

CITY OF VENTNOR CITY

ATLANTIC COUNTY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2019.**

CITY OF VENTNOR CITY

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CITY OF VENTNOR CITY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2019

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
City Commissioners
City of Ventnor, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Ventnor, as of December 31, 2019 and 2018, 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the City of Ventnor on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Ventnor as of December 31, 2019 and 2018, or changes in financial position for the years then ended.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2019 and 2018, 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, 2019 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ventnor's basic financial statements. The supplementary information listed in the table of contents and schedules of expenditures of federal and state financial assistance, as required by Office of Management and Budget Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and *New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* 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.

The supplemental information listed in the table of contents and the schedules of expenditures of federal and state financial assistance, as required by Office of Management and Budget Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and *New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2020 on our consideration of the City of Ventnor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ventnor's internal control over financial reporting and compliance.

Very truly yours,

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

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

July 1, 2020

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EXHIBIT A - CURRENT FUND

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

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 8,647,077.64	7,720,899.80
Cash - Change	530.00	530.00
Total Cash	<u>8,647,607.64</u>	<u>7,721,429.80</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	22,375.08	25,878.42
Total Other Receivables	<u>22,375.08</u>	<u>25,878.42</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	1,130,881.39	1,198,572.56
Tax Title and Other Liens	-	13,616.87
Property Acquired for Taxes - at Assessed Valuation	267,200.00	267,200.00
Revenue Accounts Receivable	13,071.01	12,082.68
Demolition Lien Receivable	39,495.19	3,776.84
Interfund Receivable:		
General Capital Fund	2.75	36,550.47
Trust - Other	-	2,468.59
Animal Control Fund	-	5,524.80
Total Receivables and Other Assets	<u>1,450,650.34</u>	<u>1,539,792.81</u>
Deferred Charges:		
Special Emergency Appropriation - Revaluation	120,000.00	240,000.00
Special Emergency Appropriation - Tax Map	-	30,000.00
Total Deferred Charges	<u>120,000.00</u>	<u>270,000.00</u>
Total Regular Fund	<u>10,240,633.06</u>	<u>9,557,101.03</u>
Federal and State Grant Fund:		
Federal and State Grants Receivable	1,758,256.76	1,202,934.12
Due from Current Fund	480,526.71	532,844.32
Total Federal and State Grant Fund	<u>2,238,783.47</u>	<u>1,735,778.44</u>
Total Current Fund	<u>\$ 12,479,416.53</u>	<u>11,292,879.47</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2019</u>	<u>2018</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,141,373.43	606,469.61
Reserve for Encumbrances	615,582.96	672,486.38
Accounts Payable	66,004.67	68,227.36
Prepaid Taxes	915,442.73	949,072.55
Overpaid Taxes	73,446.94	326,604.82
Local School Tax Payable	0.06	0.06
County Added Tax Payable	61,972.52	52,713.46
Due to State:		
Marriage Licenses Fees	250.00	-
State Training Fees	8,351.00	-
Interfund Payable:		
Federal and State Grant Fund	480,526.71	532,844.32
Trust Other Fund	3,588.28	-
Water & Sewer Utility Capital Fund	-	7,239.42
Other		
Reserve for Judgements	42,500.00	42,500.00
Reserve for Revaluation	115,603.00	115,603.00
	3,524,642.30	3,373,760.98
Reserve for Receivables and Other Assets	1,450,650.34	1,539,792.81
Fund Balance	5,265,340.42	4,643,547.24
Total Regular Fund	10,240,633.06	9,557,101.03
Federal and State Grant Fund:		
Unappropriated Reserves	52,471.73	29,389.63
Appropriated Reserves	1,710,610.95	1,443,023.41
Encumbrances Payable	475,700.79	263,365.40
	2,238,783.47	1,735,778.44
Total Federal and State Grant Fund	2,238,783.47	1,735,778.44
Total Current Fund	\$ 12,479,416.53	11,292,879.47

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

	2019	2018
Revenue and Other Income Realized		
Fund Balance	\$ 2,630,000.00	2,300,000.00
Miscellaneous Revenue Anticipated	4,577,600.86	4,129,478.57
Receipts from Delinquent Taxes	1,219,812.40	1,237,396.65
Receipts from Current Taxes	51,566,302.00	52,274,407.35
Non Budget Revenue	571,570.95	369,241.89
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	721,647.75	807,599.14
Interfunds Returned	42,075.27	-
Grants Cancelled	12,620.13	-
Accounts Payable Cancelled	62,578.36	-
Total Income	61,404,207.72	61,118,123.60
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	13,748,496.40	13,436,689.28
Other Expenses	7,371,547.71	7,141,148.50
Deferred Charges & Statutory Expenditures	3,616,577.12	3,349,813.10
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	41,900.00	161,417.00
Other Expenses	1,029,117.50	760,684.87
Capital Improvements	200,000.00	250,000.00
Debt Service	2,194,208.24	2,064,869.79
Deferred Charges	150,000.00	150,000.00
Type I School Debt Service	1,406,825.00	1,411,850.00
Local District School Tax	16,405,694.00	17,055,694.00
County Tax	11,924,076.08	12,126,174.56
County Share of Added Tax	61,972.49	52,713.43
Refund of Prior Year's Revenue	2,000.00	1,125.00
Total Expenditures	58,152,414.54	57,962,179.53
Excess/(Deficit) in Revenue	3,251,793.18	3,155,944.07

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

	<u>2019</u>	<u>2018</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	-	-
Total Adjustments	<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance	<u>3,251,793.18</u>	<u>3,155,944.07</u>
Fund Balance January 1	<u>4,643,547.24</u>	<u>3,787,603.17</u>
Decreased by:	7,895,340.42	6,943,547.24
Utilization as Anticipated Revenue	<u>2,630,000.00</u>	<u>2,300,000.00</u>
Fund Balance December 31	<u>\$ 5,265,340.42</u>	<u>4,643,547.24</u>

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Fund Balance Anticipated	\$ 2,630,000.00	2,630,000.00	-
Total Fund Balance Anticipated	<u>2,630,000.00</u>	<u>2,630,000.00</u>	<u>-</u>
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Alcoholic Beverages	3,625.00		4,245.00
Other	14,000.00		8,616.00
Fees and Permits	237,500.00		44,736.08
Fines and Costs:			
Municipal Court	210,000.00		(1,643.88)
Interest and Costs on Taxes	260,000.00		19,706.84
Interest Earned on Investments	50,000.00		64,923.08
Parking Meters	60,000.00		89,431.31
Beach Control Fees	240,000.00		55,026.00
Land Rental	87,000.00		501.00
Viking Rowing Foundation, Inc. Lease Agreement	31,000.00		91.60
Payment in Lieu of Taxes	120,000.00		10,008.00
Cable Television Franchise Fees	50,000.00		4,639.85
City Lease Fees	40,000.00		8,780.38
Ambulance Service Fees	122,000.00		84,871.35
Recreation Fees	70,000.00		6,924.75
Total Section A: Local Revenues	<u>1,595,125.00</u>	<u>-</u>	<u>400,857.36</u>

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

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Section B: State Aid Without Offsetting Appropriations			
Energy Receipts Tax	608,112.00		-
Total Section B: State Aid Without Offsetting Appropriations	608,112.00	-	-
Section C: Uniform Construction Code Fees			
Uniform Construction Code Fees	290,000.00		(7,511.00)
Total Section C: Uniform Construction Code Fees	290,000.00	-	(7,511.00)
Section D: Special Items - Interlocal Municipal Service Agreements Offset with Appropriations			
Borough of Longport - Uniform Construction Code Office	43,750.00		400.00
Total Section D: Special Items of General Revenue Anticipated	43,750.00	-	400.00
Section F: Special Items - Public and Private Programs			
Off-Set with Appropriations	18,079.19		-
Recycling Tonnage Grant		1,165.43	-
Alcohol Education & Rehabilitation		35,002.81	-
Clean Communities		1,000.00	-
South Jersey Cultural Arts			-
Emergency Management Assistance	10,000.00		-
NJ DOT Municipal Aid Program	310,000.00		-
DWI		26,132.28	-
Body Armor	3,957.95	3,269.84	-
Atlantic County CDBG		154,028.00	-
FEMA-Fire Assistance Grant		21,000.00	-
NJDOT Safe Routes to School		207,000.00	-
NJDOT Municipal Aid 2020		222,122.00	-
Municipal Alliance		14,110.00	-
Total Section F: Special Items - Public and Private Programs	342,037.14	684,830.36	-
Off-Set with Appropriations	1,026,867.50	-	-

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section G: Other Special Items				
Reserve to Pay School Bonds	210,000.00		210,000.00	-
Utility Allocation	410,000.00		410,000.00	-
	<u>620,000.00</u>	<u>-</u>	<u>620,000.00</u>	<u>-</u>
Total Section G: Other Special Items				
Total Miscellaneous Revenues:	3,499,024.14	684,830.36	4,577,600.86	393,746.36
Receipts from Delinquent Taxes	1,100,000.00		1,219,812.40	119,812.40
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	22,698,285.69		24,019,149.08	1,320,863.39
Amount for Local District Tax	1,406,825.00		1,406,825.00	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>24,105,110.69</u>	<u>-</u>	<u>25,425,974.08</u>	<u>1,320,863.39</u>
Budget Totals	31,334,134.83	684,830.36	33,853,387.34	1,834,422.15
Non-Budget Revenues:				
Other Non-Budget Revenues:			571,570.95	571,570.95
	<u>\$ 31,334,134.83</u>	<u>684,830.36</u>	<u>34,424,958.29</u>	<u>2,405,993.10</u>

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

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 51,566,302.00
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Less: Reserve for Tax Appeals Pending	-
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Net Revenue from Collections	<u>51,566,302.00</u>
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Allocated to:

School, County and Other Taxes	<u>28,391,742.57</u>
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Balance for Support of Municipal Budget Appropriations	23,174,559.43
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Increased by:

Appropriation "Reserved for Uncollected Taxes"	<u>2,251,414.65</u>
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Amount for Support of Municipal Budget Appropriations	<u><u>25,425,974.08</u></u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collection	\$ 1,219,812.40
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Tax Title Lien Collections	-
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Total Receipts from Delinquent Taxes	<u><u>1,219,812.40</u></u>
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Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Lifeguards	2,150.00
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City Clerk	1,217.39
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SJ Gas Zoning Ordinance & Maps	104,600.00
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Rentals	9,400.00
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Tax Sale Premiums	198,200.00
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Miscellaneous Collector & Assessor	11,162.40
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Police	4,776.86
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Community Champions	31,815.00
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Fire	18,487.13
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New Liquor Licenses	81,900.00
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SJ Gas Street Opening Fees	104,600.00
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Senior & Vets Admin Fee	1,370.00
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Miscellaneous	<u>1,892.17</u>
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Total Miscellaneous Revenue Not Anticipated:	<u><u>\$ 571,570.95</u></u>
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**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
Mayor's Office						
Salaries and Wages	\$ 86,049.41	86,049.41	84,545.50		1,503.91	
Other Expenses	20,500.00	20,500.00	4,794.81	1,096.10	14,609.09	
Police						
Salaries and Wages	4,247,350.39	4,177,388.93	4,027,725.72		149,663.21	
Other Expenses	273,750.00	273,750.00	180,917.87	92,476.05	356.08	
Fire						
Salaries and Wages	4,362,875.53	4,351,865.31	4,267,743.69		84,121.62	
Other Expenses	130,104.00	130,104.00	107,349.70	20,644.36	2,109.94	
Uniform Fire Safety Act (P.L. 1983, C.383)						
Other Expenses	8,371.00	8,371.00	4,849.88	1,313.06	2,208.06	
Radio and Communications						
Salaries and Wages	632,436.70	575,436.70	559,321.53		16,115.17	
Other Expenses	35,250.00	35,250.00	18,945.36	10,961.00	5,343.64	
City Administrator						
Salaries and Wages	15,600.00	15,600.00	12,310.00		3,290.00	
Other Expenses	236,300.00	216,300.00	133,572.00	54,078.00	28,650.00	
Office of Emergency Management						
Other Expenses	9,900.00	9,900.00	8,435.00		1,465.00	
Dog Control						
Other Expenses	8,400.00	8,400.00	7,700.00	700.00	-	
Electrical Division						
Salaries and Wages	75,000.00	79,000.00	71,246.79		7,753.21	
Other Expenses	33,500.00	38,500.00	20,936.78	15,557.19	2,006.03	
Celebration of Public Events						
Salaries and Wages	45,000.00	45,000.00	5,909.44	16,135.88	22,954.68	
Beach Patrol						
Salaries and Wages	558,000.00	558,000.00	555,585.46		2,414.54	
Other Expenses	29,125.00	29,125.00	26,802.26	416.72	1,906.02	
Beach Control						
Salaries and Wages	47,000.00	37,000.00	34,536.26		2,463.74	
Other Expenses	10,000.00	10,000.00	7,177.12	2,409.80	413.08	

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

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
DEPARTMENT OF PUBLIC WORKS, PARKS & PUBLIC PROPERTY						
Director's Office						
Salaries and Wages	10,000.00	10,001.00	10,000.00		1.00	
Streets and Roads						
Salaries and Wages	646,068.00	629,068.00	568,145.92		60,922.08	
Other Expenses	47,750.00	47,750.00	24,680.61	4,011.16	19,058.23	
Motor Vehicle Maintenance						
Salaries and Wages	311,132.00	311,132.00	234,217.90		76,914.10	
Other Expenses	67,500.00	72,500.00	58,849.17	13,268.72	382.11	
Buildings and Grounds						
Salaries and Wages	297,925.53	313,625.53	313,567.75		57.78	
Other Expenses	187,800.00	187,800.00	143,457.88	44,047.56	294.56	
Recreation						
Salaries and Wages	287,380.29	287,380.29	257,821.60		29,558.69	
Other Expenses	85,600.00	85,600.00	73,886.49	8,643.65	3,069.86	
City Engineer						
Other Expenses	130,700.00	130,700.00	50,832.50	78,594.17	1,273.33	
Solid Waste/Recycling						
Salaries and Wages	134,800.00	134,800.00	121,991.35		12,808.65	
Other Expenses	1,187,876.00	1,177,876.00	1,066,399.47	15,057.36	96,419.17	
DEPARTMENT OF REVENUE AND FINANCE						
Director's Office						
Salaries and Wages	10,000.00	10,001.00	10,000.00		1.00	
Legal Services and Costs						
Other Expenses	380,000.00	309,190.00	221,215.85	27,646.15	60,328.00	
City Clerk						
Salaries and Wages	121,064.00	121,064.00	118,191.59		2,872.41	
Other Expenses	49,649.00	49,649.00	32,382.04	7,194.22	10,072.74	
Revision and Codification of Ordinances	9,300.00	9,300.00	5,600.24		3,699.76	

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

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Elections						
Other Expenses	7,300.00	7,500.00	7,267.45		232.55	
Audit Fee						
Other Expenses	60,000.00	60,000.00	51,200.00		8,800.00	
Municipal Land Use Law (N.J.S.A. 40:55 D-1) Planning Board						
Salaries and Wages	29,500.00	29,500.00	14,024.00		15,476.00	
Other Expenses	47,100.00	37,100.00	27,026.02	5,200.95	4,873.03	
Financial Administration						
Salaries and Wages	311,233.58	301,031.58	276,885.84		24,145.74	
Other Expenses	96,205.50	96,205.50	70,456.69	13,006.20	12,742.61	
Assessment of Taxes						
Salaries and Wages	116,100.00	116,100.00	114,218.00		1,882.00	
Other Expenses	17,450.00	17,450.00	14,018.95	2,773.25	657.80	
Collection of Taxes						
Salaries and Wages	116,100.00	116,100.00	115,394.17		705.83	
Other Expenses	18,940.00	18,940.00	7,645.92	5,399.07	5,895.01	
Information Technology						
Salaries and Wages	74,951.28	76,401.28	76,400.28		1.00	
Other Expenses	297,706.19	297,706.19	210,417.65	55,084.12	32,204.42	
Municipal Court						
Salaries and Wages	199,829.00	264,829.00	262,305.27		2,523.73	
Other Expenses	19,850.00	19,850.00	8,756.78	2,987.67	8,105.55	
Municipal Prosecutor						
Salaries and Wages	30,000.00	30,000.00	27,500.00	2,500.00	-	
Public Defender (P.L. 1997, C.266)						
Other Expenses	12,000.00	12,000.00	10,000.00	2,000.00	-	
Insurance						
General Liability	136,000.00	136,000.00	116,094.17	9,147.44	10,758.39	
Workers Compensation	822,723.20	710,693.42	710,693.42		(0.00)	
Employee Group Health	1,785,887.60	2,065,887.60	1,831,933.79	17,094.61	216,859.20	
Health Waiver	70,000.00	74,600.00	74,537.53		62.47	

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

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
UNIFORM CONSTRUCTION CODE						
Inspection of Buildings						
Salaries and Wages	370,502.14	370,502.14	363,752.32		6,749.82	
Other Expenses	55,550.00	55,550.00	14,201.75	35,365.20	5,983.05	
Inspection of Housing						
Salaries and Wages	106,249.64	126,249.64	122,257.33	3,206.73	3,992.31	
Other Expenses	6,700.00	6,700.00	2,135.46		1,357.81	
Electrical and Plumbing Inspections						
Salaries and Wages	45,370.59	45,370.59	43,306.25		2,064.34	
UNCLASSIFIED						
Utility Expenses and Bulk Purchases						
Gasoline	145,000.00	124,800.00	93,490.85	30,103.13	1,206.02	
Electricity	600,000.00	600,000.00	599,934.12		65.88	
Telephone	85,000.00	75,000.00	67,379.10	1,463.44	6,157.46	
Natural Gas	70,000.00	60,000.00	39,362.24	16,000.00	4,637.76	
Terminal Leave	575,000.00	575,000.00	575,000.00		-	
TOTAL OPERATIONS WITHIN "CAPS"	21,157,305.57	21,120,044.11	19,399,240.88	615,582.96	1,105,220.27	-
Contingent	5,000.00	-	-	-	-	-
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	21,162,305.57	21,120,044.11	19,399,240.88	615,582.96	1,105,220.27	-
Detail:						
Salaries and Wages	13,932,518.08	13,748,496.40	13,237,994.52	2,500.00	508,001.88	-
Other Expenses	7,229,787.49	7,371,547.71	6,161,246.36	613,082.96	597,218.39	-

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

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	577,406.00	578,415.50	578,415.50	-	
Social Security System (O.A.S.I.)	282,500.00	307,500.00	304,628.74	2,871.26	
Consolidated Police and Firemen's Pension Fund	8,960.66	8,960.66	8,960.18	0.48	
Police and Firemen's Retirement System	2,441,449.00	2,465,510.96	2,465,510.96	-	
Unemployment	70,000.00	60,000.00	56,406.93	3,593.07	
Medicare Insurance	188,000.00	190,190.00	190,190.00	-	
Defined Contribution Retirement Program	6,000.00	6,000.00	2,227.20	3,772.80	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	3,574,315.66	3,616,577.12	3,606,339.51	10,237.61	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	24,736,621.23	24,736,621.23	23,005,580.39	615,582.96	1,115,457.88
OPERATIONS - EXCLUDED FROM "CAPS"					
(A) Operations - Excluded from "CAPS"					
Borough of Longport -					
Uniform Construction Code					
Salaries and Wages	41,900.00	41,900.00	18,234.45	23,665.55	
Other Expenses	2,250.00	2,250.00		2,250.00	
	44,150.00	44,150.00	18,234.45	25,915.55	-

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

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Appropriations		Paid or		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Charged	Reserved	Encumbered	Reserved	
(A) Public and Private Programs Off-Set by Revenues							
DWI		26,132.28	26,132.28	-			
Recycling Tonnage Grant	18,079.19	18,079.19	18,079.19	-			
NJDOT Safe Routes to School		207,000.00	207,000.00	-			
NJDOT Transportation Grant		222,122.00	222,122.00	-			
Clean Communities Program		35,002.81	35,002.81	-			
Community Development Block Grant		154,028.00	154,028.00	-			
Alcohol Education and Rehabilitation		1,165.43	1,165.43	-			
DOT Municipal Aid Program	310,000.00	310,000.00	310,000.00	-			
South Jersey Cultural Arts		1,000.00	1,000.00	-			
FEMA - Fire Assistance Grant		21,000.00	21,000.00	-			
Body Armor	3,957.95	7,227.79	7,227.79	-			
Municipal Alliance		14,110.00	14,110.00	-			
Emergency Management Assistance	10,000.00	10,000.00	10,000.00	-			
Total Public and Private Programs Off-Set by Revenues	342,037.14	1,026,867.50	1,026,867.50	-	-	-	-
Total Operations - Excluded from "CAPS"	386,187.14	1,071,017.50	1,045,101.95	-	-	25,915.55	-
Detail:							
Salaries and Wages	41,900.00	41,900.00	18,234.45	-	-	23,665.55	-
Other Expenses	344,287.14	875,089.50	872,839.50	-	-	2,250.00	-
(C) Capital Improvements							
Capital Improvement Fund	200,000.00	200,000.00	200,000.00	-	-	-	-
Total Capital Improvements	200,000.00	200,000.00	200,000.00	-	-	-	-

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

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(D) Debt Service						
Payment of Bond Principal	1,490,000.00	1,490,000.00	1,490,000.00			-
Payment of Bond Anticipation Notes	137,803.00	137,803.00	137,803.00			-
Interest on Bonds	291,687.50	291,687.50	291,687.50			-
Interest on Notes	106,500.00	106,500.00	97,631.27			8,868.73
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	117,667.00	117,667.00	117,666.03			0.97
NJ/EIT:						
Principal	46,960.55	46,960.55	46,951.68			8.87
Interest	12,468.76	12,468.76	12,468.76			-
Total Debt Service	2,203,086.81	2,203,086.81	2,194,208.24	-	-	8,878.57
(E) Deferred Charges						
Special Emergency Authorizations - 5 years	150,000.00	150,000.00	150,000.00			-
Total Deferred Charges	150,000.00	150,000.00	150,000.00	-	-	-
(K) Local District School Purposes						
Payment of Bond Principal	1,255,000.00	1,255,000.00	1,255,000.00			-
Interest on Bonds	151,825.00	151,825.00	151,825.00			-
Total Local District School Purposes	1,406,825.00	1,406,825.00	1,406,825.00	-	-	-

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

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	4,346,098.95	5,030,929.31	4,996,135.19	-	25,915.55	8,878.57
SUBTOTAL GENERAL APPROPRIATIONS	29,082,720.18	29,767,550.54	28,001,715.58	615,582.96	1,141,373.43	8,878.57
(M) Reserve for Uncollected Taxes	2,251,414.65	2,251,414.65	2,251,414.65	-	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 31,334,134.83	32,018,965.19	30,253,130.23	615,582.96	1,141,373.43	8,878.57
Budget Appropriations by 40A-4-87 Emergency Appropriations		31,334,134.83			Cancelled Overexpended	8,878.57
		684,830.36				-
		<u>32,018,965.19</u>				<u>8,878.57</u>
Reserve for Uncollected Taxes Federal and State Grants Deferred Charges			2,251,414.65			
			1,026,867.50			
			150,000.00			
Disbursements			26,824,848.08			
			<u>30,253,130.23</u>			

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

EXHIBIT B - TRUST FUNDS

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

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Dog License Fund:		
Cash	\$ 15,691.40	18,298.60
	<u>15,691.40</u>	<u>18,298.60</u>
Other Funds:		
Cash - Treasurer	2,029,008.60	2,086,135.70
Cash Held in Trust	3,000.00	3,000.00
Due from Current	3,588.28	-
	<u>2,035,596.88</u>	<u>2,089,135.70</u>
	<u>2,051,288.28</u>	<u>2,107,434.30</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Dog License Fund:		
Due to Current Fund	-	5,524.80
Due to State of New Jersey	1.20	-
Reserve for Dog Fund Expenditures	15,690.20	12,773.80
	<u>15,691.40</u>	<u>18,298.60</u>
Other Funds:		
Payroll Deductions Payable	116,644.69	146,223.64
Due to Current Fund	-	2,468.59
Miscellaneous Reserves	1,918,952.19	1,940,443.47
	<u>2,035,596.88</u>	<u>2,089,135.70</u>
Total	\$ <u>2,051,288.28</u>	<u>2,107,434.30</u>

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

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EXHIBIT C - GENERAL CAPITAL FUND

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

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Cash	\$ 2,087,568.04	2,000,884.17
Deferred Charges to Future Taxation -		
Funded	21,186,345.94	15,215,368.19
Unfunded	18,848,436.00	25,632,906.00
Interfunds and Receivables		
Due from NJEIT	70,703.00	70,703.00
Due from CDBG - Streetscape Grant	303,664.82	-
	<u>42,496,717.80</u>	<u>42,919,861.36</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	9,103,235.67	1,724,152.01
Interfunds:		
Due to Current Fund	2.75	36,550.47
Due to Water Sewer Capital Fund	940,000.00	-
Bond Anticipation Notes Payable	-	2,037,803.00
Serial Bonds Payable	16,195,000.00	8,830,000.00
School Serial Bonds - Type 1 Payable	2,800,000.00	4,055,000.00
Green Trust Loan Payable	30,631.27	60,659.08
Green Acres Loan Payable	1,180,424.59	1,242,458.48
NJEIT Loan Payable	980,290.08	1,027,250.63
Improvement Authorizations:		
Funded	3,849,769.33	1,313,318.79
Unfunded	6,485,336.93	21,770,798.29
Reserve for Payment of Bonds - 2019 Bond Sale Premium	279,303.57	-
Reserve for Payment of Bonds - Other	10,166.09	212,646.09
Capital Improvement Fund	507,637.00	474,304.00
Fund Balance	134,920.52	134,920.52
	<u>\$ 42,496,717.80</u>	<u>42,919,861.36</u>

There were bonds and notes authorized but not issued at December 31 (C - 12)

2018	23,595,103.00
2019	18,848,436.00

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

	<u>2019</u>	<u>2018</u>
Beginning Balance January 1	\$ 134,920.52	134,920.52
Increased by:		
Premium from Refunding Bond		
Premium on Bond Anticipation Note		
Decreased by:		
None		
Ending Balance December 31	<u>\$ 134,920.52</u>	<u>134,920.52</u>

EXHIBIT D - WATER AND SEWER UTILITY

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**WATER AND SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
AS OF DECEMBER 31,**

	2019	2018
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 1,461,537.00	1,951,155.34
Change Fund	100.00	100.00
Due from Utility Capital	711.79	707.66
	1,462,348.79	1,951,963.00
Receivables and Other Assets with Full Reserves:		
Utility Liens Receivable	-	777.48
Consumer Accounts Receivable	634,237.88	733,700.68
	634,237.88	734,478.16
 Total of Operating Fund	 2,096,586.67	 2,686,441.16
Capital Fund:		
Cash	1,601,325.43	21,052.52
Fixed Capital - Completed	12,021,714.84	12,021,714.84
Fixed Capital - Authorized and Uncompleted	25,125,012.00	25,125,012.00
NJEIT Bonds Receivable	300,210.00	300,210.00
Due from General Capital Fund	940,000.00	-
Due from Current Fund	-	7,239.42
	39,988,262.27	37,475,228.78
 Total of Capital Fund	 39,988,262.27	 37,475,228.78
 Total Assets	 \$ 42,084,848.94	 40,161,669.94

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

**WATER AND SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Liabilities:		
Appropriation Reserves	\$ 106,884.56	58,297.87
Encumbrances Payable	104,910.50	95,788.76
Accounts Payable	20,403.64	7,614.44
Utility Rent Prepayments & Overpayments	33,867.77	121,359.89
Accrued Interest on Bonds and Notes	<u>118,042.50</u>	<u>116,196.15</u>
	<u>384,108.97</u>	<u>399,257.11</u>
Reserve for Receivables	634,237.88	734,478.16
Fund Balance	<u>1,078,239.82</u>	<u>1,552,705.89</u>
Total of Operating Fund	<u>2,096,586.67</u>	<u>2,686,441.16</u>
Capital Fund:		
Contracts Payable	782,106.80	340,306.20
Improvement Authorizations:		
Funded	1,676,318.32	421,340.68
Unfunded	2,346,599.57	4,708,236.62
Water and Sewer Serial Bonds Payable	14,095,000.00	10,995,000.00
NJEIT Bonds Payable	3,455,888.00	3,941,674.00
Bond Anticipation Notes	-	998,091.00
Due to Utility Operating	711.79	707.66
Reserve to Pay Bonds - 2019 Bond Sale Premium	128,488.17	-
Reserve to Pay Bonds - Other	9,400.00	-
Reserves for Amortization	13,422,831.77	11,998,954.77
Deferred Reserve for Amortization	3,986,577.07	3,986,577.07
Fund Balance	<u>84,340.78</u>	<u>84,340.78</u>
Total of Capital Fund	<u>39,988,262.27</u>	<u>37,475,228.78</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 42,084,848.94</u>	<u>40,161,669.94</u>

There were Bonds and Notes Authorized But Not Issued at December 31, 2019 and 2018 of \$2,186,430 and \$5,226,430 respectively

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

**WATER AND SEWER OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Anticipated	\$ 798,079.00	600,000.00
Rents	5,205,870.27	5,207,769.04
Miscellaneous Anticipated Revenue	73,059.12	83,028.26
Miscellaneous Unanticipated Revenue	150,156.90	46,988.20
Other Credits to Income:		
Cancelled Accounts Payable	-	6,090.28
Unexpended Balance of Appropriation Reserves	47,528.24	85,576.70
Total Income	<u>6,274,693.53</u>	<u>6,029,452.48</u>
<u>Expenditures</u>		
Operating	4,387,676.00	4,195,859.00
Debt Service	1,466,654.60	1,378,039.62
Deferred Charges and Statutory Expenditures	96,750.00	93,900.00
Total Expenditures	<u>5,951,080.60</u>	<u>5,667,798.62</u>
Excess(Deficit) in Revenues	323,612.93	361,653.86
Fund Balance January 1	<u>1,552,705.89</u>	<u>1,791,052.03</u>
Total	1,876,318.82	2,152,705.89
Decreased by:		
Utilization as Anticipated Revenue	798,079.00	600,000.00
Fund Balance December 31	<u>\$ 1,078,239.82</u>	<u>1,552,705.89</u>

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

**WATER AND SEWER OPERATING FUND
STATEMENT OF CAPITAL FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
Balance January 1,	\$ 84,340.78	84,340.78
Increased by:		
Premium on Sale of Notes	-	-
Balance December 31,	<u>\$ 84,340.78</u>	<u>84,340.78</u>

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

**WATER AND SEWER OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Anticipated Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 798,079.00	798,079.00	-
Rents - Sewer	5,207,000.00	5,205,870.27	(1,129.73)
Miscellaneous Receipts	59,938.00	73,059.12	13,121.12
Unanticipated Revenue		150,156.90	150,156.90
	<u>\$ 6,065,017.00</u>	<u>6,227,165.29</u>	<u>162,148.29</u>

Analysis of Realized Revenue

Rents

Consumer Accounts Receivable

5,205,870.27

Miscellaneous

Interest on Deposits

9,348.23

Interest on Delinquent Rents

63,560.89

Fire Hydrant Service

150.00

73,059.12

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

**WATER AND SEWER OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Appropriations			Expended			Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Encumbered	Reserved		
Operating							
Salaries and Wages	\$ 1,254,085.60	1,254,085.60	1,235,949.36		18,136.24		
Other Expenses	1,401,240.40	1,397,740.40	1,206,893.34	104,910.50	85,936.56		
ACMJA- Treatment Costs	1,325,850.00	1,325,850.00	1,323,638.00		2,212.00		
Current Fund Allocation	410,000.00	410,000.00	410,000.00		-		
	<u>4,391,176.00</u>	<u>4,387,676.00</u>	<u>4,176,480.70</u>	<u>104,910.50</u>	<u>106,284.80</u>		
Debt Service							
Payment on Bond Principal	792,000.00	792,000.00	745,000.00				47,000.00
Payment on Bond Anticipation Notes	38,091.00	38,091.00	38,091.00				-
Interest on Notes	73,000.00	73,000.00	66,042.25				6,957.75
Interest on Bonds	426,000.00	426,000.00	425,660.76				339.24
NJEIT Principal and Interest	251,500.00	251,500.00	191,860.59				59,639.41
	<u>1,580,591.00</u>	<u>1,580,591.00</u>	<u>1,466,654.60</u>	<u>-</u>	<u>-</u>		<u>113,936.40</u>
Deferred Charges and Statutory Expenditures							
Contribution to:							
Social Security System (O.A.S.I.)	92,000.00	95,500.00	95,458.45		41.55		
Unemployment Compensation	1,000.00	1,000.00	691.79		308.21		
Defined Contribution Retirement Plan	250.00	250.00	250.00		250.00		
	<u>93,250.00</u>	<u>96,750.00</u>	<u>96,150.24</u>	<u>-</u>	<u>599.76</u>		
	<u>\$ 6,065,017.00</u>	<u>6,065,017.00</u>	<u>5,739,285.54</u>	<u>104,910.50</u>	<u>106,884.56</u>		<u>113,936.40</u>
Accrued interest on Bonds			683,563.60				
Disbursed			5,055,721.94				
			<u>5,739,285.54</u>				

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

EXHIBIT G - GENERAL FIXED ASSETS

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**GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
General Fixed Assets:		
Land and Buildings	\$ 27,402,480.00	27,402,480.00
Machinery and Equipment	5,782,502.00	4,231,384.00
Vehicles	<u>4,340,620.00</u>	<u>4,919,180.00</u>
Total General Fixed Assets	<u>37,525,602.00</u>	<u>36,553,044.00</u>
Investment in General Fixed Assets	\$ <u>37,525,602.00</u>	\$ <u>36,553,044.00</u>

See Accompanying Notes to Financial Statements

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**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the City of Ventnor City include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the City of Ventnor, 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 Ventnor City 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 Ventnor City 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 -- 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.

Sewer Operating and Capital Funds -- account for the operations of the sewer utility and acquisition of sewer capital facilities other than those acquired in the Current and General Capital Funds.

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.

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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. Other amounts that are due to the entity which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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; interest on utility capital indebtedness is on the accrual 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.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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. 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.

Property and equipment purchased by the Water and Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

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 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 Ventnor City 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 Utility Charges – The entity operates a water and sewer utility fund. 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.

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Interest on Delinquent Utility 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 Utility 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 Ventnor City to treat interest on projects as a current expense and the interest is included in both the current and utility 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.

F. Recent Accounting Pronouncements Not Yet Effective

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the City's financial reporting.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements". This statement, which is effective for fiscal periods beginning after June 15, 2019, will not have any effect on the City's financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the City's financial reporting.

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90 "Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61". This statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the City's financial reporting.

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

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020". This statement is effective for fiscal periods beginning after June 15, 2020, with the exception of the provisions affecting GASB 87 which is effective upon issuance, will not have any effect on the City's financial reporting.

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 2019 and 2018 statutory budgets included a reserve for uncollected taxes in the amount of \$2,251,414.65 and 2,432,932.84. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2019 and 2018 statutory budgets was \$2,630,000.00 and \$2,300,000.00. In addition, the entity operates a self liquidating sewer utility. Under New Jersey Statutes a separate budget for the utility must be adopted concurrently with the operating budget of the entity. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2019 and 2018 statutory budgets was \$798,079.00 and \$600,000.00.

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**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 2: BUDGETARY INFORMATION – Continued

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 entity City Council. The following significant budget transfers were approved in the 2019 and 2018 calendar years:

<u>Budget Category</u>	<u>2019</u>	<u>2018</u>
Police		
Salaries and Wages	(69,961.46)	(110,100.00)
Radio and Communications		
Salaries and Wages	(57,000.00)	(60,000.00)
City Administrator		
Other Expenses	(20,000.00)	
Motor Vehicle Maintenance		
Salaries and Wages		(65,000.00)
Solid Waste/Recycling		
Salaries and Wages		25,200.00
Other Expenses		(16,030.00)
Buildings and Grounds		
Salaries and Wages		25,100.00
City Engineer		
Other Expenses		(22,000.00)
Legal Services and Costs		
Other Expenses	(70,810.00)	(80,000.00)
Financial Administration		
Other Expenses		(17,000.00)
Municipal Court		
Salaries and Wages	65,000.00	
Insurance		
General Liability		(20,000.00)
Workers Compensation	(112,029.78)	(100,000.00)
Group Health	280,000.00	173,005.00
Information Technology		
Salaries and Wages		34,500.00
Other Expenses		64,000.00
Inspection of Housing		
Salaries and Wages	20,000.00	
Gasoline	(20,200.00)	
Electric		5,500.00
Terminal Leave		160,000.00
Social Security System	25,000.00	
Police and Firemen's Retirement System	24,061.96	

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 2: BUDGETARY INFORMATION – 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 2019 and 2018, the following budget insertions were approved:

<u>Budget Category</u>	<u>2019</u>	<u>2018</u>
DWI Checkpoint		165.00
CDBG	\$ 154,028.00	
Clean Communities Program	35,002.81	31,365.84
DOT-Bikeway Program		190,000.00
Bulletproof Vest	3,269.84	3,640.00
Alcohol Education Rehabilitation	1,165.43	3,185.61
DWI	26,132.28	
Municipal Alliance	14,110.00	14,110.00
Safe and Secure		60,000.00
NJ DOT Safe Routes to Schools	207,000.00	
NJ DOT Transportation Grant	222,122.00	
Emergency Management Assistance		19,400.00
Recycling Tonnage		12,805.23
NJDOT Municipal Aid Program		368,000.00
Sustainable Jersey		14,715.00
Resilient NJ Grant		88,242.96
South Jersey Cultural Arts	1,000.00	
FEMA - Fire Assistance Grant	21,000.00	

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. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The City approved a special emergency appropriation in 2014 for tax maps. The unfunded balance as of December 31, 2019 was \$30,000. The required amount is included in the 2019 budget. The City approved a special emergency appropriation in 2015 for \$600,000 for a City wide revaluation. The unfunded balance as of December 31, 2019 was \$90,000. The required amount is included in the 2019 budget.

Note 3: INVESTMENTS

As of December 31, 2019 and 2018, 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

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

most investments to 397 days.

Note 3: INVESTMENTS - Continued

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.

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, 2019, and 2018, \$5,562,663.45 and \$1,139,445.96 of the municipality's bank balance of \$16,094,575.64 and \$15,366,044.15 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, 2019 and 2018:

	Balance 12/31/2017	Additions	Retirements/ Adjustments	Balance 12/31/2018
Land and Buildings	\$ 27,402,480.00			27,402,480.00
Equipment and Machinery	4,706,564.00	368,399.00	(155,783.00)	4,919,180.00
Vehicles	4,056,526.00	194,058.00	(19,200.00)	4,231,384.00
	<u>\$ 36,165,570.00</u>	<u>562,457.00</u>	<u>(174,983.00)</u>	<u>36,553,044.00</u>

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	Balance 12/31/2018	Additions	Retirements/ Adjustments	Balance 12/31/2019
Land and Buildings	\$ 27,402,480.00			27,402,480.00
Equipment and Machinery	4,919,180.00	699,352.00	(1,277,912.00)	4,340,620.00
Vehicles	4,231,384.00	1,628,527.00	(77,409.00)	5,782,502.00
	<u>\$ 36,553,044.00</u>	<u>2,327,879.00</u>	<u>(1,355,321.00)</u>	<u>37,525,602.00</u>

Note 6: SHORT-TERM OBLIGATIONS

	Balance 12/31/17	Issued	Retired	Balance 12/31/18
Bond Anticipation Notes payable:				
General	\$ 2,137,500.00	2,037,803.00	2,137,500.00	2,037,803.00
Utility	1,015,000.00	998,091.00	1,015,000.00	998,091.00
	<u>\$ 3,152,500.00</u>	<u>3,035,894.00</u>	<u>3,152,500.00</u>	<u>3,035,894.00</u>

	Balance 12/31/18	Issued	Retired	Balance 12/31/19
Bond Anticipation Notes payable:				
General	\$ 2,037,803.00	-	2,037,803.00	-
Utility	998,091.00	2,500,000.00	3,498,091.00	-
	<u>\$ 3,035,894.00</u>	<u>2,500,000.00</u>	<u>5,535,894.00</u>	<u>-</u>

At December 31, 2019 the entity has authorized but not issued bonds in the amount of \$18,848,436.00 and \$2,186,430.00 in the General Capital Fund and Utility Capital Fund respectively.

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**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 7: LONG TERM DEBT

Long-term debt as of December 31, 2019 and 2018 consisted of the following:

	Balance 12/31/18	Issued	Retired	Balance 12/31/19	Amounts Due Within One Year
Bonds payable:					
General	\$ 11,160,368.19	8,855,000.00	1,629,022.25	18,386,345.94	1,296,232.22
Utility	10,995,000.00	3,845,000.00	745,000.00	14,095,000.00	990,000.00
Utility- NJEIT	3,941,674.00	-	485,786.00	3,455,888.00	213,922.00
Total	26,097,042.19	12,700,000.00	2,859,808.25	35,937,233.94	2,500,154.22
Other liabilities:					
School	4,055,000.00		1,255,000.00	2,800,000.00	1,270,000.00
PERS Liability	11,396,066.00		531,687.00	10,864,379.00	
PFRS Liability	33,792,175.00		6,107,214.00	27,684,961.00	
Compensated Absences Payable	2,073,386.97	486,773.47	566,917.85	1,993,242.59	-
Total long-term liabilities	\$ 77,413,670.16	13,186,773.47	11,320,627.10	79,279,816.53	3,770,154.22

	Balance 12/31/17	Issued	Retired	Balance 12/31/18	Amounts Due Within One Year
Bonds payable:					
General	\$ 12,979,365.26	1,298,515.00	3,117,512.07	11,160,368.19	1,629,022.25
Utility	11,715,000.00		720,000.00	10,995,000.00	745,000.00
Utility - NJEIT	4,150,596.00		208,922.00	3,941,674.00	208,922.00
Total	28,844,961.26	1,298,515.00	4,046,434.07	26,097,042.19	2,582,944.25
Other liabilities:					
School	5,270,000.00		1,215,000.00	4,055,000.00	1,255,000.00
PERS Liability	13,378,596.00		1,982,530.00	11,396,066.00	
PFRS Liability	37,562,545.00		3,770,370.00	33,792,175.00	
Compensated Absences Payable	2,143,489.80	80,160.30	150,263.13	2,073,386.97	-
Total long-term liabilities	\$ 87,199,592.06	1,378,675.30	11,164,597.20	77,413,670.16	3,837,944.25

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

\$8,315,000.00 General Improvement Bond dated 12/1/10 payable in annual installments through 12/1/25. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2019 was \$625,000.

\$2,140,000.00 Refunding Bonds dated 5/9/13 payable in annual installments through 8/1/19. Interest is paid semiannually at 2% per annum. The balance remaining as of December 31, 2019 was \$0.

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
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\$6,365,000.00 General Improvement Bond dated 12/4/13 payable in annual installments through 12/1/25. Interest is paid semiannually at rates varying from 2.00% to 3.25% per annum. The balance remaining as of December 31, 2019 was \$3,515,000.

\$3,235,000 Refunding Bonds dated 9/22/17 payable in annual installments through 12/1/2025. Interest is paid semiannually at 4% per annum. The balance remaining as of December 31, 2018 was \$3,200,000.

\$8,855,000.00 General Improvement Bond dated 10/22/19 payable in annual installments through 9/1/32. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2019 was \$8,855,000.

\$4,345,000.00 School Refunding Bonds dated 5/15/09 payable in annual installments through 2/1/21. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The net present value of this savings is \$289,374. The balance remaining as of December 31, 2019 was \$865,000.

\$2,823,000.00 School Bonds dated 12/1/10 payable in annual installments through 12/1/25. Interest is paid semiannually at rates varying from 3.00% to 4.375% per annum. The balance remaining as of December 31, 2019 was \$200,000.

\$3,760,000.00 School Refunding Bonds dated 10/1/14 payable in annual installments through 10/1/20. Interest is paid semiannually at rates varying from 1.00% to 4.00% per annum. The net present value of this savings is \$258,812.48. The balance at December 31, 2019 was \$635,000.

\$1,110,000 School Refunding Bonds dated 9/22/17 payable in annual installments through 12/1/2025. Interest is paid semiannually at a rate of 4.00% per annum. The net present value of this savings is \$258,812.48. The balance at December 31, 2019 was \$1,100,000.

\$500,000.00 Green Trust Loan Payable dated 4/30/01 payable in semiannual installments through 10/30/20. Interest is paid semiannually at a rate of 2.00% per annum. The semiannual payments of \$15,546 are applied first to interest and then to principal. The balance remaining as of December 31, 2019 was \$30,631.27.

\$1,333,225.00 Green Trust Loan Payable dated 2/16/17 payable in semiannual installments through 2035. Interest is paid semiannually at a rate of 2.00% per annum. The semiannual payments of \$30,254.51 are applied first to interest and then to principal. The balance remaining as of December 31, 2019 was \$1,180,424.59.

\$325,000.00 NJEIT Loan dated 2/8/2018 payable in annual installments through 8/1/2037. Interest is paid semiannually at rates varying from 5.00% to 3.00% per annum. The balance remaining as of December 31, 2019 was \$315,000.00.

\$726,891.00 NJEIT Loan dated 2/8/2018 payable in annual installments through 8/1/2037. This is an Interest Free Loan. The balance remaining as of December 31, 2019 was \$665,290.08.

**CITY OF VENTNOR CITY
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Note 7: LONG TERM DEBT – Continued

Outstanding bonds whose principal and interest are paid from the Utility Operating Fund of the entity:

\$12,240,000.00 Water and Sewer Bonds dated 12/1/10 payable in annual installments through 10/1/30. Interest is paid semiannually at rates from 3.00% to 4.375% per annum. The balance remaining as of December 31, 2019 was \$600,000.

\$3,635,000.00 Water and Sewer Bonds dated 12/4/13 payable in annual installments through 12/1/31. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2019 was \$2,715,000.

\$7,195,000 Refunding Water and Sewer Bond dated 9/22/17 payable in annual installments through 12/1/30. Interest is paid semiannually at a rate of 4.00% per annum. The balance remaining as of December 31, 2019 was \$6,935,000.

\$3,845,000.00 Water and Sewer Bonds dated 10/22/19 payable in annual installments through 12/1/31. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2019 was \$2,845,000.

During 2014 the City entered into an agreement with NJEIT to finance utility improvements in the amount of \$5,387,000, of which a portion of the principal was forgiven. The principal is payable in annual installments through 8/1/35. Interest is paid semiannually at rates varying from 2.00% to 5.00% per annum. The balance remaining as of December 31, 2019 was \$3,455,888.

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

Year	General Fund		Utility Fund	
	Principal	Interest	Principal	Interest
2020	\$ 1,320,872.59	519,759.81	1,250,882.55	546,244.60
2021	1,551,513.26	521,165.47	1,315,882.55	528,850.02
2022	1,752,810.77	470,067.96	1,380,882.55	487,800.02
2023	1,984,134.36	412,744.37	1,435,882.55	444,350.02
2024	2,075,484.55	348,344.18	1,490,882.55	398,850.02
2025-2029	5,918,644.86	911,348.79	7,929,412.75	1,246,800.10
2030-2034	3,521,710.79	167,632.86	3,579,412.75	156,831.32
2035-2037	261,174.75	5,812.78	424,803.83	7,231.28
	<u>\$ 18,386,345.93</u>	<u>3,356,876.22</u>	<u>18,808,042.08</u>	<u>3,816,957.38</u>

**CITY OF VENTNOR CITY
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<u>Year</u>	<u>School Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 1,270,000.00	102,300.00
2021	630,000.00	52,600.00
2022	210,000.00	36,000.00
2023	225,000.00	27,600.00
2024	225,000.00	18,600.00
2025	240,000.00	9,600.00
	<u>\$ 2,800,000.00</u>	<u>246,700.00</u>

As of December 31, 2019 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 \$151,825.00 and to the utility budget was \$683,563.60.

<u>Summary of Municipal Debt</u>	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 16,195,000.00	8,830,000.00	10,275,000.00
School	2,800,000.00	4,055,000.00	5,270,000.00
Loan	1,211,055.86	1,303,117.56	1,393,365.26
NJEIT	980,290.08	1,027,250.63	1,311,000.00
Bond Anticipation Note	-	2,037,803.00	2,137,500.00
Sewer Utility - Bonds and Notes	14,095,000.00	10,995,000.00	11,715,000.00
Sewer Utility - Bond Anticipation Notes	-	998,091.00	1,015,000.00
Sewer Utility - NJEIT	3,455,888.00	3,941,674.00	4,150,596.00
Total Issued	<u>38,737,233.94</u>	<u>33,187,936.19</u>	<u>37,267,461.26</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	18,848,436.00	23,595,103.00	14,280,032.00
Sewer Utility - Bonds and Notes	2,186,430.00	5,226,430.00	5,226,430.00
Total Authorized But Not Issued	<u>\$ 21,034,866.00</u>	<u>\$ 28,821,533.00</u>	<u>\$ 19,506,462.00</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 59,772,099.94</u>	<u>\$ 62,009,469.19</u>	<u>\$ 56,773,923.26</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.274%.

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 7: LONG TERM DEBT - Continued

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 12,115,071.00	12,115,071.00	-
Sewer Utility Debt	19,737,318.00	19,737,318.00	-
General Debt	27,919,710.94	289,469.66	27,630,241.28
	<u>\$ 59,772,099.94</u>	<u>32,141,858.66</u>	<u>27,630,241.28</u>

Net Debt \$27,630,241.28 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,168,363,063.67 = 1.274%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 75,892,707.23
Net Debt	27,630,241.28
Remaining Borrowing Power	<u>\$ 48,262,465.95</u>

The City of Ventnor City School District, as a K-12 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 balances at December 31, 2019 and 2018, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Current Fund	\$ 2,700,000.00	2,630,000.00
Water & Sewer Utility	1,000,000.00	798,079.00

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, 2019, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2019	2020 Budget Appropriation	Balance to Succeeding
Current fund:			
Special Emergency Appropriations	\$ 120,000.00	120,000.00	-
	<u>\$ 120,000.00</u>	<u>120,000.00</u>	<u>-</u>

**CITY OF VENTNOR CITY
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The appropriations in the 2020 Budget are not less than that required by statute.

Note 10: SCHOOL TAXES

Local District School Tax in the amounts of \$16,405,694.00 and \$17,055,694.00 have been raised for the 2019 and 2018 calendar years and remitted to the school district.

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:

	Balance 12/31/19	Balance 12/31/18
Prepaid Taxes	\$ 915,442.73	949,072.55
Cash Liability for Taxes Collected in Advance	\$ 915,442.73	949,072.55

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/annrprts.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.

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 12: PENSION FUNDS - Continued

Pension Plan For Lifeguards

The City of Ventnor City has established a pension plan to provide retirement, disability and survivor pension benefits for the individuals who serve on the City's lifeguard force. An eligible employee becomes a plan member upon employment. Employee contributions shall be withheld from the member's salary and contributed to the plan for his benefit. Retiree benefits are paid out of the current fund and charged to the current operating budget of the City. A plan member may retire with a pension only after his 45th birthday and after he has completed 20 years of services, the last 10 must have been completed immediately preceding his application.

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 7.34%, through June 30, 2018 and 7.50% thereafter, of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The entity's contributions to PERS for the years ended December 31, 2019, 2018, and 2017 were \$578,415.50, \$542,768.03 and \$518,511.00.

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 entity's contributions to PFRS for the years ended December 31, 2019, 2018, and 2017 were \$2,465,510.96, \$2,166,063.78, and \$2,006,268.00.

The total payroll for the year ended December 31, 2019, 2018, and 2017 was \$14,626,654.26, \$14,75,588.68 and \$14,612,117.36. Payroll covered by PFRS was \$7,508,896.00, \$7,620,206.00 and \$7,753,285.00. Payroll covered by PERS was \$4,390,440.00, \$4,181,091.00 and \$3,958,870.00.

The Lifeguard Pension provides for employee contributions of 4.00% of employees' annual compensation. The City's contributions to the Lifeguard Pension for the year ended December 31, 2019, 2018, and 2017 was \$0, \$0 and \$0. The City's trust for the Lifeguard Pension at December 31, 2019 and 2018 was \$243,908.03 and \$274,120.34, respectively. Currently there are only three individuals receiving benefits. The benefits paid by the trust for the year ended December 31, 2019, 2018, and 2017 were \$52,536.66, \$53,102.73 and \$50,059.19.

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.

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
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Note 12: PENSION FUNDS – Continued

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).

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 $\frac{1}{60}^{\text{th}}$ from $\frac{1}{55}^{\text{th}}$, 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

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 12: PENSION FUNDS – Continued

requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal years 2012.

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

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

Note 13: PENSION LIABILITIES

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

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

Public Employees' Retirement System

The Municipality has a liability of \$10,864,379 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 that was rolled forward to June 30, 2019. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Municipality's proportion would be .06029574610%, which would be an increase of 4.18% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Municipality would have recognized pension expense of \$843,048. At December 31, 2019, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 195,001	\$ (47,994)
Changes of assumptions	1,084,848	(3,770,991)
Changes in proportion	766,242	(66,734)
Net difference between projected and actual earnings on pension plan investments		(171,498)
Total	\$ 2,046,091	\$ (4,057,217)

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,	
2020	\$ (232,756)
2021	(755,058)
2022	(674,223)
2023	(316,582)
2024	(32,507)
Total	\$ (2,011,126)

Actuarial Assumptions

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

Inflation rate

Price	2.75%
Wage	3.25%

Salary increases:

Through 2026	2.00% – 6.00% (based on years of service)
Thereafter	3.00% - 7.00% (based on years of service)

Investment rate of return: 7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 200 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disable retirees were base on the Pub-2010 Non-Safety Disabled Retiree mortality

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table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2019.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net

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position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
Municipality's proportionate share of the net pension liability	\$ 13,039,056	\$ 10,864,379	\$ 9,034,035

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 \$27,684,961 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2018 that was rolled forward to June 30, 2019. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Municipality's proportion would be 0.2262263410%, which would be a decrease of 9.41% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Municipality would have recognized pension expense of \$2,174,927. At December 31, 2019, the Municipality would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 233,697	\$ (175,279)
Changes of assumptions	948,638	(8,947,526)
Changes in proportion	820,820	(3,295,872)
Net difference between projected and actual earnings on pension plan investments		(375,122)
Total	\$ 2,003,155	\$ (12,793,799)

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
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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,		
2020	\$	(1,883,396)
2021		(3,953,548)
2022		(2,799,940)
2023		(1,380,180)
2024		(773,581)
Total	<u>\$</u>	<u>(10,790,644)</u>

Actuarial Assumptions

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

Inflation rate

Price	2.75%
Wage	3.25%

Salary increases:

Through all future years	3.25% - 15.25% (based on years of service)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152% adjustment for males and 109/3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2019 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based 70% of the actuarially determine contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

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

	1% Decrease (5.74%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
District's proportionate share of the net pension liability	36,267,527.97	27,684,961.00	20,582,327.76

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2019 State special funding situation net pension liability amount of \$1,932,374,825.00 is the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2019 State special funding situation pension expense of \$224,526,138.00 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2019. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and required contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2019, the State contributed an amount less than the actuarially determined amount.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Municipality was 0.22622463410% for 2019. The net pension liability amount allocated to the Municipality was \$4,371,508. For the fiscal year ending June 30, 2019 State special funding situation pension expense of \$509,933.00 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.

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 14 – 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>.

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 as applicable, the Collective Total OPEB liabilities for the year ended June 30, 2019 were \$5,637,151,775 and \$8,182,092,807, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's non special funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and non-employer allocation percentages have been rounded for presentation purposes.

**CITY OF VENTNOR CITY
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

Special Funding Situation:

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

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

Net OPEB Liability:

Components of Net OPEB Liability

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

	<u>June 30, 2019</u>
	<u>Collective</u>
	<u>Total</u>
Total OPEB Liability	\$ 13,819,244,582
Plan Fiduciary Net Position	273,173,482
Net OPEB Liability	<u>\$ 13,546,071,100</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%

At June 30, 2019, the State's proportionate share for the Special Funding Situation that is associated with the City is \$24,281,113. The State's proportionate share attributable to the City of the Collective Net OPEB Liability for the Special Funding Situation was .439420% which was a decrease from the prior year of 2.45%.

For the Year ended June 30, 2019, the State of New Jersey realized Total OPEB Expense in the amount of \$321,852 for its proportionate share of Total OPEB Expense that is associated with the City.

**CITY OF VENTNOR CITY
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

Mortality:

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

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

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

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

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	<u>1% Decrease (2.50%)</u>	<u>Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Collective			
Net OPEB Liability \$	15,662,704,137	\$ 13,546,071,100	\$ 11,826,026,995

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

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Collective			
Net OPEB Liability \$	11,431,214,644	\$ 13,546,071,100	\$ 16,243,926,531

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

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

	Collective Totals	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ (3,961,399,180)
Changes of assumptions		(4,800,426,301)
Net difference between projected and actual earnings on OPEB plan investments	11,158,226	
Changes in proportion and differences between contributions and proportionate share of contributions		
Total	\$ <u>11,158,226</u>	\$ <u>(8,761,825,481)</u>

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:

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Year ended June 30,	Collective Totals
2020	\$ (1,425,201,517)
2021	(1,425,201,517)
2022	(1,426,076,187)
2023	(1,427,489,995)
2024	(1,428,781,861)
Thereafter	(1,617,916,178)
Total	<u>\$ (8,750,667,255)</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, 2019 are as follows:

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

Note 15: 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 \$1,993,42.59 in 2019 and \$2,073,386.97 in 2018. 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 and vacation pay on an individual basis. 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 16: ECONOMIC DEPENDENCY

The City of Ventnor City is not economically dependent on any one business or industry as a major source of tax revenue for the entity.

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

Note 17: 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, 2017 and 2016 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 \$100,000 under JIF, which increases to \$5,000,000 under MEL.

Note 17: RISK MANAGEMENT- Continued

New Jersey Unemployment Compensation Insurance – The City has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the City is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The City is billed quarterly for amounts due to the State. The following is a summary of City contributions, employee contributions, reimbursements to the State for benefits and the ending balance of the City’s trust fund for the previous three years:

Calendar Year	City Contributions	Interest	Employee Contributions	Amount Reimbursed	Ending Balance
2019	\$ 54,170.85	82.49	21,296.31	76,667.95	53,594.89
2018	103,000.00	32.74	21,229.64	85,966.81	54,713.19
2017	-	49.06	16,272.57	70,572.24	16,417.62

Note 18: DEFERRED COMPENSATION

Employees of the City of Ventnor City 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

**CITY OF VENTNOR CITY
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

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.

Note 19: 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 20: INTERFUND BALANCES

During the most current calendar year ended December 31, 2019, the following interfunds were included on the balance sheets of the various funds of City of Ventnor City:

	<u>Due From</u>	<u>Due To</u>
Current Fund:		
General Capital Fund	\$ 2.75	
Other Trust		3,588.28
Grant Fund		480,526.71
Utility Capital Fund		
Grant Fund:		
Current Fund	480,526.71	
Trust Fund:		
Current	3,588.28	
General Capital Fund:		
Utility Capital		940,000.00
Current Fund		2.75
Utility Operating:		
Utility Capital	711.79	
Utility Capital Fund:		
Utility Operating		711.79
General Capital	940,000.00	
	<u>\$ 1,424,829.53</u>	<u>1,424,829.53</u>

The amounts due to the Grant fund from the Current fund is due to the fact that there is only one bank account. The remaining interfunds are due to amounts that should have been transferred to the proper bank accounts.

Note 21: SUBSEQUENT EVENTS

The entity has evaluated subsequent events through July 1, 2020, the date which the financial statements were available to be issued and identified no events requiring disclosure.

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SUPPLEMENTARY INFORMATION

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Independent Auditor's Report

The Honorable Mayor and
City Commissioners
City of Ventnor, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2019, 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 1, 2020, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Very truly yours,

Ford, Scott, & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

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

July 1, 2020



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
City Commissioners
City of Ventnor, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the City of Ventnor's compliance with the types of compliance requirements described in the *OMB Uniform Guidance Compliance Supplement and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, that could have a direct and material effect on each of the City of Ventnor's major federal and state programs for the year ended December 31, 2019. The City of Ventnor's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Ventnor's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and *New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Uniform Guidance and NJ OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the City of Ventnor's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state and state program. However, our audit does not provide a legal determination of the City of Ventnor's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the City of Ventnor complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the City of Ventnor is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Ventnor's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Uniform Guidance and NJ OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Ventnor's internal control over compliance.

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

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

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

Report on Schedules of Expenditures of Federal Awards and State Financial Assistance Required by OMB Uniform Guidance and NJ OMB's Circular 15-08

We have audited the accompanying balance sheets - regulatory basis of the various funds and account groups of the City of Ventnor, New Jersey, as of December 31, 2019 and 2018, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2019, and have issued our report thereon dated July 1, 2020, which contained an adverse opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Uniform Guidance and NJ OMB's Circular 15-08 and are not a required part of the 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 financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

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 1, 2020

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Federal or State Grantor/Pass - Through Grantor/Program Title	Grant Period	CFDA # or Pass-Through Grantor's #	Program or Award Amount	Balance Dec. 31, 2018	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustment	Balance Dec. 31, 2019
Federal:								
U. S. Department of Justice								
Bulletproof Vest Partnership Program	1/1/17 - 12/31/17	16.607	1,989.41	1,989.41				1,989.41
Bulletproof Vest Partnership Program	1/1/18 - 12/31/18	16.607	3,640.00	3,640.00				3,640.00
Body Armor Replacement Fund	1/1/19 - 12/31/19	16.607	7,227.79	7,227.79	7,227.79			7,227.79
				5,629.41	7,227.79			12,857.20
NJ Department of Homeland Security								
FEMA - Emergency Management	1/1/19 - 12/31/19	97.042	10,000.00		10,000.00	5,190.00		4,820.00
FEMA - Emergency Management	1/1/18 - 12/31/18	97.042	19,400.00	19,400.00		18,976.50		423.50
FEMA - Emergency Management	1/1/17 - 12/31/17		17,000.00	5,026.63		5,026.63		0.00
FEMA - Emergency Management	1/1/15 - 12/31/15	97.042	10,000.00	1,845.00				1,845.00
FEMA - Firefighter Assistance	1/1/19 - 12/31/19	97.044	21,000.00		21,000.00	10,000.00		11,000.00
				26,071.63	31,000.00	39,183.13		17,888.50
U.S. Department of Housing and Urban Development								
Community Development Block Grant	1/1/19 - 12/31/19	14.218	154,028.00		154,028.00			154,028.00
Community Development Block Grant	1/1/15 - 12/31/15	14.218	260,500.00	5,920.00		5,920.00		9,590.01
Post Sandy Assistance Grant	1/1/13 - 12/31/13	14.218	260,000.00	9,590.01				163,618.01
				15,510.01	154,028.00	5,920.00		9,590.01
Total Federal Awards				\$ 47,211.05	192,255.79	45,103.13		194,363.71

The Accompanying Notes To The Schedule of Expenditures of Federal Awards and State Financial Assistance Are An Integral Part of This Statement

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2019

Federal or State Grantor/Pass - Through Grantor/Program Title	Grant Period	Pass-Through Grantor's #	Program or Award Amount	Balance Dec. 31, 2018	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustment	Balance Dec. 31, 2019	(Memo Only) Total Cumulative State Expenditures
State of New Jersey									
NJ Department of Environmental Protection									
Clean Communities Act	1/1/19 - 12/31/19	4900-765-178920	35,002.81		35,002.81	8,963.25		26,039.56	8,963.25
Clean Communities Act	1/1/18 - 12/31/18	4900-765-178920	36,706.11	36,706.36		36,706.36			36,706.36
Clean Communities Act	1/1/17 - 12/31/17	4900-765-178920	71,091.06	13,193.02				13,193.02	57,858.04
Recycling Tonnage Grant	1/1/13 - 12/31/13	NA	20,300.00	20,300.00				20,300.00	
Recycling Tonnage Grant	1/1/14 - 12/31/14	NA	27,643.00	9,121.07			(9,121.07)		18,521.93
Recycling Tonnage Grant	1/1/14 - 12/31/15	NA	33,606.00	31,465.70			(21,763.13)	9,702.57	
Recycling Tonnage Grant	1/1/17 - 12/31/17	NA	38,230.34	38,230.34				38,230.34	
Recycling Tonnage Grant	1/1/18 - 12/31/18	NA	25,610.46	25,610.46				25,610.46	
Recycling Tonnage Grant	1/1/19 - 12/31/19	NA	18,079.19		18,079.19			18,079.19	
Municipal Alliance Drug and Alcoholism	1/1/16 - 12/31/16	4250-760-050000-63-262	3,018.52	3,018.52		740.00		2,278.52	740.00
Municipal Alliance Drug and Alcoholism	1/1/17 - 12/31/17	4250-760-050000-63-262	350.00	350.00		350.00			350.00
Municipal Alliance Drug and Alcoholism	1/1/18 - 12/31/18	4250-760-050000-63-262	16,380.00	16,380.00		16,096.70		263.30	16,096.70
Municipal Alliance Drug and Alcoholism	1/1/19 - 12/31/19	4250-760-050000-63-262	14,110.00		14,110.00	3,259.76		10,850.24	3,259.76
Resilient New Jersey	1/1/18 - 12/31/18	NA	88,242.96	88,242.96				88,242.96	
Sustainable New Jersey Small Grant	1/1/18 - 12/31/18	NA	14,715.00	13,465.00		13,384.58		80.42	14,634.58
NJ Historic Trust Fund	1/1/17 - 12/31/17	NA	501,000.00	5,200.55				5,200.55	495,799.45
State Cooperative Housing	1/1/17 - 12/31/17	NA	11,087.00	11,087.00				11,087.00	
State Housing Inspection	1/1/17 - 12/31/17	NA	3,403.00	3,403.00				3,403.00	
Green Community	1/1/13 - 12/31/13	NA	3,000.00	120.00			(120.00)		3,000.00
				315,884.98	87,192.00	78,500.65	(31,004.20)	272,572.13	
Department of Transportation									
Transportation Trust Fund Authority Act									
Transportation Trust Fund Authority Act 2012	N/A	N/A	150,000.00	148,414.85				148,414.85	1,565.15
Transportation Trust Fund Authority Act 2014	N/A	N/A	187,000.00	1,443.38				1,443.38	185,556.62
Transportation Trust Fund Authority Act 2015	N/A	N/A	140,250.00	140,250.00				140,250.00	
Transportation Trust Fund Authority Act 2019	N/A	N/A	310,000.00		310,000.00	227,528.25		82,471.75	227,528.25
Transportation Trust Fund Authority Act 2020	N/A	N/A	222,122.00		222,122.00			222,122.00	
NJDOT Safe Routes to School	N/A	N/A	207,000.00		207,000.00			207,000.00	
NJDOT Bikeway	N/A	N/A	190,000.00	190,000.00		190,000.00			190,000.00
NJDOT 2018 Municipal Aid	N/A	N/A	172,000.00	172,000.00				172,000.00	
NJDOT 2017 Memorandum	N/A	N/A	231,000.00	231,000.00		231,000.00			231,000.00
NJDOT Burk Avenue	N/A	N/A	196,000.00	196,000.00		196,000.00			196,000.00
				1,078,108.23	738,122.00	844,528.25		973,701.98	
Department of Community Affairs									
Safe & Secure Communities	1/1/18 - 12/31/18	100-066-1020-107-090940	60,000.00	59,917.00				59,917.00	59,917.00
Safe & Secure Communities	1/1/17 - 12/31/17	100-066-1020-107-090940	60,000.00	38,415.13				38,415.13	21,694.87
Safe & Secure Communities	1/1/14 - 12/31/14	100-066-1020-107-090940	60,000.00	4,445.49				4,445.49	55,554.51
				102,777.62				102,777.62	

The Accompanying Notes To The Schedule of Expenditures of Federal Awards and State Financial Assistance Are An Integral Part of This Statement

NJ Division of Law and Public Safety

Division of Motor Vehicles

Drunk Driving Enforcement Fund	1/1/14 - 12/31/14	NA	10,600.00	8,623.28	7,450.13	1,135.13	9,460.87
Drunk Driving Enforcement Fund	1/1/15 - 12/31/15	NA	13,810.00	619.00	440.00	175.00	13,531.00
Drunk Driving Enforcement Fund	1/1/17 - 12/31/17	NA	110.00	110.00		110.00	-
Drunk Driving Enforcement Fund	1/1/19 - 12/31/19	NA	26,132.28		26,132.28	26,132.28	-
Highway Project Over the Limit	1/1/18 - 12/31/18	NA	9,000.00	9,000.00		9,000.00	-
DWI	1/1/13 - 12/31/13	NA	330.00	330.00		330.00	-
DWI	1/1/14 - 12/31/14	NA	558.50	558.50		558.50	-
DWI	1/1/15 - 12/31/15	NA	679.40	679.40		679.40	-
DWI	1/1/16 - 12/31/16	NA	1,756.00	1,756.00		1,756.00	-
Click It or Ticket	1/1/18 - 12/31/18	NA	4,000.00	4,000.00		4,000.00	-
Pedestrian Safety	1/1/09 - 12/31/09	NA	3,200.00	3,200.00		3,200.00	-
Buckle Up	1/1/08 - 12/31/08	NA	4,000.00	4,000.00		4,000.00	-
Buckle Up	1/1/09 - 12/31/09	NA	4,000.00	4,000.00		4,000.00	-
			<u>36,862.16</u>	<u>7,830.13</u>	<u>(43,004.20)</u>	<u>43,084.31</u>	<u>4,000.00</u>
State of New Jersey State Police			1,125.95	839.16		839.16	286.79
Alcohol Education Rehabilitation Fund	1/1/17 - 12/31/17	9735-760-088-Y900-001	3,165.61	3,165.61	1,079.00	2,106.61	1,079.00
Alcohol Education Rehabilitation Fund	1/1/18 - 12/31/18	9735-760-088-Y900-001	1,165.43			1,165.43	-
Alcohol Education Rehabilitation Fund	1/1/19 - 12/31/19	9735-760-088-Y900-001		1,165.43		1,165.43	-
			<u>4,024.77</u>	<u>1,165.43</u>	<u>1,079.00</u>	<u>4,111.20</u>	<u>-</u>
Total State Assistance			<u>1,536,677.76</u>	<u>839,611.71</u>	<u>(43,004.20)</u>	<u>1,389,247.24</u>	<u>-</u>
Total Federal Awards and State Financial Assistance			<u>4,565,888.81</u>	<u>1,025,967.50</u>	<u>(43,004.20)</u>	<u>1,590,610.95</u>	<u>-</u>

**Notes to Schedule of Expenditures of Federal and State Awards
December 31, 2019**

Note 1: BASIS OF PRESENTATION

The accompanying schedule of federal and state awards includes the federal and state grant activity of the City of Ventnor, State of New Jersey and is presented on the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. Encumbrances are considered in determining single audit threshold on major programs. The City has elected not to use the 10% de minimis indirect cost rate.

Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule do not agree with amounts reported in the City's financial statements. Receipts from Federal and State grants are realized as revenue when anticipated in the City's budget. Expenditures are recognized when they become payable. Following is a reconciliation of expenditures:

Expenditures per Schedule of Federal and State Awards	\$ 978,141.16
Plus: Local Grants and Local Match	1,000.00
Expenditures reported on Schedule A-12	<u>\$ 979,141.16</u>

**CITY OF VENTNOR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

Part I – Summary of Auditor’s Results

Financial Statement Section

- A) Type of auditor’s report issued: Adverse under GAAP/Unmodified under Regulatory
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified? _____yes X no
- 2) Significant Deficiencies identified that are not considered to be material weaknesses? _____yes X no
- C) Noncompliance material to general-purpose financial statements noted? _____yes X no

Federal Awards Section – N/A

- D) Dollar threshold used to determine type A programs: _____
- E) Auditee qualified as low-risk auditee? _____yes _____no
- F) Type of auditor’s report on compliance for major programs

- G) Internal control over major programs:
- 1) Material weakness(es) identified? _____yes _____no
- 2) Significant Deficiencies identified that are not considered to be material weaknesses? _____yes _____no
- H) Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? _____yes _____no

I) Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

**CITY OF VENTNOR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

Part I – Summary of Auditor's Results

State Awards Section

- J) Dollar threshold used to determine Type A programs: \$750,000
- K) Auditee qualified as low-risk auditee? X yes no
- L) Type of auditor's report issued on compliance for major programs: Unmodified
- M) Internal Control over major programs:
- 1) Material weakness(es) identified? yes X no
- 2) Significant Deficiencies identified that are not considered to be material weaknesses? yes X no
- N) Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08? yes X no
- O) Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
6320-480-601385-61	NJ Department of Transportation

Part 2 -- Schedule of Financial Statement Findings

NONE

Part 3 -- Schedule of Federal Award Findings and Questioned Costs

NONE

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

		Current Fund
Balance December 31, 2018	\$	7,720,899.80
Increased by Receipts:		
Taxes Receivable		51,516,887.31
Prepaid Taxes		915,442.73
Revenue Accounts Receivable		3,550,733.36
Miscellaneous Revenue		571,570.95
Due from State - Sr. Citizens and Veterans		68,500.00
Due to State Marriage License Fees		1,800.00
Due to State - DCA Fees		17,429.00
Due from Trust Other Fund		3,588.28
Due from Animal Control Fund		5,524.80
Due from Capital		36,550.47
Federal & State Grants Receivable		440,660.66
Unappropriated Federal & State Grants		23,082.23
Net Grants Cancelled - Due to Current Fund		12,620.13
		57,164,389.92
		64,885,289.72
Decreased by Disbursements:		
Current Year Appropriation		26,824,848.08
Prior Year Appropriations		491,303.57
Accounts Payable		5,649.00
County Taxes		11,976,789.51
Local District School Taxes		16,405,694.00
Due to State - Marriage Licenses		1,550.00
Due to State - DCA Fees		9,078.00
Federal and State Disbursements		503,440.37
Water & Sewer Utility Capital Fund		7,239.42
Net Grants Cancelled - Due to Current Fund		12,620.13
		56,238,212.08
Balance December 31, 2019	\$	8,647,077.64

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

Year	Balance Dec. 31, 2018	Current Year Levy	Added Taxes	Collections by Cash		Overpayments	Adjustments	Balance Dec. 31, 2019
				2018	2019			
Arrears \$								
2018	1,198,572.56			1,219,598.56	213.84	(28,515.53)	(21,239.84)	28,515.53
	1,198,572.56			1,219,598.56	213.84	(49,765.37)		0.00
2019		52,437,379.01	271,535.85	949,072.55	50,364,285.41	252,944.04	40,247.00	1,102,365.86
	\$ 1,198,572.56	\$ 52,437,379.01	\$ 271,535.85	\$ 949,072.55	\$ 51,583,883.97	\$ 253,157.88	\$ (9,508.37)	\$ 1,130,881.39
				51,516,887.31	Cash Receipts			
				66,996.66	Senior Citizens and Veterans			
				<u>51,583,883.97</u>				
Analysis of Current Year Tax Levy								
Tax Yield:								
General Property Tax								
Added Taxes (54:4-63.1 et. Seq.)								
				52,437,379.01				
				271,535.85				
				<u>52,708,914.86</u>				
Tax Levy:								
General County Taxes								
County Library Taxes								
County Open Space Taxes								
County Health Taxes								
County Added and Omitted Taxes								
Total County Taxes								
				11,986,048.57				
Local School District Tax								
				16,405,694.00				
Local Tax for Municipal Purposes								
				24,105,110.69				
				212,061.60				
				<u>24,317,172.29</u>				
				<u>52,708,914.86</u>				

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

Balance December 31, 2018		\$	13,616.87
Increased by:			
None			
			<u>-</u>
			13,616.87
Decreased by:			
Cancelled	13,616.87		
	<u>13,616.87</u>		<u>13,616.87</u>
Balance December 31, 2019		\$	<u><u>-</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2018	Accrued in 2019	Treasurer	Balance Dec. 31, 2019
Licenses:				
Alcoholic Beverages		7,870.00	7,870.00	-
Other		22,616.00	22,616.00	-
Fees and Permits		282,236.08	282,236.08	-
Fines and Costs:				
Municipal Court	12,082.68	209,344.45	208,356.12	13,071.01
Interest and Costs on Taxes		279,706.84	279,706.84	-
Parking Meters		149,431.31	149,431.31	-
Interest Earned on Investments		114,923.08	114,923.08	-
Beach Control Fees		295,026.00	295,026.00	-
Land Rental		87,501.00	87,501.00	-
Viking Rowing Foundation, Inc. Lease Agreement		31,091.60	31,091.60	-
Payment in Lieu of Taxes		130,008.00	130,008.00	-
Cable Television Franchise Fees		54,639.85	54,639.85	-
City Lease Fees		48,780.38	48,780.38	-
Ambulance Service Fees		206,871.35	206,871.35	-
Recreation Fees		76,924.75	76,924.75	-
Energy Receipts Tax		608,112.00	608,112.00	-
Uniform Construction Code Fees		282,489.00	282,489.00	-
Borough of Longport-Uniform Construction Code		44,150.00	44,150.00	-
Utility Fund Allocation		410,000.00	410,000.00	-
Reserve to Pay School Bonds		210,000.00	210,000.00	-
Miscellaneous Revenue Not Anticipated		571,570.95	571,570.95	-
	<u>\$ 12,082.68</u>	<u>4,123,292.64</u>	<u>4,122,304.31</u>	<u>13,071.01</u>

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2018	Balance After Transfers	Paid or Charges	Balance Lapsed
OPERATIONS WITHIN "CAPS"				
GENERAL GOVERNMENT:				
Mayor's Office				
Salaries and Wages	\$ 0.59	0.59		0.59
Other Expenses	13,399.72	13,399.72	5,741.26	7,658.46
Police				
Salaries and Wages	79,583.85	79,583.85	14,696.39	64,887.46
Other Expenses	91,106.86	91,106.86	50,977.65	40,129.21
Fire				
Salaries and Wages	32,061.34	32,061.34		32,061.34
Other Expenses	31,836.70	31,836.70	15,927.19	15,909.51
Uniform Fire Safety Act				
Other Expenses	1,512.76	1,512.76	881.85	630.91
Radio and Communications				
Salaries and Wages	9,142.97	9,142.97		9,142.97
Other Expenses	12,054.68	12,054.68		12,054.68
City Administrator				
Salaries and Wages	765.00	765.00		765.00
Other Expenses	64,172.50	64,172.50	56,580.00	7,592.50
Office of Emergency Management				
Other Expenses	1,036.19	1,036.19	1,001.19	35.00
Dog Control				
Other Expenses	1,400.00	1,400.00	1,400.00	-
Electrical Division				
Salaries and Wages	2,264.93	2,264.93		2,264.93
Other Expenses	25,985.95	25,985.95	18,765.50	7,220.45
Celebration of Public Events				
Other Expenses	8,689.78	8,689.78	1,474.00	7,215.78
Beach Patrol				
Salaries and Wages	2,336.02	2,336.02		2,336.02
Other Expenses	1,597.74	1,597.74	120.33	1,477.41
Beach Control				
Salaries and Wages	2,027.16	2,027.16		2,027.16
Other Expenses	191.20	191.20		191.20
DEPARTMENT OF PUBLIC WORKS, PARKS & PUBLIC PROPERTY				
Streets and Roads				
Salaries and Wages	8,675.66	8,675.66		8,675.66
Other Expenses	16,126.68	16,126.68	14,369.25	1,757.43
Motor Vehicle Maintenance				
Salaries and Wages	16,194.13	16,194.13		16,194.13
Other Expenses	21,005.75	21,005.75	13,775.73	7,230.02
Buildings and Grounds				
Salaries and Wages	14,354.14	14,354.14	1,723.28	12,630.86
Other Expenses	34,414.62	34,414.62	33,448.67	965.95
Recreation				
Salaries and Wages	26,043.55	26,043.55		26,043.55
Other Expenses	4,356.26	4,356.26	3,941.59	414.67
City Engineer				
Salaries and Wages				
Other Expenses	45,237.61	45,237.61	44,049.00	1,188.61
Solid Waste/Recycling				
Salaries and Wages	5,581.53	5,581.53		5,581.53
Other Expenses	13,612.27	13,612.27	5,739.06	7,873.21
DEPARTMENT OF REVENUE AND FINANCE				
Legal Services and Costs				
Other Expenses	66,317.74	66,317.74	27,837.13	38,480.61
City Clerk				
Salaries and Wages	60.00	60.00		60.00
Other Expenses	7,075.10	7,075.10	4,170.98	2,904.12
Codification of Ordinances	6,107.37	6,107.37	4,500.00	1,607.37

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2018	Balance After Transfers	Paid or Charges	Balance Lapsed
Elections				
Other Expenses	7,594.26	7,594.26		7,594.26
Audit Fee				
Other Expenses	440.00	440.00		440.00
Planning Board				
Salaries and Wages	4,938.25	4,938.25		4,938.25
Other Expenses	4,163.43	4,163.43	2,536.86	1,626.57
Financial Administration				
Salaries and Wages	8,413.49	8,413.49	2,885.15	5,528.34
Other Expenses	24,770.19	24,770.19	4,194.71	20,575.48
Assessment of Taxes				
Salaries and Wages	7,535.96	7,535.96		7,535.96
Other Expenses	4,205.06	4,205.06	3,344.00	861.06
Collection of Taxes				
Salaries and Wages	7,629.27	7,629.27	2,368.59	5,260.68
Other Expenses	4,295.20	4,295.20	2,303.88	1,991.32
Information Technology				
Salaries and Wages	31,068.53	31,068.53	8,191.28	22,877.25
Other Expenses	180,953.22	180,953.22	180,167.32	785.90
Municipal Court				
Salaries and Wages	72.63	72.63		72.63
Other Expenses	6,653.31	6,653.31	2,470.20	4,183.11
Insurance				
General Liability	13,848.44	13,848.44	7,232.60	6,615.84
Workers Compensation	3,159.97	3,159.97		3,159.97
Employee Group Health	152,228.25	152,228.25	(5,857.31)	158,085.56
Health Waiver	10,253.66	10,253.66		10,253.66
Inspection of Buildings				
Salaries and Wages	289.57	289.57		289.57
Other Expenses	761.30	761.30	334.57	426.73
Inspection of Housing				
Salaries and Wages	1,901.73	1,901.73		1,901.73
Other Expenses	5,309.77	5,309.77	1,012.60	4,297.17
Electrical and Plumbing				
Salaries and Wages	1,255.35	1,255.35		1,255.35
Utilities				
Telephone	24,759.53	24,759.53	3,660.56	21,098.97
Gasoline	35,339.41	35,339.41	14,269.21	21,070.20
Natural Gas	26,355.95	26,355.95	7,073.97	19,281.98
Electricity	10,939.83	10,939.83		10,939.83
STATUTORY EXPENDITURES				
Contribution to				
Public Employees' Retirement System	0.97	0.97		0.97
Social Security System	9,160.68	9,160.68		9,160.68
Consolidated Police and Firemen's Pension Fund	0.22	0.22		0.22
Unemployment	10,710.53	10,710.53		10,710.53
Medicare Insurance	7,415.89	7,415.89		7,415.89
Define Contribution Retirement Program	3,772.80	3,772.80		3,772.80
OPERATIONS EXCLUDED FROM "CAPS"				
Borough of Longport-Uniform Construction Code Office				
Salaries and Wages	180.99	180.99		180.99
Other Expenses	2,250.00	2,250.00		2,250.00
	<u>\$ 1,278,955.99</u>	<u>1,278,955.99</u>	<u>557,308.24</u>	<u>721,647.75</u>
Appropriation Reserves	606,469.61		491,303.57	Paid
Accounts Payable and Encumbrances	672,486.38		66,004.67	Accounts Payable
	<u>1,278,955.99</u>		<u>557,308.24</u>	

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

Balance December 31, 2018		
School Tax Payable	\$	0.06
Increased by:		
Levy - Calender Year January 1, 2019 to December 31, 2019		16,405,694.00
		16,405,694.06
Decreased by:		
Payments		<u>16,405,694.00</u>
Balance December 31, 2019		
School Tax Payable		<u><u>0.06</u></u>
Current Year Liability for Local School District School Tax:		
Tax Paid		16,405,694.00
Tax Payable Ending		<u>0.06</u>
		16,405,694.06
Less: Tax Payable Beginning		<u>0.06</u>
Amount charged to Current Year Operations	\$	<u><u>16,405,694.00</u></u>

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

Purpose	Balance Dec. 31, 2018	Transferred From 2019 Revenues	Received	Adjustments	Balance Dec. 31, 2019
FEDERAL GRANTS:					
FEMA Assistance to Firefighters	\$ 77,743.00				77,743.00
Body Armor		7,227.79	3,957.95		3,269.84
Bulletproof Vest	5,629.41		2,730.00		2,899.41
CDBG		154,028.00	154,028.00		-
Post Sandy Planning Assistance	79,116.09				79,116.09
FEMA - Emergency Management	27,000.00		10,000.00		17,000.00
FEMA - Emergency Management		10,000.00	10,000.00		-
FEMA - Fire Assistance Grant		21,000.00			21,000.00
FEMA - Emergency Management	29,341.34				29,341.34
Total Federal	218,829.84	192,255.79	180,715.95	-	230,369.68
STATE GRANTS:					
New Jersey Transportation Trust Fund 2013	41,474.14				41,474.14
New Jersey Transportation Trust Fund 2017 - Monmouth	231,000.00				231,000.00
New Jersey Transportation Trust Fund - Burk Avenue	49,000.00				49,000.00
New Jersey Transportation Trust Fund - Bikeway	190,000.00				190,000.00
New Jersey Transportation Trust Fund - 2018 Municipal Aid	172,000.00				172,000.00
NJ Transportation Trust Fund Authority Act - 2020		222,122.00	173,250.00		48,872.00
NJ Transportation Trust Fund Authority Act - 2019		310,000.00			310,000.00
New Jersey Transportation - Safe Routes to School		207,000.00			207,000.00
Recycling Tonnage	30,884.20			30,884.20	-
Recycling Tonnage - 2019		18,079.19	18,079.19		-
Municipal Alliance		14,110.00	5,315.00		8,795.00
Drunk Driving Enforcement Fund - 2019		26,132.28	26,132.28		-
Clean Communities		35,002.81	35,002.81		-
Alliance for Prevention of Alcohol and Drug Abuse	0.08				0.08
Alcohol Education, Rehabilitation and Enforcement		1,165.43	1,165.43		-

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

<u>Purpose</u>	Balance Dec. 31, 2018	Transferred From 2019 Revenues	Received	Adjustments	Balance Dec. 31, 2019
Sustainable Jersey	14,715.00				14,715.00
NJ Historical Trust	133,645.77				133,645.77
Safe and Secure Program	33,142.13				33,142.13
Resilient NJ	88,242.96				88,242.96
Total State	<u>984,104.28</u>	<u>833,611.71</u>	<u>258,944.71</u>	<u>30,884.20</u>	<u>1,527,987.08</u>
OTHER:					
SJ Cultural Arts Grant		1,000.00	1,000.00		-
Total Other	<u>-</u>	<u>1,000.00</u>	<u>1,000.00</u>	<u>-</u>	<u>-</u>
\$	<u>1,202,934.12</u>	<u>1,026,667.50</u>	<u>440,660.66</u>	<u>30,884.20</u>	<u>1,758,256.76</u>

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

	Balance December 31, 2018		2019 Appropriations	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2019
	Appropriated	Reserve for Encumbrances					
FEDERAL GRANTS:							
Community Development Block Grant	\$	5,920.25	154,028.00	5,920.25			154,028.00
Post Sandy Planning Assistance		431.25					9,590.01
Federal Bulletproof Vest Partnership		5,628.41	7,227.79				5,629.41
Body Armor Replacement Program-2019			10,000.00		5,180.00		7,227.79
FEMA - Emergency Management		24,426.63		24,003.13			4,820.00
FEMA - Emergency Management			21,000.00	10,000.00			423.50
FEMA - Fire Assistance Grant		1,645.00					11,000.00
FEMA - Emergency Management							1,645.00
Total Federal		16,433.17	192,255.79	39,923.38	5,180.00		194,363.71
STATE GRANTS:							
NJ Transportation Trust Fund Authority Act - 2012		148,414.85					148,414.85
NJ Transportation Trust Fund Authority Act		1,443.38					1,443.38
NJ Transportation Trust Fund Authority Act - 2015		140,250.00					140,250.00
NJ Transportation Trust Fund Authority Act - 2019			310,000.00		227,528.25		82,471.75
NJ Transportation Trust Fund Authority Act - 2020			222,122.00				222,122.00
New Jersey Transportation - Safe Routes to School			207,000.00				207,000.00
New Jersey Transportation Trust Fund - Bikeway		168,400.00		164,074.21	5,925.79		0.00
New Jersey Transportation Trust Fund - 2018 Municipal Aid		172,000.00		106,215.66	124,784.34		172,000.00
New Jersey Transportation Trust Fund 2017 - Monmouth		231,000.00		104,176.11	91,823.89		
New Jersey Transportation Trust Fund - Burk Avenue							
Recycling Tonnage Grant		9,121.07				9,121.07	
Recycling Tonnage Grant		31,465.70					9,702.57
Recycling Tonnage Grant-2013		20,300.00					20,300.00
Recycling Tonnage Grant-2017		38,230.34					38,230.34
Recycling Tonnage Grant-2018		25,610.46					25,610.46
Recycling Tonnage Grant-2019			18,079.19				18,079.19
Alliance for the Prevention of Alcohol and Drug Abuse		14,110.00		13,846.70	2,250.00		263.30
Alliance for the Prevention of Alcohol and Drug Abuse-2016		3,019.52		740.00			2,279.52
Alliance for the Prevention of Alcohol and Drug Abuse-2017		350.00		350.00			
Alliance for the Prevention of Alcohol and Drug Abuse-2019			14,110.00	2,420.00	899.76		10,850.24
Alcohol Education, Rehabilitation and Enforcement-2018		3,185.61		1,079.00			2,106.61
Alcohol Education, Rehabilitation and Enforcement-2017		839.16					839.16
Alcohol Education, Rehabilitation and Enforcement-2019			1,165.43				1,165.43
Resilient NJ Grant		88,242.96					88,242.96
Sustainable Jersey		6,247.00		13,384.58			
Clean Communities-2019			35,002.81	41.95	8,921.30		80.42
Clean Communities-2017		13,193.02					26,039.56
Clean Communities-2018		31,365.84		28,258.65	8,447.46		13,193.02

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

	Balance December 31, 2018		2019		Encumbrances	Canceled	Balance Dec. 31, 2019
	Appropriated	Reserve for Encumbrances	Appropriations	Disbursed			
Drunk Driving Enforcement Fund-2019	110.00		26,132.28				26,132.28
Drunk Driving Enforcement Fund-2017	440.00	179.00		440.00			110.00
Drunk Driving Enforcement Fund-2015	8,629.26			7,490.13			1,139.13
Highway Project Over the Limit	9,000.00						9,000.00
DWI	330.00						330.00
Special DWI-2014	558.50						558.50
Special DWI-2015	679.40						679.40
Special DWI-2016	1,756.00						1,756.00
Click It Ticket	4,000.00				4,000.00		-
NJ Historic Trust Fund	5,200.55						5,200.55
State Cooperative Housing	11,097.00						11,097.00
State Housing Inspection	3,403.00						3,403.00
Safe and Secure Program - 2018	119,917.00						119,917.00
Safe and Secure Program	98,415.13						98,415.13
Safe and Secure Program-2014	4,445.49						4,445.49
Pedestrian Safety Program	3,200.00						3,200.00
Buckle Up	8,000.00				8,000.00		-
Green Community	120.00				120.00		-
Total State	1,428,090.24	232,587.27	833,611.71	462,516.99	43,004.20	470,520.79	1,516,247.24
OTHER:							
SJ Cultural Arts Grant	500.00		1,000.00	1,000.00		500.00	-
Growing Green	500.00		1,000.00	1,000.00		500.00	-
Total State	1,443,023.41	263,365.40	1,026,867.50	503,440.37	43,504.20	475,700.79	1,710,610.95

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

<u>Purpose</u>	Balance Dec. 31, 2018	Transferred To 2019 Appropriations	Received	Cancelled	Balance Dec. 31, 2019
FEDERAL GRANTS:					
None	\$ -				-
Total Federal					
STATE GRANTS:					
Recycling Tonnage Grant	12,805.23				12,805.23
Municipal Alliance	13,760.00				13,760.00
PSEG Grant - 2019	2,357.50				2,357.50
Clean Communities	0.13			0.13	-
State Housing Inspection	13,272.00		7,517.00		20,789.00
Drunk Driver Enforcement Fund			2,760.00		2,760.00
Total State	<u>29,389.63</u>	<u>-</u>	<u>23,082.23</u>	<u>0.13</u>	<u>52,471.73</u>
	<u>\$ 29,389.63</u>	<u>-</u>	<u>23,082.23</u>	<u>0.13</u>	<u>52,471.73</u>

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

	<u>Dog Licenses</u>	<u>Other</u>
Balance December 31, 2018	\$ 18,298.60	2,089,135.70
Increased by Receipts:		
Dog License Fees 2019	3,116.40	
Due to State of New Jersey	552.60	
Prepaid Dog Licenses		
Payroll Deductions Payable		8,993,232.81
Miscellaneous Trust Reserves		2,924,008.83
Due from Current	19.84	24,428.80
	<u>3,688.84</u>	<u>11,941,670.44</u>
	21,987.44	14,030,806.14
Decreased by Disbursements		
Statutory Expenditures	200.00	
Due to State of New Jersey	551.40	
Payroll Deductions Payable		9,022,811.76
Miscellaneous Trust Reserves		2,945,500.11
Due to Current Fund	5,544.64	30,485.67
	<u>6,296.04</u>	<u>11,998,797.54</u>
Balance December 31, 2019	\$ <u>15,691.40</u>	<u>2,032,008.60</u>

**TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES**

Balance December 31, 2018	\$	12,773.80
Increased by:		
Dog License Fees Collected	3,116.40	
Prepaid Licenses		
		3,116.40
		15,890.20
Decreased by:		
Statutory Excess		
Expenditures under N.J.S. 4:19-15:11	200.00	
		200.00
Balance December 31, 2019	\$	15,690.20

License Fees Collected:

Year	Amount
2018 \$	3,561.80
2017	5,245.20
\$	8,807.00

**TRUST FUND
SCHEDULE OF AMOUNT DUE TO CURRENT FUND - DOG LICENSE FUND**

Balance December 31, 2018	\$	5,524.80
Increased by:		
Statutory Excess		19.84
		19.84
		5,544.64
Decreased by:		
Paid to Current Fund		5,544.64
		5,544.64
Balance December 31, 2019	\$	-

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

Balance December 31, 2018	\$	-
Increased by:		
2019 State License Fees		552.60
		552.60
		552.60
Decreased by:		
Disbursements to the State		551.40
		551.40
Balance December 31, 2019	\$	1.20

**TRUST FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE**

Balance December 31, 2018		\$	146,223.64
Increased by:			
Receipts	8,993,232.81		8,993,232.81
Decreased by:			9,139,456.45
Disbursements	9,022,811.76		9,022,811.76
Balance December 31, 2019		\$	116,644.69

**TRUST - OTHER FUNDS
SCHEDULE OF DUE TO/(FROM) CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

<u>Reserve</u>	Increased by			Decreased by			Balance Dec 31, 2019
	Balance Dec 31, 2018	Receipts	Current Fund	Disbursements	2019 Budget Appropriation	Current Fund	
\$	199.18	19,156.28		199.18			19,156.28
Payroll Agency	4.27	1,400.44		4.27			1,400.44
Law Enforcement Trust	30.05	30.41		1,955.17			(1,894.71)
Federal Forfeiture Trust	87.15	237.21		646.69			(322.33)
Developer's Escrow				23,589.81			(23,589.81)
Other Trust	21.28			21.28			38.80
Evidence Trust	123.21			123.21			184.80
Uniform Fire	409.81	644.27		1,960.79			(906.71)
Tax Title Lien Redemption	1,593.64	2,736.59		1,985.27			2,344.96
Lifeguard Pension							
\$	<u>2,468.59</u>	<u>24,428.80</u>	-	<u>30,465.67</u>	-	-	<u>(3,588.28)</u>

**TRUST - OTHER FUNDS
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Reserve	Increased by		Decreased by		Balance Dec 31, 2019
	Balance Dec 31, 2018	Receipts	Collections made by Current Fund	Disbursements	
Small Cities Revolving Loan Fund	\$ 43,764.00				43,764.00
Developers Escrow	201,531.12	104,936.62		32,131.63	274,336.11
Law Enforcement Trust	802.23	2,072.00			2,874.23
Federal Forfeitures	101.91	3,851.16		1,925.58	2,027.49
Parking Offense Adjudication Act	4,143.51	1,704.00		2,691.00	3,156.51
Life Guard Pension Fund	274,120.34	22,324.35		52,536.66	243,908.03
Unemployment Trust	54,713.19	75,449.65		76,667.95	53,494.89
Evidence Trust	4,654.42				4,654.42
Tax Sale Premiums	936,800.00	450,553.58		644,753.58	742,600.00
Tax Title Lien Redemptions	252,433.41	1,576,028.95		1,487,659.87	340,802.49
Boardwalk Benches	19,382.16	13,200.00		13,312.00	19,270.16
Snow Removal	51,106.81			5,654.16	45,452.65
Recreation Trust	4,335.69	2,028.00		1,116.00	5,247.69
Self-Insurance	3,000.00				3,000.00
Trust Other	16,728.42				16,728.42
Penalties Collected Under the Uniform Fire Code	23,788.83	25.00			23,813.83
Police Detail	46,591.48	71,286.50		58,291.00	59,586.98
Accumulated Absences	2,445.95	597,957.27		566,409.78	33,993.44
Merchant Fees		2,591.75		2,350.90	240.85
	\$ 1,940,443.47	2,924,008.83	-	2,945,500.11	1,918,952.19

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

Balance December 31, 2018		\$ 2,000,884.17
Increased by:		
Receipts	10,063,161.50	
		10,063,161.50
Decreased by:		
Disbursements	9,976,477.63	12,064,045.67
		9,976,477.63
Balance December 31, 2019		\$ 2,087,568.04

GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance Dec. 31, 2018	Receipts		Disbursements		Transfers		Balance Dec. 31, 2019
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 134,920.52							134,920.52
Due from NJEIT	(70,703.00)							(70,703.00)
Due from DOT-Streetscape Capital Improvement Fund	474,304.00	496,335.18		800,000.00				(303,664.82)
Contracts Payable	1,724,152.01	200,000.00			166,667.00			507,637.00
Reserve for Payment of Bonds	171,974.71	286,823.57		210,000.00	1,724,152.01	9,103,235.67		9,103,235.67
Reserve for Payment of School Bonds	40,671.38				40,671.38			289,468.66
Due to Current	36,550.47	2.75		36,550.47				2.75
Due to Water Sewer Capital	1,000,000.00	1,000,000.00		60,000.00				940,000.00
Improvement Authorizations:								
1987-02 Various Improvements	1,250.00							1,250.00
1998-19 Acquisition of Real Property	67,668.06							67,668.06
2002-03 Various Improvements	20,017.45				6,950.00			13,067.45
2007-09 Various Improvements	2,955.26							2,955.26
2009-14 Various Improvements	83,734.67			485.96	14,006.34	14,492.30		83,734.67
2011-11 Various Improvements	482,775.63			188.00		188.00		482,775.63
2013-10 Various Improvements	32,050.30			13,478.69	2,286.27	13,956.96		30,242.30
2014-25 Repair and Replace Bulkheads	93,215.00							93,215.00
2014-27 Various Improvements	11,584.97			12,285.90	787.50	13,073.40		11,584.97
2017-38 Various Projects	457,352.42			87,174.87	75,259.00	41,767.00		336,685.55
2017-41 General Capital Improvements	(1,835,889.68)	800,000.00	6,580,000.00	2,550,173.89	2,120,386.95	1,640,674.35		2,514,223.83
2017-42 Park and Beach Improvements	72,300.00		700,000.00	559,933.39				212,366.61
2018-28 Various School Improvements				4,416,298.74	4,898,772.26			(9,315,071.00)
2019-03 Construction of Firehouse #2				1,228,907.72	1,984,787.35	166,667.00		(3,048,028.07)
	\$ 2,000,884.17	2,783,161.50	7,280,000.00	8,869,927.16	11,034,726.06	11,034,726.06		2,087,568.04

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

Balance December 31, 2018		\$	474,304.00
Increased by:			
2019 Budget Appropriation	200,000.00		
			200,000.00
			674,304.00
Decreased by:			
Finance Improvement Authorizations	166,667.00		
			166,667.00
Balance December 31, 2019		\$	507,637.00

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

Balance December 31, 2018		\$ 15,215,368.19
Increased by:		
Serial Bonds	8,855,000.00	
	<hr/>	<u>8,855,000.00</u>
		24,070,368.19
Decreased by:		
2019 Budget Appropriation:		
General Serial Bonds	1,490,000.00	
School Serial Bonds	1,255,000.00	
Green Trust Loans Payable	92,061.70	
NJEIT Loans Payable	46,960.55	
	<hr/>	<u>2,884,022.25</u>
Balance December 31, 2019		\$ <u><u>21,186,345.94</u></u>

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

Ord #	Improvement Description	Balance Dec. 31, 2018	2019 Authorizations	Raised in 2019 Budget	Other	Balance Dec. 31, 2019	Analysis of Balance		Unexpended Improvement Authorizations
							Bond Anticipation Notes	Expenditures	
2014-27	Various Improvements	\$ 2,037,803.00		137,803.00	1,900,000.00	-			5,200,032.00
2017-41	Various Improvements	12,580,032.00			7,380,000.00	5,200,032.00			1,000,000.00
2017-42	Various Park and Beach Improvements	1,700,000.00			700,000.00	1,000,000.00			-
2018-28	Various School Improvements	9,315,071.00				9,315,071.00		9,315,071.00	
2019-03	Construction of Firehouse #2		3,333,333.00			3,333,333.00		3,048,028.07	285,304.93
		\$ 25,632,906.00	3,333,333.00	137,803.00	9,980,000.00	18,848,435.00	-	12,363,099.07	6,485,336.93

Improvement Authorizations Unfunded

6,485,336.93

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds			Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
			Date	Outstanding December 31, 2019	Amount					
General Improvement Bonds of 2010	12/1/2010	8,315,000	12/1/2020	625,000.00	625,000.00	3.500%	\$ 1,225,000.00	600,000.00	625,000.00	
Refunding Improvement Bonds of 2013	4/10/2013	2,140,000						380,000.00	-	
General Improvement Bonds of 2013	12/4/2013	6,365,000	12/1/2020	535,000.00	535,000.00	2.250%	4,025,000.00	510,000.00	3,515,000.00	
			12/1/2021	560,000.00	560,000.00	3.000%				
			12/1/2022	580,000.00	580,000.00	3.000%				
			12/1/2023	600,000.00	600,000.00	3.000%				
			12/1/2024	610,000.00	610,000.00	3.000%				
			12/1/2025	630,000.00	630,000.00	3.250%				
Refunding Improvement Bonds of 2017	9/22/2017	3,235,000	12/1/2021	610,000.00	610,000.00	4.000%	3,200,000.00		3,200,000.00	
			12/1/2022	620,000.00	620,000.00	4.000%				
			12/1/2023	635,000.00	635,000.00	4.000%				
			12/1/2024	650,000.00	650,000.00	4.000%				
			12/1/2025	685,000.00	685,000.00	4.000%				
General Improvement Bonds of 2019	10/22/2019	8,855,000	9/1/2020	20,000.00	20,000.00	3.000%		8,855,000.00	8,855,000.00	
			9/1/2021	270,000.00	270,000.00	3.000%				
			9/1/2022	435,000.00	435,000.00	3.000%				
			9/1/2023	630,000.00	630,000.00	3.000%				
			9/1/2024	695,000.00	695,000.00	3.000%				
			9/1/2025	770,000.00	770,000.00	3.000%				
			9/1/2026	780,000.00	780,000.00	4.000%				
			9/1/2027	780,000.00	780,000.00	4.000%				
			9/1/2028	810,000.00	810,000.00	4.000%				
			9/1/2029	830,000.00	830,000.00	4.000%				
			9/1/2030	865,000.00	865,000.00	2.000%				
			9/1/2031	955,000.00	955,000.00	2.000%				
			9/1/2032	1,015,000.00	1,015,000.00	2.000%				
							\$ 8,830,000.00	1,490,000.00	16,195,000.00	
							8,855,000.00	1,490,000.00	16,195,000.00	

**GENERAL CAPITAL FUND
SCHEDULE OF SCHOOL SERIAL BONDS PAYABLE - TYPE 1**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2018	Decreased	Balance Dec. 31, 2019
			Date	Amount				
School Refunding Bonds	6/1/2009	4,345,000	2/1/2020	435,000.00	4.000%	1,285,000.00	420,000.00	865,000.00
			2/1/2021	430,000.00	4.000%			
School Bonds	12/1/2010	2,823,000	12/1/2020	200,000.00	3.500%	395,000.00	195,000.00	200,000.00
Refunding Series 2014	2014	3,760,000	10/1/2020	635,000.00	4.000%	1,275,000.00	640,000.00	635,000.00
Refunding Series 2017	9/22/2017	1,110,000	12/1/2021	200,000.00	4.000%	1,100,000.00		1,100,000.00
			12/1/2022	210,000.00	4.000%			
			12/1/2023	225,000.00	4.000%			
			12/1/2024	225,000.00	4.000%			
			12/1/2025	240,000.00	4.000%			
						<u>\$ 4,055,000.00</u>	<u>1,255,000.00</u>	<u>2,800,000.00</u>

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2018	Decreased	Balance Dec. 31, 2019
			Date	Amount Outstanding December 31, 2019				
Boathouse Renovations	4/30/2001	500,000	2020	30,631.27	2.000%	60,659.08	30,027.81	30,631.27
			2021	64,552.71				
Fishing Pier	2/16/2017	1,335,000	2022	65,850.22	2.000%	1,242,458.48	62,033.89	1,180,424.59
			2023	67,173.81				
			2024	68,524.00				
			2025	69,901.33				
			2026	71,306.36				
			2027	72,739.61				
			2028	74,201.68				
			2029	75,693.13				
			2030	77,214.57				
			2031	78,766.57				
			2032	80,349.79				
2033	81,964.81							
2034	83,612.30							
2035	85,292.93							
						<u>\$ 1,303,117.56</u>	<u>92,061.70</u>	<u>1,211,055.86</u>

**GENERAL CAPITAL FUND
SCHEDULE OF NJEIT LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2019		Interest Rate	Balance Dec. 31, 2018	Decreased	Balance Dec. 31, 2019
			Date	Amount				
Repair and Replace Bulkheads 2014-25	2/8/2018	325,000.00	8/1/2020	10,000.00	5.000%	325,000.00	10,000.00	315,000.00
			8/1/2021	10,000.00	5.000%			
			8/1/2022	15,000.00	5.000%			
			8/1/2023	15,000.00	5.000%			
			8/1/2024	15,000.00	5.000%			
			8/1/2025	15,000.00	5.000%			
			8/1/2026	15,000.00	5.000%			
			8/1/2027	15,000.00	5.000%			
			8/1/2028	20,000.00	3.000%			
			8/1/2029	20,000.00	3.000%			
			8/1/2030	20,000.00	3.000%			
			8/1/2031	20,000.00	3.000%			
			8/1/2032	20,000.00	3.125%			
			8/1/2033	20,000.00	3.125%			
			8/1/2034	20,000.00	3.250%			
			8/1/2035	20,000.00	3.250%			
			8/1/2036	20,000.00	3.375%			
		8/1/2037	25,000.00	3.375%				
						702,250.63	36,960.55	665,290.08
Repair and Replace Bulkheads 2014-25 (Original \$973,515 - \$246,624 Principal Forgiveness)	2/8/2018	726,891.00	2/1/2020	12,320.18	0.000%			
			8/1/2020	24,640.37	0.000%			
			2/1/2021	12,320.18	0.000%			
			8/1/2021	24,640.37	0.000%			
			2/1/2022	12,320.18	0.000%			
			8/1/2022	24,640.37	0.000%			
			2/1/2023	12,320.18	0.000%			
			8/1/2023	24,640.37	0.000%			
			2/1/2024	12,320.18	0.000%			
			8/1/2024	24,640.37	0.000%			
			2/1/2025	12,320.18	0.000%			
			8/1/2025	24,640.37	0.000%			
			2/1/2026	12,320.18	0.000%			
			8/1/2026	24,640.37	0.000%			
			2/1/2027	12,320.18	0.000%			
			8/1/2027	24,640.37	0.000%			
			2/1/2028	12,320.18	0.000%			
		8/1/2028	24,640.37	0.000%				
		2/1/2029	12,320.18	0.000%				

**GENERAL CAPITAL FUND
SCHEDULE OF NJEIT LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2018	Decreased	Balance Dec. 31, 2019
			Date	Amount				
Repair and Replace Bulkheads 2014-25 (Original \$973,515 - \$246,624 Principal Forgiveness)	2/8/2018	726,891.00	8/1/2029	24,640.37	0.000%			
			2/1/2030	12,320.18	0.000%			
			8/1/2030	24,640.37	0.000%			
			2/1/2031	12,320.18	0.000%			
			8/1/2031	24,640.37	0.000%			
			2/1/2032	12,320.18	0.000%			
			8/1/2032	24,640.37	0.000%			
			2/1/2033	12,320.18	0.000%			
			8/1/2033	24,640.37	0.000%			
			2/1/2034	12,320.18	0.000%			
			8/1/2034	24,640.37	0.000%			
			2/1/2035	12,320.18	0.000%			
			8/1/2035	24,640.37	0.000%			
			2/1/2036	12,320.18	0.000%			
		8/1/2036	24,640.37	0.000%				
		2/1/2037	12,320.18	0.000%				
		8/1/2037	24,640.55	0.000%				
						\$ 1,027,250.63	46,960.55	980,290.08

**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, 2018	Increased	Decreased	Balance Dec. 31, 2019
Various Improvements	2014-27	12/9/2015	10/22/2018	10/29/2019	3.50%	\$ 2,037,803.00		2,037,803.00	-
Various Improvements	2017-41	4/4/2019	4/4/2019	11/8/2019	2.50%		2,000,000.00	2,000,000.00	-
						<u>\$ 2,037,803.00</u>	<u>2,000,000.00</u>	<u>4,037,803.00</u>	<u>-</u>
							Paid by Budget Appropriation	137,803.00	
							Bonds Issued	3,900,000.00	
								<u>4,037,803.00</u>	

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2018	2019 Authorizations	Debt Issued	Grant Proceeds	Balance Dec. 31, 2019
2017-41	Various Improvements	\$ 12,580,032.00		6,580,000.00	800,000.00	5,200,032.00
2017-42	Various Park and Beach Improvements	1,700,000.00		700,000.00		1,000,000.00
2018-28	Various School Improvements	9,315,071.00				9,315,071.00
2019-03	Construction of Firehouse #2		3,333,333.00			3,333,333.00
		<u>\$ 23,595,103.00</u>	<u>3,333,333.00</u>	<u>7,280,000.00</u>	<u>800,000.00</u>	<u>18,848,436.00</u>

**WATER AND SEWER OPERATING FUND
SCHEDULE OF CASH - TREASURER**

		Operating
Balance December 31, 2018	\$	1,951,155.34
Increased by Receipts:		
Sewer Rents Receivable	5,084,510.38	
Miscellaneous	223,211.89	
Overpayments	33,867.77	
		5,341,590.04
		7,292,745.38
Decreased by Disbursements:		
2019 Appropriations	5,055,721.94	
2018 Appropriation Reserves	91,983.20	
Accrued Interest on Bonds & Notes	681,717.25	
Accounts Payable	1,785.99	
		5,831,208.38
Balance December 31, 2019	\$	1,461,537.00

**WATER AND SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Balance		Receipts		Disbursements		Transfers		Balance Dec. 31, 2019
	Dec. 31, 2018		Debt Issued	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 84,340.78								84,340.78
Due from Utility Operating	707.66			200,023.04		200,018.91			711.79
Due from Current Fund	(7,239.42)			7,239.42					-
Due from General Capital Fund				80,000.00		1,000,000.00			(940,000.00)
Contracts Payable	340,306.20					340,306.20		782,106.80	782,106.80
Reserve for Payment of Bonds & Notes				137,888.17					137,888.17
NJEIT Bonds & Loans Receivable	(300,210.00)								(300,210.00)
Improvement Authorizations:									
<u>Ordinance</u>									
<u>Number</u>									
2009-15b	1,800.00				8,484.37				1,800.00
2009-15c	10,935.37								2,451.00
2010-14b	59,128.55				9,445.82				49,682.73
2010-14c	45,046.18				2,808.55		8,865.00		33,572.63
2011-9a	27,933.10								27,933.10
2011-9d	46,168.33				(51,124.37)		13,162.70		84,580.00
2013-9a	38,056.80								38,056.80
2013-9b	44,261.85				33,241.37				11,020.48
2013-9c	62,804.47				775.00				62,029.47
2013-9d	117,652.34				67,876.50		7,123.50		42,652.34
2013-9e	(42,652.34)				(42,652.34)				-
2014-26	304,430.58						117,263.00		187,167.58
2015-23							250,000.00		(250,000.00)
2017-39	(224,300.00)		200,000.00		878.00		18,092.00		(43,270.00)
2017-40	(588,567.73)		2,840,000.00		294,819.71		367,800.60		1,568,811.96
	\$ 21,052.52		3,040,000.00	405,150.63	324,552.61	1,540,325.11	782,106.80	782,106.80	1,601,325.43

**WATER AND SEWER OPERATING FUND
SCHEDULE OF SEWER CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2018		\$ 733,700.68
Increased by:		
Utility Rents Levied	5,105,629.99	5,105,629.99
		5,839,330.67
Decreased by:		
Collections	5,083,732.90	
Prepaid & Overpaid Applied	121,359.89	
Transferred to Lien	-	
	-	5,205,092.79
Balance December 31, 2019		\$ 634,237.88

**WATER AND SEWER OPERATING FUND
SCHEDULE OF SEWER CONSUMER LIENS RECEIVABLE**

Balance December 31, 2018		\$ 777.48
Collected	777.48	777.48
Balance December 31, 2019		-

**WATER AND SEWER OPERATING FUND
SCHEDULE OF WATER AND SEWER RENT PREPAYMENTS & OVERPAYMENTS**

Balance December 31, 2018	\$	121,359.89
Increase by:		
Overpayments created		33,867.77
Decreased by:		
Overpayments Applied		<u>(121,359.89)</u>
Balance December 31, 2019	\$	<u><u>33,867.77</u></u>

**WATER AND SEWER OPERATING FUND
SCHEDULE OF 2018 APPROPRIATION RESERVES**

	Balance Dec. 31, 2018	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 6,367.72	6,367.72	2,730.42	3,637.30
Other Expenses	147,115.66	147,115.66	103,827.97	43,287.69
ACMUA-Treatment Costs	2.00	2.00		2.00
Statutory Expenditures:				
Contribution to:				
Social Security System	9.04	9.04		9.04
Unemployment Compensation	342.21	342.21		342.21
Defined Contribution Retirement Plan	250.00	250.00		250.00
	<u>\$ 154,086.63</u>	<u>154,086.63</u>	<u>106,558.39</u>	<u>47,528.24</u>
		Cash Disbursed	91,983.20	
		Accounts Payable	14,575.19	
			<u>106,558.39</u>	

**WATER AND SEWER OPERATING UTILITY FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS
AND NOTES - ANALYSIS OF BALANCE**

Balance December 31, 2018	\$ 116,196.15
Increased by:	
Accrued interest charged to 2019 budget appropriation - Interest on bonds	<u>683,563.60</u>
	799,759.75
Decreased by:	
Disbursements	<u>681,717.25</u>
Balance December 31, 2019	<u>\$ 118,042.50</u>

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2019

Description	Principal Outstanding Dec. 31, 2019	Interest Rate	From	To	# of Days	Amount
Water and Sewer Bonds of 2010	600,000	3.50%	12/01/19	12/31/19	30	1,750.00
Water and Sewer Bonds of 2013	2,715,000	3.25%	12/01/19	12/31/19	30	7,353.13
Refunding Water and Sewer Bond- 2017	6,935,000	4.00%	09/22/19	12/31/19	100	77,055.56
Water & Sewer Bonds of 2019	3,845,000	3.25%	10/22/19	12/31/19	70	14,298.26
NJEIT Bonds Payable	2,265,888	0.00%	08/01/19	12/31/19	152	-
NJEIT Bonds Payable	1,190,000	3.50%	08/01/19	12/31/19	152	17,585.56
						<u>118,042.50</u>

**WATER AND SEWER OPERATING FUND
SCHEDULE OF FIXED CAPITAL**

Account	Balance Dec. 31, 2018	Balance Dec. 31, 2019
Office Equipment	\$ 72,997.00	72,997.00
Other Equipment	2,067,838.42	2,067,838.42
Building and Improvements	792,974.00	792,974.00
Water System Improvements	3,210,673.42	3,210,673.42
Sewer System Improvements	2,379,307.00	2,379,307.00
Combined Improvements	3,497,925.00	3,497,925.00
	<u>\$ 12,021,714.84</u>	<u>12,021,714.84</u>

**WATER AND SEWER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

Ordinance Number	Improvement Description	Ordinance		Balance	
		Date	Amount	Dec. 31, 2018	Dec. 31, 2019
2009-06	Reconstruction of Sewer Lines	03/19/09	1,000,000 \$	1,000,000.00	1,000,000.00
2009-15a	Reconstruction of Sewer Lines	06/18/09	1,700,000	1,700,000.00	1,700,000.00
2009-15b	Repainting the Water Tower	06/18/09	290,000	290,000.00	290,000.00
2009-15c	Purchase of Water Meters	06/18/09	617,400	617,400.00	617,400.00
2009-15d	Purchase of Vehicles	06/18/09	65,000	65,000.00	65,000.00
2009-15e	Purchase of Vehicles	06/18/09	70,000	70,000.00	70,000.00
2009-15f	Purchase of Equipment	06/18/09	180,000	180,000.00	180,000.00
2010-14a	Replacement of sanitary sewer mains	10/06/10	4,639,473	4,639,473.00	4,639,473.00
2010-14b	Replacement of well and well house #8	10/06/10	1,824,170	1,824,170.00	1,824,170.00
2010-14c	Improve and upgrade electrical at wells 5, 7 and 10	10/06/10	729,668	729,668.00	729,668.00
2011-9a	Replacement of Meter Batteries	06/16/11	500,000	500,000.00	500,000.00
2011-9c	Rehab Well House # 10	06/16/11	150,000	150,000.00	150,000.00
2011-9d	Purchase of Generator	06/16/11	100,000	100,000.00	100,000.00
2013-9a	Replacement of Water Meters	04/18/13	25,000	25,000.00	25,000.00
2013-9b	Renovations to Main Water Plant	04/18/13	100,000	100,000.00	100,000.00
2013-9c	Renovations to Wells	04/18/13	200,000	200,000.00	200,000.00
2013-9d	Replacement of Sewer and Water Mains	04/18/13	1,750,000	1,750,000.00	1,750,000.00
2013-9e	Acquisition of Water Plant Heating System	04/18/13	75,000	75,000.00	75,000.00
2013-9f	Acquisition of Fire Hydrants	04/18/13	80,000	80,000.00	80,000.00
2013-9g	Acquisition of Vehicles	04/18/13	120,000	120,000.00	120,000.00
2014-26	Repairs to Stormwater System	10/16/14	5,387,000	5,387,000.00	5,387,000.00
2015-23	Repairs to Stormwater System	11/19/15	250,000	250,000.00	250,000.00
2015-24	Replacement of Sewer and Water Mains	11/19/15	295,871	295,871.00	295,871.00
2017-39	Water & Sewer Improvements	11/16/17	400,000	400,000.00	400,000.00
2017-40	Utility Improvements	11/16/17	4,576,430	4,576,430.00	4,576,430.00
				\$ 25,125,012.00	25,125,012.00

**WATER AND SEWER CAPITAL UTILITY FUND
STATEMENT OF WATER AND SEWER SERIAL BONDS PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2018	Balance Dec. 31, 2019
			Outstanding December 31, 2019	Amount			
Water and Sewer Bonds of 2010	12/01/10	12,240,000	12/01/20	600,000.00	3.50%	\$ 1,175,000.00	600,000.00
Water and Sewer Bonds of 2013		3,635,000	12/01/20	180,000.00	2.25%	2,885,000.00	2,715,000.00
			12/01/21	190,000.00	3.00%		
			12/01/22	200,000.00	3.00%		
			12/01/23	200,000.00	3.00%		
			12/01/24	210,000.00	3.00%		
			12/01/25	220,000.00	3.25%		
			12/01/26	230,000.00	3.375%		
			12/01/27	240,000.00	3.50%		
			12/01/28	250,000.00	3.625%		
			12/01/29	260,000.00	3.75%		
			12/01/30	265,000.00	4.00%		
			12/01/31	270,000.00	4.00%		
			Refunding Water and Sewer Bond- 2017	09/22/17	7,195,000		
Water & Sewer Bonds of 2019		3,845,000	12/01/22	640,000.00	4.00%	3,845,000.00	3,845,000.00
			12/01/23	670,000.00	4.00%		
			12/01/24	695,000.00	4.00%		
			12/01/25	695,000.00	4.00%		
			12/01/26	690,000.00	4.00%		
			12/01/27	705,000.00	4.00%		
			12/01/28	730,000.00	4.00%		
			12/01/29	745,000.00	4.00%		
			12/01/30	750,000.00	4.00%		
			10/22/2019	210,000.00	3.00%		
			09/01/21	250,000.00	3.00%		
			09/01/22	270,000.00	3.00%		
			09/01/23	290,000.00	3.00%		
09/01/24	310,000.00	3.00%					
09/01/25	325,000.00	3.00%					
09/01/26	345,000.00	4.00%					
09/01/27	345,000.00	4.00%					
09/01/28	345,000.00	4.00%					
09/01/29	365,000.00	4.00%					
09/01/30	365,000.00	2.00%					
09/01/31	425,000.00	2.00%					

\$ 10,995,000.00	D	3,845,000.00	D-4	745,000.00	D	14,095,000.00
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**WATER AND SEWER CAPITAL UTILITY FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Authorization	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2018		Prior Year Encumbrance	Paid or Charged	Balance Dec. 31, 2019	
				Funded	Unfunded			Funded	Unfunded
2009-06	Reconstruction of Sewer Lines	03/19/09	1,000,000.00	\$		8,132.14	8,132.14	-	
2009-15b	Repainting the Water Tower	06/18/09	290,000.00		1,800.00			1,800.00	
2009-15c	Purchase of Water Meters	06/18/09	617,400.00		10,935.37		8,484.37	2,451.00	
2010-14b	Replacement of well and well house #8	10/06/10	1,824,170.00		59,128.55		9,445.82	49,682.73	
2010-14c	Improve and upgrade electrical at wells	10/06/10	729,668.00		45,046.18		11,473.55	33,572.63	
2011-9a	Replacement of Meter Batteries	06/16/11	500,000.00		27,933.10		-		27,933.10
2011-9d	Purchase of Generator	06/16/11	100,000.00		46,618.33	7,084.90	(30,876.77)		84,580.00
2013-9a	Replacement of Water Meters	04/18/13	25,000.00		38,056.60				38,056.60
2013-9b	Renovations to Main Water Plant	04/18/13	100,000.00		44,261.85		33,241.37		11,020.48
2013-9c	Renovations to Wells	04/18/13	200,000.00		62,804.47		775.00		62,029.47
2013-9e	Acquisition of Water Plant Heating System	04/18/13	75,000.00		75,000.00	42,652.34	75,000.00		42,652.34
2014-26	Repairs to Stormwater System	10/16/14	5,387,000.00		304,430.58		117,263.00		187,167.58
2015-23	Repairs to Stormwater System	11/19/15	250,000.00		250,000.00		250,000.00		-
2017-39	Water & Sewer Improvements	11/16/17	400,000.00		175,700.00	38,386.69	57,356.69		156,730.00
2017-40	Utility Improvements	11/16/17	4,976,430.00		3,987,662.27	244,050.13	906,670.44	1,588,811.96	1,736,430.00
				\$	421,340.68	340,306.20	1,446,965.61	1,676,318.32	2,346,599.57
						Disbursed D-6	664,858.81		
						Encumbered D	782,106.80		
							<u>1,446,965.61</u>		

**WATER AND SEWER CAPITAL UTILITY FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**

Ordinance	Purpose	Date of Original Issue	Date of Issue	Amount of Original Issue	Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
2011-9	Various Repairs and Equipment	12/9/2016	10/29/2018	115,000.00	3.50%	110,821.00		110,821	-
2013-9	Replacement of Sewer and Water Mains	12/9/2016	10/29/2018	115,000.00	3.50%	887,270.00		887,270.00	-
2017-40	Utility Improvements	4/4/2019	4/4/2019	11/8/2019	2.50%		2,500,000.00	2,500,000.00	-
						<u>\$ 998,091.00</u>	<u>2,500,000.00</u>	<u>3,498,091.00</u>	<u>-</u>
						Paid by Budget Appropriation		38,091.00	
						Serial Bonds Issued		3,460,000.00	
								<u>3,498,091.00</u>	

**WATER AND SEWER CAPITAL UTILITY FUND
STATEMENT OF WATER AND SEWER NJEIT LOAN PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Loans			Interest Rate	Balance Dec. 31, 2018	Loan Forgiveness	Paid	Balance Dec. 31, 2019
			Date	Outstanding December 31, 2019	Amount					
NJEIT Series 2016 A-1	05/26/16	3,125,466	02/01/20	105,948.00	0.00%	\$2,701,674.00	\$ (276,864.00)	158,922.00	2,265,888.00	
			08/01/20	52,974.00	0.00%					
			02/01/21	105,948.00	0.00%					
			08/01/21	52,974.00	0.00%					
			02/01/22	105,948.00	0.00%					
			08/01/22	52,974.00	0.00%					
			02/01/23	105,948.00	0.00%					
			08/01/23	52,974.00	0.00%					
			02/01/24	105,948.00	0.00%					
			08/01/24	52,974.00	0.00%					
			02/01/25	105,948.00	0.00%					
			08/01/25	52,974.00	0.00%					
			02/01/26	105,948.00	0.00%					
			08/01/26	52,974.00	0.00%					
			02/01/27	105,948.00	0.00%					
			08/01/27	52,974.00	0.00%					
			02/01/28	105,948.00	0.00%					
			08/01/28	52,974.00	0.00%					
			02/01/29	105,948.00	0.00%					
			08/01/29	52,974.00	0.00%					
			02/01/30	105,948.00	0.00%					
			08/01/30	52,974.00	0.00%					
			02/01/31	105,948.00	0.00%					
			08/01/31	52,974.00	0.00%					
			02/01/32	105,948.00	0.00%					
			08/01/32	52,974.00	0.00%					
			02/01/33	105,948.00	0.00%					
			08/01/33	52,974.00	0.00%					
			08/01/34	40,980.00	0.00%					

**WATER AND SEWER CAPITAL UTILITY FUND
STATEMENT OF WATER AND SEWER NJEIT LOAN PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Loans			Loan Forgiveness	Paid	Balance Dec. 31, 2019	
			Date	Outstanding December 31, 2019 Amount	Interest Rate				Balance Dec. 31, 2018
NJEIT Series 2016 A-1	05/26/16	1,335,000	02/01/20	55,000.00	5.00%	1,240,000.00	50,000.00	1,190,000.00	
			02/01/21	55,000.00	5.00%				
			02/01/22	60,000.00	5.00%				
			02/01/23	65,000.00	5.00%				
			02/01/24	65,000.00	4.00%				
			02/01/25	70,000.00	4.00%				
			02/01/26	70,000.00	4.00%				
			02/01/27	75,000.00	4.00%				
			02/01/28	80,000.00	2.00%				
			02/01/29	80,000.00	2.00%				
			02/01/30	80,000.00	2.00%				
			02/01/31	85,000.00	2.13%				
			02/01/32	85,000.00	3.00%				
			02/01/33	85,000.00	3.00%				
			02/01/34	90,000.00	3.00%				
			02/01/35	90,000.00	3.00%				
\$ 3,941,674.00							\$ (276,864.00)	208,922.00	3,455,888.00

**WATER AND SEWER CAPITAL UTILITY FUND
SCHEDULE OF RESERVE FOR AMORTIZATION**

Balance December 31, 2018 \$ 11,998,954.77

Increased by:

Serial Bonds Paid by Operating Budget	745,000.00
BAN's Paid by Operating Budget	38,091.00
NJEIT Paid by Operating Budget	208,922.00
NJEIT Loan Forgiveness	276,864.00
Reduction in Bonds at 2019 Sale	155,000.00

1,423,877.00

Decreased by:

Improvement Authorizations Cancelled
None

Balance December 31, 2019

\$ 13,422,831.77

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2018	To Reserve for Amortization	Balance Dec. 31, 2019
2009-06	Various Capital Improvements	2009	\$ 162,488.87		162,488.87
2009-15c	Purchase of water meters	6/18/09	887,976.69		887,976.69
2010-14a	Various Capital Improvements	10/06/10	1,903,629.51		1,903,629.51
2014-26	Repairs to Stormwater System	10/16/14	1,032,482.00		1,032,482.00
			<u>\$ 3,986,577.07</u>	<u>0.00</u>	<u>3,986,577.07</u>

**WATER AND SEWER CAPITAL UTILITY FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2018	BANS Issued	Serial Bonds Issued	Balance Dec. 31, 2019
2015-23	Repairs to Stormwater System	\$ 250,000.00			250,000.00
2017-39	Water & Sewer Utility Improvements	400,000.00		200,000.00	200,000.00
2017-40	Water & Sewer Utility Improvements	4,576,430.00	2,500,000.00	340,000.00	1,736,430.00
		<u>\$ 5,226,430.00</u>	<u>2,500,000.00</u>	<u>540,000.00</u>	<u>2,186,430.00</u>

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CITY OF VENTNOR CITY

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

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GENERAL COMMENTS

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

N.J.S. 40A:11-4 states, "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law." Due to the City having a Qualified Purchasing Agent, pursuant to N.J.S.A. 40A:11-3(a), the maximum bid threshold is \$40,000.

The governing body of the City 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 violation of the statute, the City Committee's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal any payments in excess of the bid threshold "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

The minutes indicate that bids were requested by public advertising for the following items:

- Installation of accessible ramps
- Atlantic Avenue bikeway
- Road reconstruction
- Sewer, water and drainage improvements
- Chlorination tablet conversion wells
- Utility repairs
- Drainage improvements
- Pier restrooms
- Lifeguard headquarters building
- Fire hydrants

Contracts and Agreements Requiring Solicitation of Quotations

N.J.S. 40A:11-6.1 states, "Prior to the award of any other purchase, contract or agreement, the contracting agent shall, except in the case of the performance of professional services, solicit quotations, whenever practical, on any such purchase, contract or agreement the estimated cost or price of which is 15% of bid amount or more."

Our examination of expenditures did reveal purchases made in excess of 15% of bid amount without obtaining quotes as required by statute.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body, on January 10, 2019, adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Committee of the City of Ventnor, County of Atlantic and state of New Jersey, as follows:

The Tax Collector is hereby authorized and directed 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 will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.

It appears from an examination of the collector's records that interest on delinquent taxes was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 28, 2018 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 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2019	0
2018	1
2017	0

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

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charts and 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>
Payment of 2018 and 2017 Taxes	5
Payment of 2018 and 2017 Utility Bills	5
Delinquent Taxes	5
Delinquent Utility	5

As of the date of this audit report, all verifications have not been returned. No problems were noted with the verifications that have been returned related to property taxes, utilities or municipal court.

Deposit of Municipal Funds

N.J.S. 40A:5-15 states, "All municipal funds shall be deposited within 48 hours upon receipt."

Our examination has revealed that municipal funds were deposited within the mandated time.

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.

Year	Tax Levy	Currently	
		Cash Collections	Percentage of Collections
2019	\$ 52,708,914.86	51,566,301.00	97.83%
2018	53,490,494.50	52,274,407.35	97.73%
2017	53,419,237.26	52,263,962.49	97.84%
2016	50,511,085.00	49,322,353.00	97.65%
2015	52,179,156.00	50,093,426.00	96.00%

Comparative Schedule of Tax Rate Information

	2019	2018	2017	2016	2015
Tax Rate	\$ 2.585	2.634	2.648	2.19	2.17
Apportionment of Tax Rate:					
Municipal	1.118	1.121	1.133	0.950	0.952
County	0.590	0.599	0.570	0.482	0.471
School	0.877	0.914	0.945	0.754	0.742
Assessed Valuation	2,028,525,300	2,021,949,500	2,017,342,800	2,362,000,750	2,401,034,387

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.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2019	\$ -	1,130,881.39	1,130,881.39	2.15%
2018	13,616.87	1,198,572.56	1,212,189.43	2.27%
2017	-	1,236,035.40	1,236,035.40	2.45%
2016	95,379.42	1,213,984.36	1,309,363.78	2.44%
2015	95,379.42	1,176,848.27	1,272,227.69	2.51%

Uniform Construction Code

The City of Ventnor 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.

FINANCIAL STATEMENT FINDINGS

NONE

STATUS OF PRIOR RECOMMENDATIONS

NONE

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 comments or recommendations, or should you desire my assistance in implementing my recommendations, please do not hesitate to call me.

Very truly yours,

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

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

July 1, 2020