654,398.23	\$3,809,880.98	\$ 3,907,073.48
Deferred	1,500,000.00	1,500,000.00	800,800.00	800,800.00
Tax Payable	<u>\$ 5,676,372.75</u>	<u>\$ 5,933,160.27</u>	<u>\$3,009,080.98</u>	<u>\$ 2,942,618.00</u>

Note 10. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th 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 or more years of service credit before age 62

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Pension Obligations (continued):

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

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2020, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2022, the Borough's contractually required contribution to PERS plan was \$323,955.

Components of Net Pension Liability - At December 31, 2022, the Borough's proportionate share of the PERS net pension liability was \$3,876,876. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Borough's proportion measured as of June 30, 2022, was 0.0256893468% which was an increase of 0.0016738824 % from its proportion measured as of June 30, 2021.

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Pension Obligations (continued):

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

Balances at December 31, 2022 and December 31, 2021

	<u>12/31/2022</u>	<u>12/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Deferred Outflows of Resources	\$ 544,425	\$ 235,467
Deferred Inflows of Resources	659,480	1,898,587
Net Pension Liability	3,876,876	2,844,992
Little Silver, Borough of's portion of the Plan's total Net Pension	0.02569%	0.02402%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - At December 31, 2022, the Borough's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2022 measurement date is (\$192,225). This expense/(credit) is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$323,955 to the plan in 2022.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 27,982	\$ 24,676
Changes of Assumptions	12,012	580,522
Net Difference between Projected and Actual Earnings on Pension Plan Investments	160,460	-
Changes in Proportion and Differences between Little Silver, Borough of Contributions and Proportionate Share of Contributions	343,971	54,282
	<u>\$ 544,425</u>	<u>\$ 659,480</u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Pension Obligations (continued):

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

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

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Pension Obligations (continued):

A. Public Employees’ Retirement System (PERS) (continued):

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ (274,617)
2024	(111,487)
2025	(24,687)
2026	238,195
2027	<u>57,542</u>
	<u>\$ (115,054)</u>

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

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation. At December 31, 2022, the State’s proportionate share of the PERS expense, associated with the Borough of Little Silver, calculated by the plan as of the June 30, 2021 measurement date was \$8,157.____

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Pension Obligations (continued):

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

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75 - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2018 - June 30, 2021

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Pension Obligations (continued):

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Little Silver, Borough of's Proportionate Share of the Net Pension Liability	\$ 5,022,831	\$ 3,876,876	\$ 2,962,398

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Pension Obligations (continued):

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

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

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

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

The following represents the membership tiers for PFRS:

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

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

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2020, the State contributed an amount less than

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

the actuarially determined amount. The Local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2021, the Borough’s contractually required contributions to PFRS plan was \$546,145.

Net Pension Liability and Pension Expense - At December 31, 2021 the Borough’s proportionate share of the PFRS net pension liability was \$3,425,121. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2020, to the measurement date of June 30, 2021. The Borough’s proportion of the net pension liability was based on the Borough’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2021. The Borough’s proportion measured as of June 30, 2020, was 0.0468607227%, which was a decrease of 0.0006430229% from its proportion measured as of June 30, 2020.

Balances at December 31, 2021 and December 31, 2020

	<u>12/31/2022</u>	<u>12/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2021	June 30, 2020
Deferred Outflows of Resources	\$ 165,291	\$ 728,256
Deferred Inflows of Resources	3,064,960	1,869,323
Net Pension Liability	3,425,121	6,138,110
Borough's portion of the Plan's total net pension Liability	0.04686%	0.04750%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources – At December 31, 2021, the Borough’s proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2021 measurement date was (\$384,095). This expense/(credit) is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$546,145 to the plan in 2021.

At December 31, 2021, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 39,076	\$ 410,294
Changes of Assumptions	18,225	1,026,493
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	1,459,556
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	107,990	168,617
	\$ 165,291	\$ 3,064,960

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2016	-	5.58
June 30, 2017	5.59	-
June 30, 2018	5.73	-
June 30, 2019	-	5.92
June 30, 2020	5.90	-
June 30, 2021	-	6.17
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90
June 30, 2021	6.17	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension 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 and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73
June 30, 2019	5.92	5.92
June 30, 2020	5.90	5.90
June 30, 2021	6.17	6.17

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

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

Year Ending June 30,	Amount
2023	\$ (1,558,334)
2024	(685,324)
2025	(490,954)
2026	(250,857)
2027	<u>85,800</u>
	<u>\$ (2,899,669)</u>

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

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the Borough is \$963,315 as of December 31, 2021. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2020, to the measurement date of June 30, 2021. The State’s proportion of the net pension liability associated with the Borough was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2021 was 0.0468604580%, which was a decrease of 0.0006432876% from its proportion measured as of June 30, 2020, which is the same proportion as the Borough’s. At December 31, 2021, the Borough’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Borough’s Proportionate Share of Net Pension Liability	\$ 3,425,121
State of New Jersey’s Proportionate Share of Net Pension Liability Associated with the Borough	<u>963,315</u>
	<u>\$ 4,388,436</u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

At December 31, 2021, the State’s proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2021 measurement date was \$107,285.

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

Inflation		
Price		2.75%
Wage		3.25%
Salary Increases:		
Through all future years		3.25 - 15.25%
		Based on Years of Service
Investment Rate of Return		7.00%
Mortality Rate Table		
PFRS		Pub-2010 Safety Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience		
Study upon which Actuarial		

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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 PFRS’s target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets 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>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 5,200,939	\$ 3,425,121	\$ 1,946,944
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	1,462,764	963,315	547,578
	\$ 6,663,703	\$ 4,388,436	\$ 2,494,522

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

Note 11. Other Post Employment Benefits

A. Local Plan

General Information about the OPEB Plan

The financial statements of the Borough are not prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. The following information is provided in accordance with the requirements of the Statement and has been implemented prospectively.

The Borough of Little Silver provides a single-employee defined benefit healthcare plan administered by Grinspec Consulting and Horizon Healthcare Services, Inc. The Borough provides, pursuant to Council action and as provided by resolution, certain group healthcare and dental benefits for active and certain retired employees and their covered dependents, as well as Medicare Part B reimbursement (for those retirees that receive fully-subsidized benefits). Active employees who retire from the Borough and meet the eligibility criteria are eligible to receive these benefits from the Borough at no cost.

Employees and Retirees Covered – At January 1, 2022, the following employees were covered by the Borough plan:

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 11. Other Post Employment Benefits (continued):

A. Local Plan (continued):

<u>Participant Data</u>	<u>Amount</u>
Active Employees	42
Average Age	41.2
Retired Employees	28
Average Age	68.9

Actuarial Assumptions and Other Inputs

This valuation has been conducted as of December 31, 2022 based on census, plan design and premium information provided by the Borough. Census includes 28 retired participants (including spouses) and 42 active participants. The Measurement Date, for each fiscal year is as of the end of the prior year. Thus, the Total OPEB Liability for fiscal year ending December 31, 2022 of \$6,184,505 is measured at December 31, 2021 as allowed under GASB 75.

The values are determined in accordance with GASB 75 including the Individual Entry Age Normal Cost method with the normal cost determined as a percentage of pay. Standard roll forward and backward techniques were used to adjust valuation dates to measurement dates. The following assumptions and other inputs applied to all periods in the measurement, unless otherwise specified:

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 11. Other Post Employment Benefits (continued):

A. Local Plan (continued):

Actuarial Cost Method	Individual Entry Age Normal as a level percentage of pay		
Discount Rate	Based on Muni 20 year AA/AAa as published by Fidelity Investments 3.65% at December 31, 2022		
Inflation Rate	2.50%		
Salary Increases	3.50%		
Health Care Cost Trend	4.50% for Medicare Part B and 4.0% for Dental starting in 2022 and continuing forward		
Per Capita Claims Costs and Premiums	Annual per capita cost for retiree and spouse at age 64 and 65.		
	Pre-65	<u>Retiree</u>	<u>Spouse</u>
	Dental	\$430	\$450
	Post-65		
	HRA Post-65	\$3,700	\$3,700
	Prescription Drug	\$470	\$470
	Medicare Part B	\$1,980	\$1,980
	Dental	\$430	\$450
Age Based Utilization	Per capita costs (non Medicare eligible) are adjusted to reflect expected costs changers related to age. Age factors range from .60 for under age 30 to 3.00 for 71 and up.		
Rates of Mortality	PUB-2010 Headcount-Weighted Healthy Employee Male/Female Mortality with MP-2021.		
Rates of Turnover	Turnover rates vary by age and service		
Rates of Retirement	Annual rates varying by age and service		
Rates of Disability	Disability rates vary by age		
Spouse Assumption	Marital status is assumed not to change prior to or after retirement		
Retiree Participation	100% of eligible retirees are assumed to elect to participate in the plan		
Funding Policy	Pay as you go		
Investment Rate of Return	Not applicable		
Asset Valuation Method	The plan is currently unfunded		

Discount Rate – The discount rate for unfunded plans should be the single rate that reflects a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAa or higher (or an equivalent quality on another scale). The plan is currently unfunded. We used the “Bond Buyer 20-Bond GO Index” to establish a discount rate of 2.05% as of December 31, 2021 and 3.65% as of December 31, 2022.

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 11. Other Post Employment Benefits (continued):

A. Local Plan (continued):

Changes in the Total OPEB Liability – The changes to the total OPEB Liability during the year ending December 31, 2022 were as follows:

Changes in the Total OPEB Liability

Total OPEB Liability	
Balance, January 1, 2022	\$ 8,713,658
Changes for the Year:	
Service Cost	270,227
Interest Cost	182,657
Benefit Payments	(147,582)
Actuarial assumption changes	(2,124,661)
Actuarial demographic (gain) or loss	(709,794)
Net Changes	(2,529,153)
Balance, December 31, 2022	\$ 6,184,505

Sensitivity of the Total OPEB Liability to Changes in the 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 using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage pointer higher (4.65 percent) that the current discount rate:

	December 31, 2022		
	At 1% Decrease (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
Total OPEB Liability	\$ 7,409,879	\$ 6,184,505	\$ 5,225,729

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 a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage pointer higher that the current healthcare cost trend rate:

	December 31, 2022		
	1% Decrease	Healthcare Cost Trend Rate*	1% Increase
Total OPEB Liability	\$ 5,254,214	\$ 6,184,505	\$ 7,408,307

* See Healthcare Cost Trend Assumptions for details of rates.

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 11. Other Post Employment Benefits (continued):

A. Local Plan (continued):

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the Borough's OPEB expense/(income) was estimated to be 1,246,251. At 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>
Differences between Expected and Actual Demographic Experience	\$ -	\$ 1,019,634
Changes of Assumptions	<u>2,071,979.00</u>	<u>1,770,551</u>
Total	<u><u>\$ 2,071,979</u></u>	<u><u>\$ 2,790,185</u></u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	
2023	\$ 801,727
2024	(305,894)
2025	(305,896)
2026	(435,733)
2027	(472,410)
Thereafter	<u>-</u>
	<u><u>\$ (718,206)</u></u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 11. Other Post Employment Benefits (continued):

A. Local Plan (continued):

Other Supplementary Information

Schedule of Changes in the Borough's Total OPEB Liability and Related Ratios

	Fiscal Year Ending December 31, 2022
Service Cost	\$ 270,227
Interest Cost	182,657
Changes of Assumptions	(2,124,661)
Actuarial demographic (gain) or loss	(709,794)
Benefits Paid (implicit)	(147,582)
Net Change in Total OPEB Liability	(2,529,153)
Total OPEB Liability (Beginning)	8,713,658
Total OPEB Liability (Ending)	<u>\$ 6,184,505</u>
Total Covered Employee Payroll	3,409,973
Net OPEB Liability as a Percentage of Payroll	181%

Schedule of Funding Progress

Year Ended	December 31,	
	2022	2021
Total OPEB Liability	\$ 6,184,505	\$ 8,713,658
Fiduciary Net Position	-	-
Net OPEB Liability	<u>\$ 6,184,505</u>	<u>\$ 8,713,658</u>
Funded Ratio	0%	0%
Covered Payroll	3,409,973	3,356,330
Net OPEB Liability as a Percentage of Covered Payroll	181%	260%

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 11. Other Post Employment Benefits (continued):

A. Local Plan (continued):

Other Supplementary Information (continued)

Schedule of Employer Contributions

Year Ended December 31,	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency	Covered Payroll	Contributions Percentage Covered Payroll
2022	\$ 147,582	\$ 147,582	\$ -	\$ 3,409,973	4%

B. State Plan

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

General Information about the OPEB Plan

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

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 11. Other Post Employment Benefits (continued):

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

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

Basis of Presentation

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

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2020 were \$1,581,763.00 and \$9,549,964.00, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2020 through June 30, 2021. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Net OPEB Liability

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 11. Other Post Employment Benefits (continued):

Inflation Rate	2.50%
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Initial Fiscal Year Applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020

* - Salary Increases are based on years of service within the respective plan.

OPEB Obligation and OPEB (benefit) Expense - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Borough's as of June 30, 2021 was \$9,549,964.00. The Borough's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2021, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the OPEB Obligation associated with the Borough was based on projection of the State's long-term contributions to the OPEB plan associated with the Borough relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2021, the State proportionate share of the OPEB Obligation attributable to the Borough was 0.0530560004%, which was an decrease of 0.0006869985% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$1,581,763.00 for the State's proportionate share of the OPEB (benefit) expense attributable to the Borough. This OPEB (benefit) expense was based on the OPEB plans June 30, 2021 measurement date.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 11. Other Post Employment Benefits (continued):

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% decreasing to a 4.5% long-term trend rate after seven years.

Discount Rate

The discount rate for June 30, 2021 was 2.21%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Borough	\$ 8,310,004.37	\$ 9,549,964.00	\$ 6,274,416.93
State of New Jersey's Total Nonemployer OPEB Liability	15,662,704,137.00	17,999,781,235.00	11,826,026,995.00

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

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 11. Other Post Employment Benefits (continued):

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Borough	\$ 6,064,945.28	\$ 9,549,964.00	\$ 8,618,377.72
State of New Jersey's Total Nonemployer OPEB Liability	11,431,214,644.00	17,999,781,235.00	16,243,926,531.00

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

Collective Balances at December 31, 2020 and December 31, 2019

	12/31/2022	12/31/2021
Actuarial valuation date (including roll forward)	June 30, 2021	June 30, 2020
Collective Deferred Outflows of Resources	\$ 8,536,291,345.00	\$ 7,524,438,130.00
Collective Deferred Inflows of Resources	12,481,961,743.00	11,689,136,161.00
Collective Net OPEB Liability	17,999,781,235.00	17,946,612,946.00
Borough's Portion	0.053056%	0.053743%

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

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 11. Other Post Employment Benefits (continued):

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.87, 8.05, 8.14 and 8.04 years for the 2022, 2021, 2020 and 2019 amounts, respectively.

Plan Membership

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

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

Changes in the Total OPEB Liability

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

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

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 12. Compensated Absences:

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused sick pay. Non-Police full-time employees are entitled to vacation and sick leave days based on their years of service.

- (1) As of the passage of a resolution dated August 3, 2015, employees that have accumulated at least \$20,250 in unused sick days as of September 8, 2008 and continue to have at least \$20,250 as of December 31, 2014 will have option to choose either (a) to receive payment for the total unused accumulated sick leave to be paid at seventy-five percent of the value of the sick leave in three equal installments 2015, 2016, and 2017 or (b) take unused accumulated sick leave as full pay during the period immediately prior to retirement. If the employee selects option (b) he/she shall not be employed elsewhere during the period immediately prior to retirement while utilizing sick leave. Any such employment will result in forfeiture of sick leave payment.
- (2) Employees who have accumulated at least \$15,001 but less than \$20,250 in unused sick days as of September 8, 2008 and continue to have at least \$15,000 of unused sick time shall receive three payments in equal installments to be paid in 2015, 2016, and 2017.

All other employees will receive payment for any unused sick days as of December 31, 2014 up to but not exceeding \$15,000 in three equal installments in 2015, 2016, and 2017.

Police full-time employees are entitled to vacation and sick leave days based on their years of service.

- (1) All officers are either entitled to receive a payment for the total unused sick leave at either 75% or a maximum value of \$20,500 based on an agreement in March 2016 with the PBA Local 359. Payouts are to be made evenly payments in the 2016, 2017, and 2018 year.

The Borough of Little Silver does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2022, accrued benefits for compensated absences are valued at \$149,498.57. Officers are entitled to receive payments at retirement for personal comp time accumulated.

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 benefits of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 14. Municipal Debt:

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

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
Issued & Outstanding:			
General Bonds, Loans and Notes	\$ 7,157,280.67	\$ 8,506,011.25	\$ 8,418,496.13
Total Debt Issued	7,157,280.67	8,506,011.25	8,418,496.13
Authorized But Not Issued:			
General Bonds and Notes	3,394,873.56	-	-
Total Authorized But Not Issued	3,394,873.56	-	-
Total Net Debt	\$ 10,552,154.23	\$ 8,506,011.25	\$ 8,418,496.13

Summary of Statutory Debt Condition - Annual Debt Statement

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

	GROSS DEBT		DEDUCTIONS		NET DEBT
Local School District Debt	\$ 32,100,000.00	\$	32,100,000.00	\$	-
Regional School District Debt	5,709,939.32		5,709,939.32		-
General Debt	10,552,154.23		-		10,552,154.23
Total	\$ 48,362,093.55	\$	37,809,939.32	\$	10,552,154.23

Net Debt of \$10,552,154.23 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$1,859,348,880.33, equals 0.568%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2022 is calculated as follows:

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 14. Municipal Debt (continued):

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$	65,077,210.81
Net Debt		10,552,154.23
 Remaining Borrowing Power	 \$	 54,525,056.58

A. Serial Bonds Payable:

As of December 31, 2022, the Borough had no serial bonds outstanding.

B. Loans Payable:

Green Acres Trust Loan

Schedule of Annual Debt Service for Principal and Interest for the next year for Loan Debt Issued and Outstanding:

<u>Year</u>	<u>GREEN ACRES TRUST LOANS</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 6,522.63	\$ 98.01	\$ 6,620.64
Total	\$ 6,522.63	\$ 98.01	\$ 6,620.64

New Jersey Infrastructure Bank Loan

On June 28, 2019 the Borough was issued a note from the New Jersey Infrastructure Trust Act in the amount of \$459,000.00. The note matures on June 30, 2024. No payments of principal or interest on this short-term loan will be required until construction completion. This note does not yet have a repayment schedule available nor has the interest been determined.

On March 20, 2020 the Borough was issued a note from the New Jersey Infrastructure Trust Act in the amount of \$2,391,000.00. The note matures on March 20, 2022. No payments of principal or interest on this short-term loan will be required until construction completion. This note does not yet have a repayment schedule available nor has the interest been determined.

On June 7, 2022 the Borough closed on the final note after construction completion in the amount of \$2,388,507.44 with final maturity on 11/01/2046.

Schedule of Annual Debt Service for Principal and Interest for the next 23 years for Loan Debt Issued and Outstanding:

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 14. Municipal Debt (continued):

B. Loans Payable (continued):

<u>Year</u>	<u>New Jersey Infrastructure Bank</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Admin Fee</u>	<u>Total</u>
2023	\$ 70,394.90	\$ 60,186.31	\$ 3,582.76	\$ 134,163.97
2024	85,240.19	45,341.02	3,582.76	134,163.97
2025	85,960.08	44,621.12	3,582.76	134,163.96
2026	86,734.75	43,846.44	3,582.76	134,163.95
2027	87,548.26	43,032.94	3,582.76	134,163.96
2028-2032	452,910.78	199,995.26	17,913.80	670,819.84
2033-2037	488,946.35	163,959.70	17,913.80	670,819.85
2038-2042	543,716.43	109,189.60	17,913.80	670,819.83
2043-2046	487,055.70	35,269.12	14,331.04	536,655.86
Total	\$ 2,388,507.44	\$ 745,441.51	\$ 85,986.24	\$ 3,219,935.19

C. Bond Anticipation Notes:

On December 31, 2022, the Borough had the following outstanding bond anticipation notes:

<u>Improvement Description</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2022</u>
739-13 Acquisitions & Improvements	12/31/2023	0.00%	\$ 65,465.00
751-14 Acquisitions & Improvements	12/31/2023	0.00%	154,313.00
766-15 Acquisitions & Improvements	12/31/2023	0.00%	359,241.00
776.16 Acquisitions & Improvements	12/31/2023	0.00%	475,798.00
794.17 Acquisitions & Improvements	12/31/2023	0.00%	565,677.50
803&808-18 Acquisitions & Improvements	12/31/2023	0.00%	585,153.00
828-19 Acquisitions & Improvements	12/31/2023	0.00%	671,483.40
839-20 Acquisitions & Improvements	12/31/2023	0.00%	790,571.20
841-20 Paving of the Borough Train Station	10/6/2023	3.17%	247,500.00
845-21 Acquisitions & Capital Improvements	12/31/2023	0.00%	847,048.50
			<u>\$ 4,762,250.60</u>

D. Bonds and Notes Authorized But Not Issued:

As of December 31, 2022, the Borough had bonds and notes authorized but not issued in the amount of \$3,394,873.56 under ordinances 829-19, 854-22, 855/859-22, and 860-22.

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 14. Municipal Debt (continued):

E. Changes in Outstanding Debt:

During the fiscal year ended December 31, 2022 the following changes occurred in capital debt:

	December 31, 2021	Accrued/ Increases	Retired/ Decreases	December 31, 2022	Due Within One Year
General Capital Fund:					
Green Trust Loans Payable	\$ 12,916.75	\$ -	\$ (6,394.12)	\$ 6,522.63	\$ 6,522.63
Bond Anticipation Notes	5,643,094.50	-	(880,843.90)	4,762,250.60	4,762,250.60
NJ Infrastructure Loan	2,850,000.00	-	(461,492.56)	2,388,507.44	70,394.90
Authorized but Not Issued	-	3,394,873.56	-	3,394,873.56	-
Total General Capital	\$ 8,506,011.25	\$ 3,394,873.56	\$ (1,348,730.58)	\$ 10,552,154.23	\$ 4,839,168.13

Note 15. Joint Insurance Pool:

During 2022, the Borough of Little Silver was provided insurance as part of the Municipal Excess Liability Joint Insurance Fund. The Government Crime Policy coverage is as follows:

- Employee Theft – Per Loss Coverage
- Forgery or Alteration
- Inside the Premises – Theft of Money and Securities
- Inside the Premises – Robbery or Safe Burglary of Other Property
- Computer Fraud
- Public Employee Dishonesty

The Fund publishes its own financial report for the year ended December 31, 2022, which can be obtained from:

Municipal Excess Liability Joint Insurance Fund
9 Campus Drive, Suite 16
Parsippany, New Jersey 07054

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 16. New Jersey Unemployment Compensation Insurance:

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the “Reimbursement Method”. Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. 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>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Borough Contributions</u>	<u>Interest Received</u>	<u>Interest Disbursed</u>	<u>Unemployment Claims to NJ</u>	<u>Ending Balance</u>
2022	\$ 10,243.14	\$ -	\$ 319.92	\$ 511.78	\$ 6,971.32	\$ 33,168.46
2021	-	6,578.43	-	-	-	30,088.50
2020	-	8,477.49	-	-	-	23,510.07

Note 17. Length of Service Awards Program:

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

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

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,705.00 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 \$1,242.00 for the year ended December 31, 2022 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2022, the Borough contributed a total of \$62,100.00 to the plan. 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.

Participant Accounts - Each participant’s account is credited with the Borough’s contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account. The Borough has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. Such funds, although subject to the claims of the Borough’s creditors until distributed as benefit payments, are not available for funding the operations of the Borough.

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 17. Length of Service Awards Program (continued):

The funds may also be used to pay the administrative fees charged by the Plan Administrator. Lincoln Financial Group (“Plan Administrator”), an approved Length of Service Awards Program provider, is the administrator of the Plan. The Borough’s practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

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

Payment of Benefits - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2022 payouts of \$81,031.57 were made to vested participants.

Forfeited Accounts – During the year ended December 31, 2022, there were a total of \$51,451.54 in forfeited non-vested accounts.

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

Note 18. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2022 and July 12, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

On June 12, 2023, the Borough adopted an Ordinance providing for various capital improvements and acquisitions, appropriating the sum of \$1,139,990 and authorizing the issuance of \$925,000 bonds and notes to finance a portion of the costs thereof.

SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR/TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Current</u>	<u>Grant</u>
Balance, December 31, 2021	\$ 7,331,350.47	\$ 283,705.83
Increased By Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 638,719.21	\$ -
Investment in BAN's	880,843.90	-
Taxes Receivable	34,747,180.02	-
Revenue Accounts Receivable	2,089,803.42	-
Due From State of New Jersey for Senior Citizens' and Veterans' Deductions	35,750.00	-
Due From the Internal Revenue Service	2,370.41	-
2022 Budget Appropriations	242,582.71	-
2021 Appropriation Reserves	163,219.00	-
Prepaid Taxes	293,745.80	-
Various Reserves	31,600.40	-
Grants Receivable	-	231,360.21
Grants - Unappropriated	-	303,956.27
	<u>39,125,814.87</u>	<u>535,316.48</u>
	46,457,165.34	819,022.31
Decreased By Disbursements:		
Due From the Internal Revenue Service	7,605.59	-
2022 Budget Appropriations	10,524,219.52	-
2021 Appropriation Reserves	364,214.75	-
Accounts Payable	5,280.72	-
County Taxes	4,760,074.47	-
Local District School Tax	14,881,396.48	-
Regional High School Tax	7,716,954.50	-
Various Reserves	2,106.27	-
Municipal Open Space Tax	193,558.02	-
Interfund	-	61,012.86
Grant-Appropriated	-	105,211.86
Grant-Unappropriated	-	615,193.58
	<u>38,455,410.32</u>	<u>781,418.30</u>
Balance, December 31, 2022	<u>\$ 8,001,755.02</u>	<u>\$ 37,604.01</u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH - CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2022 and 2021

Tax Collector

\$ 50.00

Clerk of Municipal Court

200.00

\$ 250.00

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF INVESTMENT IN BAN'S
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 5,395,594.50
Decreased By:	
Cash Receipts	<u>880,843.90</u>
Balance, December 31, 2022	<u><u>\$ 4,514,750.60</u></u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Year</u>	Balance December 31, <u>2021</u>	2022 Levy	2021 Collections	2022 Collections	Senior Citizens' and Veterans' Deductions Allowed	Cancellations and Adjustments	Transferred To Tax Title Liens	Balance December 31, <u>2022</u>
2021	\$ 176,588.26	-	-	\$ 176,587.06	-	\$ 1.20	-	-
2022	-	35,181,799.34	329,222.21	34,570,592.96	35,250.00	37,088.66	72.80	209,572.71
	<u>\$ 176,588.26</u>	<u>\$ 35,181,799.34</u>	<u>\$ 329,222.21</u>	<u>\$ 34,747,180.02</u>	<u>\$ 35,250.00</u>	<u>\$ 37,089.86</u>	<u>\$ 72.80</u>	<u>\$ 209,572.71</u>

Analysis of Property Tax Levy

<u>Tax Yield:</u>	
General Purpose Tax	\$ 35,104,322.16
Added Taxes	<u>77,477.18</u>
	<u>\$ 35,181,799.34</u>

<u>Tax Levy:</u>	
County Taxes	\$ 4,744,562.82
Due County for Added Taxes	10,473.31
Local District School Tax	14,403,371.00
Regional High School Tax	7,619,762.00
Municipal Open Space Tax	<u>193,558.02</u>
	<u>\$ 26,971,727.15</u>

Tax for Municipal Purposes	\$ 8,130,002.13
Additional Taxes Added	<u>80,070.06</u>
	<u>8,210,072.19</u>
	<u>\$ 35,181,799.34</u>

Analysis of Current Year Tax Collections

2021 Cash Collections of 2022 Taxes	\$ 329,222.21
2022 Cash Collections of 2022 Taxes	34,570,592.96
Senior Citizens' and Veterans' - Net	<u>35,250.00</u>
	<u>\$ 34,935,065.17</u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 1,695.50
Increased By:	
Transfers From Taxes Receivable	<u>72.80</u>
Balance, December 31, 2022	<u><u>\$ 1,768.30</u></u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2022 and 2021	<u>\$ 10,350.00</u>
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**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2021</u>	Accrued in <u>2022</u>	<u>Collected</u>	Balance December 31, <u>2022</u>
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 5,063.00	\$ 5,063.00	\$ -
Fines and Costs:				
Municipal Court	7,759.02	89,963.33	92,361.65	5,360.70
Interest and Costs on Taxes	-	52,463.64	52,463.64	-
Interest on Investments and Deposits	-	145,011.52	145,011.52	-
Cell Tower Lease Agreement	-	42,060.87	42,060.87	-
Interfund - Trust Other	-	200,075.10	200,075.10	-
Interfund - Railroad Trust	-	32,300.06	32,300.06	-
State and Federal Aid Without Offsetting Appropriations:				
Energy Tax Receipts	-	585,662.00	585,662.00	-
Dedicated Uniform Construction Code Fees				
Uniform Construction Code Fees	-	329,612.00	329,612.00	-
ARP Funds - Loss of Revenue	-	605,193.58	605,193.58	-
	<u>\$ 7,759.02</u>	<u>\$ 2,087,405.10</u>	<u>\$ 2,089,803.42</u>	<u>\$ 5,360.70</u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM INTERNAL REVENUE SERVICE RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ -
Increased By:		
Cash Disbursements	7,605.59	
Journal Entry Credit to Appropriation Reserves	A-12 <u>5,235.18</u>	<u>12,840.77</u>
		12,840.77
Decreased By:		
Cash Receipts		<u>2,370.41</u>
Balance, December 31, 2022		<u><u>\$ 10,470.36</u></u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, 2021		Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>			
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ -	\$ 529.35	\$ 529.35	\$ (0.06)	\$ 529.41
Other Expenses	16,511.91	3,190.25	19,702.16	19,561.57	140.59
Mayor & Council:					
Salaries and Wages	-	385.08	385.08	-	385.08
Municipal Clerk:					
Salaries and Wages	-	1,328.61	1,328.61	-	1,328.61
Elections:					
Other Expenses	-	784.70	784.70	784.70	-
Financial Administration (Treasury):					
Salaries and Wages	-	2,103.97	2,103.97	-	2,103.97
Other Expenses	-	871.33	6,371.33	4,500.00	1,871.33
Audit Services	-	1,500.00	1,500.00	-	1,500.00
Revenue Administration (Tax Collection):					
Other Expenses	-	1,076.69	1,076.69	-	1,076.69
Tax Assessment Administration:					
Salaries and Wages	-	9.84	9.84	-	9.84
Other Expenses	-	147.17	147.17	-	147.17
Legal Services (Legal Department):					
Other Expenses	-	13,072.10	10,572.10	6,411.83	4,160.27
Engineering Services:					
Other Expenses	-	15,006.25	15,006.25	6,330.00	8,676.25
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	-	499.94	499.94	-	499.94
Other Expenses	-	2,870.17	2,870.17	2,810.00	60.17
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement:					
Salaries and Wages	-	0.13	0.13	-	0.13
Other Expenses	-	2,000.00	2,000.00	-	2,000.00
Municipal Court:					
Salaries and Wages	-	5,085.94	5,085.94	-	5,085.94
Other Expenses	-	5,728.27	5,728.27	-	5,728.27
Public Defender:					
Other Expenses	-	1,000.00	1,000.00	-	1,000.00
INSURANCE (N.J.S.A. 40A:4-45.3(00)):					
General Liability	-	4,524.00	4,524.00	-	4,524.00
Worker's Compensation	-	401.00	401.00	-	401.00
Employee Group Health	891.00	25,199.20	17,090.20	(159,115.16)	176,205.36
Health Benefit Waiver	-	8,056.06	2,056.06	-	2,056.06

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance		Balance After	Paid or	Balance
	December 31, 2021				
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	-	90,978.27	80,478.27	-	80,478.27
Other Expenses	17,625.97	1,907.60	19,533.57	19,533.57	-
Police Dispatch/911:					
Other Expenses	-	612.00	612.00	-	612.00
Office of Emergency Management:					
Other Expenses	-	81.89	81.89	38.01	43.88
Aid To Volunteer Fire Companies:					
Other Expenses	1,417.31	2,286.51	3,703.82	1,162.87	2,540.95
Aid To Volunteer Ambulance Companies:					
Other Expenses	3,160.30	1,301.84	9,462.14	4,328.12	5,134.02
Municipal Prosecutor's Office:					
Salaries and Wages	-	890.90	890.90	-	890.90
School Resource Officer Program:					
Other Expenses	-	71,485.00	71,485.00	-	71,485.00
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	-	3,695.40	3,695.40	-	3,695.40
Other Expenses	84,520.86	13,866.25	98,387.11	95,242.34	3,144.77
Other Public Works Functions:					
Other Expenses	-	8,100.00	8,100.00	349.00	7,751.00
Solid Waste Collection:					
Other Expenses	-	49,256.93	49,256.93	24,366.91	24,890.02
Buildings and Grounds:					
Other Expenses	8,568.90	5,819.77	14,388.67	14,388.67	-
Vehicle Maintenance (Inc. Police Vehicles):					
Salaries and Wages	-	1,149.80	1,149.80	-	1,149.80
Other Expenses	6,977.20	10,224.72	22,201.92	20,218.33	1,983.59
Community Services Act (Condominium Community Co):					
Other Expenses	-	6,449.72	8,949.72	8,275.78	673.94
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health):					
Salaries and Wages	-	24.10	24.10	-	24.10
Other Expenses	-	3,301.33	3,301.33	-	3,301.33
Environmental Health Services:					
Other Expenses	758.12	791.88	1,550.00	758.12	791.88

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance		Balance After	Paid or	Balance
	December 31, 2021				
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
PARKS AND RECREATION					
Recreation Services and Programs:					
Salaries and Wages	-	2,889.98	2,889.98	-	2,889.98
Other Expenses	13,063.12	5,741.02	18,804.14	13,370.35	5,433.79
Maintenance of Parks:					
Salaries and Wages	-	199.98	199.98	-	199.98
Other Expenses	-	1,712.45	1,712.45	20.55	1,691.90
Participation in Free County Library:					
Salaries and Wages	-	26,271.10	26,271.10	-	26,271.10
Other Expenses	106.37	183.42	289.79	106.37	183.42
UNCLASSIFIED					
Celebration of Public Events	-	10,000.00	10,000.00	10,000.00	-
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	-	19,932.09	19,932.09	4,181.25	15,750.84
Street Lighting	-	22,627.22	22,627.22	5,625.31	17,001.91
Telephone (excluding equipment acquisition)	-	6,321.60	6,321.60	2,264.77	4,056.83
Water	-	3,829.58	3,829.58	817.37	3,012.21
Fire Hydrants	-	10,874.31	10,874.31	9,006.24	1,868.07
Gas (Natural or Propane)	-	9,505.18	15,505.18	10,769.56	4,735.62
Fuel Oil	-	3,236.77	3,236.77	-	3,236.77
Sewerage Processing and Disposal	-	720.00	720.00	-	720.00
Gasoline	-	7,826.14	11,826.14	8,995.75	2,830.39
Landfill/Solid Waste Disposal Costs	-	33,843.04	33,843.04	19,728.46	14,114.58
STATUTORY EXPENDITURES					
Contribution To:					
Social Security System (O.A.S.I.)	-	19,064.73	19,064.73	(5,421.84)	24,486.57
Unemployment Insurance	-	30,000.00	30,000.00	-	30,000.00
Defined Contribution Retirement Program	-	2,717.13	2,717.13	0.02	2,717.11
LOSAP:					
Other Expenses	-	7,416.00	7,416.00	-	7,416.00
Recycling Costs	-	4,211.19	4,211.19	-	4,211.19
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Reverse 9-1-1 Notification System	-	1,600.00	1,600.00	-	1,600.00
Uniform Construction Code	-	65,570.57	65,570.57	56,351.81	9,218.76
Total General Appropriations	\$ 153,601.06	\$ 663,887.46	\$ 817,488.52	\$ 205,760.57	\$ 611,727.95

Cash Disbured	\$ 364,214.75
Cash Receipts	(163,219.00)
IRS Receivable Due	(5,235.18)
Accounts Payable	<u>10,000.00</u>
	<u>\$ 205,760.57</u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 5,280.72
Increased By:		
Journal Entry Charge to 2022 Budget Appropriations	A-3 \$	19,643.17
Journal Entry Charge to 2021 Appropriation Reserves	A-12	<u>10,000.00</u>
		<u>29,643.17</u>
Decreased By:		
Cash Disbursements		<u>5,280.72</u>
Balance, December 31, 2022		<u><u>\$ 29,643.17</u></u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY FOR
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance December 31, 2021		\$ 1,250.00
Increased By:		
Veterans' Deductions Per Tax Billing	\$ 34,750.00	
Veterans' Deductions Allowed by Tax Collector	<u>1,250.00</u>	<u>36,000.00</u>
		37,250.00
Decreased By:		
Cash Receipts	35,750.00	
Veterans' Deductions Disallowed by Tax Collector	<u>750.00</u>	<u>36,500.00</u>
Balance, December 31, 2022		<u><u>\$ 750.00</u></u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 329,224.22
Increased By:		
Cash Receipts - 2022 Taxes		<u>293,745.80</u>
		622,970.02
Decreased By:		
Applied To Current Year Taxes Receivable	\$ 329,222.21	
Beginning Balance Adjustment to MRNA	<u>2.01</u>	
		<u>329,224.22</u>
Balance, December 31, 2022		<u><u>\$ 293,745.80</u></u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 15,511.65
Increased By:		
2022 Tax Levy:		
County Tax	\$ 3,938,163.48	
County Library Tax	295,974.45	
County Open Space Fund Tax	510,424.89	
Due County for Added Taxes	<u>10,473.31</u>	
		<u>4,755,036.13</u>
		4,770,547.78
Decreased By:		
Cash Disbursements		<u>4,760,074.47</u>
Balance, December 31, 2022		<u><u>\$ 10,473.31</u></u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		
School Tax Payable	\$ 6,154,398.23	
School Tax Deferred	<u>1,500,000.00</u>	
		\$ 7,654,398.23
Increased By:		
Levy (School Year July 1, 2022 to June 30, 2022)		<u>14,403,371.00</u>
		22,057,769.23
Decreased By:		
Cash Disbursements		<u>14,881,396.48</u>
Balance, December 31, 2022		
School Tax Payable	5,676,372.75	
School Tax Deferred	<u>1,500,000.00</u>	
		<u><u>\$ 7,176,372.75</u></u>
 <u>2022 Liability for Local District School Tax</u>		
Tax Payable, December 31, 2022		\$ 5,676,372.75
Tax Paid		<u>14,881,396.48</u>
		20,557,769.23
Less:		
Tax Payable, December 31, 2021		<u>6,154,398.23</u>
Amount Charged To 2022 Operations		<u><u>\$ 14,403,371.00</u></u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		
School Tax Payable	\$ 3,106,273.48	
School Tax Deferred	800,800.00	
		\$ 3,907,073.48
Increased By:		
Levy (School Year July 1, 2022 to June 30, 2023)		7,619,762.00
		11,526,835.48
Decreased By:		
Cash Disbursements		7,716,954.50
Balance, December 31, 2022		
School Tax Payable	3,009,080.98	
School Tax Deferred	800,800.00	
		\$ 3,809,880.98
<u>2022 Liability for Regional High School Tax</u>		
Tax Payable, December 31, 2022		\$ 3,009,080.98
Tax Paid		7,716,954.50
		10,726,035.48
Less:		
Tax Payable, December 31, 2021		3,106,273.48
Amount Charged To 2022 Operations		\$ 7,619,762.00

**BOROUGH OF LITTLE SILVER
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF VARIOUS RESERVES
 FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2022</u>
Tax Appeals Pending	\$ 300.20	\$ -	\$ 300.20	\$ -
Security Deposit	3,000.00	-	-	3,000.00
Revaluation	11,097.00	-	11,097.00	-
Sale of Municipal Assets	79,476.48	-	79,476.48	-
State Library Aid	1,056.27	1,050.00	2,106.27	-
Municipal Relief Fund	-	30,550.40	-	30,550.40
	<hr/>			
	\$ 94,929.95	\$ 31,600.40	\$ 92,979.95	\$ 33,550.40
	<hr/> <hr/>			

**BOROUGH OF LITTLE SILVER
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF MUNICIPAL OPEN SPACE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ -
Increased By:		
2022 Levy	\$ 193,132.75	
Added Taxes	<u>425.27</u>	
		<u>193,558.02</u>
Decreased By:		
Due To Trust Fund		<u>193,558.02</u>
Balance, December 31, 2022		<u><u>\$ -</u></u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2021</u>	Increased By Revenue Anticipated <u>2022</u>	Transferred From Grants <u>Unappropriated</u>	Cash <u>Receipts</u>	Balance December 31, <u>2022</u>
<u>FEDERAL</u>					
NJDLP/DHTS - Distracted Driving Crackdown Grant	\$ -	\$ 7,000.00	\$ -	\$ 7,000.00	\$ -
<u>STATE</u>					
Judiciary - Alcohol Education and Rehabilitation Fund	-	4,737.97	-	4,737.97	-
NJDLP/DHTS - Body Worn Camera Grant Program	-	24,456.00	-	-	24,456.00
NJDLP/DCJ - Body Armor Replacement Fund, FY 2021	-	1,081.01	-	1,081.01	-
NJDLP/DHTS - Drunk Driving Enforcement Fund Grant	-	5,800.00	-	5,800.00	-
NJDEP - Recycling Tonnage Grant, FY 2019	-	13,996.38	-	13,996.38	-
NJDEP - Clean Communities, FY 2021	-	13,531.42	13,531.42	-	-
NJDEP - Clean Communities, FY 2022	-	13,744.85	-	13,744.85	-
NJDCA - Local Recreation Improvement Grant - Santelle Park	-	60,000.00	-	-	60,000.00
<u>COUNTY</u>					
Monmouth County Open Space Grant - Challenger Field	125,000.00	-	-	125,000.00	-
Monmouth County Open Space Grant - PS Parking & Picnic	74,000.00	-	-	-	74,000.00
<u>OTHER</u>					
Rumson Country Club Donation - Santelle Park	-	60,000.00	-	60,000.00	-
	<u>\$ 199,000.00</u>	<u>\$ 204,347.63</u>	<u>\$ 13,531.42</u>	<u>\$ 231,360.21</u>	<u>\$ 158,456.00</u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
STATE GRANT FUND
SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Grant Year</u>	<u>Grant</u>	Balance December 31, 2021	Transferred From 2022 Appropriations	<u>Expended</u>	Balance December 31, 2022
2018	Judiciary - Alcohol Education and Rehabilitation Fund	\$ 35.54	-	\$ 35.54	\$ -
2019	Judiciary - Alcohol Education and Rehabilitation Fund	482.25	-	482.25	-
2020	Judiciary - Alcohol Education and Rehabilitation Fund	750.18	-	750.18	-
2021	Judiciary - Alcohol Education and Rehabilitation Fund	908.80	-	60.03	848.77
2022	Judiciary - Alcohol Education and Rehabilitation Fund	-	4,737.97	-	4,737.97
2021	NJDLPs - Body Worn Camera Grant Program	-	24,456.00	12,840.00	11,616.00
2020	NJDLPs/DCJ - Body Armor Replacement Fund Grant	1,090.38	-	715.00	375.38
2021	NJDLPs/DCJ - Body Armor Replacement Fund Grant	-	1,081.01	1,061.35	19.66
2022	NJDLPs/DHTS - Distracted Driving Crackdown Grant	-	7,000.00	7,000.00	-
2022	NJDLPs/DHTS - Drunk Driving Enforcement Fund Grant	-	5,800.00	1,991.41	3,808.59
2018	NJDEP - Recycling Tonnage Grant	4,482.19	-	3,407.48	1,074.71
2019	NJDEP - Recycling Tonnage Grant	-	13,996.38	-	13,996.38
2019	NJDEP - Clean Communities Grant	1,099.39	-	1,099.39	-
2020	NJDEP - Clean Communities Grant	12,716.03	-	12,716.03	-
2021	NJDEP - Clean Communities Grant	-	13,531.42	13,531.42	-
2022	NJDEP - Clean Communities Grant	-	13,744.85	11,634.13	2,110.72
2022	NJDCA - Local Recreation Improvement Grant - Santelle Park	-	60,000.00	37,887.65	22,112.35
2020	Monmouth County Open Space Grant PS Parking & Picnic	74,000.00	-	-	74,000.00
2022	Rumson Country Club Donation - Santelle Park	-	60,000.00	-	60,000.00
		<u>\$ 95,564.76</u>	<u>\$ 204,347.63</u>	<u>\$ 105,211.86</u>	<u>\$ 194,700.53</u>

Approved Ch 159 204,347.63

**BOROUGH OF LITTLE SILVER
 COUNTY OF MONMOUTH, NEW JERSEY
 STATE GRANT FUND
 SCHEDULE OF RESERVE FOR STATE GRANTS - UNAPPROPRIATED
 FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Grant</u>	Balance December 31, <u>2021</u>	Cash <u>Receipts</u>	Realized in <u>2022 Budget</u>	Cash <u>Disbursements</u>	Balance December 31, <u>2022</u>
NJDEP - Clean Community Grant, FY 2021	\$ 13,531.42	\$ -	\$ 13,531.42	\$ -	\$ -
Comcast Franchise Fee	10,000.00	-	-	10,000.00	-
American Rescue Relief	302,596.79	302,596.79	-	605,193.58	-
NJDLPS/DCJ - Body Armor Replacement Fund, FY 2022	-	1,359.48	-	-	1,359.48
	<u>\$ 326,128.21</u>	<u>\$ 303,956.27</u>	<u>\$ 13,531.42</u>	<u>\$ 615,193.58</u>	<u>\$ 1,359.48</u>

TRUST FUNDS

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**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Animal Control</u>	<u>Unemployment Compensation</u>	<u>Trust - Other</u>	<u>Payroll</u>
Balance, December 31, 2021	\$ 22,936.60	\$ 30,088.50	\$ 2,051,679.96	\$ 147,113.63
Increased By Receipts:				
Reserve for Animal Control Trust Fund	9,467.60	-	-	-
Deposit Cat Change Fund	25.00	-	-	-
Dog License Fees - State Portion	983.40	-	-	-
Various Reserves	-	-	662,790.07	-
Reserve for Unemployment Compensation	-	10,563.06	-	-
Payroll Deposits	-	-	-	5,328,391.02
	<hr/> 10,476.00	<hr/> 10,563.06	<hr/> 662,790.07	<hr/> 5,328,391.02
	<hr/> 33,412.60	<hr/> 40,651.56	<hr/> 2,714,470.03	<hr/> 5,475,504.65
Decreased By Disbursements:				
Expenditures Under R.S. 4:19-15.11	6,799.18	-	-	-
Due To State of New Jersey	983.40	-	-	-
Statutory Excess Due to Current	7,232.62	-	-	-
Various Reserves	-	-	562,574.18	-
2021 Interfund Returned	-	-	263,166.91	-
Reserve for Unemployment Compensation	-	7,483.10	-	-
Payroll Deductions	-	-	-	5,444,589.81
	<hr/> 15,015.20	<hr/> 7,483.10	<hr/> 825,741.09	<hr/> 5,444,589.81
Balance, December 31, 2022	<hr/> <hr/> \$ 18,397.40	<hr/> <hr/> \$ 33,168.46	<hr/> <hr/> \$ 1,888,728.94	<hr/> <hr/> \$ 30,914.84

**BOROUGH OF LITTLE SILVER
 COUNTY OF MONMOUTH, NEW JERSEY
 ANIMAL CONTROL TRUST FUND
 SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 18,367.80
Increased By:		
Cat License Fees Collected	\$ 1,044.00	
Dog License Fees Collected	7,419.60	
Miscellaneous Fee Charges	4.00	
Late Fee Charges	<u>1,000.00</u>	
		<u>9,467.60</u>
		27,835.40
Decreased By:		
Statutory Excess due to Current Fund	2,613.82	
Expenditures Under R.S. 4:19-15.11	<u>6,799.18</u>	
		<u>9,413.00</u>
Balance, December 31, 2022		<u><u>\$ 18,422.40</u></u>

2020 Fees	\$ 9,045.80
2021 Fees	<u>9,376.60</u>
	<u><u>\$ 18,422.40</u></u>

**BOROUGH OF LITTLE SILVER
 COUNTY OF MONMOUTH, NEW JERSEY
 ANIMAL CONTROL FUND
 SCHEDULE OF DUE TO STATE OF NEW JERSEY DEPARTMENT OF HEALTH
 FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$	-
Increased By:		
2022 License Fees		983.40
		983.40
Decreased By:		
Payments		983.40
Balance, December 31, 2022	\$	-

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Reserve</u>	Balance December 31, <u>2021</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance December 31, <u>2022</u>
Accumulated Leave	\$ 25,940.93	\$ -	\$ 22,946.79	\$ 2,994.14
Parking Adjudication Act (P.O.A.A.)	600.00	292.00	-	892.00
Public Defender	649.00	300.00	649.00	300.00
Little Silver Municipal Alliance	716.48	-	-	716.48
Fire Safety Penalty Fund	2,000.00	-	-	2,000.00
Shade Tree	3,993.08	500.00	3,262.97	1,230.11
Library Support Services Donations	902.50	1,269.90	-	2,172.40
Snow Removal Trust	8,196.65	-	-	8,196.65
Municipal Open Space Trust Fund	774,890.35	212,568.02	80,082.51	907,375.86
Recreation Program Fees Trust Fund	6,222.50	19,903.00	16,227.77	9,897.73
Recreation Donations N.J.S.A. 40A:5-29	9,872.58	13,500.00	7,137.81	16,234.77
Flexible Spending Accounts	-	1,000.00	-	1,000.00
Railroad Parking Trust	227,268.26	135,304.79	123,284.19	239,288.86
Parker/Sickles Farm Park	29,897.54	1,589.02	2,082.81	29,403.75
Cash Performance Developers Escrow	136,197.67	776.53	36,422.93	100,551.27
Cash Performance Bond	10,307.00	5,500.00	9,250.00	6,557.00
Engineering and Inspection Fees	26,964.94	5,000.00	12,162.50	19,802.44
Professional Review Fees	167,090.35	67,958.68	79,341.25	155,707.78
Outside Employment - Off Duty	7,465.50	-	7,465.50	-
Outside Employers Escrow	(6,364.87)	181,447.50	169,722.63	5,360.00
Affordable Housing Trust	352,979.14	23,316.42	-	376,295.56
Law Enforcement Trust Fund	2,585.50	28.21	-	2,613.71
Green Trust	1.02	-	1.02	-
Federal Law Enforcement Trust	136.93	1.50	-	138.43
	<u>\$ 1,788,513.05</u>	<u>\$ 670,255.57</u>	<u>\$ 570,039.68</u>	<u>\$ 1,888,728.94</u>

Cash Receipt	\$ 662,790.07	\$ -
Cash Disbursement	-	562,574.18
Transfers	7,465.50	7,465.50
	<u>\$ 670,255.57</u>	<u>\$ 570,039.68</u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
UNEMPLOYMENT COMPENSATION TRUST FUND
SCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 30,088.50
Increased By:	
Cash Receipts	<u>10,563.06</u>
	40,651.56
Decreased By:	
Cash Disbursements	<u>7,483.10</u>
Balance, December 31, 2022	<u><u>\$ 33,168.46</u></u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
PAYROLL FUND
SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 147,113.63
Increased By:	
Deposits	<u>5,328,391.02</u>
	5,475,504.65
Decreased By:	
Cash Disbursements	<u>5,444,589.81</u>
Balance, December 31, 2022	<u><u>\$ 30,914.84</u></u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 1,375,743.12
Increased By:		
Borough Contributions		62,100.00
		1,437,843.12
Decreased By:		
Accounting Charges	\$ 2,488.08	
Withdrawals	132,483.11	
Loss on Investments	226,096.95	
		361,068.14
Balance, December 31, 2022		\$ 1,076,774.98

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 1,375,743.12
Increased By:		
Borough Contributions		<u>62,100.00</u>
		1,437,843.12
Decreased By:		
Accounting Charges	\$ 2,488.08	
Withdrawals	132,483.11	
Loss on Investments	<u>226,096.95</u>	
		<u>361,068.14</u>
Balance, December 31, 2022		<u><u>\$ 1,076,774.98</u></u>

GENERAL CAPITAL FUND

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**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 1,003,129.29
Increased By Receipts:		
NJ Infrastructure Loan	\$ 776,778.42	
Capital Improvement Fund	<u>470,193.58</u>	
		<u>1,246,972.00</u>
Decreased By Disbursements:		
Improvement Authorizations		<u>2,250,101.29</u>
		<u>1,599,723.62</u>
Balance, December 31, 2022		<u><u>\$ 650,377.67</u></u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2022**

		Balance December 31, <u>2022</u>
Grants Receivable		\$ (337,628.22)
Fund Balance		126,913.45
Capital Improvement Fund		164,958.58
Ordinance		
<u>Number</u>	<u>Improvement Description</u>	
674-09	Various Capital Improvements and Acquisitions	1,587.38
766-15	Various Capital Improvements and Acquisitions	2,500.00
776-16/831-19	Various Capital Improvements and Acquisitions	2,500.00
794-17	Various Capital Improvements and Acquisitions	137,500.00
803-18/808-18	Various Capital Improvements and Acquisitions	137,500.00
829-19	Sidewalk Improvement	90,735.06
830-19	Various Capital Improvements and Acquisitions	137,500.00
839-20	Various Capital Improvements and Acquisitions	187,045.66
841-20	Paving of the Borough Train Station Lot	35,734.10
845-21	Various Capital Improvements and Acquisitions	396,710.01
853-22	Acquisition of Ambulance	169,985.00
854-22	Acquisition of Real Property	(462,289.03)
855-22/859-22	Various Capital Improvements and Acquisitions	(49,975.23)
860-22	Purchase & Install Primary Communication System	(90,899.09)
		<u>\$ 650,377.67</u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 183,228.22
Increased By:	
Grant Award	<u>154,400.00</u>
Balance, December 31, 2022	<u><u>\$ 337,628.22</u></u>
<u>Analysis of Balance - December 31, 2022</u>	
2020 DOT Grant	\$ 103,228.22
2021 DOT Grant	80,000.00
2022 DOT Grant	<u>154,400.00</u>
	<u><u>\$ 337,628.22</u></u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY INFRASTRUCTURE LOAN RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 1,248,060.30
Decreased By:		
Cash Receipts	\$ 776,778.42	
Cancel to final loan issued 06/07/22	471,281.88	
	<u>1,248,060.30</u>	<u>1,248,060.30</u>
Balance, December 31, 2022		<u>\$ -</u>

BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2022

Balance, December 31, 2021		\$ 2,862,916.75
Decreased By:		
Repayment of Green Acres Loan	\$ 6,394.12	
Cancellation of Loan Payable	<u>461,492.56</u>	
		<u>467,886.68</u>
Balance, December 31, 2022		<u>\$ 2,395,030.07</u>

BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2022

Ordinance Number	Improvement Description	Balance December 31, 2021	2022 Authorizations	Notes Paid By Budget Appropriation	Cancellation of Loan Payable	Balance December 31, 2022	Analysis of Balance		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
739-13	Various Acquisitions and Improvements	\$ 130,931.00	\$ -	\$ 65,466.00	\$ -	\$ 65,465.00	\$ -	\$ -	\$ -
751-14	Various Acquisitions and Improvements	231,470.00	-	77,157.00	-	154,313.00	154,313.00	-	-
766-15	Various Acquisitions and Improvements	478,988.00	-	119,747.00	-	359,241.00	359,241.00	-	-
776-16	Various Acquisitions and Improvements	594,747.00	-	118,949.00	-	475,798.00	475,798.00	-	-
794-17	Various Acquisitions and Improvements	678,813.00	-	113,135.50	-	565,677.50	565,677.50	-	-
803-18/808-18	Various Acquisitions and Improvements	682,678.00	-	97,525.00	-	585,153.00	585,153.00	-	-
829-19	Sidewalk Improvements	-	-	-	(461,492.56)	461,492.56	-	-	461,492.56
828-19	Various Acquisitions and Improvements	767,409.90	-	95,926.50	-	671,483.40	671,483.40	-	-
839-20	Various Acquisitions and Improvements	889,392.60	-	98,821.40	-	790,571.20	790,571.20	-	-
841-20	Paving of the Borough Train Station Lot	247,500.00	-	-	-	247,500.00	247,500.00	-	-
845-21	Various Acquisitions and Improvements	941,165.00	-	94,116.50	-	847,048.50	847,048.50	-	-
854-22	Acquisition of Real Property	-	475,000.00	-	-	475,000.00	-	462,289.03	12,710.97
855-22/859-22	Various Capital Improvements and Acquisitions	-	1,365,881.00	-	-	1,365,881.00	-	49,975.23	1,315,905.77
860-22	Purchase & Install Primary Communication System	-	1,092,500.00	-	-	1,092,500.00	-	90,899.09	1,001,600.91
		\$ 5,643,094.50	\$ 2,933,381.00	\$ 880,843.90	\$ (461,492.56)	\$ 8,157,124.16	\$ 4,762,250.60	\$ 603,163.35	\$ 2,791,710.21

	Improvement Authorization Unfunded Per Exh. C-11 \$ 3,828,699.98
	Less: Unexpended proceeds of Bond Anticipation:
766-15	2,500.00
776-16/831-19	2,500.00
794-17	137,500.00
803-18/808-18	137,500.00
830-19	137,500.00
839-20	187,045.66
841-20	35,734.10
845-21	396,710.01
	\$ 2,791,710.21

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2021	Increased	Decreased	Balance December 31, 2022
739-13	Various Acquisitions and Improvements	12/31/13	12/31/22	12/31/23	0.00%	\$ 130,931.00	\$ 65,465.00	\$ 130,931.00	\$ 65,465.00
751-14	Various Acquisitions and Improvements	12/1/14	12/31/22	12/31/23	0.00%	231,470.00	154,313.00	231,470.00	154,313.00
766-15	Various Acquisitions and Improvements	12/31/15	12/31/22	12/31/23	0.00%	478,988.00	359,241.00	478,988.00	359,241.00
776-16	Various Acquisitions and Improvements	12/5/16	12/31/22	12/31/23	0.00%	594,747.00	475,798.00	594,747.00	475,798.00
794-17	Various Acquisitions and Improvements	12/04/17	12/31/22	12/31/23	0.00%	678,813.00	565,677.50	678,813.00	565,677.50
803-18/808-18	Various Acquisitions and Improvements	12/03/18	12/31/22	12/31/23	0.00%	682,678.00	585,153.00	682,678.00	585,153.00
828-19	Various Acquisitions and Improvements	12/02/19	12/31/22	12/31/23	0.00%	767,409.90	671,483.40	767,409.90	671,483.40
839-20	Various Acquisitions and Improvements	12/07/20	12/31/22	12/31/23	0.00%	889,392.60	790,571.20	889,392.60	790,571.20
841-20	Paving of the Borough Train Station Lot	10/9/20	10/07/22	10/06/23	3.17%	247,500.00	247,500.00	247,500.00	247,500.00
845-21	Various Acquisitions and Improvements	4/20/21	12/31/22	12/31/23	0.00%	941,165.00	847,048.50	941,165.00	847,048.50
						\$ 5,643,094.50	\$ 4,762,250.60	\$ 5,643,094.50	\$ 4,762,250.60
						4,762,250.60			

Renewals

Paid By Budget Appropriation	
Renewals	
\$	-
\$	880,843.90
4,762,250.60	
4,762,250.60	
\$	4,762,250.60
\$	5,643,094.50

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 12,916.75
Decreased By:	
Principal Payment in 2022 Budget	<u>6,394.12</u>
Balance, December 31, 2022	<u>\$ 6,522.63</u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK LOAN
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 2,850,000.00
Decreased By:	
Reduction per final loan execution on 06/07/22	<u>461,492.56</u>
Balance, December 31, 2022	<u><u>\$ 2,388,507.44</u></u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2021		2022 Authorizations					Balance December 31, 2022		
				Funded	Unfunded	Capital Improvement Fund	Taxation Unfunded	NIDOT Grant	Other	Expended	Funded	Unfunded	
													To Future
674-09	Various Acquisitions and Improvements	05/18/09	\$ 220,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
766-15	Various Capital Improvements and Acquisitions	05/04/15	1,260,500.00	-	2,500.00	-	-	-	-	-	-	-	2,500.00
776-16/831-19	Various Capital Improvements and Acquisitions	04/18/16	1,252,100.00	-	2,500.00	-	-	26,714.92	-	-	-	-	2,500.00
794-17	Various Capital Improvements and Acquisitions	04/17/17	1,190,900.00	-	137,500.00	-	-	-	-	-	-	-	137,500.00
803-18/808-18	Various Capital Improvements and Acquisitions	04/28/18	1,246,584.00	-	140,169.76	-	-	-	-	-	-	-	137,500.00
829-19	Sidewalk Improvement	05/05/19	3,000,000.00	442,506.58	-	-	-	315,083.18	-	-	205,362.14	90,735.06	461,492.56
830-19	Various Capital Improvements and Acquisitions	05/20/19	1,284,749.00	-	137,500.00	-	-	-	-	-	-	-	137,500.00
839-20	Various Capital Improvements and Acquisitions	05/04/20	1,310,225.00	-	212,501.29	-	-	61,565.65	-	-	87,021.28	-	187,045.66
841-20	Paving of the Borough Train Station Parking Lot	07/13/20	500,000.00	-	35,734.10	-	-	-	-	-	-	-	35,734.10
845-21	Various Capital Improvements and Acquisitions	04/19/21	1,070,700.00	-	388,050.88	-	-	384,451.62	-	-	375,792.49	-	396,710.01
853-22	Acquisition of Ambulance	03/14/22	169,985.00	-	-	-	-	-	-	-	-	-	-
854-22	Acquisition of Real Property	04/25/22	500,000.00	-	-	-	475,000.00	-	-	-	487,289.03	-	12,710.97
855-22/859-22	Various Capital Improvements and Acquisitions	4/25/22 & 7/18/22	1,592,170.00	-	-	-	1,365,881.00	-	-	154,400.00	276,264.23	-	1,315,908.77
860-22	Purchase & Install Primary Communication System	09/12/22	1,150,000.00	-	-	-	1,092,500.00	-	-	-	148,399.09	-	1,001,600.91
				\$ 444,093.96	\$ 1,056,456.03	\$ 324,374.00	\$ 2,933,381.00	\$ 787,815.37	\$ 154,400.00	\$ 1,609,512.94	\$ 262,307.44	\$ 3,828,699.98	

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 19,139.00
Increased By:	
2022 Budget Appropriations	<u>470,193.58</u>
	489,332.58
Decreased By:	
Improvement Authorizations Funded	<u>324,374.00</u>
Balance, December 31, 2022	<u><u>\$ 164,958.58</u></u>

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Ordinance Number/Date</u>	<u>Balance December 31, 2021</u>	<u>Increased By 2022 Authorizations</u>	<u>Balance December 31, 2022</u>
	\$ -	\$ 461,492.56	\$ 461,492.56
Sidewalk Improvements	-	475,000.00	475,000.00
Acquisition of Real Property	-	1,365,881.00	1,365,881.00
Various Capital Improvements and Acquisitions	-	1,092,500.00	1,092,500.00
Purchase & Install Primary Communication System	-	3,394,873.56	3,394,873.56
	\$ -	\$ 3,394,873.56	\$ 3,394,873.56

GENERAL FIXED ASSETS ACCOUNT GROUP

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**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2022</u>
Land	\$ 11,747,627.82	\$ 490,014.03	\$ -	\$ 12,237,641.85
Buildings	4,260,567.89	-	-	4,260,567.89
Equipment	5,475,310.12	281,183.47	63,187.58	5,693,306.01
	<u>\$ 21,483,505.83</u>	<u>\$ 771,197.50</u>	<u>\$ 63,187.58</u>	<u>\$ 22,191,515.75</u>

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SINGLE AUDIT SECTION

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BOROUGH OF LITTLE SILVER

PART II

SINGLE AUDIT SECTION

FOR THE YEAR ENDED DECEMBER 31, 2022

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Certified Public Accountants + Advisors

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW JERSEY OMB
CIRCULAR 15-08**

The Honorable Mayor and Members
of the Borough Council
Borough of Little Silver
Little Silver, New Jersey 07739

Report on Compliance for Each Major State Program

Opinion on Each State Program

We have audited the Borough of Little Silver's compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Borough of Little Silver's major state programs for the year ended December 31, 2022. The Borough of Little Silver's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards and New Jersey OMB's Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough of Little Silver and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each state program. Our audit does not provide a legal determination of the Borough of Little Silver's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough of Little Silver's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough of Little Silver's compliance with the requirements of each state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough of Little Silver's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough of Little Silver's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Little Silver's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in

internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Lakewood, New Jersey
July 12, 2023

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**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2022**

State Grantor/Pass-Through Grantor/Program Title	State Account Number	Grant Period	Grant Award State Share	Program Expenditures	Pass-Through to Subrecipient	Cumulative Expenditures
<u>New Jersey Department of Community Affairs</u>						
Local Recreation Improvement Grant - Santelle Park	2021-049600479-00	N/A	\$ 60,000.00	\$ 37,887.65	\$ -	\$ 37,887.65
Total New Jersey Department of Consumer Affairs				37,887.65	-	37,887.65
<u>New Jersey Department of Environmental Protection</u>						
Clean Communities Grant - 2022	765-042-4900-004	2022	13,815.42	13,815.42	-	13,815.42
Clean Communities Grant - 2021	765-042-4900-004	2021	13,531.42	13,531.42	-	13,531.42
Clean Communities Grant - 2020	765-042-4900-004	2020	11,634.13	11,634.13	-	11,634.13
Recycling Tonnage Grant - 2018	100-042-4910-224	2018	16,541.87	3,407.48	-	15,467.16
* New Jersey Infrastructure Bank Loans	TB1325-002	N/A	2,388,507.44	776,778.42	-	2,388,507.44
Total New Jersey Department of Environmental Protection Development				819,166.87	-	2,442,955.57
<u>Department of Law and Public Safety</u>						
New Jersey Body Worn Camera Grant	1020-100-495	N/A	24,456.00	12,840.00	-	12,840.00
New Jersey Body Armor Replacement Fund - 2021	1020-718-001	2021	1,081.01	1,061.35	-	1,061.35
New Jersey Body Armor Replacement Fund - 2020	1020-718-001	2020	1,482.12	715.00	-	1,106.74
Drunk Driving Enforcement Grant	Unavailable	N/A	5,800.00	1,991.41	-	1,991.41
Alcohol Education and Rehabilitation Fund	Unavailable	N/A	7,391.83	1,328.00	-	1,805.09
Total Department of Law and Public Safety				17,935.76	-	18,804.59
<u>Department of Transportation</u>						
2021 Municipal Aid Program	2021-480-078-6320-AOP	2021	80,000.00	29,709.60	-	31,329.60
2020 Municipal Aid Program - Silverside Avenue Phase I	2020-480-078-6320-AN8-6010	2020	270,000.00	12,691.97	-	235,952.86
Total Department of Transportation				42,401.57	-	267,282.46
Total Expenditures of State Financial Assistance				\$ 917,391.85	\$ -	\$ 2,766,930.27

* Denotes Major Program

The Accompanying Notes to the Schedule of Expenditures of State Financial Assistance are an Integral Part of this Statement.

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**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of state financial assistance present the activity of all state financial assistance programs of the Borough of Little Silver. The Borough is defined in Note 1 of the basic financial statements. The information in this schedule is presented in accordance with the requirements of New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditures of state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedule of state financial assistance is presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

The amounts shown as current year expenditures represent only the state grant portion of the program costs. Such expenditures are recognized following the cost principles contained in State of New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's financial statements. Expenditures from awards were made in current and prior years and are reported in the Borough’s financial statements as follows:

	State
State & Federal Grant Fund	\$ 98,211.86
General Capital Fund	<u>819,179.99</u>
Total	<u><u>\$ 917,391.85</u></u>

Note: \$628,120.15 of expenditures related to the major program, New Jersey Infrastructure Bank Loans, were incurred in 2021 and 2020. \$148,658.27 were incurred in 2022. For purposes of properly accounting for and presenting New Jersey Infrastructure Bank Loans expenditures, current year receipts are used in major program determination.

Note 4. Relationship to State Financial Reports

The regulations and guidelines governing the preparation of state financial reports vary by state agency and among programs administered by the same agencies. Accordingly, the amounts reported in the state financial reports do not necessarily agree with the amounts reported in the accompanying Schedule, which is prepared on the modified accrual basis of accounting as explained in Note 2.

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 5. State Loans Outstanding

The Borough had \$2,388,507.44 of Infrastructure Loan balances outstanding at December 31, 2022.

Note 6. Contingencies

Each of the grantor agencies reserves the right to conduct additional audits of the Borough's grant program for economy, efficiency and program results. However, the Borough administration does not believe such audits would result in material amounts of disallowed costs.

Note 7. Major Programs

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

**BOROUGH OF LITTLE SILVER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards - Not Applicable

State Financial Assistance

Dollar threshold used to determine Type A programs	\$750,000.00
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no
Internal control over major programs:	
1) Material weakness(es) identified?	_____ yes <u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes <u> X </u> no
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?	_____ yes <u> X </u> no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
TB1325-002	Department of Environmental Protection - New Jersey Infrastructure Bank

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**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Section III – State Financial Assistance Findings & Questioned Costs

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

None.

**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH, NEW JERSEY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022**

This section identifies the status of prior year findings related to the financial statements and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, and New Jersey OMB's Circular 15-08.

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings.

STATE FINANCIAL ASSISTANCE

No Prior Year Findings.

FEDERAL AWARDS

N/A – No Federal Single Audit in prior year.

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**BOROUGH OF LITTLE SILVER
COUNTY OF MONMOUTH**

PART III

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>POSITION</u>
Robert Neff, Jr.	Mayor
Chris Smith	Council President
Stephanie Brannagan	Councilmember
Kevin Brennan	Councilmember
Donald S. Galante	Councilmember
Michael Holzapfel	Councilmember
Corinne Thygeson	Councilmember
Kevin J. Burke, Jr.	Borough Administrator and Borough Clerk
Craig R. Marshall	Chief Financial Officer, Treasurer, and Deputy Tax Collector
Thomas Seaman	Tax Collector
Meghan Bennett	Attorney
Honorable James E. Berube, Jr.	Judge
Gabrielle Cimiluca	Court Administrator

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www.hfacpas.com

Honorable Mayor and Members
of the Borough Council
Borough of Little Silver
County of Monmouth
Little Silver, New Jersey 07739

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2022.

GENERAL COMMENTS:

Contracts and Agreements required to be advertised by (*N.J.S.A.40A:11-4*)

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement.

The bid threshold in accordance with *N.J.S.A. 40A:11-4* was \$44,000 for the year ended December 31, 2022.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold “for the performance of any work, or the furnishing of any materials, supplies or labor” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 3, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

BE IT FURTHER RESOLVED, by the Borough Council of the Borough of Little Silver, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Borough Council of the Borough of Little Silver, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

OTHER COMMENTS (FINDINGS):

None.

RECOMMENDATIONS:

None.

Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Lakewood, New Jersey
July 12, 2023