

CITY OF NORTH WILDWOOD
REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2020

CITY OF NORTH WILDWOOD
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CITY OF NORTH WILDWOOD

PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS - REGULATORY BASIS

FOR THE YEAR ENDED

DECEMBER 31, 2020



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
Members of City Council
City of North Wildwood
County of Cape May, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of North Wildwood, as of December 31, 2020 and 2019, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 of the financial statements, the financial statements are prepared by the City of North Wildwood on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of 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.

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” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of North Wildwood as of December 31, 2020 and 2019, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 22 of the financial statements, the City participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$592,003.24 and \$530,944.00, for 2020 and 2019 respectively were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2020 and 2019, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2020 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements. Because of the significance of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

The letter of comments and recommendations section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2021 on our consideration of the City of North Wildwood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City of North Wildwood's internal control over financial reporting and compliance.

Very truly yours,

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

June 11, 2021

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EXHIBIT - A
CURRENT FUND

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Regular Fund:		
Cash:		
Cash Treasurer	\$ 13,011,806.12	11,100,032.64
Cash - Change	1,450.00	1,450.00
Total Cash	<u>13,013,256.12</u>	<u>11,101,482.64</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	243.43	1,069.52
Total Other Receivables	<u>243.43</u>	<u>1,069.52</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	8,355.58	131,990.18
Tax Title and Other Liens	862.24	10,151.75
Property Acquired for Taxes - at Assessed Valuation	4,300.00	566,900.00
Revenue Accounts Receivable	279,772.32	390,380.04
Interfund Receivable:		
Trust - Assessment	-	236.76
Tax Title Lien Redemption	-	14,027.75
Tax Title Lien Premium	-	21,483.26
Animal Control	1,144.18	826.18
Total Receivables and Other Assets	<u>294,434.32</u>	<u>1,135,995.92</u>
Deferred Charges:		
Special Emergency Appropriation	-	60,000.00
Total Deferred Charges	<u>-</u>	<u>60,000.00</u>
Total Regular Fund	<u>13,307,933.87</u>	<u>12,298,548.08</u>
Federal and State Grant Fund:		
Cash	-	-
Federal and State Grants Receivable	1,613,800.00	1,135,256.27
Due from Current Fund	96,442.37	135,343.37
Due from Trust Funds	4,878.98	4,878.98
Due from General Capital	4,636.03	4,636.03
Total Federal and State Grant Fund	<u>1,719,757.38</u>	<u>1,280,114.65</u>
Total Current Fund	<u>\$ 15,027,691.25</u>	<u>13,578,662.73</u>

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 2,076,189.21	1,669,989.40
Reserve for Encumbrances	275,668.48	351,606.18
Accounts Payable	20,338.10	269.98
Prepaid Taxes	1,204,584.03	1,020,175.51
Overpaid Taxes	184,920.53	189,034.42
Sewer Rent Overpayments	81,852.03	53,217.95
Local School Tax Payable	2,445,503.74	1,163,352.92
County Added Tax Payable	38,622.86	26,591.95
Special District Tax Payable	257.83	257.83
Due to State:		
Marriage Licenses	185.00	85.00
Interfund Payable:		
Federal and State Grant Fund	96,442.37	135,343.37
Tax Title Lien Redemption	4,324.54	-
Tourism	162.00	162.00
GWTIDA	1,910.00	535.00
Other		
Payroll Taxes Payable	196,598.30	44,152.98
Reserve for Hereford Park Improvements	9,001.00	9,001.00
Reserve for Beach Repairs	54,899.51	100,000.00
Reserve for State Tax Appeal	80,000.00	80,000.00
Reserve for 1.85% Room Tax	207,832.00	313,942.81
	<u>6,979,291.53</u>	<u>5,157,718.30</u>
Reserve for Receivables and Other Assets	294,434.32	1,135,995.92
Fund Balance	<u>6,034,208.02</u>	<u>6,004,833.86</u>
Total Regular Fund	<u>13,307,933.87</u>	<u>12,298,548.08</u>
Federal and State Grant Fund:		
Unappropriated Reserves	34,311.66	62,462.19
Appropriated Reserves	1,472,445.72	1,182,842.74
Encumbrances Payable	<u>213,000.00</u>	<u>34,809.72</u>
Total Federal and State Grant Fund	<u>1,719,757.38</u>	<u>1,280,114.65</u>
Total Current Fund	<u>\$ 15,027,691.25</u>	<u>13,578,662.73</u>

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2020	2019
Revenue and Other Income Realized		
Fund Balance	\$ 3,000,000.00	3,000,000.00
Miscellaneous Revenue Anticipated	10,313,121.11	9,627,399.18
Receipts from Delinquent Taxes	139,294.16	32,230.25
Receipts from Current Taxes	35,622,663.99	34,158,034.81
Non Budget Revenue	373,759.06	721,505.68
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	1,585,047.46	1,352,914.63
Interfund Returned	51,373.60	40,870.02
Grant Appropriation Cancelled	14,388.74	3,151.96
Total Income	<u>51,099,648.12</u>	<u>48,936,106.53</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	9,546,531.44	8,966,375.27
Other Expenses	8,291,172.51	8,379,885.10
Deferred Charges & Statutory Expenditures	1,915,676.00	1,832,825.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	-	-
Other Expenses	4,459,355.36	4,823,894.17
Capital Improvements	2,430,000.00	850,000.00
Debt Service	6,217,165.18	6,261,101.06
Deferred Charges	60,000.00	160,000.00
Local District School Tax	7,390,181.00	7,289,273.00
County Tax	7,634,235.79	7,276,150.35
County Share of Added Tax	38,622.86	26,591.95
Interfund Created	15,625.83	35,747.77
Refund of Prior Year's Revenue - Taxes	9,207.99	-
Other:		
Special District Taxes	62,500.00	62,500.00
Total Expenditures	<u>48,070,273.96</u>	<u>45,964,343.67</u>
Excess/(Deficit) in Revenue	<u>3,029,374.16</u>	<u>2,971,762.86</u>

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
Statutory Excess to Fund Balance	<u>3,029,374.16</u>	<u>2,971,762.86</u>
Fund Balance January 1	<u>6,004,833.86</u>	<u>6,033,071.00</u>
	9,034,208.02	9,004,833.86
Decreased by:		
Utilization as Anticipated Revenue	<u>3,000,000.00</u>	<u>3,000,000.00</u>
Fund Balance December 31	\$ <u><u>6,034,208.02</u></u>	<u><u>6,004,833.86</u></u>

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 3,000,000.00	-	3,000,000.00	-
Total Fund Balance Anticipated	3,000,000.00	-	3,000,000.00	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	53,000.00	-	54,425.00	1,425.00
Other	119,000.00	-	106,784.00	(12,216.00)
Fees and Permits	344,690.00	-	404,151.04	59,461.04
Fines and Costs:				
Municipal Court	334,000.00	-	195,350.65	(138,649.35)
Interest and Costs on Taxes	75,000.00	-	79,139.02	4,139.02
Interest Earned on Investments	170,000.00	-	129,257.67	(40,742.33)
Parking Meters	810,000.00	-	911,093.97	101,093.97
Emergency Rescue Services	250,000.00	-	217,065.91	(32,934.09)
Fire Inspector Fees	200,000.00	-	240,442.07	40,442.07
Sewer Rents	4,900,000.00	-	5,039,501.78	139,501.78
Tram Car Lease	34,000.00	-	17,384.90	(16,615.10)
Rental of City Property	85,000.00	-	67,656.00	(17,344.00)
Total Section A: Local Revenues	7,374,690.00	-	7,462,252.01	87,562.01
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	442,027.00	-	442,027.00	-
Total Section B: State Aid Without Offsetting Appropriations	442,027.00	-	442,027.00	-
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
Recycling Tonnage Grant	12,602.79	-	12,602.79	-
Drunk Driving Enforcement	4,722.56	-	4,722.56	-
Clean Communities Program	38,051.04	-	38,051.04	-
NJ DOT Reconstruction East 7th Avenue	-	185,000.00	185,000.00	-
Small Cities CDBG (22nd Avenue ADA Beach & Boardwalk)	-	400,000.00	400,000.00	-
LEAP - Challenge - Shore Communities	-	95,800.00	95,800.00	-
USDA Rural Development Dual Band Radios	-	28,000.00	28,000.00	-
Body Armor Grant	2,850.17	-	2,850.17	-
COPS in Shops	2,595.48	-	2,595.48	-
Seat Belt Initiative	4,490.32	-	4,490.32	-
Total Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations	65,312.36	708,800.00	774,112.36	-
Section G: Other Special Items				
Uniform Fire Safety Act	10,000.00	-	25,353.59	15,353.59
1.85% Beach Maintenance	313,942.81	-	313,942.81	-
Capital Surplus	240,000.00	-	240,000.00	-
County Proceeds to Pay Debt Service for Open Space	290,000.00	-	290,000.00	-
Reserve to Pay Debt Service	114,000.00	-	114,000.00	-
Sale of Municipal Property	580,000.00	-	585,677.97	5,677.97
Wildwood Crest - Municipal Courts	70,000.00	-	65,755.37	(4,244.63)
Total Section G: Other Special Items	1,617,942.81	-	1,634,729.74	16,786.93
Total Miscellaneous Revenues:	9,499,972.17	708,800.00	10,313,121.11	104,348.94
Receipts from Delinquent Taxes	-	-	139,294.16	139,294.16
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	20,285,363.33	-	21,056,170.15	770,806.82
Total Amount to be Raised by Taxes for Support of Municipal Budget	20,285,363.33	-	21,056,170.15	770,806.82
Budget Totals	32,785,335.50	708,800.00	34,508,585.42	1,014,449.92
Non- Budget Revenues:				
Other Non- Budget Revenues:	-	-	373,759.06	373,759.06
	32,785,335.50	708,800.00	34,882,344.48	1,388,208.98

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriations		Expended			(Over expended)
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Unexpended Balance Cancelled
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
General Administration						
Salaries and Wages	\$ 171,125.00	171,125.00	168,626.46	-	2,498.54	-
Other Expenses	121,400.00	131,400.00	122,855.28	2,600.94	5,943.78	-
Mayor and Council						
Salaries and Wages	110,301.54	110,301.54	109,574.85	-	726.69	-
Other Expenses	5,000.00	5,000.00	3,623.12	-	1,376.88	-
City Clerk						
Salaries and Wages	231,081.93	231,081.93	230,658.84	-	423.09	-
Other Expenses	85,000.00	85,000.00	70,417.05	6,287.13	8,295.82	-
Financial Administration						
Salaries and Wages	245,859.16	245,859.16	225,998.04	-	19,861.12	-
Other Expenses	72,185.00	72,185.00	54,806.88	1,491.60	15,886.52	-
Ambulance Billing Administration Fee						
Other Expenses	24,000.00	24,000.00	10,308.21	-	13,691.79	-
Audit Services						
Other Expenses	44,000.00	44,000.00	44,000.00	-	-	-
Assessment of Taxes						
Salaries and Wages	35,875.00	35,875.00	35,504.80	-	370.20	-
Other Expenses	111,600.00	111,600.00	70,272.24	330.00	40,997.76	-
Collection of Taxes						
Salaries and Wages	178,327.32	178,327.32	169,707.32	-	8,620.00	-
Other Expenses	33,500.00	33,500.00	26,583.33	1,188.82	5,727.85	-
Legal Services						
Other Expenses	350,000.00	408,000.00	375,601.89	24,441.61	7,956.50	-
Engineering Services						
Other Expenses	250,000.00	250,000.00	199,913.03	-	50,086.97	-
LAND USE ADMINISTRATION						
Zoning Board of Adjustment						
Salaries and Wages	52,863.78	52,863.78	52,448.66	-	415.12	-
Other Expenses	54,000.00	54,000.00	25,481.11	6,952.48	21,566.41	-
INSURANCE						
General Liability	198,770.00	198,770.00	198,396.00	-	374.00	-
Workers Compensation Insurance	296,258.00	296,258.00	296,258.00	-	-	-
Employee Group Health	2,287,000.00	2,287,000.00	1,832,438.73	-	454,561.27	-
Health Benefits Waiver						
Salaries and Wages	8,000.00	8,000.00	8,000.00	-	-	-
PUBLIC SAFETY						
Fire						
Salaries and Wages	1,638,982.64	1,613,982.64	1,406,309.35	-	207,673.29	-
Other Expenses	263,300.00	263,300.00	191,285.12	50,621.33	21,393.55	-
Fire Safety Act						
Salaries and Wages	121,116.65	123,116.65	122,160.30	-	956.35	-
Other Expenses	25,500.00	25,500.00	21,162.48	3,428.99	908.53	-
Aid to Volunteer Fire Company						
Other Expenses	80,000.00	80,000.00	76,800.00	-	3,200.00	-
Police						
Salaries and Wages	3,772,759.99	3,742,759.99	3,355,716.67	-	387,043.32	-
Other Expenses	351,149.51	351,149.51	229,749.13	43,887.24	77,513.14	-
Emergency Management Services						
Salaries and Wages	17,205.18	17,205.18	14,590.42	-	2,614.76	-
Other Expenses	18,400.00	18,400.00	15,262.73	2,340.45	796.82	-
Municipal Court						
Salaries and Wages	168,264.00	168,264.00	166,595.53	-	1,668.47	-
Other Expenses	22,400.00	22,400.00	14,289.61	2,234.23	5,876.16	-
Municipal Prosecutor						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	38,560.00	38,560.00	38,560.00	-	-	-
Public Defender						
Other Expenses	17,600.00	17,600.00	17,600.00	-	-	-
PUBLIC WORKS						
Public Works Department						
Salaries and Wages	1,335,128.64	1,305,127.64	1,203,996.05	-	101,131.59	-
Other Expenses	620,700.00	620,700.00	518,194.32	60,233.77	42,271.91	-
Garbage and Trash						
Other Expenses	610,000.00	610,000.00	588,009.41	-	21,990.59	-
Public Buildings and Grounds						
Salaries and Wages	510,641.11	510,641.11	480,803.80	-	29,837.31	-
Other Expenses	324,200.00	336,200.00	286,858.58	17,226.10	32,115.32	-
Fleet Maintenance						
Other Expenses	325,000.00	325,000.00	224,409.44	21,778.93	78,811.63	-
HEALTH AND HUMAN SERVICES						
Dog Regulation						
Other Expenses	37,900.00	37,900.00	30,036.00	-	7,864.00	-

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriations		Expended		(Over expended)	
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Unexpended Balance Cancelled
PARKS AND RECREATION						
Lifeguards						
Salaries and Wages	596,031.00	598,031.00	595,696.94	-	2,334.06	-
Other Expenses	60,000.00	60,000.00	45,675.31	12,158.00	2,166.69	-
Recreation Center						
Salaries and Wages	333,331.88	333,331.88	333,097.91	-	233.97	-
Other Expenses	49,100.00	49,100.00	28,734.08	15,307.53	5,058.39	-
UNIFORM CONSTRUCTION CODE						
State Uniform Construction Code						
Construction Official						
Salaries and Wages	100,637.62	100,637.62	87,279.82	-	13,357.80	-
Other Expenses	12,850.00	12,850.00	8,973.25	3,074.28	802.47	-
UNCLASSIFIED						
Celebration of Public Events, Anniversary etc.						
Other Expenses	95,300.00	95,300.00	38,437.55	-	56,862.45	-
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	180,000.00	180,000.00	136,501.06	-	43,498.94	-
Street Lighting	250,000.00	250,000.00	196,066.76	-	53,933.24	-
Telephone	111,000.00	111,000.00	75,971.05	-	35,028.95	-
Natural Gas	85,000.00	85,000.00	67,652.75	-	17,347.25	-
Water	150,000.00	150,000.00	144,424.60	-	5,575.40	-
Gasoline	170,000.00	170,000.00	102,461.68	85.05	67,453.27	-
Traffic Lights	30,000.00	30,000.00	16,994.39	-	13,005.61	-
Cape May County MUA - Tipping Fees	350,000.00	350,000.00	336,273.55	-	13,726.45	-
TOTAL OPERATIONS WITHIN "CAPS"	17,838,204.95	17,837,203.95	15,548,103.48	275,668.48	2,013,431.99	-
Contingent	500.00	500.00	-	-	500.00	-
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	17,838,704.95	17,837,703.95	15,548,103.48	275,668.48	2,013,931.99	-
Detail:						
Salaries and Wages	9,627,532.44	9,546,531.44	8,766,765.76	-	779,765.68	-
Other Expenses	8,211,172.51	8,291,172.51	6,781,337.72	275,668.48	1,234,166.31	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	402,507.00	402,507.00	402,507.00	-	-	-
Social Security System (O.A.S.I.)	460,000.00	460,000.00	437,367.36	-	22,632.64	-
Consolidated Police and Firemen's Pension Fund	-	-	-	-	-	-
Police and Firemen's Retirement System	946,869.00	946,869.00	946,327.64	-	541.36	-
Unemployment Compensation Insurance	45,000.00	45,000.00	38,508.90	-	6,491.10	-
Lifeguard Pension	20,000.00	21,000.00	20,500.68	-	499.32	-
Retirement Reserve	39,000.00	39,000.00	11,250.00	-	27,750.00	-
Defined Contribution Retirement Program	1,300.00	1,300.00	1,053.46	-	246.54	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	1,914,676.00	1,915,676.00	1,857,515.04	-	58,160.96	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	19,753,380.95	19,753,379.95	17,405,618.52	275,668.48	2,072,092.95	-
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Insurance: NJSA 40A:4-45.3						
Utilities Authority - Sewer Charges	3,648,733.00	3,648,734.00	3,648,734.00	-	-	-
Length of Service Award Program (LOSAP)	35,000.00	35,000.00	31,650.74	-	3,349.26	-
	3,683,733.00	3,683,734.00	3,680,384.74	-	3,349.26	-

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Appropriations		Expended			(Over expended)
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Unexpended Balance Cancelled
(A) Public and Private Programs Off-Set by Revenues						
Drunk Driving Enforcement	4,722.56	4,722.56	4,722.56	-	-	-
Recycling Tonnage Grant	12,602.79	12,602.79	12,602.79	-	-	-
Body Armor Grant	2,850.17	2,850.17	2,850.17	-	-	-
Municipal Alliance						
Local Share	1,509.00	1,509.00	762.00	-	747.00	-
Clean Communities Program	38,051.04	38,051.04	38,051.04	-	-	-
NJ DOT Reconstruction East 17th Avenue	-	-	-	-	-	-
Small Cities CDBG (22nd Avenue ADA Beach & Boardwalk	-	400,000.00	400,000.00	-	-	-
LEAP - Challenge - Shore Communities	-	95,800.00	95,800.00	-	-	-
Title Body Armor Fund	-	-	-	-	-	-
NJ DOT Reconstruction East 7th Ave	-	185,000.00	185,000.00	-	-	-
USDA Rural Development Dual Band Radios	-	28,000.00	28,000.00	-	-	-
COPS in Shops	2,595.48	2,595.48	2,595.48	-	-	-
Law and Public Safty Distracted Driver	-	-	-	-	-	-
Seat Belt Initiative	4,490.32	4,490.32	4,490.32	-	-	-
Hazardous Waste- Recycling	-	-	-	-	-	-
Total Public and Private Programs Off-Set by Revenues	66,821.36	775,621.36	774,874.36	-	747.00	-
Total Operations - Excluded from "CAPS"	3,750,554.36	4,459,355.36	4,455,259.10	-	4,096.26	-
Detail:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	3,750,554.36	4,459,355.36	4,455,259.10	-	4,096.26	-
(C) Capital Improvements						
Capital Improvement Fund	2,430,000.00	2,430,000.00	2,430,000.00	-	-	-
Reserve for Beach Repairs	-	-	-	-	-	-
Total Capital Improvements	2,430,000.00	2,430,000.00	2,430,000.00	-	-	-
(D) Debt Service						
Payment of Bond Principal	3,430,000.00	3,430,000.00	3,430,000.00	-	-	-
Payment of Bond Anticipation Notes	404,000.00	404,000.00	404,000.00	-	-	-
Interest on Bonds	1,087,875.00	1,087,875.00	1,087,875.00	-	-	-
Interest on Notes	222,450.00	222,450.00	222,449.98	-	-	0.02
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	7,461.98	7,461.99	7,461.99	-	-	-
USDA Bonds - Series 2012A	221,652.00	221,652.00	221,652.00	-	-	-
USDA Bonds - Series 2019A	85,180.00	85,180.00	85,180.00	-	-	-
NJEIT Payments 2002 Issues	160,600.00	160,599.99	150,132.87	-	-	10,467.12
NJEIT Payments 2020 Issues	613,135.40	613,135.40	608,413.34	-	-	4,722.06
Total Debt Service	6,232,354.38	6,232,354.38	6,217,165.18	-	-	15,189.20
(E) Deferred Charges						
Special Emergency Authorizations - 5 years	60,000.00	60,000.00	60,000.00	-	-	-
Total Deferred Charges	60,000.00	60,000.00	60,000.00	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	12,472,908.74	13,181,709.74	13,162,424.28	-	4,096.26	15,189.20
SUBTOTAL GENERAL APPROPRIATIONS	32,226,289.69	32,935,089.69	30,568,042.80	275,668.48	2,076,189.21	15,189.20
(M) Reserve for Uncollected Taxes	559,045.81	559,045.81	559,045.81	-	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 32,785,335.50	33,494,135.50	31,127,088.61	275,668.48	2,076,189.21	15,189.20
Budget		32,785,335.50			Cancelled	15,189.20
Appropriations by 40A:4-87		708,800.00			Overexpended	-
		<u>33,494,135.50</u>				<u>15,189.20</u>
Reserve for Uncollected Taxes			559,045.81			
Federal and State Grants			774,112.36			
Deferred Charges			60,000.00			
Capital Improvement Fund			-			
Disbursements			29,733,930.44			
			<u>31,127,088.61</u>			

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EXHIBIT - B
TRUST FUND

**TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
<u>Assessment Fund:</u>		
Cash and Investments	\$ -	\$ 15,956.07
Assessments Receivable	-	-
	<u>-</u>	<u>15,956.07</u>
<u>Animal Control Fund</u>		
Cash and Investments	1,811.38	1,422.18
Due from State of New Jersey	-	-
	<u>1,811.38</u>	<u>1,422.18</u>
<u>Length of Service Award Programs (LOSAP) (unaudited)</u>		
Investments		
Mutual Funds	592,003.24	530,944.00
Employer Contribution Receivable	3,349.26	3,939.52
	<u>595,352.50</u>	<u>534,883.52</u>
<u>Other Funds</u>		
Cash and Investments	2,472,506.19	2,180,519.44
Due from Current Fund	4,324.54	-
Cash Deficit	-	-
	<u>2,476,830.73</u>	<u>2,180,519.44</u>
	<u>\$ 3,073,994.61</u>	<u>\$ 2,732,781.21</u>

**TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2020	2019
<u>Liabilities, Reserves and Fund Balance</u>		
<u>Assessment Fund:</u>		
Fund Balance	\$ -	\$ 15,719.31
Due to Current Fund	-	236.76
	<u>-</u>	<u>15,956.07</u>
<u>Animal Control Fund</u>		
Reserve for Dog Expenditures	667.20	596.00
Due to Current Fund	1,144.18	826.18
	<u>1,811.38</u>	<u>1,422.18</u>
<u>Length of Service Award Programs (LOSAP) (unaudited)</u>		
Net Assets Available for Benefits	<u>595,352.50</u>	<u>534,883.52</u>
<u>Other Funds</u>		
Deposits for Redemption of Tax Sale Certificates	66,241.58	16,083.79
Premiums Received at Tax Sale	680,300.00	511,400.00
Due to Current Fund	0.00	35,511.01
Due to Grant Fund	4,878.98	4,878.98
Reserve for Tourism Development	35,955.82	32,913.57
Reserve for Recreation	45,867.26	83,727.58
Reserve for Parking Offenses Adjudication Act	30,866.08	30,524.08
Reserve for Public Defender	15,644.52	15,344.52
Reserve for Municipal Alliance	19,147.03	20,322.92
Reserve for D.A.R.E.	1,078.68	928.68
Reserve for HEREFORD Lighthouse	56,926.44	51,440.28
Reserve for Forefeiture Trust	6,297.38	6,243.60
Reserve for Flex Savings	1,160.00	120.00
Reserve for Off Duty Police	51,579.74	2,618.34
Reserve for Recreation - Junior Lifeguards	3,228.71	2,608.71
Reserve for Lifeguard Pension	194,802.15	201,114.25
Reserve for Fire Prevention	21,004.39	11,522.73
Reserve for Small Cities Escrow	172,250.36	142,058.91
Reserve for Municipal Parking Improvements	8,469.28	8,396.93
Reserve for Developers' Escrow	868,502.16	778,870.22
Reserve for UEZ 2nd Generation Funds	15,000.00	15,000.00
Reserve for Memorials/Beautification Enhancement	77,166.17	60,558.54
Reserve for UCC Third Party	100,464.00	148,331.80
	<u>2,476,830.73</u>	<u>2,180,519.44</u>
	<u>\$ 3,073,994.61</u>	<u>\$ 2,732,781.21</u>

The Accompanying Notes to Financial Statements are an
Integral Part of this Statement

EXHIBIT - C
GENERAL CAPITAL FUND

**GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Cash	\$ 5,141,433.51	3,808,539.72
Deferred Charges to Future Taxation -		
Funded	43,017,553.60	47,174,359.43
Unfunded	20,326,000.00	20,730,000.00
Interfunds and Receivables		
NJEIT Receivable - 2017/A	1,032,391.00	1,032,391.00
	<u>69,517,378.11</u>	<u>72,745,290.15</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	1,291,571.70	2,712,708.87
Interfunds:		
Due to Federal & State Grant Fund	4,636.03	4,636.03
Bond Anticipation Notes Payable	20,326,000.00	14,830,000.00
Serial Bonds Payable	24,540,000.00	27,970,000.00
Wastewater Treatment Trust Bonds	4,165,000.00	4,375,000.00
Wastewater Treatment Trust Loan	8,204,687.71	8,607,823.11
Green Trust Loan Payable	31,959.74	38,681.54
U.S.D.A. Bonds Payable	6,075,906.15	6,182,854.78
Improvement Authorizations:		
Funded	1,439,663.43	484,170.52
Unfunded	2,704,532.50	6,742,864.01
Reserve for Debt Service	313,260.94	136,391.38
Capital Improvement Fund	32,630.00	32,630.00
Fund Balance	387,529.91	627,529.91
	<u>\$ 69,517,378.11</u>	<u>72,745,290.15</u>

There were bonds and notes authorized but not issued at December 31

2019	5,900,000.00
2020	-

**GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
Beginning Balance January 1	\$ 627,529.91	860,544.36
Increased by:		
Premiums on sale of Bonds & Notes	-	6,985.55
Decreased by:		
2020 Budget - Capital Surplus	240,000.00	240,000.00
Ending Balance December 31	\$ <u><u>387,529.91</u></u>	<u><u>627,529.91</u></u>

EXHIBIT - D
GENERAL FIXED ASSETS ACCOUNT GROUP

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,

	<u>2020</u>	<u>2019</u>
<u>General Fixed Assets</u>		
Land and Land Improvements	\$ 100,450,987.00	\$ 100,328,525.00
Buildings	19,025,100.00	19,022,995.00
Machinery and Equipment	8,621,899.00	8,707,600.00
	<u>\$ 128,097,986.00</u>	<u>\$ 128,059,120.00</u>
 Investment in General Fixed Assets	 \$ 128,097,986.00	 \$ 128,059,120.00
	<u>\$ 128,097,986.00</u>	<u>\$ 128,059,120.00</u>

The Accompanying Notes to the Financial Statements are an
Integral Part of this Statement

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NOTES TO THE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the City of North Wildwood include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the City of North Wildwood, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the entity is financially accountable. The entity is financially accountable for an organization if the entity appoints a voting majority of the organization's governing board and (1) the entity is able to significantly influence the programs or services performed or provided by the organization; or (2) the entity is legally entitled to or can otherwise access the organization's resources; the entity is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the entity is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the entity in that the entity approves the budget, the issuance of debt or the levying of taxes. The entity has no component units.

B. Description of Funds

The accounting policies of the City of North Wildwood conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with the respect to public funds. Under this method of accounting, the City of North Wildwood accounts for its financial transactions through the following separate funds:

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

Trust Funds -- various Trust Funds, including Public Assistance, 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 general facilities, other than those acquired in the Current Fund.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

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

Revenues -- are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the entity budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the entity's Current Fund, in addition the receivables for utility billings are recorded with offsetting reserves in the Utility Fund; accordingly, such amounts are not recorded as revenue until collected.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year 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. 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. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds -- Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

General Fixed Assets - The entity has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$1,000.00 are capitalized.

No depreciation has been provided for in the financial statements.

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

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

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily, it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments by returning 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 municipal use, it will be capitalized in the General Fixed Assets Account Group. GAAP requires property to be recorded in the General Fixed Assets Account Group at the market value at the time of acquisition.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale, with the exception of those in litigation, and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the City of North Wildwood to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Levy of Sewer Charges – The entity does not operate a separate sewer utility fund. However, rates are determined by ordinance and changed as necessary. Sewer charges are based on flat fees and usage based on the type of entity. Charges are billed annually and due in quarterly installments on December 1, April 1, June 1 and September 1.

Interest on Delinquent Sewer Charges - It is the policy of the entity to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of charges becoming delinquent after due date and eighteen percent (18%) per annum on any amount of charges in excess of \$1,500.00 becoming delinquent after due date.

Capitalization of Interest -- It is the policy of the City of North Wildwood to treat interest on projects as a current expense and the interest is included in the current operating budgets.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

E. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the entity's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

F. Recent Accounting Pronouncements Not Yet Effective

In May 2020, the Government Accounting Standards Board (GASB) issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, which provides temporary relief from certain newer accounting and financial reporting requirements to governments due to the COVID-19 pandemic. The effective date of certain Statements and Implementation Guides – through GASB Statement No. 93 and Implementation Guide No. 2019-03 – that first became effective or were scheduled to become effective for periods beginning after June 15, 2018, are not deferred by either one year or eighteen months.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, “Conduit Debt Obligations”. This statement, which is effective for periods beginning after December 15, 2020, will not have any effect on the City’s financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, “Replacement of Interbank Offered Rates”. This statement, which is effective for periods ending December 31, 2021, will not have any effect on the City’s financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”. This statement, which is effective for periods beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the City’s financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, “Subscription-Based Information Technology Arrangements”. This statement, which is effective for periods beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the City’s financial reporting.

In June 2020, the Governmental Accounting Standards Board (GASB) issued 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”. This statement will not have any effect on the City’s financial reporting.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

NOTE 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2020 and 2019 statutory budgets included a reserve for uncollected taxes in the amount of \$559,045.81 and \$545,150.22. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2020 and 2019 statutory budgets was \$3,000,000.00 and \$3,000,000.00

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by City Council. The following budget transfers were approved in the 2020 and 2019 calendar years:

Budget Category		
<u>Current Fund</u>	<u>2020</u>	<u>2019</u>
General Administration		
Salaries and Wages	10,000.00	
Legal Services		
Other Expenses	58,000.00	
Insurance		
Salaries and Wages	-	2,834.00
Public Works		
Salaries and Wages	(30,001.00)	(36,000.00)
Other Expenses	-	46,000.00
Fire		
Salaries and Wages	(25,000.00)	-
Fire Safety Act		
Salaries and Wages	2,000.00	(4,836.00)
Police		
Salaries and Wages	(30,000.00)	(25,000.00)
Municipal Court		
Salaries and Wages	-	400.00
Public Building and Grounds		
Other Expenses	12,000.00	-
Lifeguards		
Salaries and Wages	2,000.00	
Lifeguard Pension	1,000.00	
Utility Authority - Sewer Charges	1.00	16,602.00

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2020 and 2019, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2020</u>	<u>2019</u>
Small Cities CDBG	\$ 400,000.00	\$ 400,000.00
Assistance to Firefighters Grant Program	-	35,485.71
Body Armor Fund	-	3,047.96
NJ DOT E 7th Ave	185,000.00	200,000.00
Sustainable Jersey Small Grant - Recycling Containers	-	10,000.00
LEAP - Challenge - Shore Communities	95,800.00	-
USDA Rural Development Dual Band Radios	28,000.00	

The entity may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. The City did not approve any Emergencies in 2020.

Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The City did not approve any Special Emergencies in 2020.

NOTE 3: INVESTMENTS

As of December 31, 2020 and 2019, the municipality had no investments.

Interest Rate Risk. The municipality 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. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The municipality places no limit on the amount the entity can invest in any one issuer.

Unaudited Investments

As more fully described in Note 21, the City has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the City. All investments are valued at fair value. In accordance with NJAC 5:30-14.37 the investments are maintained by Lincoln Investments, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2020 and 2019 amounted to \$592,003.24 and \$534,944.00, respectively.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

NOTE 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2020, \$2,469,167.61 of the municipality's bank balance of \$20,339,197.87 was exposed to custodial credit risk.

NOTE 5: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2020 and 2019:

	Balance 12/31/2019	Additions	Retirements	Balance 12/31/2020
Land	\$ 100,328,525.00	195,552.00	(73,090.00)	100,450,987.00
Building	19,022,995.00	2,105.00	-	19,025,100.00
Equipment and Machinery	8,707,600.00	149,557.00	(235,258.00)	8,621,899.00
	<u>\$ 128,059,120.00</u>	<u>347,214.00</u>	<u>(308,348.00)</u>	<u>128,097,986.00</u>

	Balance 12/31/2018	Additions	Adjustments/ Retirements	Balance 12/31/2019
Land	\$ 100,323,509.00	5,016.00	-	100,328,525.00
Building	19,013,072.00	9,923.00	-	19,022,995.00
Equipment and Machinery	8,648,463.00	530,094.00	470,957.00	8,707,600.00
	<u>\$ 127,985,044.00</u>	<u>545,033.00</u>	<u>470,957.00</u>	<u>128,059,120.00</u>

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

NOTE 6: SHORT-TERM OBLIGATIONS

	<u>Balance 12/31/19</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/20</u>
Bond Anticipation Notes payable:				
General	<u>\$ 14,830,000.00</u>	<u>20,326,000.00</u>	<u>14,830,000.00</u>	<u>20,326,000.00</u>
	<u>\$ 14,830,000.00</u>	<u>20,326,000.00</u>	<u>14,830,000.00</u>	<u>20,326,000.00</u>
	<u>Balance 12/31/18</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/19</u>
Bond Anticipation Notes payable:				
General	<u>\$ 9,620,000.00</u>	<u>14,830,000.00</u>	<u>9,620,000.00</u>	<u>14,830,000.00</u>
	<u>\$ 9,620,000.00</u>	<u>14,830,000.00</u>	<u>9,620,000.00</u>	<u>14,830,000.00</u>

There is one note issued by the City of North Wildwood, in the amount of \$20,326,000.00 on 08/20/20 and is due and payable on 08/20/21 with interest at 1.25%.

As of December 31, 2020, the entity has authorized but not issued bonds in the amount of \$0.00 in the General Capital Fund.

NOTE 7: LONG TERM DEBT

Long-term debt as of December 31, 2020 and 2019 consisted of the following:

	<u>Balance 12/31/2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/2020</u>	<u>Amounts Due Within *One Year</u>
Bonds payable:					
General	<u>\$ 38,527,854.78</u>	<u>-</u>	<u>3,746,948.63</u>	<u>34,780,906.15</u>	<u>3,730,000.00</u>
Total	<u>\$ 38,527,854.78</u>	<u>-</u>	<u>3,746,948.63</u>	<u>34,780,906.15</u>	<u>3,730,000.00</u>
Other liabilities:					*
Loans Payable	<u>\$ 8,646,504.65</u>	<u>-</u>	<u>409,857.20</u>	<u>8,236,647.45</u>	<u>409,170.67</u>
Compensated Absences Payable	<u>697,826.47</u>	<u>102,004.80</u>	<u>106,971.48</u>	<u>692,859.79</u>	<u>-</u>
Total long-term liabilities	<u>\$ 47,872,185.90</u>	<u>102,004.80</u>	<u>4,263,777.31</u>	<u>43,710,413.39</u>	<u>4,139,170.67</u>
	<u>Balance 12/31/18</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/19</u>	<u>Amounts Due Within *One Year</u>
Bonds payable:					
General	<u>\$ 42,749,642.21</u>	<u>4,630,000.00</u>	<u>8,851,787.43</u>	<u>38,527,854.78</u>	<u>3,640,000.00</u>
Total	<u>\$ 42,749,642.21</u>	<u>4,630,000.00</u>	<u>8,851,787.43</u>	<u>38,527,854.78</u>	<u>3,640,000.00</u>
Other liabilities:					*
Loans Payable	<u>\$ 9,056,886.70</u>	<u>-</u>	<u>410,382.05</u>	<u>8,646,504.65</u>	<u>409,857.20</u>
Compensated Absences Payable	<u>677,874.44</u>	<u>118,718.34</u>	<u>98,766.31</u>	<u>697,826.47</u>	<u>-</u>
Total long-term liabilities	<u>\$ 52,484,403.35</u>	<u>4,748,718.34</u>	<u>9,360,935.79</u>	<u>47,872,185.90</u>	<u>4,049,857.20</u>

*Excludes USDA Bonds Payable

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the entity:

At December 31, 2020, bonds and loans payable in the General Capital Fund consisted of the following individual issues:

\$13,630,000.00 General Improvement Bonds, dated December 1, 2009, due in annual installments through December 1, 2021, bearing interest at various rates. The balance remaining as of December 31, 2020 is \$1,400,000.00.

\$11,400,000.00 General Improvement Bonds, dated August 1, 2013, due in annual installments through August 1, 2025, bearing interest at various rates. The balance remaining as of December 31, 2020 is \$5,700,000.00.

\$14,970,000.00 General Improvement Bonds, dated July 26, 2018, due in annual installments through August 1, 2030, bearing interest at various rates. The balance remaining as of December 31, 2020 is \$13,100,000.00.

\$4,630,000.00 General Improvement Refunding Bonds, dated January 31, 2019, due in annual installments through September 1, 2048, bearing interest at various rates. The balance remaining as of December 31, 2020 is \$4,340,000.00.

\$1,745,000.00 New Jersey Wastewater Treatment Trust Bonds dated October 15, 2002, due in annual installments through August 1, 2022, bearing interest at various rates. The balance remaining as of December 31, 2020 is \$265,000.00.

\$4,150,000.00 New Jersey Wastewater Treatment Trust Bonds dated May 25, 2017, due in annual installments through August 1, 2046, bearing interest at various rates. The balance remaining as of December 31, 2020 is \$3,900,000.00.

\$1,843,735 New Jersey Wastewater Treatment Trust Loan dated October 15, 2002, due in semi-annual installments through August 1, 2022, bearing no interest. The balance remaining as of December 31, 2020 is \$186,888.01.

\$9,148,515.00 New Jersey Wastewater Treatment Trust Loan dated May 25, 2017, due in semi-annual installments through August 1, 2046, bearing no interest. The balance remaining as of December 31, 2020 is \$8,017,799.70.

\$120,000 Green Trust Loan dated April 19, 2005, due in semi-annual installments through November 1, 2025, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2020 is \$31,959.74.

Debt Service for U.S.D.A. Bonds and Loans Payable

On October 25, 2011, the City issued General Improvement Bonds payable to the United States Department of Agriculture. These bonds, Series 2011A, were issued in the amount of \$4,572,000.00 with an interest rate of 3.75%. Principal and interest on the bonds are to be paid semiannually on April 25 and October 25 in the amount of \$110,826.00 for eighty (80) equal payments, with all outstanding principal and all accrued and unpaid interest due on October 25, 2051. Payment of principal and interest commenced in 2012. The balance remaining at December 31, 2020, is \$4,040,378.81.

On March 11, 2015, the City issued General Improvement Bonds payable to the United States Department of Agriculture. These bonds, Series 2015A, were issued in the amount of \$2,238,000.00 with an interest rate of 2.25%. Principal and interest on the bonds are to be paid semiannually on March 11 and September 11 in the amount of \$42,590.00 for eighty (80) equal payments, with all outstanding principal and all accrued and unpaid interest due on September 11, 2055. Payment of principal and interest commenced in 2015. The balance remaining at December 31, 2020, is \$2,035,527.34.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

<u>Year</u>	<u>General Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2021	3,730,000.00	1,112,925.00
2022	2,545,000.00	973,775.00
2023	2,510,000.00	869,862.50
2024	2,615,000.00	764,487.50
2025	2,680,000.00	651,737.50
2026-2030	9,045,000.00	2,038,387.50
2031-2035	1,510,000.00	996,750.02
2036-2040	1,520,000.00	724,206.28
2041-2045	1,800,000.00	398,350.00
2046-2050	750,000.00	59,950.00
	<u>\$ 28,705,000.00</u>	<u>8,590,431.30</u>

(Amortization schedule is not provided for U.S.D.A. Bonds Payable, due to calculation of interest on a daily basis. Therefore, they are excluded from the above schedule).

Schedule of Annual Debt Service for Principal and Interest for Loans Issued and Outstanding

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2021	409,170.67	605.08
2022	408,322.76	467.26
2023	315,512.22	326.66
2024	315,655.64	183.25
2025	312,070.96	36.94
2026-2030	1,541,884.50	-
2031-2035	1,541,884.50	-
2036-2040	1,541,884.50	-
2041-2045	1,541,884.50	-
2046	308,377.20	-
	<u>8,236,647.45</u>	<u>1,619.19</u>

As of December 31, 2020, the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$1,310,324.98.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

<u>Summary of Municipal Debt</u>	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
<u>Issued:</u>			
Serial Bonds Payable	\$ 24,540,000.00	\$ 27,970,000.00	\$ 26,830,000.00
Notes Payable	20,326,000.00	14,830,000.00	9,620,000.00
NJEIT Bonds Payable	4,165,000.00	4,375,000.00	4,580,000.00
NJEIT Loans Payable	8,204,687.71	8,607,823.11	9,011,615.81
U.S.D.A. Loans Payable	6,075,906.15	6,182,854.78	11,339,642.21
Green Trust Loans Payable	31,959.74	38,681.54	45,270.89
Total Issued	<u>63,343,553.60</u>	<u>62,004,359.43</u>	<u>61,426,528.91</u>
<u>Less :</u>			
Funds Temporarily Held to Pay Bonds and Notes General	\$ 313,260.94	\$ 136,391.38	\$ 108,510.98
Total Deductions :	<u>313,260.94</u>	<u>136,391.38</u>	<u>108,510.98</u>
Net Debt Issued :	<u>63,030,292.66</u>	<u>61,867,968.05</u>	<u>61,318,017.93</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	\$ -	\$ 5,900,000.00	\$ 2,850,000.00
Total Authorized But Not Issued	<u>-</u>	<u>5,900,000.00</u>	<u>2,850,000.00</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 63,030,292.66</u>	<u>\$ 67,767,968.05</u>	<u>\$ 64,168,017.93</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.263%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 4,560,000.00	4,560,000.00	-
General Debt	63,343,553.60	313,260.94	63,030,292.66
	<u>\$ 67,903,553.60</u>	<u>\$ 4,873,260.94</u>	<u>\$ 63,030,292.66</u>

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

Net Debt \$63,030,292.66 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,785,856,492.00 = 2.263%.
Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3 1/2 % of Equalized Valuation Basis (Municipal)	\$	97,504,977.00
Net Debt		63,030,292.66
Remaining Borrowing Power	\$	<u>34,474,684.34</u>

The City of North Wildwood School District, as a K-8 school district, is permitted to borrow up to 3% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amount approved by the voters in excess of the limit is treated as an impairment of the municipal limit.

NOTE 8: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2020 and 2019, which were appropriated and included as anticipated revenue in the current fund for the year ending December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Current Fund	\$ 3,400,000.00	3,000,000.00

NOTE 9: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2020, the City had no deferred charges reflected on the balance sheets.

NOTE 10: SCHOOL TAXES

Local District School Taxes have been raised and a liability deferred by statute, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	<u>12/31/2020</u>	<u>12/31/2019</u>
Balance of Tax	\$ 2,445,503.74	\$ 1,163,352.92
Deferred	2,479,787.50	2,479,787.50
Tax Payable	<u>\$ 4,925,291.24</u>	<u>\$ 3,643,140.42</u>

NOTE 11: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance 12/31/20</u>	<u>Balance 12/31/19</u>
Prepaid Taxes	\$ 1,204,584.03	\$ 1,020,175.51
Cash Liability for Taxes Collected in Advance	<u>\$ 1,204,584.03</u>	<u>\$ 1,020,175.51</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

NOTE 12: PENSION FUNDS

Description of Plans

Substantially all of the entity's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit pension plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at - <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

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

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15c-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15c-1 et seq.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 7.50% through June 30, 2019 and 7.50% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 13.32% of covered payroll. The entity's contributions to PERS for the years ended December 31, 2020, 2019, and 2018 were \$402,507.00, \$406,529.00, and \$358,957.04.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The current PFRS rate is 27.75% of covered payroll. The entity's contributions to PFRS for the years ended December 31, 2020, 2019, and 2018 were \$946,327.64, \$884,796.00, and \$747,223.00.

The total payroll for the year ended December 31, 2020, 2019 and 2018 was \$8,959,613.36, \$8,901,479.48, and 8,461,398.04. Payroll covered by PFRS was \$3,410,054.00, \$3,224,281.00, and \$3,086,455.00. Payroll covered by PERS was \$3,022,735.00, \$3,063,467.00, and \$2,906,100.00.

The Lifeguard Pension provides for employee contributions of 4.00% of employees' annual compensation. The City's contributions to the Lifeguard Pension for the years ended December 31, 2020, 2019, and 2018 was \$20,500.68, \$17,727.10, and \$17,193.10. The City's trust for the Lifeguard Pension at December 31, 2020 was \$194,802.15. Currently there are eleven individuals receiving benefits. The benefits paid by the trust for the year ended December 31, 2020, 2019 and 2018 were \$48,951.68, \$58,400.76, and \$60,338.54.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three-year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2013.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 13: PENSION LIABILITIES

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the municipality's pension liabilities. However, due to the fact that the municipality reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the municipality's pension liabilities as June 30, 2019:

Public Employees' Retirement System

The Municipality has a liability of \$7,414,730.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 that was rolled forward to June 30, 2019. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Municipality's proportion would be 0.04115069010%, which would be an increase of 1.25% from its proportion measured as of June 30, 2018.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

For the year ended December 31, 2019, the Municipality would have recognized pension expense of \$377,556.00. At December 31, 2019, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 133,085.00	\$ (32,755.00)
Changes of assumptions	740,388.00	(2,573,629.00)
Changes in proportion	484,403.00	(257,658.00)
Net difference between projected and actual earnings on pension plan investments		(117,044.00)
Total	<u>\$ 1,357,876.00</u>	<u>\$ (2,981,086.00)</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,	
2019	\$ (187,861.25)
2020	(609,418.48)
2021	(544,175.19)
2022	(255,518.29)
2023	(26,236.79)
Total	<u>\$ (1,623,210.00)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00% – 6.00% (based on years of service)
Thereafter	3.00% - 7.00% (based on years of service)
Investment rate of return:	7.00%

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

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 200 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 disable retirees were base 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 generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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 real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
US equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% 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 projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate of 6.28%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.28%) or 1-percentage point higher (7.28%) than the current rate:

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
Municipality's proportionate share of the net pension liability	\$ 8,898,905.50	\$ 7,414,730.00	\$ 6,165,555.23

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Police and Firemen's Retirement System

The Municipality has a liability of \$11,059,705.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2018 that was rolled forward to June 30, 2019. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Municipality's proportion would be 0.09037317340%, which would be a decrease of 0.14% from its proportion measured as of June 30, 2018.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

For the year ended December 31, 2019, the Municipality would have recognized pension expense of \$1,166,782.00. At December 31, 2019, the Municipality would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 93,358.00	\$ (70,021.00)
Changes of assumptions	378,966.00	(3,574,395.00)
Changes in proportion	1,100,443.00	(554,185.00)
Net difference between projected and actual earnings on pension plan investments		(149,855.00)
Total	<u>\$ 1,572,767.00</u>	<u>\$ (4,348,456.00)</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,	
2018	\$ (484,467.96)
2019	(1,016,975.30)
2020	(720,231.59)
2021	(355,025.19)
2022	(198,988.95)
Total	<u>\$ (2,775,689.00)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
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%

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

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. 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 (contingent annuitants), 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% 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-2019.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
US equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based 70% of the actuarially determine 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 projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (5.74%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
District's proportionate share of the net pension liability	14,488,305.06	11,059,705.00	8,222,315.11

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under 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 June 30, 2019 State special funding situation net pension liability amount of \$1,932,374,825.00 is the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2019 State special funding situation pension expense of \$224,526,138.00 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2019. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and required 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 2019, the State contributed an amount less than the actuarially determined amount.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Municipality was 0.09037317340% for 2019. The net pension liability amount allocated to the Municipality was \$1,746,348.00. For the fiscal year ending June 30, 2019 State special funding situation pension expense of \$202,911.00 is allocated to the Municipality.

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PFRS financial report.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

NOTE 14: POST-RETIREMENT BENEFITS

Plan Description The City of North Wildwood contributes to the State Health Benefits Program (SHBP) a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at to:

<http://www.state.nj.us/treasury/pensions/shbp.htm>

Plan Coverage The entity currently has 3 collective bargaining units as well as several non-union employees. The employee's post employment benefits are dependent upon the collective bargaining unit to which they are a member as well as the year of retirement. The benefits by collective bargaining unit are:

Firemen's Benevolent Association of New Jersey No. 56

Firefighter's are entitled to receive benefits (Health/Prescription) through the City until he/she obtains other employment with comparable coverage or until the employee becomes eligible for Medicare, whichever one comes first. Under no circumstance shall an employee receive retiree medical/prescription benefits without having 25+ years of service with the City. Retirement (Health/Prescription) benefits are only good for 2 years after they retire.

Policemen Benevolent Association Wildwood Local 59

Depending upon the employee's date of hire, he/she shall be entitled to receive health care benefits provided by the City at the expense of the City of North Wildwood for one of the following periods:

Employees are entitled to retirement (Health/Prescription) benefits (eff. 1/1/12) after 25+ years of service. Anyone employed prior to 1/1/12 only needs 20+ years of service in the City of North Wildwood.

Officer's are entitled to receive (Health/Prescription) benefits through the City until he/she obtains other employment with comparable coverage or until the employee becomes eligible for Medicare, whichever one comes first.

For employees hired on or after January 1, 2016: For a period often (10) consecutive years. The ten (10) year period may commence immediately upon an employee's retirement. In the alternative, at the time of retirement, an employee may waive retiree group health care coverage and retain his/her right to enroll at a later date for an alternate full ten (10) consecutive year period, provided that the employee is covered through other health insurance as either an employee through other employment or as a dependent of the employee's spouse/civil union partner. In the event the "other coverage" is lost, the employee must re enroll within 60 days of the loss of coverage or the employee forfeits the ability to enroll in the health care program.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

For employees hired between June 28, 2011 and December 31, 2015: For a period of fifteen (15) consecutive years. The fifteen (15) year period may commence immediately upon an employee's retirement. In the alternative, at the time of retirement, an employee may waive retiree group health care coverage and retain his/her right to enroll at a later date for an alternate full fifteen (15) consecutive year period, provided that the employee is covered through other health insurance as either an employee through other employment or as a dependent of the employee's spouse/civil union partner. In the event the "other coverage" is lost, the employee must re-enroll within 60 days of the loss of coverage or the employee forfeits the ability to enroll in the health care program. (i)

The parties recognize that Officers Robinson and Elliott have purchased pensionable time from the State's PFRS and, therefore, because of this purchased pension time, the parties agree that Officers Robinson and Elliott shall be eligible for retiree health care benefits for Seventeen (17) consecutive years of retiree health care coverage. The intent of this paragraph is to grandfather only Officers Robinson and Elliott and no other employee shall be given years of credit for purchased pension time for the purposes of receiving retiree health care benefits.

For employees hired prior on or before June 27, 2011: For a period of twenty (20) consecutive years. The twenty (20) year period may commence immediately upon an employee's retirement. In the alternative, at the time of retirement, an employee may waive retiree group health care coverage and retain his/her right to enroll at a later date for an alternate full twenty (20) consecutive year period, provided that the employee is covered through other health insurance as either an employee through other employment or as a dependent of the employee's spouse/civil union partner. In the event the "other coverage" is lost, the employee must re-enroll within 60 days of the loss of coverage or the employee forfeits the ability to enroll in the health care program.

Under no circumstance shall an employee receive retiree medical/prescription benefits without having 25+ years of service with the City.

United Public Service Employees Union – Public Service Employee's are entitled to receive (Health/Prescription) benefits through the City until he/she obtains other employment with comparable coverage or until the employee becomes eligible for Medicare, whichever one comes first.

Retirement (Health/Prescription) benefits are only good for 3 years after they retire. Under no circumstance shall an employee receive retiree medical/prescription benefits without having 25+ years of service with the City.

Non-Affiliated Employees – These individuals receive no post-retirement benefits regardless of time of service.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the City of North Wildwood on a monthly basis. The rates charged by the system for the year ended December 31, 2020 vary according to the type of coverage selected by the retiree and range from \$815.46 to \$2,022.37 monthly per retiree.

The City of North Wildwood contributions to SHBP for post-retirement benefits for the year ended December 31, 2020, 2019, and 2018 were \$235,796.56, \$286,784.54, and \$603,195.84, respectively, which equaled the required contribution for the year.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

NOTE 15 – OTHER POST-RETIREMENT BENEFITS

General Information about the Plan:

The City offers Other Post-Retirement Benefits (OPEB) to its employees through the State Health Benefit Local Government Retired Employees Plan (the Plan) a cost-sharing multiple employer defined benefit other postemployment benefit plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at:

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of post retirement medical coverage for employees and their dependents who:

1) retired on a disability pension;

or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer;

or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer;

or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

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 expense, however under the Regulatory Basis of Accounting followed by the City these amounts are not accrued or recorded in the financial statements and the information listed in this note is for disclosure purposes only. Statewide across all member employers, the special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the Collective Total OPEB liabilities for the year ended June 30, 2019 were \$5,637,151,775 and \$8,182,092,807, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB 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 non special funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and non-employer allocation percentages have been rounded for presentation purposes.

Special Funding Situation:

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

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

Net OPEB Liability:

Components of Net OPEB Liability

The components of the collective net OPEB liability of the participating employers in the Plan as of June 30, 2019 is as follows:

	June 30, 2019	
	Collective Total	Proportionate Share
Total OPEB Liability	\$ 13,819,244,582.00	\$ 10,132,961.00
Plan Fiduciary Net Position	273,173,482.00	200,304.00
Net OPEB Liability	<u>\$ 13,546,071,100.00</u>	<u>\$ 9,932,657.00</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.98%

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

At June 30, 2019 the City's proportionate share of the Collective Net OPEB Liability was \$9,932,657.00. The State's proportionate share for the Special Funding Situation that is associated with the City is \$10,750,452.00. The City's proportion of the Collective Net OPEB Liability was 0.073325% which was a decrease from the prior year of 9.60%. The State's proportionate share attributable to the City of the Collective Net OPEB Liability for the Special Funding Situation was 0.194553% which was a decrease from the prior year of 1.28%.

City's Proportionate Share of Collective Net OPEB Liability	\$ 9,932,657.00
State's proportionate share that is associated with the City	10,750,452.00
Total	<u>\$ 20,683,109.00</u>

For the Year ended June 30, 2019 the City's Total OPEB Expense was (\$168,288.00) and the State of New Jersey realized Total OPEB Expense in the amount of \$142,500.00 for its proportionate share of Total OPEB Expense that is associated with the City.

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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:

Inflation rate	2.50%
Salary increases*:	
PERS Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
PFRS	
Rate for all future years	3.25% to 15.25%

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

Mortality:

PERS: Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

PFRS: Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

Actuarial assumptions used in the July 1, 2018 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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. 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 Net OPEB liability as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the Net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

		1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Collective				
Net OPEB Liability	\$	15,662,704,137.00	\$ 13,546,071,100.00	\$ 11,826,026,995.00
Proportionate Share				
Net OPEB Liability	\$	11,484,678.23	\$ 9,932,657.00	\$ 8,671,434.61

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

The following presents the net OPEB liability as of June 30, 2019, 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:

		1% Decrease	Healthcare Cost Trend Rate	1% Increase
Collective				
Net OPEB Liability	\$	11,431,214,644.00	\$ 13,546,071,100.00	\$ 16,243,926,531.00
Proportionate Share				
Net OPEB Liability	\$	8,381,938.45	\$ 9,932,657.00	\$ 11,910,859.57

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

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

At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB from the following sources:

	Collective Totals		Proportionate Share	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ (3,961,399,180.00)	\$	\$ (2,904,696.00)
Changes of assumptions		(4,800,426,301.00)		(3,519,913.00)
Net difference between projected and actual earnings on OPEB plan investments	11,158,226.00		8,182.00	
Changes in proportion and differences between contributions and proportionate share of contributions			834,468.00	(1,569,005.00)
Total	\$ 11,158,226.00	\$ (8,761,825,481.00)	\$ 842,650.00	\$ (7,993,614.00)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	Collective Totals	Proportionate Share
2020	\$ (1,425,201,517.00)	\$ (1,164,661.44)
2021	(1,425,201,517.00)	(1,164,661.44)
2022	(1,426,076,187.00)	(1,165,376.21)
2023	(1,427,489,995.00)	(1,166,531.56)
2024	(1,428,781,861.00)	(1,167,587.27)
Thereafter	(1,617,916,178.00)	(1,322,146.07)
Total	\$ (8,750,667,255.00)	\$ (7,150,964.00)

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

Collective OPEB Expenses reported by the State of New Jersey

The components of allocable OPEB Expense related to specific liabilities of individual employers for the year ending June 30, 2019 are as follows:

Service cost	\$ 666,574,660
Interest on Total OPEB Liability	636,082,461
Expected Investment Return	(11,286,267)
Administrative Expenses	9,478,435
Changes of Benefit Terms	(1,903,958)
Current Period Recognition (Amortization) of Deferred Inflows/ Outflows of Resources:	
Differences between Expected and Actual Experience	(619,405,071)
Changes in Assumptions	(809,376,790)
Differences between Projected and Actual Investment Earnings on OPEB Plan Investments	3,580,344
Total Collective OPEB Expense	\$ (126,256,186)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

Schedule of City's Share of Net OPEB Liability

	<u>2019</u>
City's Proportionate Share of Net OPEB Liability	0.073325%
City's Share of Net OPEB Liability	\$ 9,932,657.00
City's Covered Payroll	6,287,748.00
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	157.97%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%

NOTE 16: ACCRUED SICK AND VACATION BENEFITS

The entity has permitted employees to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$692,859.78 in 2020 and \$697,826.47 in 2019. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. It is the entity's policy to negotiate the final amount of each payment of accrued sick, comp time, and vacation pay on an individual basis. The final amount of the settlement for sick time cannot exceed the cap amount established by each Union contract even though more may be accrued. The amount shown above represents the total number of days of unpaid compensation taking the cap amount for sick time into account. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The entity does not accrue the liability.

NOTE 17: ECONOMIC DEPENDENCY

The City of North Wildwood is economically dependent on tourism as a major source of tax revenue for the entity.

NOTE 18: RISK MANAGEMENT

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

Property and Liability Insurance - The entity maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2020 and 2019 the entity did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The entity is a member of the Atlantic County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The entity is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The entity has a general liability limit of \$500,000 under JIF, which increases to \$4,500,000 under MEL.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

NOTE 19: DEFERRED COMPENSATION

Employees of the City of North Wildwood may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the entity. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the entity has an obligation of due care in selecting the third party administrator. In the opinion of the entity's legal counsel, the entity has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

The Plan is administered by the following service organizations:

Mass Mutual
Nationwide Retirement Solutions

NOTE 20: CONTINGENT LIABILITIES

From time to time, the entity is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the entity's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

NOTE 21: INTERFUND BALANCES

During the most current calendar year ended December 31, 2020, the following inter-funds were included on the balance sheets of the various funds of the City of North Wildwood:

	Due From	Due To
Current Fund:		
Animal Control Fund	\$ 1,144.18	-
Trust -TTL Redemption	-	4,324.54
Grant Fund	-	96,442.37
Grant Fund:		
Current Fund	96,442.37	-
General Capital Fund	4,636.03	-
Trust Fund - Hereford	4,878.98	-
Trust Fund:		
Current - Animal Control Fund	-	1,144.18
Current - TTL Redemption	4,324.54	-
Current - TTL Premium	-	-
Grant - Federal & State	-	4,878.98
General Capital Fund:		
Grant Fund	-	4,636.03
	\$ <u>111,426.10</u>	<u>111,426.10</u>

The amount due to the Grant fund from the Current fund is due to the fact that there is only one bank account. The remaining immaterial inter-funds are due to amounts that should have been transferred to the proper bank accounts from prior years.

NOTE 22: RESERVE FOR STATE TAX APPEALS

As a result of the significant increase in the City's total assessed valuation due to the 2006 revaluation of city-wide property tax assessments, a reserve for state tax appeals was established in the amount of \$272,740.80 at December 31, 2006. Due to additional appeals filed in 2007, the balance was adjusted to \$350,000 at December 31, 2007.

In January 2008, the City was ordered to refund \$270,000 to a property owner as a result of a tax court judgment. Payment was made to the owner in February 2008, reducing the balance in the reserve for state tax appeals by that amount. The balance in the Reserve for State Tax Appeals at December 31, 2020 is \$80,000.00.

NOTE 23: LENGTH OF SERVICE AWARDS PROGRAM (UNAUDITED)

During the 2005 calendar year, the voters of the City of North Wildwood approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This plan is made available to all bona fide eligible volunteers who are performing qualified services which is defined as firefighting and prevention services, emergency medical services and ambulance services pursuant to Section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP will also comply with New Jersey Public Law 1997, Chapter 388 and the LOSAP Document. The City appropriated \$35,000.00 and \$35,000.00 in 2020 and 2019 budgets, respectively for contributions to the LOSAP for volunteers who have met the established criteria.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(CONTINUED)

The LOSAP is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the City subject only to the claims of the City's general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the City, and each participant's rights are equal to his or her share of the fair market value of the plan assets. The City believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that might arise.

As part of its fiduciary role, the City has an obligation of due care in selecting the third-party administrator. In the opinion of the City's legal counsel, the City has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

NOTE 24: SUBSEQUENT EVENTS

The entity has evaluated subsequent events through June 11, 2021, the date which the financial statements were available to be issued and identified no events requiring disclosure.

SUPPLEMENTARY INFORMATION



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
Members of City Council
City of North Wildwood
Cape May County, New Jersey

We have audited, in accordance with the 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, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated June 11, 2021, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's control over financial reporting (internal control) to determine the 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*.

Purpose of this Report

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

Very truly yours,

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

June 11, 2021

CITY OF NORTH WILDWOOD
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2020

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified Opinion issued on the Financial Statements – Regulatory Basis, presented in accordance with an "Other Comprehensive Basis of Accounting".**

Internal control over financial reporting:

- | | |
|---------------------------------------|-----------|
| 1) Material Weakness identified? | NO |
| 2) Significant Deficiency identified? | NO |

Non-Compliance material to Financial Statements – Regulatory Basis noted? **NO**

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – REGULATORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements – regulatory basis that are required to be reported. However, we have issued an accompanying Management Letter.

MANAGEMENT RESPONSES

Management is required to respond to any findings and recommendations in the audit report. A corrective action plan is required to be filed with the Division of Local Government Services, Department of Community Affairs, State of New Jersey within 45 days of the filing of this report.

A corrective action plan is not required for 2020.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year audit findings.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Current Fund	Grant Fund
Balance December 31, 2019	\$ 11,100,032.64	-
Increased by Receipts:		
Tax Collector	41,128,645.54	-
Homestead Rebate	-	-
Revenue Accounts Receivable	4,113,400.97	-
Miscellaneous Revenue Not Anticipated	334,562.33	-
Due from State - Veterans and Senior Citizens	59,874.31	-
Payroll Deductions Payable	9,466,380.34	-
Marriage License Fees Due to State	900.00	-
Reserve for 1.85% Room Tax	207,832.00	-
Issuance of Petty Cash	1,200.00	-
Due from Federal and State Grant Fund	278,207.36	-
Due to GWTIDA	1,910.00	-
Due from TTL Redemption	11,976.46	-
Due from TTL Premium	20,883.26	-
Due from Trust Assessment	306.04	-
Due to Current Fund	-	302,719.62
Federal and State Unallocated	-	46,914.45
Federal and State Receivables	-	231,292.91
	<u>55,626,078.61</u>	<u>580,926.98</u>
	66,726,111.25	580,926.98
Decreased by Disbursements:		
Current Year Appropriation	29,733,930.44	-
Prior Year Appropriations	416,480.00	-
County Taxes	7,634,235.79	-
County Added and Omitted Taxes	26,591.95	-
Local District School Taxes	6,108,030.18	-
Special District Taxes	62,500.00	-
Refund of Tax Overpayments	68,177.36	-
Due to State - Marriage Licenses	800.00	-
Due to Federal and State Grant Fund	302,719.62	-
Due to Trust Assessment	69.28	-
Due to GWTIDA	535.00	-
Reserve for Beach Repairs	45,100.49	-
Payroll Deductions Paid	9,313,935.02	-
Return of Petty Cash	1,200.00	-
Due to Current Fund	-	278,207.36
Federal and State Disbursements	-	302,719.62
	<u>53,714,305.13</u>	<u>580,926.98</u>
Balance December 31, 2020	\$ <u>13,011,806.12</u>	<u>-</u>

**CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR**

Balance December 31, 2019		\$ -
Increased by Receipts:		
Prepaid Taxes	1,204,584.03	
Overpaid Taxes	89,090.14	
Tax Title and Other Liens	9,328.69	
Taxes Receivable	34,721,023.10	
Revenue Accounts Receivable	<u>5,104,619.58</u>	
		<u>41,128,645.54</u>
		41,128,645.54
Payments to Treasurer		<u>41,128,645.54</u>
Balance December 31, 2020		\$ <u><u>-</u></u>

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2019	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Balance Dec. 31, 2020
				2019	2020			
Arrears	\$ 527.53	-	-	-	-	527.53	-	-
2005	0.64	-	-	-	-	-	-	0.64
2006	0.70	-	-	-	-	-	-	0.70
2007	0.73	-	-	-	-	-	-	0.73
2008	0.58	-	-	-	-	-	-	0.58
2009	0.61	-	-	-	-	-	-	0.61
2010	0.63	-	-	-	-	-	-	0.63
2011	0.75	-	-	-	-	-	-	0.75
2012	4.04	-	-	-	-	-	-	4.04
2013	23.80	-	-	-	-	-	-	23.80
2014	63.97	-	-	-	-	-	-	63.97
2015	454.50	-	-	-	-	15.43	-	454.50
2016	128,422.33	-	-	-	128,406.35	46.74	-	15.98
2017	23.26	-	-	-	-	-	-	23.26
2018	26.34	-	-	-	1.27	-	-	25.07
2019	2,439.77	-	-	-	1,557.85	843.10	-	38.82
	131,990.18	-	-	-	129,965.47	1,432.80	-	591.91
2020	-	35,599,704.01	38,622.86	1,020,175.51	34,602,488.48	7,860.03	39.18	7,763.67
\$	131,990.18	35,599,704.01	38,622.86	1,020,175.51	34,732,453.95	9,292.83	39.18	8,355.58

Cash Receipts	34,721,023.10
Senior Citizens and Veterans	59,048.22
Homestead Rebate	-
Overpayments applied/recorded	(47,617.37)
	<u>34,732,453.95</u>

Analysis of Current Year Tax Levy

Tax Yield:

General Property Tax	35,599,704.01
Special District Taxes	62,500.00
Added Taxes (54-4-63.1 et. Seq.)	38,622.86
	<u>35,700,826.87</u>

Tax Levy:

General County Taxes	6,399,505.38
County Library Taxes	954,211.53
County Open Space Taxes	280,518.88
Special District Tax	62,500.00
County Added and Omitted Taxes	38,622.86
Total County Taxes	<u>7,735,358.65</u>
Local School District Tax	7,390,181.00
Additional Local School District Tax	-
Local Tax for Municipal Purposes	20,285,363.33
Add: Additional Tax Levied	289,923.89
	<u>20,575,287.22</u>
	<u>35,700,826.87</u>

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF TAX TITLE AND OTHER LIENS**

Balance December 31, 2019		\$	10,151.75
Increased by:			
Transfers from Taxes Receivable	39.18		
	<hr/>		<hr/>
			39.18
			10,190.93
Decreased by:			
Collections	9,328.69		
	<hr/>		<hr/>
			9,328.69
Balance December 31, 2020		\$	<u><u>862.24</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2019	Accrued in 2020	Collected by		Balance Dec. 31, 2020
			Collector	Treasurer	
Licenses:					
Alcoholic Beverages	-	54,425.00	-	54,425.00	-
Other	-	106,784.00	-	106,784.00	-
Fees and Permits	-	404,151.04	-	404,151.04	-
Fines and Costs:					
Municipal Court	14,509.88	184,470.63	-	195,350.65	3,629.86
Interest and Costs on Taxes	-	79,139.02	79,139.02	-	-
Interest Earned on Investments	-	129,257.67	-	129,257.67	-
Parking Meters	-	911,093.97	-	911,093.97	-
Emergency Rescue Services	-	217,065.91	-	217,065.91	-
Fire Inspection Fees	-	240,442.07	-	240,442.07	-
County Debt Service	-	290,000.00	-	290,000.00	-
Sewer Rents	375,870.16	4,939,774.08	5,039,501.78	-	276,142.46
Tram Car Lease	-	17,384.90	-	17,384.90	-
Rental of City Property	-	67,656.00	-	67,656.00	-
Energy Receipts Tax	-	442,027.00	-	442,027.00	-
Reserve to Pay Debt Service	-	114,000.00	-	114,000.00	-
Sale of Municipal Property	-	585,677.97	-	585,677.97	-
Wildwood Crest - Municipal Courts	-	65,755.37	-	65,755.37	-
Uniform Fire Safety	-	25,353.59	-	25,353.59	-
1.85% Beach Maintenance	-	313,942.81	-	313,942.81	-
Capital Surplus	-	240,000.00	-	240,000.00	-
Miscellaneous Revenue Not Anticipated	-	373,759.06	39,196.73	334,562.33	-
	<u>390,380.04</u>	<u>9,802,160.09</u>	<u>5,157,837.53</u>	<u>4,754,930.28</u>	<u>279,772.32</u>
			Cash	4,447,963.30	
			Interfunds	(6,975.83)	
			Reserve for 1.85% Beach Maintenance	313,942.81	
			Total	<u>4,754,930.28</u>	

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT:					
General Administration	19,920.48	19,920.48	-	19,920.48	-
Salaries and Wages	4,199.41	4,199.41	2,276.99	1,922.42	-
Other Expenses					
Mayor and Council					
Salaries and Wages	709.11	709.11	-	709.11	-
Other Expenses	4,130.00	4,130.00	816.00	3,314.00	-
Municipal Clerk					
Salaries and Wages	2,668.82	2,668.82	-	2,668.82	-
Other Expenses	7,366.67	7,366.67	4,603.21	2,763.46	-
Financial Administration					
Salaries and Wages	4,699.70	4,699.70	-	4,699.70	-
Other Expenses	15,196.33	15,196.33	-	15,196.33	-
Ambulance Billing Administration Fee					
Other Expenses	11,292.98	11,292.98	1,028.92	10,264.06	-
Tax Assessment Administration					
Salaries and Wages	875.10	875.10	-	875.10	-
Other Expenses	35,541.40	35,541.40	239.82	35,301.58	-
Revenue Administration (Tax Collection)					
Salaries and Wages	10,416.16	10,416.16	-	10,416.16	-
Other Expenses	5,130.60	5,130.60	2,880.26	2,250.34	-
Legal Services					
Other Expenses	126,929.92	126,929.92	65,932.08	60,997.84	-
Engineering Services and Costs					
Other Expenses	31,164.32	31,164.32	1,536.30	29,628.02	-
LAND USE ADMINISTRATION					
Zoning Board of Adjustment					
Salaries and Wages	1,654.95	1,654.95	-	1,654.95	-
Other Expenses	25,993.51	25,993.51	5,412.08	20,581.43	-

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
INSURANCE					
General Liability	2,562.00	2,562.00		2,562.00	-
Workers Compensation Insurance	1,250.10	1,250.10	-	1,250.10	-
Employee Group Health Insurance	533,747.97	533,747.97	-	533,747.97	-
Health Benefit Waiver					
Salaries and Wages	0.70	0.70	-	0.70	-
PUBLIC SAFETY					
Fire Department					
Salaries and Wages	18,720.31	18,720.31	-	18,720.31	-
Other Expenses	93,642.52	93,642.52	73,871.49	19,771.03	-
Fire Safety Act					
Salaries and Wages	30,848.67	30,848.67	-	30,848.67	-
Other Expenses	7,533.89	7,533.89	1,529.00	6,004.89	-
Aid to Volunteer Fire Company					
Other Expenses	2,800.00	2,800.00	1,650.00	1,150.00	-
Police Department					
Salaries and Wages	69,578.37	69,578.37	14,735.00	54,843.37	-
Other Expenses	35,876.53	35,876.53	29,224.19	6,652.34	-
Office of Emergency Management					
Salaries and Wages	12,229.04	12,229.04	-	12,229.04	-
Other Expenses	8,887.44	8,887.44	8,332.25	555.19	-
Municipal Court					
Salaries and Wages	66.32	66.32	-	66.32	-
Other Expenses	7,114.37	7,114.37	580.04	6,534.33	-
PUBLIC WORKS					
Public Works Department					
Salaries and Wages	106,355.01	106,355.01	2,277.35	104,077.66	-
Other Expenses	99,041.67	99,041.67	92,875.48	6,166.19	-
Garbage and Trash					
Other Expenses	9,364.34	9,364.34	-	9,364.34	-
Public Buildings and Grounds					
Salaries and Wages	25,287.67	25,287.67	-	25,287.67	-
Other Expenses	99,208.23	99,208.23	84,481.30	14,726.93	-
Fleet Maintenance					
Other Expenses	68,095.15	68,095.15	7,970.60	60,124.55	-

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
HEALTH AND HUMAN SERVICES					
Dog Regulation	8,181.00	8,181.00	-	8,181.00	-
Other Expenses					
PARKS AND RECREATION					
Lifeguards	20,697.15	20,697.15	-	20,697.15	-
Salaries and Wages	10,206.16	10,206.16	1,257.00	8,949.16	-
Other Expenses					
Recreation Center					
Salaries and Wages	27,100.93	27,100.93	-	27,100.93	-
Other Expenses	18,144.39	18,144.39	2,668.86	15,475.53	-
UNIFORM CONSTRUCTION CODE					
Construction Official					
Salaries and Wages	1,047.19	1,047.19	-	1,047.19	-
Other Expenses	6,936.78	6,936.78	299.13	6,637.65	-
UNCLASSIFIED					
Celebration of Public Events, Anniversary or Holiday					
Salaries and Wages	9,300.00	9,300.00	-	9,300.00	-
Other Expenses	21,566.50	21,566.50	3,083.00	18,483.50	-
UTILITY EXPENSES AND BULK PURCHASES					
Electric	35,572.72	35,572.72	-	35,572.72	-
Street Lighting	118,658.17	118,658.17	-	118,658.17	-
Telephone	52,877.97	52,877.97	256.25	52,621.72	-
Natural Gas	4,186.84	4,186.84	4,186.84	-	-
Water	13,689.36	13,689.36	-	13,689.36	-
Gasoline	50,271.74	50,271.74	-	50,271.74	-
Traffic Lights	7,944.48	7,944.48	-	7,944.48	-
LANDFILL / SOLID WASTE DISPOSAL COSTS					
Cape May County MUA Tipping Fees	44,263.44	44,263.44	22,544.68	21,718.76	-
Contingent	500.00	500.00	-	500.00	-
STATUTORY EXPENDITURES					
Contribution to:					
Social Security System (O.A.S.I.)	4,231.47	4,231.47	-	4,231.47	-
Unemployment Compensation Insurance	4,428.71	4,428.71	-	4,428.71	-
Lifeguard Pension	772.90	772.90	-	772.90	-
Retirement Reserve	16,949.40	16,949.40	-	16,949.40	-
Defined Contribution Retirement Program	-	-	-	-	-

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
OPERATIONS EXCLUDED FROM "CAPS"					
Length of Service Award Program (LOSAP)	3,939.52	3,939.52	-	3,939.52	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Municipal Alliance - Local Share	29.00	29.00	-	29.00	-
\$	<u>2,021,595.58</u>	<u>2,021,595.58</u>	<u>436,548.12</u>	<u>1,585,047.46</u>	<u>-</u>

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2019		
School Tax Payable	\$ 1,163,352.92	
School Tax Deferred	<u>2,479,787.50</u>	
		\$ 3,643,140.42
Increased by:		
Levy - School Year July 1, 2019 to June 30, 2020		<u>7,390,181.00</u>
		11,033,321.42
Decreased by:		
Payments		<u>6,108,030.18</u>
Balance December 31, 2020		
School Tax Payable	2,445,503.74	
School Tax Deferred	<u>2,479,787.50</u>	
		<u>4,925,291.24</u>
Current Year Liability for Local School District School Tax:		
Tax Paid		6,108,030.18
Tax Payable Ending		<u>2,445,503.74</u>
		8,553,533.92
Less: Tax Payable Beginning		<u>1,163,352.92</u>
Amount charged to Current Year Operations		<u>\$ 7,390,181.00</u>

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

<u>Purpose</u>	Balance Dec. 31, 2019	Transferred From 2020 Revenues	Received	Adjustments	Balance Dec. 31, 2020
FEDERAL GRANTS:					
Small Cities Block Grant					
CDBG 2019 - Lou Booth Amphitheater	\$ 400,000.00	-	-	-	400,000.00
CDBG 2020 - 22nd Ave ADA Beach & Boardwalk	-	400,000.00	-	-	400,000.00
USDA Rural Development Dual Band Radios - 2020	-	28,000.00	-	-	28,000.00
FEMA - Assistance to Firefighters Grant - 2019-2020	35,485.71	-	34,692.74	792.97	-
USDOJ Bulletproof Vest - 2016	1,020.56	-	-	1,020.56	-
Total Federal	436,506.27	428,000.00	34,692.74	1,813.53	828,000.00
STATE GRANTS:					
N.J. Transportation Trust Fund					
2013/2014 - Pedestrian Multi-Modal Olde NJ Ave & Spruce	450,000.00	-	-	-	450,000.00
2018 - East 17th Avenue	43,750.00	-	43,750.00	-	-
2019/2020 - NJDOT E 22nd Ave Reconstruction	200,000.00	-	150,000.00	-	50,000.00
2020/2021 - NJDOT East 7th Ave	-	185,000.00	-	-	185,000.00
Sustainable New Jersey 2019-2020	5,000.00	-	-	-	5,000.00
LEAP - Challenge - Shore Communities 2020-2021	-	95,800.00	-	-	95,800.00
Body Armor 2020-2021	-	2,850.17	2,850.17	-	-
Total State	698,750.00	283,650.17	196,600.17	-	785,800.00
\$	1,135,256.27	711,650.17	231,292.91	1,813.53	1,613,800.00
		Cash	231,292.91		
			231,292.91		

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance December 31, 2019		2020 Appropriations	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2020
	Appropriated	Reserve for Encumbrances					
FEDERAL GRANTS:							
Small Cities Block Grant :							
CDBG 2019 - Lou Booth Amphitheater	\$ 400,000.00	-	-	-	-	-	400,000.00
CDBG 2020 - 22nd Avenue ADA Beach & Boardwalk	-	-	400,000.00	-	-	-	400,000.00
USDA Rural Development Dual Band Radios - 2020	-	-	28,000.00	-	28,000.00	-	-
FEMA - Assistance to Firefighters Grant - 2019-2020	792.97	34,692.74	-	34,692.74	-	792.97	-
COPS in Shops - 2017 - 2018	2,330.80	-	-	-	-	2,330.80	-
COPS in Shops - 2018 - 2019	1,785.71	-	-	-	-	1,785.71	-
COPS in Shops - 2018 - 2019	2,160.88	-	-	-	-	2,160.88	-
COPS in Shops - 2020 - 2021	-	-	2,595.48	-	-	-	2,595.48
Total Federal	\$ 407,070.36	34,692.74	430,595.48	34,692.74	28,000.00	7,070.36	802,595.48
STATE GRANTS:							
Drunk Driving Enforcement 2017-2018	\$ 888.10	-	-	179.00	-	-	709.10
Drunk Driving Enforcement 2020-2021	-	-	4,722.56	-	-	-	4,722.56
N.J. Transportation Trust Fund :							
2013/2014 - Pedestrian Multi-Modal Olde NJ Ave .	450,000.00	-	-	-	-	-	450,000.00
2019/2020 - NJDOT E 22nd Ave Reconstruction	200,000.00	-	-	200,000.00	-	-	-
2020/2021 - NJDOT East 7th Ave	-	-	185,000.00	-	185,000.00	-	-
LEAP - Challenge - Shore Communities 2020-2021	-	-	-	-	-	-	-
Recycling Tonnage Grant - 2017-18	6,336.56	-	95,800.00	2,964.39	-	-	95,800.00
Recycling Tonnage Grant - 2018-19	6,385.60	-	-	-	-	-	3,372.17
Recycling Tonnage Grant - 2019-20	-	-	-	-	-	-	6,385.60
Recycling Tonnage Grant - 2020-21	-	-	12,602.79	-	-	-	12,602.79
Recycling Grant - Hazardous Waste 2018/2019	22,240.11	-	-	22,240.11	-	-	-
Clean Communities - 2016 - 2017	5,000.00	-	-	-	-	-	5,000.00
Clean Communities - 2018 - 2019	32,020.31	116.98	-	32,137.29	-	-	-
Clean Communities - 2019 - 2020	34,098.22	-	-	5,087.13	-	-	29,011.09
Clean Communities - 2020 - 2021	-	-	38,051.04	-	-	-	38,051.04
Body Armor Grant 2018-19	2,830.01	-	-	2,830.01	-	-	-
Body Armor Grant 2019-20	3,047.96	-	-	2,588.95	-	-	459.01
Body Armor Grant 2020-21	-	-	2,850.17	-	-	-	2,850.17
Sustainable New Jersey 2019-2020	3,793.60	-	-	-	-	-	3,793.60
Law and Public Safety - Distracted Driver 2018/2019	5,389.11	-	-	-	-	5,389.11	-
Seat Belt Initiative - 2019-2020	3,742.80	-	-	-	-	3,742.80	-
Seat Belt Initiative - 2020-2021	-	-	4,490.32	-	-	-	4,490.32
Total State	\$ 775,772.38	116.98	356,119.67	268,026.88	185,000.00	9,131.91	669,850.24
	\$ 1,182,842.74	34,809.72	786,715.15	302,719.62	213,000.00	16,202.27	1,472,445.72

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES

<u>Purpose</u>	<u>Balance Dec. 31, 2019</u>	<u>Transferred To 2020 Appropriations</u>	<u>Received</u>	<u>Balance Dec. 31, 2020</u>
FEDERAL GRANTS:				
COPS in Shops 2018-2019	\$ -	-	-	-
COPS in Shops 2019-2020	2,595.48	2,595.48	-	-
Total Federal	<u>2,595.48</u>	<u>2,595.48</u>	<u>-</u>	<u>-</u>
STATE GRANTS:				
Clean Communities 2018-2019	\$ -	-	-	-
Clean Communities 2019-2020	38,051.04	38,051.04	-	-
Clean Communities 2020-2021	-	-	34,311.66	34,311.66
Drunk Driving Enforcement 2019-2020	4,722.56	4,722.56	-	-
Law and Public Safety - Distracted Driver 18-19	-	-	-	-
Recycling Tonnage 2019-2020	12,602.79	12,602.79	-	-
Recycling Tonnage 2020-2021	-	12,602.79	12,602.79	-
Seat Belt Initiative 2017-2018	-	-	-	-
Seat Belt Initiative 2019-2020	4,490.32	4,490.32	-	-
Total State	<u>59,866.71</u>	<u>72,469.50</u>	<u>46,914.45</u>	<u>34,311.66</u>
	<u>\$ 62,462.19</u>	<u>75,064.98</u>	<u>46,914.45</u>	<u>34,311.66</u>

See Accompanying Auditor's Report

TRUST FUND
SCHEDULE OF ANIMAL CONTROL CASH - TREASURER

Balance December 31, 2019		\$	1,422.18
Increased By Receipts:			
Dog Licenses Fees - City Share	\$	389.20	
Dog Licenses Fees Collected - State Share		187.80	
			<u>577.00</u>
			1,999.18
Decreased By Disbursements:			
State of New Jersey		187.80	
			<u>187.80</u>
Balance December 31, 2020		\$	<u><u>1,811.38</u></u>

**TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER**

	Other	Assessment	
Balance December 31, 2019	\$ 2,180,519.44	\$ 15,956.07	
Increased By Receipts:			
Tourism Development			
Recreation	35,552.00	-	
Parking Offenses Adjudication Act	114,650.00	-	
Public Defender	342.00	-	
Municipal Alliance	300.00	-	
HEREFORD Lighthouse	11,390.43	-	
Memorials/Beautification Enhancement	17,767.00	-	
Off Duty Police	33,630.00	-	
D.A.R.E. Deposits	49,173.40	-	
Recreation - Junior Lifeguards	400.00	-	
Fire Prevention	910.00	-	
Lifeguard Pension	9,481.66	-	
Forfeited Trust	42,639.58	-	
Tax Premiums	53.78	-	
Tax Title Liens	575,200.00	-	
Small Cities Escrow Deposits	570,044.84	-	
Developers Escrow	37,841.45	-	
Municipal Parking Capital Improvement Account	286,648.42	-	
UCC Third Party	72.35	-	
Flex Savings	352,876.00	-	
Due to Current - TTL Premium	1,040.00	-	
Due to Current - TTL Redemption	3,222.43	-	
Interest Earned - Due to Current	426.94	69.28	
	<u>2,143,662.28</u>	<u>69.28</u>	
	4,324,181.72	16,025.35	
Decreased by Disbursements:			
Tourism Development			
Recreation	32,509.75	-	
Municipal Alliance	152,510.32	-	
Off Duty Police	12,566.32	-	
D.A.R.E. Program	212.00	-	
Recreation - Junior Lifeguards	250.00	-	
HEREFORD Lighthouse	290.00	-	
Memorials/Beautification Enhancement	12,280.84	-	
UCC Third Party	17,022.37	-	
Lifeguard Pension	400,743.80	-	
Small Cities	48,951.68	-	
Developers Escrow	7,650.00	-	
Tax Premiums	197,016.48	-	
Tax Title Liens	406,900.00	-	
Due to Current - TTL Premium	526,262.88	-	
Due to Current - TTL Redemption	24,105.69	-	
Due to Current Fund	12,403.40	-	
Interest Paid to Current Fund	-	15,719.31	
	<u>-</u>	<u>306.04</u>	
Balance December 31, 2020	<u>1,851,675.53</u>	<u>16,025.35</u>	
	\$ 2,472,506.19	\$ -	

See Accompanying Auditor's Report

TRUST FUND
SCHEDULE OF RESERVE/(DEFICIT) FOR ANIMAL CONTROL EXPENDITURES

Balance December 31, 2019		\$ 596.00
Increased By:		
Dog Licenses Fees Collected - City Share	\$ 389.20	
Dog Licenses Fees Collected - State Share	187.80	
	<hr/>	<hr/>
		577.00
		<hr/>
		1,173.00
Decreased By:		
Statutory Excess Due to Current Fund	318.00	
Paid to State of New Jersey	187.80	
	<hr/>	<hr/>
		505.80
Balance December 31, 2020		\$ <u><u>667.20</u></u>

License Fees Collected

Year

2018	\$ 278.00
2019	389.20
	<hr/>
	\$ <u><u>667.20</u></u>

TRUST FUND
SCHEDULE OF DUE TO CURRENT FUND - ANIMAL CONTROL FUND

Balance December 31, 2019		\$	826.18
Increased By:			
Due from Current Fund	318.00		
	<hr/>		<hr/>
			318.00
			<hr/>
			1,144.18
Decreased By:			
Due to Current Fund	-		
	<hr/>		<hr/>
			-
Balance December 31, 2020		\$	<hr/> <hr/> 1,144.18

TRUST FUND
SCHEDULE OF AMOUNT DUE TO (FROM) STATE OF NEW JERSEY

Balance December 31, 2019		\$	-
Increased By:			
Collected in 2020	\$ 187.80		
	<hr/>		<hr/>
			187.80
			<hr/>
			187.80
Decreased By:			
Paid to State of New Jersey	187.80		
	<hr/>		<hr/>
			187.80
Balance December 31, 2020		\$	<hr/> <hr/> -

**GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER**

Balance December 31, 2019		\$ 3,808,539.72
Increased by:		
Due from Current Fund		
Budget Appropriation :		
Capital Improvement Fund	2,430,000.00	
Proceeds from Bond Anticipation Notes	20,326,000.00	
Premium Received on Sale of Notes	290,869.56	
	<hr/>	<hr/> 23,046,869.56
		26,855,409.28
Decreased by:		
Improvement Authorizations	6,933,975.77	
Budget: Reserve to Pay Debt Service	114,000.00	
Bond Anticipation Notes Payable	14,426,000.00	
Capital Surplus - General Budget	240,000.00	
	<hr/>	<hr/> 21,713,975.77
Balance December 31, 2020		\$ <u><u>5,141,433.51</u></u>

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2019	Receipts		Debt Issued	Disbursements		Transfers		Balance Dec. 31, 2020
		Miscellaneous			Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 627,529.91	-	-	-	-	240,000.00	-	-	387,529.91
Capital Improvement Fund	32,630.00	2,430,000.00	-	-	-	-	2,430,000.00	-	32,630.00
Reserve for Debt Service	136,391.38	290,869.56	-	-	-	114,000.00	-	-	313,280.94
Encumbrances Payable	2,712,708.87	-	-	-	-	-	2,712,708.87	1,291,571.70	1,291,571.70
Due from Federal & State Grant Fund	4,636.03	-	-	-	-	-	-	-	4,636.03
NJEIT 2017-A Receivable	(1,032,391.00)	-	-	-	-	-	-	-	(1,032,391.00)
Improvement Authorizations:									
1546 Street and Utility Reconstruction of 12th Avenue	-	-	-	-	-	-	3,708.27	3,708.27	-
1553 Sanitary Sewer Improvements	1,089.09	-	-	-	-	-	-	-	1,089.09
1571 Acquisition of Property	7,298.15	-	-	-	-	-	-	-	7,298.15
1576 Sanitary Sewer Improv. Phase III	64,176.93	-	-	-	-	-	-	-	64,176.93
1600 Various Improvements	640.00	-	-	-	-	-	-	-	640.00
1611 Various Improvements	-	-	-	-	-	-	-	-	-
1617 Various Improvements	-	-	-	-	-	-	-	-	-
1624 Beach Replenishment	-	-	-	-	-	-	-	-	-
1648 Various Improvements	2,239.65	-	-	-	-	-	1,020.61	1,020.61	-
1652 Various Improvements	-	-	-	-	-	-	-	-	-
1653/1697 NJEIT Project	7,926.70	-	-	-	134,813.37	-	-	-	-
1667 Various Improvements	-	-	-	-	-	-	90,371.81	217,258.48	-
1692 Various Capital Improvements	800.00	-	-	-	-	-	50,896.00	50,896.00	-
1701 Emergency Beach Replenishment	-	-	-	-	-	-	-	-	800.00
1707 Various Capital Improvements	-	-	-	-	-	-	58,997.88	58,997.88	-
1711 Various Capital Improvements	-	-	-	-	422,054.43	-	1,156.81	423,211.24	-
1738 Various Capital Improvements	729.54	-	-	-	1,149,760.22	-	305,392.00	1,465,173.55	10,750.87
1746 Various Capital Improvements	-	-	-	-	-	-	-	9,362.27	9,362.27
1760 Various Capital Improvements	295,499.29	-	-	1,850,000.00	1,120,236.39	-	2,880.72	82,747.29	1,105,129.47
1771 Various Capital Improvements	546,635.18	-	-	4,050,000.00	3,324,119.18	-	84,197.12	400,333.28	1,588,652.16
1792 Various Capital Improvements	400,000.00	-	-	-	400,000.00	-	-	-	-
1806 Various Capital Improvements	-	-	-	-	348,753.74	-	151,246.26	500,000.00	-
1818 Various Capital Improvements	-	-	-	-	34,238.44	-	541,704.22	1,930,000.00	1,354,057.34
	<u>\$ 3,808,539.72</u>	<u>2,720,869.56</u>	<u>5,900,000.00</u>	<u>5,900,000.00</u>	<u>6,933,975.77</u>	<u>354,000.00</u>	<u>6,434,280.57</u>	<u>6,434,280.57</u>	<u>5,141,433.51</u>

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2019		\$	32,630.00
Increased by:			
Current Fund Budget Appropriation	2,430,000.00		
	<hr/>		<hr/>
			2,430,000.00
			2,462,630.00
Decreased by:			
Improvement Authorizations Funded	2,430,000.00		
	<hr/>		<hr/>
			2,430,000.00
Balance December 31, 2020		\$	<u><u>32,630.00</u></u>

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance December 31, 2019		\$	47,174,359.43
Decreased by:			
Serial Bonds Paid	3,430,000.00		
Wastewater Bonds Paid	210,000.00		
Wastewater Loan Payments	403,135.40		
Green Trust Loan Payments	6,721.80		
USDA Bonds Paid	106,948.63		
			<u>4,156,805.83</u>
Balance December 31, 2020		\$	<u><u>43,017,553.60</u></u>

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord #	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Raised in 2020 Budget	Debt Issued	Other	Balance Dec. 31, 2020	Bond Anticipation Notes	Analysis of Balance	
									Expenditures	Unexpended Improvement Authorizations
1628	8th Street Field	\$ 1,400,000.00	-	-	-	290,000.00	1,110,000.00	1,110,000.00	-	-
1711	Various Capital Improvements	3,655,000.00	-	-	-	114,000.00	3,541,000.00	3,541,000.00	-	-
1738	Various Capital Improvements	4,275,000.00	-	-	-	-	4,275,000.00	4,275,000.00	-	-
1760	Various Capital Improvements	2,850,000.00	-	-	-	-	2,850,000.00	2,850,000.00	-	-
1771	Various Capital Improvements	8,550,000.00	-	-	-	-	8,550,000.00	8,550,000.00	-	-
		<u>\$ 20,730,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>404,000.00</u>	<u>20,326,000.00</u>	<u>20,326,000.00</u>	<u>-</u>	<u>-</u>
Improvement Authorizations Unfunded										2,704,532.50
Less:										
Unexpended Proceeds of Bond										
Anticipation Notes Issued:										
	<u>Ord. Number</u>								\$	
	1738								10,750.87	
	1760								1,105,129.47	
	1771								1,588,652.16	
									<u>2,704,532.50</u>	
									<u>\$ -</u>	

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Intro Ord. Date	Amount	Authorizations					Paid or Charged/ Canceled	Balance December 31, 2020	
				Balance December 31, 2019		Capital Improvement Fund	Other Funding	Deferred Charges to Future Taxation		Funded	Unfunded
				Funded	Unfunded						
1546	Utility Reconstruction 12th Avenue	10/7/2008	315,000.00	-	-	-	-	-	-	-	-
1553	Sanitary Sewer Improvements	10/21/2008	6,100,000.00	1,089.09	-	-	-	-	1,089.09	-	-
1571	Acquisition of Property	9/1/2009	940,000.00	7,298.15	-	-	-	-	7,298.15	-	-
1576	Sanitary Sewer Improvements	11/17/2009	3,650,000.00	64,176.93	-	-	-	-	64,176.93	-	-
1600	Various Improvements	10/4/2011	1,200,000.00	640.00	-	-	-	-	640.00	-	-
1648	Various Improvements	5/6/2014	600,000.00	2,239.65	-	-	-	-	2,239.65	-	-
1653/1697	NJEIT Project	6/17/2014	10,500,000.00	7,926.70	-	-	-	-	7,926.70	-	-
1692	Various Capital Improvements	3/15/2016	1,900,000.00	800.00	-	-	-	-	800.00	-	-
1738	Various Capital Improvements	2/6/2018	4,500,000.00	729.54	-	-	-	-	-	10,750.87	-
1746	Various Capital Improvements	4/10/2018	1,200,000.00	-	-	-	-	-	9,362.27	-	-
1760	Various Capital Improvements	9/4/2018	3,000,000.00	-	2,145,499.29	-	-	-	1,040,369.82	-	-
1771	Various Capital Improvements	1/15/2019	9,000,000.00	-	4,596,635.18	-	-	-	3,007,983.02	-	-
1792	Various Capital Improvements	10/15/2019	400,000.00	-	-	-	-	-	400,000.00	-	-
1806	Various Capital Improvements	4/21/2020	500,000.00	-	-	500,000.00	-	-	500,000.00	-	-
1818	Various Capital Improvements	10/6/2020	1,930,000.00	-	-	1,930,000.00	-	-	575,942.66	1,354,057.34	-
				<u>6,742,864.01</u>		<u>2,430,000.00</u>	<u>-</u>	<u>-</u>	<u>5,512,838.60</u>	<u>1,439,663.43</u>	<u>2,704,532.50</u>
\$				484,170.52							

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2020		Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			Date	Amount					
General Obligation Bonds of 2009	12/1/2009	13,630,000.00	12/1/2021	1,400,000.00	3.750%	2,800,000.00	-	1,400,000.00	1,400,000.00
			8/1/2021	1,000,000.00	3.000%	6,680,000.00	-	980,000.00	5,700,000.00
			8/1/2022	1,150,000.00	3.000%				
			8/1/2023	1,150,000.00	3.250%				
			8/1/2024	1,200,000.00	3.500%				
General Obligation Bonds of 2013	8/1/2013	11,400,000.00	8/1/2025	1,200,000.00	3.625%	14,035,000.00	-	935,000.00	13,100,000.00
			8/1/2021	985,000.00	4.000%				
			8/1/2022	1,035,000.00	5.000%				
			8/1/2023	1,125,000.00	5.000%				
			8/1/2024	1,170,000.00	5.000%				
General Obligation Bonds of 2018	7/26/2018	14,970,000.00	8/1/2025	1,220,000.00	5.000%				
			8/1/2026	1,310,000.00	4.000%				
			8/1/2027	1,405,000.00	4.000%				
			8/1/2028	1,455,000.00	3.000%				
			8/1/2029	1,640,000.00	3.000%				
			8/1/2030	1,755,000.00	3.000%				

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2020		Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			Date	Amount					
General Obligation Refunding Bonds of 2019	1/31/2019	4,630,000.00	9/1/2021	125,000.00	5.000%	4,455,000.00	-	115,000.00	4,340,000.00
			9/1/2022	130,000.00	5.000%				
			9/1/2023	135,000.00	5.000%				
			9/1/2024	140,000.00	5.000%				
			9/1/2025	150,000.00	5.000%				
			9/1/2026	155,000.00	5.000%				
			9/1/2027	165,000.00	5.000%				
			9/1/2028	175,000.00	5.000%				
			9/1/2029	180,000.00	5.000%				
			9/1/2030	190,000.00	4.000%				
			9/1/2031	150,000.00	4.000%				
			9/1/2032	155,000.00	4.000%				
			9/1/2033	160,000.00	5.000%				
			9/1/2034	170,000.00	4.000%				
			9/1/2035	150,000.00	4.000%				
			9/1/2036	125,000.00	4.000%				
			9/1/2037	130,000.00	4.000%				
			9/1/2038	135,000.00	4.000%				
			9/1/2039	140,000.00	4.000%				
			9/1/2040	145,000.00	5.000%				
			9/1/2041	155,000.00	5.000%				
			9/1/2042	160,000.00	5.000%				
			9/1/2043	170,000.00	5.000%				
			9/1/2044	155,000.00	5.000%				
			9/1/2045	165,000.00	5.000%				
			9/1/2046	170,000.00	5.000%				
			9/1/2047	180,000.00	5.000%				
			9/1/2048	180,000.00	5.000%				
						\$ 27,970,000.00	-	3,430,000.00	24,540,000.00

GENERAL CAPITAL FUND
SCHEDULE OF WASTEWATER TREATMENT TRUST BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2020		Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			Date	Amount					
Wastewater Treatment Fund Bonds of 2003A	10/15/2002	1,745,000.00	8/1/2021	130,000.00	5.000%	390,000.00		125,000.00	265,000.00
			8/1/2022	135,000.00	5.000%				
Wastewater Treatment Fund Bonds of 2017A	5/25/2017	4,150,000.00	8/1/2021	90,000.00	5.000%	3,985,000.00		85,000.00	3,900,000.00
			8/1/2022	95,000.00	5.000%				
			8/1/2023	100,000.00	5.000%				
			8/1/2024	105,000.00	5.000%				
			8/1/2025	110,000.00	5.000%				
			8/1/2026	115,000.00	3.000%				
			8/1/2027	120,000.00	3.000%				
			8/1/2028	125,000.00	3.000%				
			8/1/2029	125,000.00	3.000%				
			8/1/2030	130,000.00	3.000%				
			8/1/2031	135,000.00	3.000%				
			8/1/2032	140,000.00	3.000%				
			8/1/2033	145,000.00	3.125%				
			8/1/2034	150,000.00	3.250%				
			8/1/2035	155,000.00	3.250%				
			8/1/2036	155,000.00	3.375%				
			8/1/2037	165,000.00	3.375%				
			8/1/2038	170,000.00	3.375%				
			8/1/2039	175,000.00	3.375%				
			8/1/2040	180,000.00	3.375%				
			8/1/2041	185,000.00	3.500%				
			8/1/2042	190,000.00	3.500%				
			8/1/2043	200,000.00	3.500%				
			8/1/2044	205,000.00	3.500%				
			8/1/2045	215,000.00	3.500%				
			8/1/2046	220,000.00	3.500%				
						\$ 4,375,000.00		210,000.00	4,165,000.00
							-		

See Accompanying Auditor's Report

GENERAL CAPITAL FUND
SCHEDULE OF WASTEWATER TREATMENT TRUST LOANS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2020		Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			Date	Amount					
Wastewater Treatment Fund Loan of 2003A	10/15/2002	1,843,735.00	2/1/2021	4,243.71	N/A	281,646.51	-	94,758.50	186,888.01
			8/1/2021	89,693.16					
			2/1/2022	2,107.47					
			8/1/2022	90,843.67					
Wastewater Treatment Fund Loan of 2014A	5/25/2017	9,148,515.00	2/1/2021	102,792.30	N/A	8,326,176.60	-	308,376.90	8,017,799.70
			8/1/2021	205,584.60					
			2/1/2022	102,792.30					
			8/1/2022	205,584.60					
			2/1/2023	102,792.30					
			8/1/2023	205,584.60					
			2/1/2024	102,792.30					
			8/1/2024	205,584.60					
			2/1/2025	102,792.30					
			8/1/2025	205,584.60					
			2/1/2026	102,792.30					
			8/1/2026	205,584.60					
			2/1/2027	102,792.30					
			8/1/2027	205,584.60					
			2/1/2028	102,792.30					
			8/1/2028	205,584.60					
			2/1/2029	102,792.30					
			8/1/2029	205,584.60					
			2/1/2030	102,792.30					
			8/1/2030	205,584.60					
			2/1/2031	102,792.30					
			8/1/2031	205,584.60					
			2/1/2032	102,792.30					
			8/1/2032	205,584.60					
			2/1/2033	102,792.30					
			8/1/2033	205,584.60					
			2/1/2034	102,792.30					
			8/1/2034	205,584.60					
			2/1/2035	102,792.30					
			8/1/2035	205,584.60					
			2/1/2036	102,792.30					
			8/1/2036	205,584.60					
			2/1/2037	102,792.30					
			8/1/2037	205,584.60					
			2/1/2038	102,792.30					
			8/1/2038	205,584.60					
			2/1/2039	102,792.30					
			8/1/2039	205,584.60					
			2/1/2040	102,792.30					
			8/1/2040	205,584.60					
			2/1/2041	102,792.30					
			8/1/2041	205,584.60					
			2/1/2042	102,792.30					
			8/1/2042	205,584.60					
			2/1/2043	102,792.30					

GENERAL CAPITAL FUND
SCHEDULE OF WASTEWATER TREATMENT TRUST LOANS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			Date	Amount					
Wastewater Treatment Fund Loan of 2014A (cont)			8/1/2043	205,584.60					
			2/1/2044	102,792.30					
			8/1/2044	205,584.60					
			2/1/2045	102,792.30					
			8/1/2045	205,584.60					
			2/1/2046	102,792.30					
			8/1/2046	205,584.90					
						\$ 8,607,823.11	-	403,135.40	8,204,687.71

GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			Date	Outstanding December 31, 2020 Amount					
Skateboard Park	4/19/2005	120,000.00	2021	6,856.90	2.000%	\$ 38,681.54	-	6,721.80	31,959.74
			2022	6,994.72					
			2023	7,135.32					
			2024	7,278.74					
			2025	3,694.06					
						<u>\$ 38,681.54</u>	<u>-</u>	<u>6,721.80</u>	<u>31,959.74</u>

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
8th Street Field	1628	8/27/2013	8/21/2019 8/20/2020	8/21/2020 8/20/2021	1.500% 1.250%	1,400,000.00 -	- 1,110,000.00	1,400,000.00 -	- 1,110,000.00
Various Capital Improvements	1711	8/23/2017	8/21/2019 8/20/2020	8/21/2020 8/20/2021	1.500% 1.250%	3,655,000.00 -	- 3,541,000.00	3,655,000.00 -	- 3,541,000.00
Various Capital Improvements	1738	8/22/2018	8/21/2019 8/20/2020	8/21/2020 8/20/2021	1.500% 1.250%	4,275,000.00 -	- 4,275,000.00	4,275,000.00 -	- 4,275,000.00
Various Capital Improvements	1760	8/21/2019	8/21/2019 8/20/2020	8/21/2020 8/20/2021	1.500% 1.250%	1,000,000.00 -	- 2,850,000.00	1,000,000.00 -	- 2,850,000.00
Various Capital Improvements	1771	8/21/2019	8/21/2019 8/20/2020	8/21/2020 8/20/2021	1.500% 1.250%	4,500,000.00 -	- 8,550,000.00	4,500,000.00 -	- 8,550,000.00
\$						14,830,000.00	20,326,000.00	14,830,000.00	20,326,000.00

GENERAL CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Debt Issued	Canceled	Balance Dec. 31, 2020
1760	Various Capital Improvements	\$ 1,850,000.00	-	1,850,000.00	-	-
1771	Various Capital Improvements	4,050,000.00	-	4,050,000.00	-	-
		<u>\$ 5,900,000.00</u>	<u>-</u>	<u>5,900,000.00</u>	<u>-</u>	<u>-</u>
				\$ 5,900,000.00	New Notes Issued	
				5,900,000.00	Budget Appropriation	
				<u>\$ 11,800,000.00</u>		

CITY OF NORTH WILDWOOD

PART II

GENERAL COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2020

GENERAL COMMENTS

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

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law." Effective July 1, 2015, the bid threshold was \$40,000. However, effective July 1, 2020, pursuant to subsection b. of section 9 of P.L. 1971, c. 198 (C.40A:11-9), the governing body can establish the bid threshold at \$44,000.00 with the appointment of a qualified purchasing agent. The City adopted the bid threshold of \$44,000.00.

The governing body of the City of North Wildwood has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in a violation of the statute, the City Counsel's opinion should be sought before a commitment is made.

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

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

Collection of Interest on Delinquent Taxes and Assessments

The statutes provide 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 adopted the following resolution on January 7, 2020 authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the City Council of the City of North Wildwood, in the County of Cape May that pursuant to N.J.S.A. 54:4-67, the following interest rates be and are hereby fixed for property taxes and other municipal claims, which may be or may hereafter become delinquent, at 8% per annum on the first \$1,500.00 of the aggregate delinquency and 18% per annum on any amount in excess of \$1,500.00 of the aggregate delinquency.

BE IT FURTHER RESOLVED that there be accorded to the taxpayer a ten (10) day grace period for the payment of property taxes from the date when due, after which the payments on said municipal assessments shall become delinquent and interest payable there under as fixed by this resolution shall be calculated from the due date of said municipal claims and assessments.

It appears from an examination of the collector's records that interest was charged in accordance with the forgoing resolution.

Delinquent Taxes and Tax Title Liens

The tax sale was held on December 29, 2020 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31st of the last three years:

<u>Year</u>	<u>Number</u>
2020	5
2019	6
2018	4

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

Verification of Delinquent Taxes and Other Charges

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

<u>Type:</u>	<u>Number Mailed</u>
Payments of 2020 and 2021 Taxes	10
Delinquent Taxes	3
Current Water and Sewer Utility Rents	10
Delinquent Water and Sewer Rents	5
Total	<u>28</u>

As of the date of this audit report, all verifications have not been returned. However, no problems were noted with those that have been returned.

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently Cash Collections</u>	<u>Percentage of Collections</u>
2020 \$	35,700,826.87	35,622,663.99	99.78%
2019	34,222,950.25	34,158,034.81	99.81%
2018	33,127,671.45	32,987,795.06	99.58%
2017	32,296,325.16	32,117,396.22	99.45%
2016	31,625,769.98	31,459,646.77	99.47%

Comparative Schedule of Tax Rate Information

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	\$ 1.351	1.306	1.269	1.242	1.218
Apportionment of Tax Rate:					
Municipal	0.775	0.745	0.718	0.708	0.698
County	0.293	0.281	0.272	0.261	0.252
Local School	0.283	0.28	0.279	0.273	0.268
Assessed Valuation	2,620,112,600	2,606,307,000	2,594,025,877	2,582,085,857	2,582,103,357

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2020 \$	862.24	8,355.58	9,217.82	0.03%
2019	10,151.75	131,990.18	142,141.93	0.42%
2018	5,607.05	159,531.87	165,138.92	0.50%
2017	280,898.77	496,633.01	777,531.78	2.41%
2016	275,359.24	489,051.76	764,411.00	2.42%

Uniform Construction Code

The City of North Wildwood construction code official is in compliance with uniform construction code rules NJAC 5:23.17(b) 2 and NJAC 5:23.4.17(b) 3.

Deposit of Municipal Funds

N.J.S.A. 40A:5-15 states:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. be deposited to the credit of the local unit in its designated legal depository.”

Our examination revealed that municipal funds were deposited within the mandated time with some exceptions relating to deposits made on behalf of the City Clerk. However, they appear to be isolated incidents.

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RECOMMENDATIONS

None.

The problems and weaknesses noted in my review were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comment or recommendation, or should you desire assistance in implementing my recommendation, please do not hesitate to contact me.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

June 11, 2021