

**CITY OF NORTH WILDWOOD**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2021**



**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, 2021**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Statements**

#### ***Opinions***

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, 2021 and 2020, 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, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### ***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, 2021 and 2020, or changes in financial position for the years then ended.

#### ***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2021 and 2020, 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, 2021 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.

#### ***Basis for Opinions***

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

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

As described in Note 1 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.

### ***Responsibilities of Management 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.

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

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

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division of Local Government Services, we:

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of North Wildwood basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

The letter of comments and recommendations section has not been subject 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 July 29, 2022, 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 the effectiveness 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.

***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**

**July 29, 2022**

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**EXHIBIT - A**  
**CURRENT FUND**



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

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 13,914,205.68	13,011,806.12
Cash - Change	1,450.00	1,450.00
Total Cash	<u>13,915,655.68</u>	<u>13,013,256.12</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	2,052.74	243.43
Total Other Receivables	<u>2,052.74</u>	<u>243.43</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	-	8,355.58
Tax Title and Other Liens	1,066.26	862.24
Property Acquired for Taxes - at Assessed Valuation	4,300.00	4,300.00
Revenue Accounts Receivable	350,845.01	279,772.32
Interfund Receivable:		
General Capital	4,636.03	-
Trust - Other	4,878.98	-
Animal Control	1,455.78	1,144.18
Grant Fund	-	-
Total Receivables and Other Assets	<u>367,182.06</u>	<u>294,434.32</u>
Total Regular Fund	<u>14,284,890.48</u>	<u>13,307,933.87</u>
Federal and State Grant Fund:		
Cash	-	-
Federal and State Grants Receivable	2,195,706.19	1,613,800.00
Due from Current Fund	143,900.54	96,442.37
Due from Trust Funds	-	4,878.98
Due from General Capital	-	4,636.03
Total Federal and State Grant Fund	<u>2,339,606.73</u>	<u>1,719,757.38</u>
Total Current Fund	<u>\$ 16,624,497.21</u>	<u>15,027,691.25</u>

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

	<u>2021</u>	<u>2020</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,601,347.43	2,076,189.21
Reserve for Encumbrances	328,985.33	275,668.48
Accounts Payable	2,433.54	20,338.10
Prepaid Taxes	1,356,173.76	1,204,584.03
Overpaid Taxes	176,046.01	184,920.53
Sewer Rent Overpayments	75,399.07	81,852.03
Local School Tax Payable	2,559,387.10	2,445,503.74
County Added Tax Payable	38,561.43	38,622.86
Special District Tax Payable	257.83	257.83
Due to State:		
Marriage Licenses	125.00	185.00
Interfund Payable:		
Federal and State Grant Fund	143,900.54	96,442.37
Tax Title Lien Redemption	4,324.54	4,324.54
Tourism	162.00	162.00
GWTIDA	3,745.00	1,910.00
Other		
Payroll Taxes Payable	76,203.00	196,598.30
Reserve for Hereford Park Improvements	9,001.00	9,001.00
Reserve for Beach Repairs	3,221.34	54,899.51
Reserve for State Tax Appeal	80,000.00	80,000.00
Reserve for 1.85% Room Tax	357,199.29	207,832.00
	<u>6,816,473.21</u>	<u>6,979,291.53</u>
Reserve for Receivables and Other Assets	367,182.06	294,434.32
Fund Balance	<u>7,101,235.21</u>	<u>6,034,208.02</u>
Total Regular Fund	<u>14,284,890.48</u>	<u>13,307,933.87</u>
Federal and State Grant Fund:		
Unappropriated Reserves	246,403.20	34,311.66
Appropriated Reserves	1,922,463.34	1,472,445.72
Encumbrances Payable	170,740.19	213,000.00
Total Federal and State Grant Fund	<u>2,339,606.73</u>	<u>1,719,757.38</u>
Total Current Fund	<u>\$ 16,624,497.21</u>	<u>15,027,691.25</u>

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

	2021	2020
Revenue and Other Income Realized		
Fund Balance	\$ 3,400,000.00	3,000,000.00
Miscellaneous Revenue Anticipated	10,117,874.43	10,313,121.11
Receipts from Delinquent Taxes	4,646.85	139,294.16
Receipts from Current Taxes	37,307,807.38	35,622,663.99
Non Budget Revenue	956,976.40	373,759.06
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	1,954,718.84	1,585,047.46
Interfund Returned	-	51,373.60
Accounts Payable Cancelled	3,825.90	-
Grant Appropriation Cancelled	12,602.79	14,388.74
Total Income	<u>53,758,452.59</u>	<u>51,099,648.12</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	10,117,778.28	9,546,531.44
Other Expenses	8,177,691.27	8,291,172.51
Deferred Charges & Statutory Expenditures	2,074,145.00	1,915,676.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	-	-
Other Expenses	4,283,200.57	4,459,355.36
Capital Improvements	3,000,000.00	2,430,000.00
Reserve for Beach Repairs	-	-
Debt Service	5,768,109.25	6,217,165.18
Deferred Charges	-	60,000.00
Local District School Tax	7,561,006.00	7,390,181.00
County Tax	8,197,945.63	7,634,235.79
County Share of Added Tax	38,561.43	38,622.86
Interfund Created	574.06	15,625.83
Refund of Prior Year's Revenue - Taxes	398.90	9,207.99
Other:		
Special District Taxes	62,500.00	62,500.00
Grant Receiveables Cancelled	9,515.01	-
Total Expenditures	<u>49,291,425.40</u>	<u>48,070,273.96</u>
Excess/(Deficit) in Revenue	<u>4,467,027.19</u>	<u>3,029,374.16</u>

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

	<u>2021</u>	<u>2020</u>
Statutory Excess to Fund Balance	<u>4,467,027.19</u>	<u>3,029,374.16</u>
Fund Balance January 1	<u>6,034,208.02</u>	<u>6,004,833.86</u>
	10,501,235.21	9,034,208.02
Decreased by:		
Utilization as Anticipated Revenue	<u>3,400,000.00</u>	<u>3,000,000.00</u>
Fund Balance December 31	\$ <u><u>7,101,235.21</u></u>	<u><u>6,034,208.02</u></u>

**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Anticipated			Excess or
	Budget	N.J.S. 40A:4-87	Realized	(Deficit)
Fund Balance Anticipated	\$ 3,400,000.00	-	3,400,000.00	-
Total Fund Balance Anticipated	3,400,000.00	-	3,400,000.00	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	53,000.00	-	85,200.00	32,200.00
Other	103,500.00	-	114,371.00	10,871.00
Fees and Permits	348,050.00	-	509,624.48	161,574.48
Fines and Costs:				
Municipal Court	190,000.00	-	217,839.74	27,839.74
Interest and Costs on Taxes	75,000.00	-	72,035.28	(2,964.72)
Interest Earned on Investments	129,257.67	-	74,955.33	(54,302.34)
Parking Meters	900,000.00	-	1,001,647.03	101,647.03
Emergency Rescue Services	215,000.00	-	269,731.76	54,731.76
Fire Inspector Fees	220,000.00	-	213,783.15	(6,216.85)
Sewer Rents	4,940,000.00	-	5,286,103.50	346,103.50
Tram Car Lease	17,000.00	-	37,500.00	20,500.00
Rental of City Property	65,000.00	-	87,747.25	22,747.25
Total Section A: Local Revenues	7,255,807.67	-	7,970,538.52	714,730.85
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				
Clean Communities Program	34,311.66	-	34,311.66	-
NJ DOT Reconstruction East 5th Avenue	-	200,000.00	200,000.00	-
Small Cities CDBG (Veterans Park ADA Improvements)	-	400,000.00	400,000.00	-
Body Armor Grant	-	2,218.72	2,218.72	-
Body Worn Camera Grant	-	101,900.00	101,900.00	-
Assistance to Firefighters Grant	-	18,756.19	18,756.19	-
Total Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations	34,311.66	722,874.91	757,186.57	-
Section G: Other Special Items				
Uniform Fire Safety Act	20,000.00	-	26,908.39	6,908.39
1.85% Beach Maintenance	207,832.00	-	207,832.00	-
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	-
Wildwood Crest - Municipal Courts	65,000.00	-	69,381.95	4,381.95
Total Section G: Other Special Items	936,832.00	-	948,122.34	11,290.34
Total Miscellaneous Revenues:	8,668,978.33	722,874.91	10,117,874.43	726,021.19
Receipts from Delinquent Taxes	-	-	4,646.85	4,646.85
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	21,263,058.59	-	22,035,283.26	772,224.67
Total Amount to be Raised by Taxes for Support of Municipal Budget	21,263,058.59	-	22,035,283.26	772,224.67
Budget Totals	33,332,036.92	722,874.91	35,557,804.54	1,502,892.71
Non- Budget Revenues:				
Other Non- Budget Revenues:	-	-	956,976.40	956,976.40
	33,332,036.92	722,874.91	36,514,780.94	2,459,869.11

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	37,307,807.38
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Less: Reserve for Tax Appeals Pending	
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Net Revenue from Collections	37,307,807.38
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Allocated to:

School, County and Other Taxes	15,860,013.06
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Balance for Support of Municipal Budget Appropriations	21,447,794.32
--------------------------------------------------------	---------------

Increased by:

Appropriation "Reserved for Uncollected Taxes"	587,488.94
------------------------------------------------	------------

Amount for Support of Municipal Budget Appropriation	22,035,283.26
------------------------------------------------------	---------------

Receipts from Delinquent Taxes:

Delinquent Tax Collection	4,646.85
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Tax Title Lien Collections	-
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Total Receipts from Delinquent Taxe:	4,646.85
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Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Bathroom Leases	7,500.00
Bookkeeping	168.00
Bureau of Housing Inspection	16,669.00
Cape May County	2,233.00
Credit Card Overages Permits	21.38
Crown Castle Lease	3,649.86
GovDeals	40.01
GWTIDA Event Support	32,101.70
Interest - Dividend	1,142.86
JIF Reimbursements	6,482.85
NSF Fee - Finance	20.00
P-Card Rebates	12,287.20
Photocopies	1,463.82
Prior Year Reimbursement	60.33
RAFF Recycling	14,534.64
Refunds	29.61
Sale of Land	467,403.15
Small Cities Mortgage Fees	300.00
Special Event License	32,197.60
Special Event Room Rental	1,100.00
Special Events Labor Equipment	16,783.63
State of NJ	1,400.88
UCC - Admin Fees 12/20-11/21	275,714.00
Unclaimed Property	4,499.99
Vendor Refunds	14.00
Zoning Fees	27,931.28
Interest on Delinquent Sewer	30,718.65
Lot Maintenance	488.96
Sewer Collector Other	20.00

Total Miscellaneous Revenue Not Anticipate:	956,976.40
---------------------------------------------	------------

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
General Administration						
Salaries and Wages	\$ 177,278.12	177,278.12	170,144.17	-	7,133.95	-
Other Expenses	134,200.00	134,200.00	119,985.50	5,281.84	8,932.66	-
Mayor and Council						
Salaries and Wages	112,062.00	112,062.00	111,317.27	-	744.73	-
Other Expenses	5,000.00	5,000.00	4,730.95	250.00	19.05	-
City Clerk						
Salaries and Wages	240,245.70	240,245.70	235,555.34	-	4,690.36	-
Other Expenses	85,000.00	85,000.00	79,835.48	2,159.32	3,005.20	-
Financial Administration						
Salaries and Wages	252,530.34	252,530.34	245,305.66	-	7,224.68	-
Other Expenses	72,185.00	72,185.00	46,713.79	300.00	25,171.21	-
Ambulance Billing Administration Fee						
Other Expenses	24,000.00	24,000.00	14,284.85	-	9,715.15	-
Audit Services						
Other Expenses	44,000.00	44,000.00	44,000.00	-	-	-
Assessment of Taxes						
Salaries and Wages	36,771.88	36,771.88	36,101.31	-	670.57	-
Other Expenses	111,600.00	111,600.00	74,916.38	1,795.85	34,887.77	-
Collection of Taxes						
Salaries and Wages	183,025.50	183,025.50	181,659.45	-	1,366.05	-
Other Expenses	33,500.00	33,500.00	22,398.87	1,090.49	10,010.64	-
Legal Services						
Other Expenses	250,000.00	250,000.00	226,478.30	14,388.76	9,132.94	-
Engineering Services						
Other Expenses	200,000.00	200,000.00	197,665.98	-	2,334.02	-
LAND USE ADMINISTRATION						
Zoning Board of Adjustment						
Salaries and Wages	54,060.37	54,060.37	53,849.97	-	210.40	-
Other Expenses	37,250.00	37,250.00	22,914.87	10,200.00	4,135.13	-
INSURANCE						
General Liability	250,005.00	250,005.00	215,328.00	-	34,677.00	-
Workers Compensation Insurance	333,222.00	333,222.00	333,222.00	-	-	-
Employee Group Health	2,195,000.00	2,195,000.00	1,955,788.50	-	239,211.50	-
Health Benefits Waiver						
Salaries and Wages	8,000.00	8,000.00	8,000.00	-	-	-
PUBLIC SAFETY						
Fire						
Salaries and Wages	1,655,374.00	1,655,374.00	1,509,868.08	-	145,505.92	-
Other Expenses	269,300.00	269,300.00	211,285.03	46,908.87	11,106.10	-
Fire Safety Act						
Salaries and Wages	167,783.25	167,783.25	151,680.78	-	16,102.47	-
Other Expenses	25,500.00	25,500.00	12,957.24	2,971.86	9,570.90	-
Aid to Volunteer Fire Company						
Other Expenses	55,000.00	55,000.00	52,000.00	-	3,000.00	-
Police						
Salaries and Wages	3,871,482.27	3,871,482.27	3,712,972.20	-	158,510.07	-
Other Expenses	359,797.23	359,797.23	275,610.88	64,969.30	19,217.05	-
Emergency Management Services						
Salaries and Wages	17,205.18	17,205.18	14,590.42	-	2,614.76	-
Other Expenses	20,900.00	20,900.00	12,411.61	3,138.16	5,350.23	-
Municipal Court						
Salaries and Wages	173,428.29	173,428.29	166,108.57	-	7,319.72	-
Other Expenses	22,400.00	22,400.00	16,522.13	72.00	5,805.87	-
Municipal Prosecutor						
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	1,419,773.42	1,387,353.38	1,203,943.99	-	183,409.39	-
Other Expenses	626,700.00	626,700.00	572,739.50	34,068.53	19,891.97	-
Garbage and Trash						
Other Expenses	630,000.00	631,465.79	623,813.79	7,650.00	2.00	-
Public Buildings and Grounds						
Salaries and Wages	537,608.55	537,608.55	448,725.95	-	88,882.60	-
Other Expenses	343,950.00	343,950.00	136,074.82	113,898.87	93,976.31	-
Fleet Maintenance						
Other Expenses	400,000.00	400,000.00	275,891.02	4,719.30	119,389.68	-
HEALTH AND HUMAN SERVICES						
Dog Regulation Other Expenses	40,000.00	40,000.00	20,426.45	-	19,573.55	-

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Appropriations		Expended			(Over expended)
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Unexpended Balance Cancelled
<b>PARKS AND RECREATION</b>						
Lifeguards						
Salaries and Wages	639,131.77	639,131.77	590,057.46	-	49,074.31	-
Other Expenses	60,000.00	60,000.00	53,232.18	2,498.60	4,269.22	-
Recreation Center						
Salaries and Wages	472,562.68	472,562.68	457,474.85	-	15,087.83	-
Other Expenses	49,100.00	49,100.00	46,476.32	2,431.29	192.39	-
<b>UNIFORM CONSTRUCTION CODE</b>						
State Uniform Construction Code						
Construction Official						
Salaries and Wages	131,875.00	131,875.00	124,316.73	-	7,558.27	-
Other Expenses	17,000.00	17,000.00	9,453.24	3,768.37	3,778.39	-
<b>UNCLASSIFIED</b>						
Celebration of Public Events, Anniversary etc.						
Other Expenses	95,300.00	95,300.00	74,168.40	2,503.00	18,628.60	-
<b>UTILITY EXPENSES AND BULK PURCHASES</b>						
Electricity	180,000.00	180,000.00	177,495.22	-	2,504.78	-
Street Lighting	240,000.00	240,000.00	141,274.40	-	98,725.60	-
Telephone	111,000.00	111,000.00	75,515.51	708.12	34,776.37	-
Natural Gas	85,000.00	85,000.00	64,854.64	2,047.80	18,097.56	-
Water	160,000.00	160,000.00	152,631.50	-	7,368.50	-
Gasoline	150,000.00	150,000.00	142,826.83	1,165.00	6,008.17	-
Traffic Lights	30,000.00	30,000.00	29,995.59	-	4.41	-
Cape May County MUA - Tipping Fees	370,000.00	373,656.25	373,656.25	-	-	-
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>18,322,267.55</b>	<b>18,294,969.55</b>	<b>16,387,408.22</b>	<b>328,985.33</b>	<b>1,578,576.00</b>	<b>-</b>
Contingent	500.00	500.00	-	-	500.00	-
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<b>18,322,767.55</b>	<b>18,295,469.55</b>	<b>16,387,408.22</b>	<b>328,985.33</b>	<b>1,579,076.00</b>	<b>-</b>
Detail:						
Salaries and Wages	10,150,198.32	10,117,778.28	9,421,672.20	-	696,106.08	-
Other Expenses	8,172,569.23	8,177,691.27	6,965,736.02	328,985.33	882,969.92	-
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>						
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	472,270.00	472,270.00	472,270.00	-	-	-
Social Security System (O.A.S.I.)	460,000.00	481,000.00	479,388.53	-	1,611.47	-
Police and Firemen's Retirement System	1,011,575.00	1,011,575.00	1,011,575.00	-	-	-
Unemployment Compensation Insurance	45,000.00	45,000.00	41,720.70	-	3,279.30	-
Lifeguard Pension	24,000.00	24,000.00	19,585.28	-	4,414.72	-
Retirement Reserve	39,000.00	39,000.00	30,000.00	-	9,000.00	-
Defined Contribution Retirement Program	1,300.00	1,300.00	1,079.56	-	220.44	-
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>	<b>2,053,145.00</b>	<b>2,074,145.00</b>	<b>2,055,619.07</b>	<b>-</b>	<b>18,525.93</b>	<b>-</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>20,375,912.55</b>	<b>20,369,614.55</b>	<b>18,443,027.29</b>	<b>328,985.33</b>	<b>1,597,601.93</b>	<b>-</b>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
(A) Operations - Excluded from "CAPS"						
Insurance: NJSA 40A:4-45.3						
Employee Group Health	-	-	-	-	-	-
Utilities Authority - Sewer Charges	3,479,716.00	3,486,014.00	3,486,014.00	-	-	-
Length of Service Award Program (LOSAP)	40,000.00	40,000.00	36,254.50	-	3,745.50	-
	<b>3,519,716.00</b>	<b>3,526,014.00</b>	<b>3,522,268.50</b>	<b>-</b>	<b>3,745.50</b>	<b>-</b>

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
(A) Public and Private Programs Off-Set by Revenues						
Body Worn Camera Grant	-	101,900.00	101,900.00	-	-	-
Clean Communities Program	34,311.66	34,311.66	34,311.66	-	-	-
NJ DOT Reconstruction East 5th Avenue	-	200,000.00	200,000.00	-	-	-
Small Cities CDBG (Veterans Park ADA Improvements)	-	400,000.00	400,000.00	-	-	-
Body Armor Grant	-	2,218.72	2,218.72	-	-	-
FEMA - Assistance to Firefighters	-	18,756.19	18,756.19	-	-	-
Total Public and Private Programs Off-Set by Revenues	34,311.66	757,186.57	757,186.57	-	-	-
Total Operations - Excluded from "CAPS"	3,554,027.66	4,283,200.57	4,279,455.07	-	3,745.50	-
Detail:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	3,554,027.66	4,283,200.57	4,279,455.07	-	3,745.50	-
(C) Capital Improvements						
Capital Improvement Fund	3,000,000.00	3,000,000.00	3,000,000.00	-	-	-
Reserve for Beach Repairs	-	-	-	-	-	-
Total Capital Improvements	3,000,000.00	3,000,000.00	3,000,000.00	-	-	-
(D) Debt Service						
Payment of Bond Principal	3,510,000.00	3,510,000.00	3,510,000.00	-	-	-
Payment of Bond Anticipation Notes	1,000.00	1,000.00	1,000.00	-	-	-
Interest on Bonds	962,825.00	962,825.00	962,825.00	-	-	-
Interest on Notes	254,075.00	254,075.00	254,074.97	-	-	0.03
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	7,462.00	7,462.00	7,461.98	-	-	0.02
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	236,849.37	236,849.37	227,493.67	-	-	9,355.70
NJEIT Payments 2017 Issues	535,564.40	535,564.40	498,421.63	-	-	37,142.77
Total Debt Service	5,814,607.77	5,814,607.77	5,768,109.25	-	-	46,498.52
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	12,368,635.43	13,097,808.34	13,047,564.32	-	3,745.50	46,498.52
SUBTOTAL GENERAL APPROPRIATIONS	32,744,547.98	33,467,422.89	31,490,591.61	328,985.33	1,601,347.43	46,498.52
(M) Reserve for Uncollected Taxes	587,488.94	587,488.94	587,488.94	-	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 33,332,036.92	34,054,911.83	32,078,080.55	328,985.33	1,601,347.43	46,498.52
Budget		33,332,036.92			Cancelled	46,498.52
Appropriations by 40A:4-87		722,874.91			Overexpended	-
		<u>34,054,911.83</u>				<u>46,498.52</u>
Reserve for Uncollected Taxes			587,488.94			
Federal and State Grants			757,186.57			
Disbursements			30,733,405.04			
			<u>32,078,080.55</u>			

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**EXHIBIT - B**  
**TRUST FUND**



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

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
<u>Animal Control Fund</u>		
Cash and Investments	\$ 2,239.58	\$ 1,811.38
	<u>2,239.58</u>	<u>1,811.38</u>
<u>Length of Service Award Programs (LOSAP)</u>		
Investments		
Mutual Funds	723,002.54	592,003.24
Employer Contribution Receivable	3,745.50	3,349.26
	<u>726,748.04</u>	<u>595,352.50</u>
<u>Other Funds</u>		
Cash and Investments	2,819,858.03	2,472,506.19
Due from Current Fund	4,324.54	4,324.54
	<u>2,824,182.57</u>	<u>2,476,830.73</u>
	<u>\$ 3,553,170.19</u>	<u>\$ 3,073,994.61</u>

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

	2021	2020
<u>Liabilities, Reserves and Fund Balance</u>		
<u>Animal Control Fund</u>		
Reserve for Dog Expenditures	\$ 778.40	\$ 667.20
Due to Current Fund	1,455.78	1,144.18
Due to State of New Jersey	5.40	-
	<u>2,239.58</u>	<u>1,811.38</u>
<u>Length of Service Award Programs (LOSAP)</u>		
Net Assets Available for Benefits	<u>726,748.04</u>	<u>595,352.50</u>
<u>Other Funds</u>		
Deposits for Redemption of Tax Sale Certificates	40,090.23	66,241.58
Premiums Received at Tax Sale	911,800.00	680,300.00
Due to Grant Fund	4,878.98	4,878.98
Reserve for Tourism Development	40,930.07	35,955.82
Reserve for Recreation	111,184.45	45,867.26
Reserve for Parking Offenses Adjudication Act	15,771.11	30,866.08
Reserve for Public Defender	15,744.52	15,644.52
Reserve for Municipal Alliance	19,147.27	19,147.03
Reserve for D.A.R.E.	1,078.68	1,078.68
Reserve for HEREFORD Lighthouse	34,313.81	56,926.44
Reserve for Forefeiture Trust	7,954.80	6,297.38
Reserve for Flex Savings	305.45	1,160.00
Reserve for Off Duty Police	102,264.99	51,579.74
Reserve for Recreation - Junior Lifeguards	3,789.21	3,228.71
Reserve for Lifeguard Pension	163,733.95	194,802.15
Reserve for Fire Prevention	22,087.28	21,004.39
Reserve for Small Cities Escrow	236,097.76	172,250.36
Reserve for Municipal Parking Improvements	8,503.22	8,469.28
Reserve for Developers' Escrow	875,072.88	868,502.16
Reserve for UEZ 2nd Generation Funds	15,000.00	15,000.00
Reserve for Memorials/Beautification Enhancement	75,381.14	77,166.17
Reserve for UCC Third Party	119,052.77	100,464.00
	<u>2,824,182.57</u>	<u>2,476,830.73</u>
	<u>\$ 3,553,170.19</u>	<u>\$ 3,073,994.61</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>ASSETS</u>	<u>2021</u>	<u>2020</u>
Cash	\$ 2,385,481.63	5,141,433.51
Deferred Charges to Future Taxation -		
Funded	58,162,975.79	43,017,553.60
Unfunded	18,825,000.00	20,326,000.00
Interfunds and Receivables		
NJEIT Receivable - 2017/A	65,841.00	1,032,391.00
	<u>79,439,298.42</u>	<u>69,517,378.11</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	881,984.27	1,291,571.70
Interfunds:		
Due to Current Fund	4,636.03	-
Due to Federal & State Grant Fund	-	4,636.03
Bond Anticipation Notes Payable	-	20,326,000.00
Serial Bonds Payable	40,425,000.00	24,540,000.00
Wastewater Treatment Trust Bonds	3,945,000.00	4,165,000.00
Wastewater Treatment Trust Loan	7,802,373.94	8,204,687.71
Green Trust Loan Payable	25,102.84	31,959.74
U.S.D.A. Bonds Payable	5,965,499.01	6,075,906.15
Improvement Authorizations:		
Funded	1,514,878.95	1,439,663.43
Unfunded	18,452,979.70	2,704,532.50
Reserve for Debt Service	241,683.77	313,260.94
Capital Improvement Fund	32,630.00	32,630.00
Fund Balance	147,529.91	387,529.91
	<u>\$ 79,439,298.42</u>	<u>69,517,378.11</u>
 There were bonds and notes authorized but not issued at December 31		
	2020	-
	2021	18,825,000.00

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

	<u>2021</u>	<u>2020</u>
Beginning Balance January 1	\$ 387,529.91	627,529.91
Decreased by:		
2020 Budget - Capital Surplus	240,000.00	240,000.00
	<u>                    </u>	<u>                    </u>
Ending Balance December 31	\$ <u>147,529.91</u>	<u>387,529.91</u>

**EXHIBIT - D**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**



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

	<u>2021</u>	<u>2020</u>
<u>General Fixed Assets</u>		
Land and Land Improvements	\$ 100,279,422.00	\$ 100,450,987.00
Buildings	18,865,271.00	19,025,100.00
Machinery and Equipment	9,749,575.00	8,621,899.00
	<u>\$ 128,894,268.00</u>	<u>\$ 128,097,986.00</u>
 Investment in General Fixed Assets	 \$ 128,894,268.00	 \$ 128,097,986.00
	<u>\$ 128,894,268.00</u>	<u>\$ 128,097,986.00</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, 2021 AND 2020**

**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, 2021 AND 2020**  
**(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, 2021 AND 2020**  
**(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, 2021 AND 2020**  
**(CONTINUED)**

**F. Recent Accounting Pronouncements Not Yet Effective**

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020". This statement, which is effective for periods beginning after June 15, 2021, and all reporting periods thereafter, 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, which is effective for periods beginning after June 15, 2021, and all reporting periods thereafter, will not have any effect on the City's financial reporting.

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 99, "Omnibus 2022". 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.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(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 2021 and 2020 statutory budgets included a reserve for uncollected taxes in the amount of \$587,488.94 and \$559,045.81. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2021 and 2020 statutory budgets was \$3,400,000.00 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 2021 and 2020 calendar years:

Budget Category		
<u>Current Fund</u>	<u>2021</u>	<u>2020</u>
General Administration		
Salaries and Wages	-	10,000.00
Legal Services		
Other Expenses	-	58,000.00
Public Works		
Salaries and Wages	-	(30,001.00)
Fire		
Salaries and Wages	-	(25,000.00)
Fire Safety Act		
Salaries and Wages	-	2,000.00
Police		
Salaries and Wages	-	(30,000.00)
Public Building and Grounds		
Other Expenses	(32,420.04)	12,000.00
Garbage and Trash		
Other Expenses	1,465.79	
Cape May County Tipping Fees	3,656.25	
Lifeguards		
Salaries and Wages	-	2,000.00
Lifeguard Pension	-	1,000.00
Utility Authority - Sewer Charges	6,298.00	1.00
Social Security System	21,000.00	

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(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 2021 and 2020, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2021</u>	<u>2020</u>
Small Cities CDBG	\$ 400,000.00	\$ 400,000.00
NJ DOT Reconstruction East 5th Avenue	200,000.00	-
Body Armor Fund	2,218.72	-
Assistance to Firefighters Grant	18,756.19	
NJ DOT E 7th Ave	-	185,000.00
Body Worn Camera Grant	101,900.00	-
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 2021.

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 2021.

**NOTE 3: INVESTMENTS**

As of December 31, 2021 and 2020, 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, 2021 and 2020 amounted to \$723,002.54 and \$592,003.24, respectively.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(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, 2021, \$2,828,328.11 of the municipality's bank balance of \$19,463,131.90 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, 2021 and 2020:

	Balance 12/31/2020	Additions	Retirements	Balance 12/31/2021
Land	\$ 100,450,987.00	-	171,565.00	100,279,422.00
Building	19,025,100.00	-	159,829.00	18,865,271.00
Equipment and Machinery	8,621,899.00	1,144,275.00	16,599.00	9,749,575.00
	<u>\$ 128,097,986.00</u>	<u>1,144,275.00</u>	<u>347,993.00</u>	<u>128,894,268.00</u>

  

	Balance 12/31/2019	Additions	Adjustments/ Retirements	Balance 12/30/2020
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>

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(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 12/31/20</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/21</u>
Bond Anticipation				
Notes payable:				
General	<u>\$ 20,326,000.00</u>	<u>-</u>	<u>20,326,000.00</u>	<u>-</u>
	<u>\$ 20,326,000.00</u>	<u>-</u>	<u>20,326,000.00</u>	<u>-</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, 2021, the entity has authorized but not issued bonds in the amount of \$18,825,000.00 in the General Capital Fund.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

**NOTE 7: LONG TERM DEBT**

Long-term debt as of December 31, 2021 and 2020 consisted of the following:

	Balance 12/31/2019	Issued	Retired	Balance 12/31/2020	Amounts Due Within *One Year
Bonds payable:					
General	\$ 38,527,854.78	-	3,746,948.63	34,780,906.15	3,730,000.00
Total	\$ 38,527,854.78	-	3,746,948.63	34,780,906.15	3,730,000.00
Other liabilities:					*
Loans Payable	\$ 8,646,504.65	-	409,857.20	8,236,647.45	409,170.67
Compensated					
Absences Payable	697,826.47	102,004.80	106,971.48	692,859.79	-
Total long-term liabilities	\$ 47,872,185.90	102,004.80	4,263,777.31	43,710,413.39	4,139,170.67
					Amounts Due Within *One Year
	Balance 12/31/20	Issued	Retired	Balance 12/31/21	
Bonds payable:					
General	\$ 34,780,906.15	19,395,000.00	3,840,407.14	50,335,499.01	3,595,000.00
Total	\$ 34,780,906.15	19,395,000.00	3,840,407.14	50,335,499.01	3,595,000.00
Other liabilities:					*
Loans Payable	\$ 8,236,647.45	-	409,170.67	7,827,476.78	408,322.76
Compensated					
Absences Payable	692,859.79	180,422.73	159,432.44	713,850.08	-
Total long-term liabilities	\$ 43,710,413.39	19,575,422.73	4,409,010.25	58,876,825.87	4,003,322.76

\*Excludes USDA Bonds Payable

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

At December 31, 2021, bonds and loans payable in the General Capital Fund consisted of the following individual issues:

\$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, 2021 is \$4,700,000.00.

\$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, 2021 is \$12,115,000.00.

\$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, 2021 is \$4,215,000.00.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

\$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, 2021 is \$135,000.00.

\$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, 2021 is \$3,810,000.00.

\$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, 2021 is \$92,951.14.

\$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, 2021 is \$7,709,422.80.

\$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, 2021 is \$25,102.84.

**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, 2021, is \$3,969,577.77.

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, 2021, is \$1,995,921.24.

**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>
2022	3,595,000.00	1,393,231.67
2023	3,750,000.00	1,270,662.50
2024	3,955,000.00	1,140,487.50
2025	4,160,000.00	1,000,937.50
2026	3,155,000.00	853,837.50
2027-2031	16,525,000.00	2,702,987.50
2032-2036	5,440,000.00	1,063,356.28
2037-2041	1,580,000.00	667,237.52
2042-2046	1,860,000.00	322,525.00
2047-2051	350,000.00	26,500.00
	<u>\$ 44,370,000.00</u>	<u>10,441,762.97</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).

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
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	308,376.90	-
2027-2031	1,541,884.50	-
2032-2036	1,541,884.50	-
2037-2041	1,541,884.50	-
2042-2046	1,541,884.80	-
	<u>7,827,476.78</u>	<u>1,014.11</u>

As of December 31, 2021, 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 \$1,216,899.97.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

<u>Summary of Municipal Debt</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Issued:</u>			
Serial Bonds Payable	\$ 40,425,000.00	\$ 24,540,000.00	\$ 27,970,000.00
Notes Payable	-	20,326,000.00	14,830,000.00
NJEIT Bonds Payable	3,945,000.00	4,165,000.00	4,375,000.00
NJEIT Loans Payable	7,802,373.94	8,204,687.71	8,607,823.11
U.S.D.A. Loans Payable	5,965,499.01	6,075,906.15	6,182,854.78
Green Trust Loans Payable	25,102.84	31,959.74	38,671.54
Total Issued	58,162,975.79	63,343,553.60	62,004,349.43
<u>Less :</u>			
Funds Temporarily Held to Pay Bonds and Notes General	\$ 241,683.77	\$ 313,260.94	\$ 136,391.38
Total Deductions :	241,683.77	313,260.94	136,391.38
Net Debt Issued :	57,921,292.02	63,030,292.66	61,867,958.05
<u>Authorized but not issued:</u>			
General - Bonds and Notes	\$ 18,825,000.00	\$ -	\$ 59,000.00
Total Authorized But Not Issued	18,825,000.00	-	59,000.00
Total Bonds & Notes Issued and Authorized But Not Issued	\$ 76,746,292.02	\$ 63,030,292.66	\$ 61,926,958.05

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 2.590%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 4,340,000.00	4,340,000.00	-
General Debt	76,987,975.79	241,683.77	76,746,292.02
	\$ 81,327,975.79	\$ 4,581,683.77	\$ 76,746,292.02

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

Net Debt \$76,746,292.02 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,962,722,715.67 = 2.590%.

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

3 1/2 % of Equalized Valuation Basis ( Municipal)	\$	103,695,295.00
Net Debt		76,746,292.02
Remaining Borrowing Power	\$	<u>26,949,002.98</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, 2021 and 2020, which were appropriated and included as anticipated revenue in the current fund for the year ending December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Current Fund	\$ 3,525,000.00	3,400,000.00

**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, 2021, 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>12/31/2021</u>	<u>12/31/2020</u>
Balance of Tax	\$ 5,039,174.60	\$ 4,925,291.24
Deferred	2,479,787.50	2,479,787.50
Tax Payable	<u>\$ 2,559,387.10</u>	<u>\$ 2,445,503.74</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 12/31/21</u>	<u>Balance 12/31/20</u>
Prepaid Taxes	\$ 1,356,173.76	\$ 1,204,584.03
Cash Liability for Taxes Collected in Advance	<u>\$ 1,356,173.76</u>	<u>\$ 1,204,584.03</u>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(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, 2021 AND 2020**  
**(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, 2021, 2020, and 2019 were \$472,270.00, \$402,507.00, and \$460,529.00.

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, 2021, 2020, and 2019 were \$1,011,575.00, \$946,327.64, and \$884,796.00.

The total payroll for the year ended December 31, 2021, 2020 and 2019 was \$9,555,378.92, \$8,959,613.36, and 8,901,479.48. Payroll covered by PFRS was \$3,579,729.00, \$3,410,054.00, and \$3,224,218.00. Payroll covered by PERS was \$4,103,698.00, \$3,022,735.00, and \$3,063,467.00.

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, 2021, 2020, and 2019 was \$19,585.28, \$20,500.68, and \$17,727.10. The City's trust for the Lifeguard Pension at December 31, 2021 was \$163,733.95. Currently there are eleven individuals receiving benefits. The benefits paid by the trust for the year ended December 31, 2021, 2020 and 2019 were \$70,871.06, \$48,951.68, and \$58,400.76.

*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, 2021 AND 2020**  
**(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 1/60<sup>th</sup> from 1/55<sup>th</sup>, 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 1/7<sup>th</sup> 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, 2020:

**Public Employees' Retirement System**

The City has a liability of \$7,040,077.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 that was rolled forward to June 30, 2020. 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, 2020, the Municipality's proportion would be 0.04317109450%, which would be an increase of 4.91% from its proportion measured as of June 30, 2019.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

For the year ended December 31, 2020, the Municipality would have recognized pension expense of \$288,749.00. At December 31, 2020, 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	\$ 128,188.00	\$ (24,897.00)
Changes of assumptions	228,388.00	(2,947,747.00)
Changes in proportion	714,042.00	
Net difference between projected and actual earnings on pension plan investments	240,635.00	(152,955.00)
Total	<u>\$ 1,311,253.00</u>	<u>\$ (3,125,599.00)</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,	
2021	\$ (674,738.35)
2022	(615,156.23)
2023	(351,546.07)
2024	(142,159.31)
2025	(30,746.04)
Total	<u>\$ (1,814,346.00)</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2021 AND 2020**  
**(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 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disable retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2019 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, 2020) 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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

*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 7.00%, 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 (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipality's proportionate share of the net pension liability	\$ 8,384,712.26	\$ 7,040,077.00	\$ 5,900,584.38

*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 \$11,699,986.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2019 that was rolled forward to June 30, 2020. 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, 2020, the Municipality's proportion would be 0.09054792260%, which would be an increase of 0.19% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Municipality would have recognized pension expense of \$873,750.00. At December 31, 2020, 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	\$ 117,956.00	\$ (41,990.00)
Changes of assumptions	29,443.00	(3,136,696.00)
Changes in proportion	653,456.00	(305,778.00)
Net difference between projected and actual earnings on pension plan investments	686,025.00	
Total	<u>\$ 1,486,880.00</u>	<u>\$ (3,484,464.00)</u>

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

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,		
2021	\$	(932,203.68)
2022		(629,124.51)
2023		(256,120.97)
2024		(96,753.36)
2025		(83,381.48)
Total	\$	<u>(1,997,584.00)</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	3.25% - 15.25% (based on years of service)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152% 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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 78% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

*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, 2020, 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:

	Decrease (6.00%)	Rate (7.00%)	Increase (8.00%)
District's proportionate share of the net pension liability	\$ 15,121,666.85	\$ 11,699,986.00	\$ 8,858,094.50

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, 2020 State special funding situation net pension liability amount of \$2,005,329,818.00 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, 2020 State special funding situation pension expense of \$227,263,993.00 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2020. 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 2020, 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 0.09054792260% for 2020. The net pension liability amount allocated to the Municipality was \$1,815,784.00. For the fiscal year ending June 30, 2020 State special funding situation pension expense of \$205,783.00 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.

**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.

**NOTES TO FINANCIAL STATEMENTS**  
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**(CONTINUED)**

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, which ever 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, which ever 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.

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.

**NOTES TO FINANCIAL STATEMENTS**  
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**(CONTINUED)**

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 ever 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 \$818.04 to \$2,282.34 monthly per retiree.

The City of North Wildwood contributions to SHBP for post-retirement benefits for the year ended December 31, 2021, 2020, and 2019 were \$270,060.94, \$235,796.56, and \$286,784.54, respectively, which equaled the required contribution for the year.

**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>.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

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.

*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, 2020 were \$5,512,481,278 and \$12,598,993,950, 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, 2019 through June 30, 2020. Employer and non-employer allocation percentages have been rounded for presentation purposes.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

*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, 2020 is as follows:

	<b>June 30, 2020</b>	
	<b>Collective Total</b>	<b>Proportionate Share</b>
Total OPEB Liability	\$ \$ 18,111,485,228.00	\$ \$ 13,383,836.00
Plan Fiduciary Net Position	164,862,282.00	121,828.00
Net OPEB Liability	<u>\$ \$ 17,946,622,946.00</u>	<u>\$ \$ 13,262,008.00</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%	0.91%

At June 30, 2020 the City's proportionate share of the Collective Net OPEB Liability was \$13,262,008.00. The State's proportionate share for the Special Funding Situation that is associated with the City is \$13,490,523.00. The City's proportion of the Collective Net OPEB Liability was .073897% which was an increase from the prior year of .78%. The State's proportionate share attributable to the City of the Collective Net OPEB Liability for the Special Funding Situation was .246975% which was an increase from the prior year of 26.94%.

City's Proportionate Share of Collective Net OPEB Liability	\$ \$ 13,262,008.00
State's proportionate share that is associated with the City	13,490,523.00
Total	<u>\$ \$ 26,752,531.00</u>

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

For the Year ended June 30, 2020 the City's Total OPEB Expense was \$45,419.00 and the State of New Jersey realized Total OPEB Expense in the amount of \$671,562.00 for its proportionate share of Total OPEB Expense that is associated with the City.

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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-2020

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

Actuarial assumptions used in the July 1, 2019 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.

**Health Care Trend Assumptions**

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

**Discount Rate**

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

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

The following presents the Net OPEB liability as of June 30, 2020, 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 (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Collective			
Net OPEB Liability	\$ 21,216,688,254.00	\$ 17,946,612,946.00	\$ 15,358,051,000.00
Proportionate Share			
Net OPEB Liability	\$ 15,678,495.45	\$ 13,262,008.00	\$ 11,349,138.46

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

The following presents the net OPEB liability as of June 30, 2020, 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	\$ 14,850,840,718.00	\$ 17,946,612,946.00	\$ 22,000,569,109.00
Proportionate Share			
Net OPEB Liability	\$ 10,974,325.29	\$ 13,262,008.00	\$ 16,257,759.86

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

At June 30, 2020, 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	\$ 472,699,992.00	\$ (3,341,994,109.00)	\$ 349,311.00	\$ (2,469,633.00)
Changes of assumptions	2,684,248,513.00	(3,991,049,511.00)	1,983,579.00	(2,949,266.00)
Net difference between projected and actual earnings on OPEB plan investments	11,397,084.00		8,422.00	
Changes in proportion and differences between contributions and proportionate share of contributions			798,187.00	(1,345,681.00)
Total	\$ 3,168,345,589.00	\$ (7,333,043,620.00)	\$ 3,139,499.00	\$ (6,764,580.00)

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

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
2021	\$ (964,720,007.00)	\$ (839,721.91)
2022	(965,594,678.00)	(840,483.25)
2023	(967,008,484.00)	(841,713.87)
2024	(968,300,349.00)	(842,838.35)
2025	(660,258,014.00)	(574,708.84)
Thereafter	361,183,501.00	314,385.21
Total	\$ <u>(4,164,698,031.00)</u>	\$ <u>(3,625,081.00)</u>

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, 2020 are as follows:

Service cost	\$ 605,949,339
Interest on Total OPEB Liability	497,444,533
Expected Investment Return	(7,632,336)
Administrative Expenses	9,913,267
Changes of Benefit Terms	1,034,142
Current Period Recognition (Amortization) of Deferred Inflows/	
Outflows of Resources:	
Differences between Expected and Actual Experience	(550,598,668)
Changes in Assumptions	(418,656,482)
Differences between Projected and Actual Investment	
Earnings on OPEB Plan Investments	4,535,144
Total Collective OPEB Expense	\$ <u>141,988,939</u>

*Schedule of City's Share of Net OPEB Liability*

	2020	2019	2018
City's Proportionate Share of Net OPEB Liability	0.07390%	0.07333%	0.08111%
City's Share of Net OPEB Liability	\$ 13,262,008.00	9,932,657.00	12,707,194.00
City's Covered Payroll	6,432,789.00	6,287,748.00	5,922,555.00
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	206.16%	157.97%	214.56%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%	1.97%	1.98%

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

**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 \$713,850.08 in 2021 and \$692,859.80 in 2020. 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, 2021 and 2020 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.

**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

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

**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.

**NOTE 21: INTERFUND BALANCES**

During the most current calendar year ended December 31, 2021, 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	\$ 1,455.78	-
Trust -TTL Redemption	-	4,324.54
General Capital Fund	4,636.03	-
Trust Other	4,878.98	-
Grant Fund	-	143,900.54
Grant Fund:		
Current Fund	143,900.54	-
Trust Fund:		
Current - Animal Control Fund	-	1,455.78
Current - TTL Redemption	4,324.54	-
Grant - Federal & State	-	4,878.98
General Capital Fund:		
Grant Fund	-	4,636.03
	\$ <u>159,195.87</u>	<u>159,195.87</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, 2021 is \$80,000.00.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

**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 \$40,000.00 and \$35,000.00 in 2021 and 2020 budgets, respectively for contributions to the LOSAP for volunteers who have met the established criteria.

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 July 29, 2022, the date which the financial statements were available to be issued and identified no events requiring disclosure.

## **SUPPLEMENTARY INFORMATION**





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

To the Honorable Mayor and  
Members of the City Counsel  
City of North Wildwood  
County of Cape May, 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 financial statements – regulatory basis, as listed in the accompanying table of contents, of the City of North Wildwood, State of New Jersey, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 29, 2022, which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, the City of North Wildwood prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey.

**Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of 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.

### **Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*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

July 29, 2022

**CITY OF NORTH WILDWOOD**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

**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?      | <b>NO</b> |
| 2) Significant Deficiency identified? | <b>NO</b> |

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 2021.

**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, 2020	\$ 13,011,806.12	-
Increased by Receipts:		
Tax Collector	42,816,295.81	-
Homestead Rebate	48,508.64	-
Revenue Accounts Receivable	3,790,360.42	-
Miscellaneous Revenue Not Anticipated	925,748.79	-
Due from State - Veterans and Senior Citizens	56,871.29	-
Payroll Deductions Payable	9,749,238.57	-
Marriage License Fees Due to State	775.00	-
Reserve for 1.85% Room Tax	357,199.29	-
Issuance of Petty Cash	1,200.00	-
Due from Federal and State Grant Fund	387,371.92	-
Due to GWTIDA	3,745.00	-
Due to Current Fund	-	336,825.97
Federal and State Unallocated	-	246,403.20
Federal and State Receivables	-	140,968.72
	<u>58,137,314.73</u>	<u>724,197.89</u>
	71,149,120.85	724,197.89
Decreased by Disbursements:		
Current Year Appropriation	30,733,405.04	-
Prior Year Appropriations	411,217.51	-
County Taxes	8,197,945.63	-
County Added and Omitted Taxes	38,622.86	-
Local District School Taxes	7,447,122.64	-
Special District Taxes	62,500.00	-
Refund of Tax Overpayments	79,922.18	-
Refund of Sewer Overpayments	2,096.30	-
Due to State - Marriage Licenses	835.00	-
Due to Federal and State Grant Fund	336,825.97	-
Due to GWTIDA	1,910.00	-
Reserve for Beach Repairs	51,678.17	-
Payroll Deductions Paid	9,869,633.87	-
Return of Petty Cash	1,200.00	-
Due to Current Fund	-	387,371.92
Federal and State Disbursements	-	336,825.97
	<u>57,234,915.17</u>	<u>724,197.89</u>
Balance December 31, 2021	\$ <u><u>13,914,205.68</u></u>	<u><u>-</u></u>

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

Balance December 31, 2020		\$	-
Increased by Receipts:			
Prepaid Taxes	1,356,173.76		
Taxes Receivable	36,070,755.66		
Revenue Accounts Receivable	<u>5,389,366.39</u>		
			<u>42,816,295.81</u>
			42,816,295.81
Payments to Treasurer			<u>42,816,295.81</u>
Balance December 31, 2021		\$	<u><u>-</u></u>

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

Year	Balance	Current	Added Taxes	Collections by Cash		Adjustments	Transferred	Balance
	Dec. 31, 2020	Year Levy		2020	2021		To Tax Title Lien	
Arrears	\$ -	-	-	-	-	-	-	-
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	8.37	-	-	-	-	8.37	-	-
2014	17.23	-	-	-	-	17.23	-	-
2015	454.50	-	-	-	-	454.50	-	-
2016	15.98	-	-	-	-	15.98	-	-
2017	23.26	-	-	-	-	23.26	-	-
2018	25.07	-	-	-	-	25.07	-	-
2019	38.82	-	-	-	-	38.82	-	-
2020	7,763.67	-	-	-	4,646.85	3,116.82	-	-
	8,355.58	-	-	-	4,646.85	3,708.73	-	-
2021	-	37,278,498.44	38,561.43	1,204,584.03	36,103,223.35	9,252.49	-	-
\$	8,355.58	37,278,498.44	38,561.43	1,204,584.03	36,107,870.20	12,961.22	-	-
					36,070,755.66	Cash Receipts		
					58,680.60	Senior Citizens and Veterans		
					48,508.64	Homestead Rebate		
					(70,074.70)	Overpayments applied/recorded		
					36,107,870.20			
<u>Analysis of Current Year Tax Levy</u>								
Tax Yield:								
General Property Tax					37,278,498.44			
Special District Taxes					62,500.00			
Added Taxes (54:4-63.1 et. Seq.)					38,561.43			
						37,379,559.87		
Tax Levy:								
General County Taxes					6,903,222.93			
County Library Taxes					1,000,508.53			
County Open Space Taxes					294,214.17			
Special District Tax					62,500.00			
County Added and Omitted Taxes					38,561.43			
Total County Taxes						8,299,007.06		
Local School District Tax						7,561,006.00		
Local Tax for Municipal Purposes					21,263,058.59			
Add: Additional Tax Levied					256,488.22			
						21,519,546.81		
						37,379,559.87		

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

Balance December 31, 2020		\$	862.24
Increased by:			
Transfers from Taxes Receivable	164.68		
Interest and Costs Accrued by Sale of December 29, 2021	39.34		
	<hr/>		<hr/>
			204.02
Balance December 31, 2021		\$	<u><u>1,066.26</u></u>

**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2020	Accrued in 2021	Collected by		Balance Dec. 31, 2021
			Collector	Treasurer	
Licenses:					
Alcoholic Beverages	-	85,200.00	-	85,200.00	-
Other	-	114,371.00	-	114,371.00	-
Fees and Permits	-	509,624.48	-	509,624.48	-
Fines and Costs:					
Municipal Court	3,629.86	227,043.32	-	217,839.74	12,833.44
Interest and Costs on Taxes	-	72,035.28	72,035.28	-	-
Interest Earned on Investments	-	74,955.33	-	74,955.33	-
Parking Meters	-	1,001,647.03	-	1,001,647.03	-
Emergency Rescue Services	-	269,731.76	-	269,731.76	-
Fire Inspection Fees	-	213,783.15	-	213,783.15	-
County Debt Service	-	290,000.00	-	290,000.00	-
Sewer Rents	276,142.46	5,347,972.61	5,286,103.50	-	338,011.57
Tram Car Lease	-	37,500.00	-	37,500.00	-
Rental of City Property	-	87,747.25	-	87,747.25	-
Energy Receipts Tax	-	442,027.00	-	442,027.00	-
Reserve to Pay Debt Service	-	114,000.00	-	114,000.00	-
Sale of Municipal Property	-	-	-	-	-
Wildwood Crest - Municipal Courts	-	69,381.95	-	69,381.95	-
Uniform Fire Safety	-	26,908.39	-	26,908.39	-
1.85% Beach Maintenance	-	207,832.00	-	207,832.00	-
Capital Surplus	-	240,000.00	-	240,000.00	-
Miscellaneous Revenue Not Anticipated	-	956,976.40	31,227.61	925,748.79	-
	<u>279,772.32</u>	<u>10,388,736.95</u>	<u>5,389,366.39</u>	<u>4,928,297.87</u>	<u>350,845.01</u>
			Cash	4,716,109.21	
			Interfunds	4,356.66	
			Reserve for 1.85% Beach Maintenance	207,832.00	
			Total	<u>4,928,297.87</u>	

See Accompanying Auditor's Report

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>OPERATIONS WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT:</b>					
General Administration					
Salaries and Wages	2,498.54	2,498.54	-	2,498.54	-
Other Expenses	8,544.72	8,544.72	7,944.54	600.18	-
Mayor and Council					
Salaries and Wages	726.69	726.69	-	726.69	-
Other Expenses	1,376.88	1,376.88	-	1,376.88	-
Municipal Clerk					
Salaries and Wages	423.09	423.09	-	423.09	-
Other Expenses	14,582.95	14,582.95	6,273.06	8,309.89	-
Financial Administration					
Salaries and Wages	19,861.12	19,861.12	-	19,861.12	-
Other Expenses	17,378.12	17,378.12	15,081.60	2,296.52	-
Ambulance Billing Administration Fee					
Other Expenses	13,691.79	13,691.79	1,054.04	12,637.75	-
Tax Assessment Administration					
Salaries and Wages	370.20	370.20	-	370.20	-
Other Expenses	41,327.76	41,327.76	330.00	40,997.76	-
Revenue Administration (Tax Collection)					
Salaries and Wages	8,620.00	8,620.00	-	8,620.00	-
Other Expenses	6,916.67	6,916.67	2,527.82	4,388.85	-
Legal Services					
Other Expenses	32,398.11	32,398.11	24,441.61	7,956.50	-
Engineering Services and Costs					
Other Expenses	50,086.97	50,086.97	35,215.18	14,871.79	-
<b>LAND USE ADMINISTRATION</b>					
Zoning Board of Adjustment					
Salaries and Wages	415.12	415.12	-	415.12	-
Other Expenses	28,518.89	28,518.89	6,922.48	21,596.41	-

See Accompanying Auditor's Report

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>INSURANCE</b>					
General Liability	374.00	374.00	-	374.00	-
Employee Group Health Insurance	454,561.27	454,561.27	-	454,561.27	-
<b>PUBLIC SAFETY</b>					
Fire Department					
Salaries and Wages	207,673.29	207,673.29	-	207,673.29	-
Other Expenses	72,014.88	72,014.88	57,130.50	14,884.38	-
Fire Safety Act					
Salaries and Wages	956.35	956.35	-	956.35	-
Other Expenses	4,337.52	4,337.52	3,428.99	908.53	-
Aid to Volunteer Fire Company					
Other Expenses	3,200.00	3,200.00	2,100.00	1,100.00	-
Police Department					
Salaries and Wages	387,043.32	387,043.32	-	387,043.32	-
Other Expenses	121,400.38	121,400.38	38,442.58	82,957.80	-
Office of Emergency Management					
Salaries and Wages	2,614.76	2,614.76	-	2,614.76	-
Other Expenses	3,137.27	3,137.27	2,557.33	579.94	-
Municipal Court					
Salaries and Wages	1,668.47	1,668.47	-	1,668.47	-
Other Expenses	8,110.39	8,110.39	1,593.49	6,516.90	-
<b>PUBLIC WORKS</b>					
Public Works Department					
Salaries and Wages	101,131.59	101,131.59	-	101,131.59	-
Other Expenses	102,505.68	102,505.68	73,812.58	28,693.10	-
Garbage and Trash					
Other Expenses	21,990.59	21,990.59	-	21,990.59	-
Public Buildings and Grounds					
Salaries and Wages	29,837.31	29,837.31	-	29,837.31	-
Other Expenses	49,341.42	49,341.42	27,497.46	21,843.96	-
Fleet Maintenance					
Other Expenses	100,590.56	100,590.56	10,869.89	89,720.67	-

See Accompanying Auditor's Report

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>HEALTH AND HUMAN SERVICES</b>					
Dog Regulation	7,864.00	7,864.00	130.00	7,734.00	-
Other Expenses					
<b>PARKS AND RECREATION</b>					
Lifeguards	2,334.06	2,334.06	-	2,334.06	-
Salaries and Wages	14,324.69	14,324.69	14,324.69	-	-
Other Expenses					
Recreation Center					
Salaries and Wages	233.97	233.97	-	233.97	-
Other Expenses	20,365.92	20,365.92	20,365.92	-	-
<b>UNIFORM CONSTRUCTION CODE</b>					
Construction Official					
Salaries and Wages	13,357.80	13,357.80	-	13,357.80	-
Other Expenses	3,876.75	3,876.75	2,731.05	1,145.70	-
<b>UNCLASSIFIED</b>					
Celebration of Public Events, Anniversary or Holiday					
Other Expenses	56,862.45	56,862.45	-	56,862.45	-
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Electric	43,498.94	43,498.94	3,266.88	40,232.06	-
Street Lighting	53,933.24	53,933.24	14,252.16	39,681.08	-
Telephone	35,028.95	35,028.95	6,146.43	28,882.52	-
Natural Gas	17,347.25	17,347.25	-	17,347.25	-
Water	5,575.40	5,575.40	-	5,575.40	-
Gasoline	67,538.32	67,538.32	16,757.65	50,780.67	-
Traffic Lights	13,005.61	13,005.61	502.25	12,503.36	-
<b>LANDFILL / SOLID WASTE DISPOSAL COSTS</b>					
Cape May County MUA Tipping Fees	13,726.45	13,726.45	-	13,726.45	-
Contingent	500.00	500.00	-	500.00	-
<b>STATUTORY EXPENDITURES</b>					
Contribution to:					
Social Security System (O.A.S.I.)	22,632.64	22,632.64	-	22,632.64	-
Police and Firemen's Retirement System	541.36	541.36	-	541.36	-
Unemployment Compensation Insurance	6,491.10	6,491.10	-	6,491.10	-
Lifeguard Pension	499.32	499.32	-	499.32	-
Retirement Reserve	27,750.00	27,750.00	-	27,750.00	-
Defined Contribution Retirement Program	246.54	246.54	-	246.54	-

See Accompanying Auditor's Report

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>					
Length of Service Award Program (LOSAP)	3,349.26	3,349.26	1,438.67	1,910.59	-
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>					
Municipal Alliance - Local Share	747.00	747.00	-	747.00	-
	<u>2,351,857.69</u>	<u>2,351,857.69</u>	<u>397,138.85</u>	<u>1,954,718.84</u>	<u>-</u>
\$					

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

Balance December 31, 2020			
School Tax Payable	\$	2,445,503.74	
School Tax Deferred		<u>2,479,787.50</u>	
			\$ 4,925,291.24
Increased by:			
Levy - School Year July 1, 2020 to June 30, 2021			<u>7,561,006.00</u>
			12,486,297.24
Decreased by:			
Payments			<u>7,447,122.64</u>
Balance December 31, 2021			
School Tax Payable		2,559,387.10	
School Tax Deferred		<u>2,479,787.50</u>	
			<u>5,039,174.60</u>
Current Year Liability for Local School District School Tax:			
Tax Paid			7,447,122.64
Tax Payable Ending			<u>2,559,387.10</u>
			10,006,509.74
Less: Tax Payable Beginning			<u>2,445,503.74</u>
Amount charged to Current Year Operations			<u>\$ 7,561,006.00</u>

**CURRENT FUND**  
**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Purpose	Balance Dec. 31, 2020	Transferred From 2021 Revenues	Received	Adjustments	Balance Dec. 31, 2021
<b>FEDERAL GRANTS:</b>					
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
CDBG 2021 - Veterans Park ADA Improvements	-	400,000.00	-	-	400,000.00
USDA Rural Development Dual Band Radios - 2020	28,000.00	-	-	-	28,000.00
FEMA - Assistance to Firefighters Grant - 2021-22	-	18,756.19	-	-	18,756.19
Total Federal	828,000.00	418,756.19	-	-	1,246,756.19
<b>STATE GRANTS:</b>					
N.J. Transportation Trust Fund					
2013/2014 - Pedestrian Multi-Modal Olde NJ Ave & Spruce	450,000.00	-	-	-	450,000.00
2019/2020 - NJDOT E 22nd Ave Reconstruction	50,000.00	-	-	-	50,000.00
2020/2021 - NJDOT East 7th Ave	185,000.00	-	138,750.00	-	46,250.00
2021/2022 - East 5th Avenue	-	200,000.00	-	-	200,000.00
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	-	2,218.72	2,218.72	-	-
Body Worn Camera 2021-2022	-	101,900.00	-	-	101,900.00
Total State	785,800.00	304,118.72	140,968.72	-	948,950.00
\$	1,613,800.00	722,874.91	140,968.72	-	2,195,706.19
Unappropriated Reserves					
Cash			140,968.72		
			140,968.72		

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2020		2021	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2021
	Appropriated	Reserve for Encumbrances					
<b>FEDERAL GRANTS:</b>							
Small Cities Block Grant :							
CDBG 2019 - Lou Booth Amphitheater	\$ 400,000.00	-	-	-	-	-	400,000.00
CDBG 2020 - 22nd Avenue ADA Beach & Boardw	400,000.00	-	-	-	-	-	400,000.00
CDBG 2021 - Veterans Park ADA Improvements	-	-	400,000.00	-	-	-	400,000.00
USDA Rural Development Dual Band Radios - 2020	-	28,000.00	-	28,000.00	-	-	-
FEMA - Assistance to Firefighters Grant - 2021-2022	-	-	18,756.19	-	18,692.06	-	64.13
COPS in Shops - 2020 - 2021	2,595.48	-	-	-	-	-	2,595.48
Total Federal	\$ 802,595.48	28,000.00	418,756.19	28,000.00	18,692.06	-	1,202,659.61
<b>STATE GRANTS:</b>							
Drunk Driving Enforcement 2017-2018	\$ 709.10	-	-	-	-	-	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
2020/2021 - NJDOT East 7th Ave	-	185,000.00	-	185,000.00	-	-	-
2021/2022 - East 5th Avenue	-	-	200,000.00	-	-	-	200,000.00
LEAP - Challenge - Shore Communities 2020-2021	95,800.00	-	-	51,600.00	34,400.00	-	9,800.00
Body Worn Camera 2021-2022	-	-	101,900.00	-	101,900.00	-	-
Recycling Tonnage Grant - 2017-18	3,372.17	-	-	-	-	-	3,372.17
Law and Public Safety - Distracted Driver 19-20	6,385.60	-	-	-	-	-	6,385.60
Recycling Tonnage Grant - 2019-20	12,602.79	-	-	12,602.79	-	-	-
Recycling Tonnage Grant - 2020-21	12,602.79	-	-	-	-	12,602.79	-
Clean Communities - 2016 - 2017	5,000.00	-	-	5,000.00	-	-	-
Clean Communities - 2018 - 2019	-	-	-	-	-	-	-
Clean Communities - 2019 - 2020	29,011.09	-	-	13,262.96	15,748.13	-	0.00
Clean Communities - 2020 - 2021	38,051.04	-	-	38,051.04	-	-	-
Clean Communities - 2021 - 2022	-	-	34,311.66	-	-	-	34,311.66
Body Armor Grant 2018-19	-	-	-	-	-	-	-
Body Armor Grant 2019-20	459.01	-	-	459.01	-	-	0.00
Body Armor Grant 2020-21	2,850.17	-	-	2,850.17	-	-	-
Body Armor Grant 2021-22	-	-	2,218.72	-	-	-	2,218.72
Sustainable New Jersey 2019-2020	3,793.60	-	-	-	-	-	3,793.60
Seat Belt Initiative - 2020-2021	4,490.32	-	-	-	-	-	4,490.32
Total State	\$ 669,850.24	185,000.00	338,430.38	308,825.97	152,048.13	12,602.79	719,803.73
	\$ 1,472,445.72	213,000.00	757,186.57	336,825.97	170,740.19	12,602.79	1,922,463.34

**CURRENT FUND**  
**SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES**

<u>Purpose</u>	<u>Balance Dec. 31, 2020</u>	<u>Transferred To 2021 Appropriations</u>	<u>Received</u>	<u>Balance Dec. 31, 2021</u>
<b>STATE GRANTS:</b>				
Clean Communities 2020-2021	34,311.66	34,311.66	-	-
Clean Communities 2021-2022	-	-	36,533.05	36,533.05
American Rescue Plan Act of 2021	-	-	196,776.88	196,776.88
Body Armor - 2021-2022	-	-	-	-
Recycling Tonnage 2021-2022	-	-	13,093.27	13,093.27
<b>Total State</b>	<u>34,311.66</u>	<u>34,311.66</u>	<u>246,403.20</u>	<u>246,403.20</u>
<b>\$</b>	<u>34,311.66</u>	<u>34,311.66</u>	<u>246,403.20</u>	<u>246,403.20</u>

**TRUST FUND**  
**SCHEDULE OF ANIMAL CONTROL CASH - TREASURER**

Balance December 31, 2020		\$	1,811.38
Increased By Receipts:			
Dog Licenses Fees - City Share	\$	428.40	
Dog Licenses Fees Collected - State Share		213.60	
		<hr/>	<hr/>
			642.00
			<hr/>
			2,453.38
Decreased By Disbursements:			
State of New Jersey		208.20	
Due to Current Fund		5.60	
		<hr/>	<hr/>
			213.80
			<hr/>
Balance December 31, 2021		\$	<u><u>2,239.58</u></u>

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

	Other	
Balance December 31, 2020	\$	2,472,506.19
Increased By Receipts:		
Tourism Development	\$ 37,717.50	
Recreation	196,366.37	
Parking Offenses Adjudication Act	150.00	
Public Defender	100.00	
Municipal Alliance	0.24	
HEREFORD Lighthouse	53,845.00	
Memorials/Beautification Enhancement	40,815.00	
Off Duty Police	50,685.25	
Recreation - Junior Lifeguards	7,600.00	
Fire Prevention	8,682.89	
Lifeguard Pension	39,802.86	
Forfeited Property	1,657.42	
Tax Premiums	644,900.00	
Tax Title Liens	460,167.28	
Small Cities Escrow	79,472.40	
Developers Escrow	224,037.21	
Municipal Parking Capital Improvement Account	33.94	
UCC Third Party	482,657.00	
Flex Savings	1,690.00	
Due from POAA - Current		
Due to Current -TTL Premium	1,587.55	
Due to Current -TTL Redemption	82.21	
		<u>2,332,050.12</u>
		4,804,556.31
Decreased by Disbursements:		
Tourism Development	32,743.25	
Recreation	131,049.18	
Parking Offenses Adjudication Act	15,244.97	
Recreation - Junior Lifeguards	7,039.50	
Fire Prevention	7,600.00	
HEREFORD Lighthouse	76,457.63	
Memorials/Beautification Enhancement	42,600.03	
UCC Third Party	464,068.23	
Lifeguard Pension	70,871.06	
Small Cities Escrow	15,625.00	
Developers Escrow	217,466.49	
Tax Premiums	413,400.00	
Tax Title Liens	486,318.63	
Flex Savings	2,544.55	
Due to Current -TTL Premium	1,587.55	
Due to Current -TTL Redemption	82.21	
		<u>1,984,698.28</u>
Balance December 31, 2021	\$	<u><u>2,819,858.03</u></u>

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

Balance December 31, 2020	\$	667.20
Increased By:		
Dog Licenses Fees Collected - City Share	\$	428.40
Dog Licenses Fees Collected - State Share		213.60
		<hr/>
		642.00
		<hr/>
		1,309.20
Decreased By:		
Statutory Excess Due to Current Fund		317.20
Paid to State of New Jersey		213.60
		<hr/>
		530.80
Balance December 31, 2021	\$	<hr/> <hr/> 778.40

## License Fees Collected

Year

2019	\$	389.20
2020		389.20
		<hr/>
	\$	<hr/> <hr/> 778.40

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

Balance December 31, 2020		\$	1,144.18
Increased By:			
Due from Current Fund	317.20		
	<hr/>		<hr/>
			317.20
			<hr/>
			1,461.38
Decreased By:			
Due to Current Fund	5.60		
	<hr/>		
			<hr/>
			5.60
Balance December 31, 2021		\$	<u><u>1,455.78</u></u>

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

Balance December 31, 2020		\$	-
Increased By:			
Collected in 2021	\$ 213.60		
	<hr/>		
			<hr/>
			213.60
			<hr/>
			213.60
Decreased By:			
Paid to State of New Jersey	208.20		
	<hr/>		
			<hr/>
			208.20
Balance December 31, 2021		\$	<u><u>5.40</u></u>

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

Balance December 31, 2020		\$ 5,141,433.51
Increased by:		
Due from Current Fund		
Budget Appropriation :		
Capital Improvement Fund	3,000,000.00	
NJEIT Receivable	966,550.00	
Premium Received on Sale of Notes	42,422.83	
Improvement Authorization Reimbursements	43,033.25	
	<hr/>	<hr/> 4,052,006.08
		9,193,439.59
Decreased by:		
Improvement Authorizations	6,453,957.96	
Budget: Reserve to Pay Debt Service	114,000.00	
Capital Surplus - General Budget	240,000.00	
	<hr/>	<hr/> 6,807,957.96
Balance December 31, 2021		\$ <u><u>2,385,481.63</u></u>

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2020	Receipts		Debt Issued	Disbursements		Transfers		Balance Dec. 31, 2021
		Miscellaneous	Miscellaneous		Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 387,529.91	-	-	-	-	240,000.00	-	-	147,529.91
Capital Improvement Fund	32,630.00	3,000,000.00	-	-	-	-	3,000,000.00	-	32,630.00
Reserve for Debt Service	313,260.94	42,422.83	-	-	-	114,000.00	-	-	241,683.77
Encumbrances Payable	1,291,571.70	-	-	-	-	-	1,291,571.70	881,984.27	881,984.27
								4,636.03	4,636.03
Due from Federal & State Grant Fund	4,636.03	-	-	-	-	-	4,636.03	-	-
NJEIT 2017-A Receivable	(1,032,391.00)	966,550.00	-	-	-	-	-	-	(65,841.00)
<b>Improvement Authorizations:</b>									
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	2,239.65
1652 Various Improvements	-	-	-	-	-	-	-	-	-
1653/1697 NJEIT Project	-	-	-	-	-	-	-	-	-
1667 Various Improvements	-	-	-	-	-	-	90,371.81	90,371.81	-
1692 Various Capital Improvements	800.00	-	-	-	-	-	50,896.00	50,896.00	-
1701 Emergency Beach Replenishment	-	-	-	-	-	-	-	-	800.00
1707 Various Capital Improvements	-	-	-	-	-	-	-	-	-
1711 Various Capital Improvements	-	-	-	-	-	-	58,997.88	58,997.88	-
1738 Various Capital Improvements	10,750.87	-	-	-	-	-	1,156.81	1,156.81	-
1746 Various Capital Improvements	9,362.27	-	-	-	10,021.33	-	305,392.00	305,392.00	729.54
1760 Various Capital Improvements	1,105,129.47	-	-	-	9,362.27	-	-	-	-
1771 Various Capital Improvements	1,588,652.16	-	-	-	1,108,010.19	-	-	-	0.00
1792 Various Capital Improvements	-	-	-	-	1,661,074.88	-	11,774.40	84,197.12	(0.00)
1806 Various Capital Improvements	-	-	-	-	-	-	-	-	-
1818 Various Capital Improvements	1,354,057.34	-	-	-	151,246.26	-	-	151,246.26	-
1826 Various Capital Improvements	-	-	-	-	1,315,348.80	-	157,666.49	541,704.22	422,746.27
1830 Various Capital Improvements	-	-	-	-	278,533.37	-	-	-	(278,533.37)
1839 Various Capital Improvements	-	-	-	-	1,302,746.52	-	1,000.00	1,863,000.00	559,253.48
1841 Various Capital Improvements	-	43,033.25	-	-	538,438.65	-	-	612,000.00	116,594.60
1849 Various Capital Improvements	-	-	-	-	-	-	-	25,000.00	25,000.00
1852 Various Capital Improvements	-	-	-	-	35,688.76	-	-	350,000.00	314,311.24
					43,486.93	-	200,000.00	150,000.00	(93,486.93)
	\$ 5,141,433.51	4,052,006.08	-	-	6,453,957.96	354,000.00	5,178,192.00	5,178,192.00	2,385,481.63

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

Balance December 31, 2020		\$	32,630.00
Increased by:			
Current Fund Budget Appropriation	3,000,000.00		
	<hr/>		<hr/>
			3,000,000.00
			3,032,630.00
Decreased by:			
Improvement Authorizations Funded	3,000,000.00		
	<hr/>		<hr/>
			3,000,000.00
Balance December 31, 2021		\$	<u>32,630.00</u>

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

Balance December 31, 2020		\$ 43,017,553.60
Increased by:		
Bonds Issued - 2021	20,325,000.00	
	<hr/>	<hr/>
		20,325,000.00
		63,342,553.60
Decreased by:		
Serial Bonds Paid	3,510,000.00	
Wastewater Bonds Paid	220,000.00	
Wastewater Loan Payments	402,313.77	
Green Trust Loan Payments	6,856.90	
Premium Applied to Bonds issued	930,000.00	
USDA Bonds Paid	110,407.14	
	<hr/>	<hr/>
		5,179,577.81
Balance December 31, 2021		\$ <u><u>58,162,975.79</u></u>

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

Ord #	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Raised in 2021 Budget	Debt Issued	Other	Balance Dec. 31, 2021	Analysis of Balance		
								Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
1628	8th Street Field	\$ 1,110,000.00	-	-	1,110,000.00	-	-	-	-	-
1711	Various Capital Improvements	3,541,000.00	-	-	3,540,000.00	-	-	-	-	-
1738	Various Capital Improvements	4,275,000.00	-	-	4,275,000.00	1,000.00	-	-	-	-
1760	Various Capital Improvements	2,850,000.00	-	-	2,850,000.00	-	-	-	-	-
1771	Various Capital Improvements	8,550,000.00	-	-	8,550,000.00	-	-	-	-	-
1826	Various Capital Improvements	-	15,500,000.00	-	-	-	15,500,000.00	-	278,533.37	15,221,466.63
1830	Various Capital Improvements	-	-	-	-	-	-	-	-	-
1839	Various Capital Improvements	-	-	-	-	-	-	-	-	-
1841	Various Capital Improvements	-	475,000.00	-	-	-	475,000.00	-	-	475,000.00
1849	Various Capital Improvements	-	-	-	-	-	-	-	-	-
1852	Various Capital Improvements	-	2,850,000.00	-	-	-	2,850,000.00	-	93,486.93	2,756,513.07
		<u>\$ 20,326,000.00</u>	<u>18,825,000.00</u>	<u>-</u>	<u>20,325,000.00</u>	<u>1,000.00</u>	<u>18,825,000.00</u>	<u>-</u>	<u>372,020.30</u>	<u>18,452,979.70</u>
<p>Improvement Authorizations Unfunded</p> <p>Less:</p> <p>Unexpended Proceeds of Bond</p> <p>Anticipation Notes Issued:</p> <p><b>Ord. Number</b></p> <p>None</p>										
										<u>\$ 18,452,979.70</u>

**GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Intro Ord. Date	Amount	Authorizations				Paid or Charged/ Canceled	Balance December 31, 2021	
				Balance December 31, 2020	Capital Improvement Fund	Other Funding	Deferred Charges to Future Taxation		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	-
1611	Various Improvements	6/6/2012	2,540,000.00	-	-	-	-	-	-	-
1617	Various Improvements	12/4/2012	2,000,000.00	-	-	-	-	-	-	-
1624	Beach Replenishment	5/7/2013	3,500,000.00	-	-	-	-	-	-	-
1648	Various Improvements	5/6/2014	600,000.00	2,239.65	-	-	-	-	2,239.65	-
1652	Various Improvements	6/17/2014	4,000,000.00	-	-	-	-	-	-	-
1653/1697	NJEIT Project	6/17/2014	10,500,000.00	-	-	-	-	-	-	-
1667	Various Improvements	3/3/2015	1,500,000.00	-	-	-	-	-	-	-
1692	Various Capital Improvements	3/15/2016	1,900,000.00	800.00	-	-	-	-	800.00	-
1701	Emergency Beach Replenishment	6/8/2016	300,000.00	-	-	-	-	-	-	-
1707	Various Capital Improvements	11/15/2016	4,000,000.00	-	-	-	-	-	-	-
1711	Various Capital Improvements	2/21/2017	3,850,000.00	-	-	-	-	-	-	-
1738	Various Capital Improvements	2/6/2018	4,500,000.00	-	-	-	-	10,021.33	729.54	-
1746	Various Capital Improvements	4/10/2018	1,200,000.00	9,362.27	-	-	-	9,362.27	-	-
1760	Various Capital Improvements	9/4/2018	3,000,000.00	1,105,129.47	-	-	-	1,105,129.47	-	-
1771	Various Capital Improvements	1/15/2019	9,000,000.00	1,588,652.16	-	-	-	1,588,652.16	-	-
1792	Various Capital Improvements	10/15/2019	400,000.00	-	-	-	-	-	-	-
1806	Various Capital Improvements	4/21/2020	500,000.00	-	-	-	-	-	-	-
1818	Various Capital Improvements	10/6/2020	1,930,000.00	1,354,057.34	-	-	-	931,311.07	422,746.27	-
1826	Various Capital Improvements	2/2/2021	15,500,000.00	-	-	-	15,500,000.00	278,533.37	-	15,221,466.63
1830	Various Capital Improvements	2/16/2021	1,863,000.00	-	1,863,000.00	-	-	1,303,748.52	559,253.48	-
1839	Various Capital Improvements	4/20/2021	612,000.00	-	612,000.00	-	-	495,405.40	116,594.60	-
1841	Various Capital Improvements	6/15/2021	500,000.00	-	25,000.00	-	475,000.00	-	25,000.00	475,000.00
1849	Various Capital Improvements	8/17/2021	350,000.00	-	350,000.00	-	-	35,688.76	314,311.24	-
1852	Various Capital Improvements	9/7/2021	3,000,000.00	-	150,000.00	-	2,850,000.00	243,486.93	-	2,756,513.07
\$				2,704,532.50	3,000,000.00	-	18,825,000.00	6,001,337.28	1,514,878.95	18,452,979.70
						Paid		6,453,957.96		
						Refund		(43,033.25)		
						Canceled		-		
						Due from Federal & State Grant Fund		-		
						Encumbrances Payable 12/31/21		881,984.27		
						Encumbrances Payable 12/31/20		(1,291,571.70)		
								6,001,337.28		

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
			Date	Amount					
General Obligation Bonds of 2009	12/1/2009	13,630,000.00				1,400,000.00	-	1,400,000.00	-
General Obligation Bonds of 2013	8/1/2013	11,400,000.00	8/1/2022	1,150,000.00	3.000%	5,700,000.00	-	1,000,000.00	4,700,000.00
			8/1/2023	1,150,000.00	3.000%				
			8/1/2024	1,200,000.00	3.250%				
			8/1/2025	1,200,000.00	3.500%				
General Obligation Bonds of 2018	7/26/2018	14,970,000.00							
			8/1/2022	1,035,000.00	4.000%	13,100,000.00	-	985,000.00	12,115,000.00
			8/1/2023	1,125,000.00	5.000%				
			8/1/2024	1,170,000.00	5.000%				
			8/1/2025	1,220,000.00	5.000%				
			8/1/2026	1,310,000.00	5.000%				
			8/1/2027	1,405,000.00	4.000%				
			8/1/2028	1,455,000.00	4.000%				
			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, 2021		Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021	
			Date	Amount						
General Obligation Refunding Bonds of 2019	1/31/2019	4,630,000.00	9/1/2022	130,000.00	5.000%	4,340,000.00	-	125,000.00	4,215,000.00	
			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	5.000%					
			9/1/2031	150,000.00	4.000%					
			9/1/2032	155,000.00	4.000%					
			9/1/2033	160,000.00	4.000%					
			9/1/2034	170,000.00	5.000%					
			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%					
General Obligation Bonds of 2021			9/1/2040	145,000.00	4.000%					
			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%					
		7/15/2021	19,395,000	8/1/2022	1,050,000.00	2.000%	-	19,395,000.00		19,395,000.00
				8/1/2023	1,240,000.00	2.000%				
			8/1/2024	1,340,000.00	2.000%					
			8/1/2025	1,480,000.00	2.000%					
			8/1/2026	1,575,000.00	2.000%					
			8/1/2027	1,670,000.00	2.000%					
			8/1/2028	1,720,000.00	2.000%					
			8/1/2029	1,765,000.00	2.000%					
			8/1/2030	1,810,000.00	2.000%					
			8/1/2031	1,810,000.00	2.000%					
			8/1/2032	1,835,000.00	2.000%					
			8/1/2033	2,100,000.00	2.000%					
						\$ 24,540,000.00	19,395,000.00	3,510,000.00	40,425,000.00	

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND**  
**SCHEDULE OF WASTEWATER TREATMENT TRUST BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
			Date	Amount					
Wastewater Treatment Fund Bonds of 2003A	10/15/2002	1,745,000.00	8/1/2022	135,000.00	5.000%	265,000.00		130,000.00	135,000.00
			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	5.000%				
			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%				
Wastewater Treatment Fund Bonds of 2017A	5/25/2017	4,150,000.00	8/1/2022	95,000.00	5.000%	3,900,000.00		90,000.00	3,810,000.00
			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	5.000%				
			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	3.000%				
			8/1/2034	150,000.00	3.125%				
			8/1/2035	155,000.00	3.250%				
			8/1/2036	155,000.00	3.250%				
			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	3.375%							
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%							
						\$ 4,165,000.00		220,000.00	3,945,000.00

**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, 2020	Increased	Decreased	Balance Dec. 31, 2021
			Date	Amount					
Wastewater Treatment Fund Loan of 2003A	10/15/2002	1,843,735.00	2/1/2022	2,107.47	N/A	186,888.01	-	93,936.87	92,951.14
			8/1/2022	90,843.67					
Wastewater Treatment Fund Loan of 2014A	5/25/2017	9,148,515.00	2/1/2022	102,792.30	N/A	8,017,799.70	-	308,376.90	7,709,422.80
			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					
			8/1/2043	205,584.60					
			2/1/2044	102,792.30					

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		Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
			Date	Amount					
Wastewater Treatment Fund Loan of 2014A (cont)			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					
						\$ 8,204,687.71	-	402,313.77	7,802,373.94

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GREEN TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
			Date	Amount					
Skateboard Park	4/19/2005	120,000.00	2022	6,994.72	2.000%	\$ 31,959.74	-	6,856.90	25,102.84
			2023	7,135.32					
			2024	7,278.74					
			2025	3,694.06					
						\$ 31,959.74	-	6,856.90	25,102.84

**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, 2020	Increased	Decreased	Balance Dec. 31, 2021
8th Street Field	1628	8/27/2013	8/20/2020	8/20/2021	1.250%	1,110,000.00	-	1,110,000.00	-
Various Capital Improvements	1711	8/23/2017	8/20/2020	8/20/2021	1.250%	3,541,000.00	-	3,541,000.00	-
Various Capital Improvements	1738	8/22/2018	8/20/2020	8/20/2021	1.250%	4,275,000.00	-	4,275,000.00	-
Various Capital Improvements	1760	8/21/2019	8/20/2020	8/20/2021	1.250%	2,850,000.00	-	2,850,000.00	-
Various Capital Improvements	1771	8/21/2019	8/20/2020	8/20/2021	1.250%	8,550,000.00	-	8,550,000.00	-
						<u>\$ 20,326,000.00</u>	<u>-</u>	<u>20,326,000.00</u>	<u>-</u>

See Accompanying Auditor's Report

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Debt Issued	Canceled	Balance Dec. 31, 2021
1826	Various Capital Improvements	\$ -	15,500,000.00	-	-	15,500,000.00
1841	Various Capital Improvements	-	475,000.00	-	-	475,000.00
1852	Various Capital Improvements	-	2,850,000.00			2,850,000.00
		<u>\$ -</u>	<u>18,825,000.00</u>	<u>-</u>	<u>-</u>	<u>18,825,000.00</u>
				\$ -	New Notes Issued	
				\$ -	Budget Appropriation	
				\$ -		

See Accompanying Auditor's Report

**CITY OF NORTH WILDWOOD**

**PART II**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2021**

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## **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 5, 2021 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, 2021 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 31<sup>st</sup> of the last three years:

<u>Year</u>	<u>Number</u>
2021	4
2020	5
2019	6

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>
2021 \$	37,379,559.87	37,307,807.38	99.81%
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%

## Comparative Schedule of Tax Rate Information

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	\$ 1.401	1.351	1.306	1.269	1.242
Apportionment of Tax Rate:					
Municipal	0.804	0.775	0.745	0.718	0.708
County	0.311	0.293	0.281	0.272	0.261
Local School	0.286	0.283	0.28	0.279	0.273
Assessed Valuation	2,646,726,500	2,620,112,600	2,606,307,000	2,594,025,877	2,582,085,857

## 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>
2021 \$	1,066.26	-	1,066.26	0.00%
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%

## 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**

**July 29, 2022**