

**CITY OF VENTNOR CITY**

**ATLANTIC COUNTY**

**NEW JERSEY**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2021**



# 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, 2021**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and  
Members of the City Commission  
City of Ventnor  
County of Atlantic, New Jersey

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

#### ***Opinions***

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Ventnor, as of December 31, 2021 and 2020, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Ventnor as of December 31, 2021 and 2020, or changes in financial position for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2021 and 2020, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2021 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the City of 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.

### ***Responsibilities of Management for the Financial Statements***

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

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

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

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

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

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

- Conclude whether in our judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the City of Ventnor's ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2022, 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 the effectiveness internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ventnor's internal control over financial reporting and compliance.

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

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

**August 5, 2022**

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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>2021</u>	<u>2020</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 11,054,523.21	9,640,661.52
Cash - Change	130.00	530.00
Total Cash	<u>11,054,653.21</u>	<u>9,641,191.52</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	23,740.44	22,625.08
Total Other Receivables	<u>23,740.44</u>	<u>22,625.08</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	1,105,283.92	1,058,355.29
Property Acquired for Taxes - at Assessed Valuation	267,200.00	267,200.00
Revenue Accounts Receivable	7,029.90	6,023.87
Demolition Lien Receivable	39,495.19	39,495.19
Due from Local School District	869.21	-
Interfund Receivable:		
Animal Control Fund	3,169.60	11,856.00
Trust - Other	622.26	-
Federal and State Grant Fund	-	136,153.64
Water and Sewer Utility Operating	317,324.52	-
Total Receivables and Other Assets	<u>1,740,994.60</u>	<u>1,519,083.99</u>
Deferred Charges:		
None	-	-
Total Deferred Charges	<u>-</u>	<u>-</u>
Total Regular Fund	<u>12,819,388.25</u>	<u>11,182,900.59</u>
Federal and State Grant Fund:		
Federal and State Grants Receivable	1,513,204.37	1,319,684.74
Due from Current Fund	316,489.41	-
Total Federal and State Grant Fund	<u>1,829,693.78</u>	<u>1,319,684.74</u>
Total Current Fund	<u>\$ 14,649,082.03</u>	<u>12,502,585.33</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2021</u>	<u>2020</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,342,912.11	1,347,687.07
Reserve for Encumbrances	464,201.92	547,103.92
Accounts Payable	3,810.98	133,891.61
Prepaid Taxes	1,011,318.04	909,690.17
Overpaid Taxes	86,201.77	77,780.35
Local School Tax Payable	-	493,718.06
County Added Tax Payable	121,455.26	68,432.80
Due to State:		
Marriage Licenses Fees	325.00	225.00
State Training Fees	19,385.00	11,358.00
Interfund Payable:		
Federal and State Grant Fund	316,489.41	-
Trust Other Fund	-	1,124.07
Other		
Reserve for Payroll Deductions	0.71	279.71
Reserve for Judgements	42,500.00	42,500.00
Reserve for Revaluation	115,603.00	115,603.00
	3,524,203.20	3,749,393.76
Reserve for Receivables and Other Assets	1,740,994.60	1,519,083.99
Fund Balance	7,554,190.45	5,914,422.84
Total Regular Fund	12,819,388.25	11,182,900.59
Federal and State Grant Fund:		
Unappropriated Reserves	24,014.69	23,219.49
Appropriated Reserves	1,782,745.87	1,126,899.66
Encumbrances Payable	22,933.22	33,411.95
Due to Current Fund	-	136,153.64
Total Federal and State Grant Fund	1,829,693.78	1,319,684.74
Total Current Fund	\$ 14,649,082.03	12,502,585.33



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

	2021	2020
Revenue and Other Income Realized		
Fund Balance	\$ 2,840,000.00	2,700,000.00
Miscellaneous Revenue Anticipated	5,334,725.72	3,646,569.21
Receipts from Delinquent Taxes	1,054,455.67	1,118,413.00
Receipts from Current Taxes	52,961,059.36	52,164,964.01
Non Budget Revenue	467,216.27	206,979.68
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	1,466,131.54	1,205,984.07
Interfunds Returned	136,153.64	-
Grants Cancelled	-	243,908.29
Cancellation of Prior Year Liabilities	103,847.04	-
Total Income	64,363,589.24	61,286,818.26
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	14,033,936.01	14,364,244.99
Other Expenses	7,715,590.00	7,434,915.01
Deferred Charges & Statutory Expenditures	3,631,063.89	3,418,851.15
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	17,900.00	20,772.00
Other Expenses	1,053,454.00	90,270.05
Capital Improvements	200,000.00	100,000.00
Debt Service	2,799,314.76	2,474,455.84
Deferred Charges	-	120,000.00
Type I School Debt Service	1,374,600.00	1,372,300.00
Local District School Tax	17,082,698.00	16,888,980.00
County Tax	11,535,624.22	11,434,825.39
County Share of Added Tax	121,455.26	68,432.77
Refund of Prior Year's Revenue	-	13,535.00
Interfunds Created	318,185.49	136,153.64
Total Expenditures	59,883,821.63	57,937,735.84
Excess/(Deficit) in Revenue	4,479,767.61	3,349,082.42

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

	2021	2020
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year		
Total Adjustments	-	-
Statutory Excess to Fund Balance	4,479,767.61	3,349,082.42
Fund Balance January 1	5,914,422.84	5,265,340.42
	10,394,190.45	8,614,422.84
Decreased by:		
Utilization as Anticipated Revenue	2,840,000.00	2,700,000.00
Fund Balance December 31	\$ 7,554,190.45	5,914,422.84

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

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 2,840,000.00		2,840,000.00	-
Total Fund Balance Anticipated	<u>2,840,000.00</u>	<u>-</u>	<u>2,840,000.00</u>	<u>-</u>
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	4,000.00		7,182.00	3,182.00
Other	16,000.00		27,517.00	11,517.00
Fees and Permits	240,000.00		400,368.15	160,368.15
Fines and Costs:				
Municipal Court	140,000.00		173,776.34	33,776.34
Interest and Costs on Taxes	260,000.00		249,121.76	(10,878.24)
Parking Meters	88,000.00		166,913.92	78,913.92
Interest Earned on Investments	120,000.00		69,552.09	(50,447.91)
Beach Control Fees	290,000.00		436,546.33	146,546.33
Land Rental	87,000.00		87,500.00	500.00
Viking Rowing Foundation, Inc. Lease Agreement	31,000.00		-	(31,000.00)
Payment in Lieu of Taxes	120,000.00		130,008.00	10,008.00
Cable Television Franchise Fees	50,000.00		55,956.63	5,956.63
City Lease Fees	50,000.00		57,146.36	7,146.36
Ambulance Service Fees	160,000.00		167,744.68	7,744.68
Recreation Fees	9,000.00		54,621.00	45,621.00
Total Section A: Local Revenues	<u>1,665,000.00</u>	<u>-</u>	<u>2,083,954.26</u>	<u>418,954.26</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, 2021**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Section G: Other Special Items			
Utility Fund Expense Allocation	410,000.00		-
Reserve for Payment of Debt	200,000.00		-
The American Rescue Plan Act of 2021	517,340.00		507.67
Total Section G: Other Special Items	<u>1,127,340.00</u>	<u>-</u>	<u>507.67</u>
Total Miscellaneous Revenues:	<u>4,353,794.15</u>	<u>422,821.64</u>	<u>558,109.93</u>
Receipts from Delinquent Taxes	<u>996,000.00</u>		<u>58,455.67</u>
Amount to be Raised by Taxes for Support of Municipal Budget			
Local Tax for Municipal Purposes	23,446,412.25		1,675,452.14
Amount for Local District Tax	1,374,600.00		-
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>24,821,012.25</u>	<u>-</u>	<u>1,675,452.14</u>
Budget Totals	<u>33,010,806.40</u>	<u>422,821.64</u>	<u>2,292,017.74</u>
Non- Budget Revenues:			
Other Non- Budget Revenues:			
		<u>467,216.27</u>	<u>467,216.27</u>
	<u>\$ 33,010,806.40</u>	<u>422,821.64</u>	<u>2,759,234.01</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, 2021**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections		\$ 52,961,059.36
Less: Reserve for Tax Appeals Pending		-
Net Revenue from Collections		<u>52,961,059.36</u>
Allocated to:		
School, County and Other Taxes		<u>28,739,777.48</u>
Balance for Support of Municipal Budget Appropriations		24,221,281.88
Increased by:		
Appropriation "Reserved for Uncollected Taxes"		<u>2,275,182.51</u>
Amount for Support of Municipal Budget Appropriations		<u><u>26,496,464.39</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collection	\$ 1,054,455.67	
Tax Title Lien Collections	-	
Total Receipts from Delinquent Taxes		<u><u>1,054,455.67</u></u>

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Lifeguards	2,700.00	
City Clerk	50.00	
Host Compliance	23,596.00	
Sale of Municipal Assets	69,431.36	
Banner Advertising	13,683.00	
Miscellaneous Collector & Assessor	18,334.60	
Police	34,277.45	
Community Champions	23,700.00	
Fire	31,269.28	
Storm Reimbursements	18,385.31	
Animal Control Fund Statutory Excess	11,856.00	
Trash Carts	3,076.00	
Shared Services Agreement - Margate	10,650.00	
New Liquor Licenses	163,430.00	
Senior & Vets Admin Fee	1,150.00	
Miscellaneous	<u>41,627.27</u>	

Total Miscellaneous Revenue Not Anticipated:		<u><u>\$ 467,216.27</u></u>
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**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
\$	90,700.00	90,700.00	90,130.86		569.14	
Salaries and Wages	12,800.00	12,800.00	4,339.11	96.91	8,363.98	
Other Expenses						
City Administrator	15,000.00	15,000.00	14,808.00		192.00	
Salaries and Wages	211,500.00	211,500.00	137,613.00	63,333.00	10,554.00	
Other Expenses						
Police	4,231,198.17	4,231,198.17	3,995,574.75		235,623.42	
Salaries and Wages	366,500.00	366,500.00	256,171.82	19,982.28	90,345.90	
Other Expenses						
Fire	4,622,918.43	4,622,918.43	4,568,752.41		54,166.02	
Salaries and Wages	128,200.00	128,200.00	93,971.48	22,582.42	11,646.10	
Other Expenses						
Uniform Fire Safety Act (P.L. 1983, C.383)	4,500.00	4,500.00	4,204.68	-	295.32	
Other Expenses						
Radio and Communications	609,500.00	609,500.00	593,197.68		16,302.32	
Salaries and Wages	35,000.00	9,000.00	6,522.41		2,477.59	
Other Expenses						
Office of Emergency Management	9,600.00	13,600.00	12,366.80	-	1,233.20	
Other Expenses						
Traffic and Electrical Division	79,000.00	79,000.00	75,910.64		3,089.36	
Salaries and Wages	41,500.00	41,500.00	22,710.74	9,004.26	9,785.00	
Other Expenses						
Beach Patrol	616,000.00	580,000.00	577,588.14		2,411.86	
Salaries and Wages	45,600.00	42,600.00	41,084.23	1,022.25	493.52	
Other Expenses						
Celebration of Public Events	45,000.00	45,000.00	16,001.96	10,340.00	18,658.04	
Other Expenses						
Beach Control	44,000.00	69,000.00	65,453.91		3,546.09	
Salaries and Wages	10,000.00	10,090.00	6,454.73	3,571.00	64.27	
Other Expenses						
Animal Control	8,400.00	8,400.00	7,700.00	700.00	-	
Other Expenses						

**OPERATIONS WITHIN "CAPS"  
GENERAL GOVERNMENT:**

Mayor's Office  
 Salaries and Wages  
 Other Expenses  
 City Administrator  
 Salaries and Wages  
 Other Expenses  
 Police  
 Salaries and Wages  
 Other Expenses  
 Fire  
 Salaries and Wages  
 Other Expenses  
 Uniform Fire Safety Act (P.L. 1983, C.383)  
 Other Expenses  
 Radio and Communications  
 Salaries and Wages  
 Other Expenses  
 Office of Emergency Management  
 Other Expenses  
 Traffic and Electrical Division  
 Salaries and Wages  
 Other Expenses  
 Beach Patrol  
 Salaries and Wages  
 Other Expenses  
 Celebration of Public Events  
 Other Expenses  
 Beach Control  
 Salaries and Wages  
 Other Expenses  
 Animal Control  
 Other Expenses

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, 2021**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>DEPARTMENT OF PUBLIC WORKS, PARKS &amp; PUBLIC PROPERTY</b>						
Director's Office						
Salaries and Wages	10,000.00	10,000.00	10,000.00	-		
Street Repairs and Maintenance						
Salaries and Wages	615,000.00	615,000.00	599,906.39	15,093.61		
Other Expenses	65,500.00	65,500.00	38,842.93	14,424.79	12,232.28	
Motor Vehicle Maintenance						
Salaries and Wages	256,000.00	261,000.00	256,363.53	4,636.47		
Other Expenses	90,000.00	100,000.00	78,776.04	11,585.14	9,638.82	
Buildings and Grounds						
Salaries and Wages	388,000.00	388,000.00	333,426.65	2,354.25	52,219.10	
Other Expenses	326,000.00	326,000.00	252,411.57	73,404.61	183.82	
Recreation						
Salaries and Wages	251,000.00	286,000.00	279,581.29	6,418.71		
Other Expenses	83,000.00	83,000.00	55,657.62	8,229.49	19,112.89	
Solid Waste/Recycling						
Salaries and Wages	135,000.00	150,000.00	146,800.65	3,199.35		
Other Expenses	1,300,200.00	1,251,200.00	1,032,397.34	9,095.43	209,707.23	
City Engineer						
Other Expenses	210,000.00	260,000.00	167,871.25	84,452.50	7,676.25	
<b>DEPARTMENT OF REVENUE AND FINANCE</b>						
Director's Office						
Salaries and Wages	10,000.00	10,000.00	10,000.00	-		
City Clerk						
Salaries and Wages	161,000.00	122,000.00	121,262.05	737.95		
Other Expenses	38,390.00	36,390.00	28,807.94	1,984.25	5,597.81	
Revision and Codification of Ordinances	5,000.00	5,000.00	4,685.00	315.00		

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, 2021**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Elections						
Other Expenses	19,000.00	16,410.00	9,000.76	1,353.10	6,056.14	
Financial Administration						
Salaries and Wages	381,000.00	336,000.00	326,844.49	861.60	8,293.91	
Other Expenses	79,800.00	79,800.00	62,030.24	3,195.26	14,574.50	
Audit Fee						
Other Expenses	51,200.00	48,000.00	48,000.00	-	-	
Information Technology						
Salaries and Wages	77,469.41	77,469.41	76,508.72		960.69	
Other Expenses	341,100.00	341,100.00	265,291.26	53,760.55	22,048.19	
Collection of Taxes						
Salaries and Wages	120,500.00	102,500.00	88,843.32		13,656.68	
Other Expenses	11,300.00	11,500.00	11,381.03	-	118.97	
Assessment of Taxes						
Salaries and Wages	85,000.00	85,000.00	84,832.53		167.47	
Other Expenses	18,900.00	18,900.00	15,243.37	-	3,656.63	
Legal Services and Costs						
Other Expenses	350,000.00	350,000.00	229,827.17	65,949.50	54,223.33	
Insurance						
General Liability	96,000.00	146,000.00	127,976.72		18,023.28	
Workers Compensation	750,000.00	721,000.00	720,784.54		215.46	
Employee Group Health	1,900,000.00	1,900,000.00	1,673,558.86	1,288.15	225,152.99	
Health Waiver	85,000.00	78,000.00	76,601.36		1,398.64	
Municipal Land Use Law (N.J.S.A. 40:55 D-1)						
Planning Board						
Salaries and Wages	17,750.00	17,750.00	12,870.34		4,879.66	
Other Expenses	29,600.00	29,600.00	28,172.75	149.40	1,277.85	
Municipal Court						
Salaries and Wages	228,000.00	223,000.00	218,973.49	258.00	4,026.51	
Other Expenses	14,200.00	8,200.00	6,430.19		1,511.81	
Public Defender (P.L. 1997, C.256)						
Other Expenses	12,000.00	12,000.00	11,000.00	1,000.00	-	
Municipal Prosecutor						
Salaries and Wages	32,400.00	32,400.00	32,400.00	-	-	

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, 2021**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>UNIFORM CONSTRUCTION CODE</b>						
Construction Official						
Salaries and Wages	395,000.00	410,000.00	402,356.56		7,643.44	
Other Expenses	81,350.00	81,350.00	45,360.16	179.99	35,809.85	
Inspection of Housing						
Salaries and Wages	133,000.00	140,500.00	138,943.72		1,556.28	
Other Expenses	5,950.00	5,950.00	1,998.03	43.79	3,908.18	
Electrical and Plumbing Inspections						
Salaries and Wages	47,000.00	47,000.00	45,201.39		1,798.61	
<b>UNCLASSIFIED</b>						
Accumulated Leave Compensation						
Utility Expenses and Bulk Purchases	300,000.00	300,000.00	300,000.00		-	
Gasoline	140,000.00	140,000.00	117,387.35		22,612.65	
Electricity	625,000.00	650,000.00	641,455.95		8,544.05	
Telephone	80,000.00	120,000.00	117,068.27		2,931.73	
Natural Gas	60,000.00	60,000.00	51,541.56		8,458.44	
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>21,738,526.01</b>	<b>21,749,526.01</b>	<b>19,995,231.73</b>	<b>464,201.92</b>	<b>1,290,092.36</b>	<b>-</b>
Contingent	5,000.00					
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<b>21,743,526.01</b>	<b>21,749,526.01</b>	<b>19,995,231.73</b>	<b>464,201.92</b>	<b>1,290,092.36</b>	<b>-</b>
Detail:						
Salaries and Wages	14,081,436.01	14,033,936.01	13,559,134.83	13,555.85	461,245.33	-
Other Expenses	7,662,090.00	7,715,590.00	6,436,096.90	450,646.07	828,847.03	-
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>						
Deferred Charges						
Deficit in Water & Sewer Utility	317,340.00	317,340.00	-			317,340.00

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, 2021**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	660,096.52	665,096.52	664,909.06	187.46	
Social Security System (O.A.S.I.)	315,000.00	330,000.00	314,176.60	15,823.40	
Consolidated Police					
and Firemen's Pension Fund	8,967.37	3,857.37	71.74	3,785.63	
Police and Firemen's Retirement System	2,403,000.00	2,403,110.00	2,403,103.38	6.62	
Unemployment	20,000.00	20,000.00	6,370.85	13,629.15	
Medicare Insurance	200,000.00	205,000.00	200,976.49	4,023.51	
Defined Contribution Retirement Program	4,000.00	4,000.00	2,339.62	1,660.38	
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>	<b>3,928,403.89</b>	<b>3,948,403.89</b>	<b>3,591,947.74</b>	<b>39,116.15</b>	<b>317,340.00</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>25,671,929.90</b>	<b>25,697,929.90</b>	<b>23,587,179.47</b>	<b>464,201.92</b>	<b>1,329,208.51</b>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
(A) Operations - Excluded from "CAPS"					
Borough of Longport -					
Uniform Construction Code					
Salaries and Wages	41,900.00	17,900.00	4,446.40	13,453.60	
Other Expenses	2,250.00	250.00		250.00	
	<b>44,150.00</b>	<b>18,150.00</b>	<b>4,446.40</b>	<b>13,703.60</b>	<b>-</b>

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(A) Public and Private Programs Off-Set by Revenues						
Recycling Tonnage Grant	13,117.95	13,117.95	13,117.95	-	-	
Clean Communities Program	33,603.60	33,603.60	33,603.60	-	-	
Atlantic County DWI Checkpoint		3,300.00	3,300.00	-	-	
Municipal Alliance on Alcoholism and Drug Abuse	4,760.82	14,282.46	14,282.46	-	-	
Municipal Alliance on Alcoholism and Drug Abuse - Match	1,190.21	1,190.21	1,190.21	-	-	
Body Armor Replacement Fund	2,709.78	2,709.78	2,709.78	-	-	
Emergency Management Assistance	10,000.00	10,000.00	10,000.00	-	-	
NJ Dept. of Trans. - Safe Streets Ventnor - Little Rock	300,000.00	300,000.00	300,000.00	-	-	
NJ Transportation Trust Fund Authority Act	265,000.00	265,000.00	265,000.00	-	-	
NJ Municipal Aid Program 2022		310,000.00	310,000.00	-	-	
NJ DOT Bikeway Program		100,000.00	100,000.00	-	-	
<b>Total Public and Private Programs Off-Set by Revenues</b>	<b>630,382.36</b>	<b>1,053,204.00</b>	<b>1,053,204.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total Operations - Excluded from "CAPS"	674,532.36	1,071,354.00	1,057,650.40	-	13,703.60	-
Detail:						
Salaries and Wages	41,900.00	17,900.00	4,446.40	-	13,453.60	-
Other Expenses	632,632.36	1,053,454.00	1,053,204.00	-	250.00	-
(C) Capital Improvements						
Capital Improvement Fund	200,000.00	200,000.00	200,000.00	-	-	-
<b>Total Capital Improvements</b>	<b>200,000.00</b>	<b>200,000.00</b>	<b>200,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(D) Debt Service						
Payment of Bond Principal	1,440,000.00	1,440,000.00	1,440,000.00			-
Payment of Bond Anticipation Notes	4,000.00	4,000.00	4,000.00			-
Interest on Bonds	487,675.00	487,675.00	487,675.00			-
Interest on Notes	104,000.00	104,000.00	104,000.00			-
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	86,574.42	86,574.42	86,574.42			-
NJFIT:						
Principal	46,960.55	46,960.55	37,448.05			9,512.50
Interest	11,468.76	11,468.76	5,734.39			5,734.37
CDL Loan						
Principal	606,118.25	606,118.25	606,118.25			-
Interest	27,764.65	27,764.65	27,764.65			-
<b>Total Debt Service</b>	<b>2,814,561.63</b>	<b>2,814,561.63</b>	<b>2,799,314.76</b>	<b>-</b>	<b>-</b>	<b>15,246.87</b>
(E) Deferred Charges						
None	-	-	-			-
<b>Total Deferred Charges</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(K) Local District School Purposes						
Payment of Bond Principal	630,000.00	630,000.00	630,000.00			-
Payment of Bond Anticipation Notes	505,000.00	505,000.00	505,000.00			-
Interest on Bonds	52,600.00	52,600.00	52,600.00			-
Interest on Notes	187,000.00	187,000.00	187,000.00			-
<b>Total Local District School Purposes</b>	<b>1,374,600.00</b>	<b>1,374,600.00</b>	<b>1,374,600.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

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, 2021**

	Appropriations	Paid or	Expended		(Over expended)
	Budget	Charged	Encumbered	Reserved	Unexpended Balance Cancelled
	Budget After Modifications				
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	5,063,693.99	5,431,565.16	-	13,703.60	15,246.87
SUBTOTAL GENERAL APPROPRIATIONS	30,735,623.89	29,018,744.63	464,201.92	1,342,912.11	332,586.87
(M) Reserve for Uncollected Taxes	<u>2,275,182.51</u>	<u>2,275,182.51</u>		-	-
TOTAL GENERAL APPROPRIATIONS	<u>\$ 33,010,806.40</u>	<u>31,293,927.14</u>	<u>464,201.92</u>	<u>1,342,912.11</u>	<u>332,586.87</u>
Budget				Cancelled	332,586.87
Appropriations by 40A:4-87	33,010,806.40			Overexpended	-
Emergency Appropriations	422,821.64				
	<u>33,433,628.04</u>				<u>332,586.87</u>
Reserve for Uncollected Taxes		2,275,182.51			
Federal and State Grants		1,053,204.00			
Deferred Charges		-			
Disbursements		27,965,540.63			
		<u>31,293,927.14</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>2021</u>	<u>2020</u>
Dog License Fund:		
Cash	\$ 9,136.60	18,534.20
	<u>9,136.60</u>	<u>18,534.20</u>
Other Funds:		
Cash - Treasurer	1,830,537.37	3,118,581.53
Cash Held in Trust	3,000.00	3,000.00
Due from Current		1,124.07
	<u>1,833,537.37</u>	<u>3,122,705.60</u>
	<u>1,842,673.97</u>	<u>3,141,239.80</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Dog License Fund:		
Due to Current Fund	3,169.60	11,856.00
Due to State of New Jersey	6.60	-
Reserve for Dog Fund Expenditures	5,960.40	6,678.20
	<u>9,136.60</u>	<u>18,534.20</u>
Other Funds:		
Payroll Deductions Payable	376,168.70	273,134.31
Due to Current Fund	622.26	-
Miscellaneous Reserves	1,456,746.41	2,849,571.29
	<u>1,833,537.37</u>	<u>3,122,705.60</u>
Total	\$ <u>1,842,673.97</u>	<u>3,141,239.80</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>2021</u>	<u>2020</u>
Cash	\$ 9,852,100.14	6,943,625.90
Deferred Charges to Future Taxation -		
Funded	25,008,960.09	18,595,473.35
Unfunded	23,147,522.47	26,316,314.47
Interfunds and Receivables		
Due from NJEIT	70,703.00	70,703.00
	<u>58,079,285.70</u>	<u>51,926,116.72</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	6,515,215.81	2,917,542.49
Bond Anticipation Notes Payable	13,500,000.00	14,479,000.00
Serial Bonds Payable	13,575,000.00	15,015,000.00
School Serial Bonds - Type 1 Payable	9,495,000.00	1,530,000.00
Green Trust Loan Payable	1,052,591.11	1,117,143.82
NJEIT Loan Payable	886,368.98	933,329.53
Improvement Authorizations:		
Funded	526,841.65	1,021,520.56
Unfunded	10,618,689.58	13,057,313.96
Reserve for Payment of Bonds - 2021 School Bonds	200,755.21	-
Reserve for Payment of Bonds - 2021 BAN	161,070.00	-
Reserve for Payment of Bonds - 2020 BAN	15,108.99	215,108.99
Reserve for Payment of Bonds - Other	9,952.98	9,952.98
Capital Improvement Fund	99,693.00	207,206.00
Fund Balance	1,422,998.39	1,422,998.39
	<u>\$ 58,079,285.70</u>	<u>51,926,116.72</u>

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

2020	11,837,314.47
2021	9,647,522.47

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

	<u>2021</u>	<u>2020</u>
Beginning Balance January 1	\$ 1,422,998.39	134,920.52
Increased by:		
Cancelled funded authorizations	-	1,288,077.87
Ending Balance December 31	<u>\$ 1,422,998.39</u>	<u>1,422,998.39</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,**

	2021	2020
<b><u>ASSETS</u></b>		
Operating Fund:		
Cash	\$ 1,783,566.91	920,200.97
Change Fund	100.00	100.00
	1,783,666.91	920,300.97
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	771,440.32	950,153.73
	771,440.32	950,153.73
Deferred Charge		
Expenditure without Appropriation	-	4,225.00
Overexpenditure of Appropriations	23,790.53	2,249.43
	23,790.53	6,474.43
Total of Operating Fund	2,578,897.76	1,876,929.13
Capital Fund:		
Cash	6,096,376.96	1,277,030.36
Fixed Capital - Completed	12,021,714.84	12,021,714.84
Fixed Capital - Authorized and Uncompleted	31,189,262.00	25,125,012.00
NJEIT Bonds Receivable	300,210.00	300,210.00
Total of Capital Fund	49,607,563.80	38,723,967.20
Total Assets	\$ 52,186,461.56	40,600,896.33

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,**

	2021	2020
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>		
Operating Fund:		
Liabilities:		
Appropriation Reserves	\$ 607,278.12	373,477.03
Encumbrances Payable	55,707.01	91,033.88
Accounts Payable	60.70	25,264.84
Utility Rent Prepayments & Overpayments	28,298.41	22,426.55
Due to Current Fund	317,324.52	-
Accrued Interest on Bonds and Notes	106,991.53	89,090.14
	<u>1,115,660.29</u>	<u>601,292.44</u>
Reserve for Receivables	771,440.32	950,153.73
Fund Balance	691,797.15	325,482.96
Total of Operating Fund	<u>2,578,897.76</u>	<u>1,876,929.13</u>
Capital Fund:		
Contracts Payable	311,805.54	438,127.18
Improvement Authorizations:		
Funded	332,620.68	467,874.33
Unfunded	7,545,971.36	1,847,311.97
Water and Sewer Serial Bonds Payable	12,050,000.00	13,105,000.00
NJEIT Bonds Payable	3,028,044.00	3,241,966.00
Bond Anticipation Notes	6,000,000.00	450,000.00
Reserve to Pay Bonds - Other	-	6,700.50
Reserves for Amortization	15,895,675.77	14,626,753.77
Deferred Reserve for Amortization	4,289,790.07	3,986,577.07
Fund Balance	153,656.38	553,656.38
Total of Capital Fund	<u>49,607,563.80</u>	<u>38,723,967.20</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 52,186,461.56</u>	<u>40,600,896.33</u>

There were Bonds and Notes Authorized But Not Issued at December 31, 2021 and 2020 of \$1,947,467 and \$1,736,430 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>2021</u>	<u>2020</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Anticipated	\$ 259,611.93	1,000,000.00
Rents	6,213,294.45	5,049,157.89
Miscellaneous Anticipated Revenue	516,879.79	404,976.67
Miscellaneous Unanticipated Revenue	38,775.97	61,592.53
Other Credits to Income:		
Cancelled Accounts Payable	25,264.84	-
Unexpended Balance of Appropriation Reserves	387,544.63	115,824.92
 Total Income	 <u>7,441,371.61</u>	 <u>6,631,552.01</u>
<u>Expenditures</u>		
Operating	4,615,040.00	4,584,540.00
Debt Service	1,813,758.59	1,710,743.87
Capital Expenditures	303,213.00	-
Deferred Charges and Statutory Expenditures	107,224.43	95,499.43
 Total Expenditures	 <u>6,839,236.02</u>	 <u>6,390,783.30</u>
 Excess in Revenues	 602,135.59	 240,768.71
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute deferred charges to budget of succeeding year		
Expenditure without Appropriation	-	4,225.00
Overexpenditure of Appropriation	23,790.53	2,249.43
 Statutory Excess to Fund Balance	 625,926.12	 247,243.14
 Fund Balance January 1	 <u>325,482.96</u>	 <u>1,078,239.82</u>
Total	951,409.08	1,325,482.96
Decreased by:		
Utilization as Anticipated Revenue	259,611.93	1,000,000.00
 Fund Balance December 31	 <u>\$ 691,797.15</u>	 <u>325,482.96</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>2021</u>	<u>2020</u>
Balance January 1,	\$ 553,656.38	84,340.78
Increased by:		
Cancellation of Improvement Authorizations	-	536,315.60
Decreased by:		
Anticipated Revenue - Operating Budget	400,000.00	67,000.00
Balance December 31,	<u>\$ 153,656.38</u>	<u>553,656.38</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, 2021**

	Anticipated Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 259,611.93	259,611.93	-
Rents - Sewer	5,041,000.00	5,513,294.45	472,294.45
Miscellaneous Receipts	97,000.00	110,179.29	13,179.29
Reserve for Debt Service	6,700.50	6,700.50	-
Utility Capital Surplus	400,000.00	400,000.00	-
Additional Rents	700,000.00	700,000.00	-
Deficit (General Budget)	317,340.00	-	(317,340.00)
Miscellaneous Unanticipated	-	38,775.97	38,775.97
	<u>\$ 6,821,652.43</u>	<u>7,028,562.14</u>	<u>206,909.71</u>

**Analysis of Realized Revenue**

Rents

Consumer Accounts Receivable	<u>6,213,294.45</u>
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Miscellaneous

Interest on Deposits	13,819.34
Interest on Delinquent Rents	55,086.51
Connection Fees	29,150.00
Fire Hydrant Service	750.00
Miscellaneous	<u>11,373.44</u>
	<u>110,179.29</u>

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, 2021**

	Appropriations		Expended		Unexpended Balance Canceled	Over-Expended
	Budget	Budget after Modification	Paid or Charged	Encumbered		
<b>Operating</b>						
Salaries and Wages	\$ 1,347,000.00	1,347,000.00	1,296,879.93		50,120.07	
Other Expenses	1,505,540.00	1,498,040.00	1,216,408.39	55,707.01	225,924.60	
ACMJA- Treatment Costs	1,360,000.00	1,360,000.00	1,029,656.00		330,344.00	
Current Fund Allocation	410,000.00	410,000.00	410,000.00		-	
	<u>4,622,540.00</u>	<u>4,615,040.00</u>	<u>3,952,944.32</u>	<u>55,707.01</u>	<u>606,388.67</u>	<u>-</u>
<b>Capital Improvements:</b>						
Capital Improvement Fund	303,213.00	303,213.00	303,213.00		-	
	<u>303,213.00</u>	<u>303,213.00</u>	<u>303,213.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Debt Service</b>						
Payment on Bond Principal	1,055,000.00	1,055,000.00	1,055,000.00		-	
Interest on Bonds	480,075.00	480,075.02	475,029.19		5,045.83	
Interest on Notes	9,100.00	7,897.78	31,688.31		-	23,790.53
NJEIT Principal and Interest	252,000.00	253,202.20	252,041.09		1,161.11	
	<u>1,796,175.00</u>	<u>1,796,175.00</u>	<u>1,813,758.59</u>	<u>-</u>	<u>6,206.94</u>	<u>23,790.53</u>
<b>Deferred Charges and Statutory Expenditures</b>						
Overexpenditures of Appropriations	2,249.43	2,249.43	2,249.43		-	
Expenditure without Appropriation	4,225.00	4,225.00	4,225.00		-	
Contribution to:						
Social Security System (O.A.S.I.)	92,000.00	99,500.00	99,157.77		342.23	
Unemployment Compensation	1,000.00	1,000.00	702.78		297.22	
Defined Contribution Retirement Plan	250.00	250.00	-		250.00	
	<u>99,724.43</u>	<u>107,224.43</u>	<u>106,334.98</u>	<u>-</u>	<u>889.45</u>	<u>-</u>
Deficit in Operations in Prior Years	-	-				
	<u>\$ 6,821,652.43</u>	<u>6,821,652.43</u>	<u>6,176,250.89</u>	<u>55,707.01</u>	<u>607,278.12</u>	<u>23,790.53</u>
			Accrued interest on Bonds			
			Deferred Charges			
			Disbursed			
			544,023.76			
			6,474.43			
			5,625,752.70			
			<u>6,176,250.89</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>2021</u>	<u>2020</u>
General Fixed Assets:		
Land and Buildings	\$ 30,668,753.00	30,668,753.00
Machinery and Equipment	6,987,595.00	6,741,932.00
Vehicles	4,743,100.00	4,670,871.00
Total General Fixed Assets	<u>42,399,448.00</u>	<u>42,081,556.00</u>
Investment in General Fixed Assets	\$ <u>42,399,448.00</u>	\$ <u>42,081,556.00</u>

See Accompanying Notes to Financial Statements

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## **NOTES TO FINANCIAL STATEMENTS**

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**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Except as noted below, the financial statements of the City of 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 financial statements of the component unit of the City of Ventnor are not presented in accordance with Governmental Accounting Standards Board Statement (GASB) No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units. If the provisions of GASB 14 and GASB 39 had been complied with, the other entity's financial statements would have to be either blended or discretely presented with the financial statements of the City of Ventnor, the primary government. The City maintains a Type 1 School District.

Ventnor City School District  
400 N. Lafayette Avenue  
Ventnor, NJ 08406

The annual financial report may be inspected directly at the office of the component unit during regular business hours.

**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, 2021 AND 2020**

**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.

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.

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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.

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

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

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

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

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". This statement will not have any effect on the City's financial reporting.

**Note 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2021 and 2020 statutory budgets included a reserve for uncollected taxes in the amount of \$2,275,182.51 and \$2,259,570.37. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2021 and 2020 statutory budgets was \$2,840,000.00 and \$2,700,000.00. 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 2021 and 2020 statutory budgets was \$259,611.93 and \$1,000,000.00.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by entity City Council. The following significant budget transfers were approved in the 2021 and 2020 calendar years:

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**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

<u>Budget Category</u>	2021	2020
Police		
Salaries and Wages	-	100,000.00
Other Expenses	-	(55,000.00)
Beach Patrol		
Salaries and Wages	(36,000.00)	-
City Administrator		
Other Expenses	-	(89,000.00)
Fire		
Salaries and Wages	-	200,000.00
Street Repairs and Maintenance		
Other Expenses	-	50,000.00
Motor Vehicle Maintenance		
Other Expenses	-	55,000.00
Recreation		
Salaries and Wages	35,000.00	-
Buildings and Grounds		
Other Expenses	-	146,589.00
Legal Services and Costs		
Other Expenses	-	(125,000.00)
Solid Waste/Recycling		
Other Expenses	(49,000.00)	60,000.00
City Engineer		
Other Expenses	50,000.00	80,000.00
City Clerk		
Salaries and Wages	(39,000.00)	-
Financial Administration		
Salaries and Wages	(45,000.00)	-
Insurance		
General Liability	50,000.00	(40,000.00)
Workers Compensation	-	(85,000.00)
Information Technology		
Other Expenses	-	(40,000.00)
Telephone	40,000.00	-
Electric	-	(50,000.00)
Unemployment	-	(50,000.00)

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**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2021 and 2020, the following budget insertions were approved:

<u>Budget Category</u>	<u>2021</u>	<u>2020</u>
Clean Communities Program	-	31,562.58
FEMA - Emergency Management	-	10,000.00
Atlantic County DWI Checkpoint	3,300.00	-
Alcohol Education Rehabilitation DWI	-	541.80
Municipal Alliance	9,521.64	3,570.60
NJ DOT Transportation Grant	310,000.00	-
NJ DOT Bikeway Program	100,000.00	-

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. As of December 31, 2021, the City has no emergency or special emergency authorizations.

**Note 3: INVESTMENTS**

As of December 31, 2021 and 2020, the municipality had no investments.

**Interest Rate Risk.** The municipality does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

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

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

**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

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2021, and 2020, \$2,892,102.99 and \$3,576,786.81 of the municipality's bank balance of \$30,694,394.86 and \$21,227,350.00 was exposed to custodial credit risk.

**Note 5: FIXED ASSETS**

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2021 and 2020:

	Balance 12/31/2019	Additions	Retirements/ Adjustments	Balance 12/31/2020
Land and Buildings	\$ 27,402,480.00	3,266,273.00		30,668,753.00
Equipment and Machinery	4,340,620.00	479,806.00	(149,555.00)	4,670,871.00
Vehicles	5,782,502.00	1,206,012.00	(246,582.00)	6,741,932.00
	<u>\$ 37,525,602.00</u>	<u>4,952,091.00</u>	<u>(396,137.00)</u>	<u>42,081,556.00</u>

	Balance 12/31/2020	Additions	Retirements/ Adjustments	Balance 12/31/2021
Land and Buildings	\$ 30,668,753.00	-		30,668,753.00
Equipment and Machinery	4,670,871.00	252,342.00	(180,113.00)	4,743,100.00
Vehicles	6,741,932.00	513,220.00	(267,557.00)	6,987,595.00
	<u>\$ 42,081,556.00</u>	<u>765,562.00</u>	<u>(447,670.00)</u>	<u>42,399,448.00</u>

**Note 6: SHORT-TERM OBLIGATIONS**

	Balance 12/31/19	Issued	Retired	Balance 12/31/20
Bond Anticipation Notes payable:				
General	\$ -	14,479,000.00	-	14,479,000.00
Utility	-	450,000.00	-	450,000.00
	<u>\$ -</u>	<u>14,929,000.00</u>	<u>-</u>	<u>14,929,000.00</u>

	Balance 12/31/20	Issued	Retired	Balance 12/31/21
Bond Anticipation Notes payable:				
General	\$ 14,479,000.00	8,340,000.00	9,319,000.00	13,500,000.00
Utility	450,000.00	5,550,000.00		6,000,000.00
	<u>\$ 14,929,000.00</u>	<u>13,890,000.00</u>	<u>9,319,000.00</u>	<u>19,500,000.00</u>

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

As of December 31, 2021, the City had the following bond anticipation note outstanding:

Bank	2021 Amount	Interest Rate	Date of Maturity
PNC Capital Markets	\$ 19,500,000.00	1.00%	7/14/2021

At December 31, 2021 the entity has authorized but not issued bonds in the amount of \$9,647,522.47 and \$1,947,467.00 in the General Capital Fund and Utility Capital Fund respectively.

**Note 7: LONG TERM DEBT**

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

	Balance 12/31/19	Issued	Retired	Balance 12/31/20	Amounts Due Within One Year
Bonds payable:					
General	\$ 18,386,345.94		1,320,872.59	17,065,473.35	1,551,513.26
Utility	14,095,000.00		990,000.00	13,105,000.00	1,055,000.00
Utility- NJEIT	3,455,888.00		213,922.00	3,241,966.00	213,922.00
Total	35,937,233.94	-	2,524,794.59	33,412,439.35	2,820,435.26
Other liabilities:					
School	2,800,000.00		1,270,000.00	1,530,000.00	630,000.00
PERS Liability	10,864,379.00		1,156,953.00	9,707,426.00	
PFRS Liability	27,684,961.00	108,397.00		27,793,358.00	
Compensated Absences Payable	1,993,242.59	1,013,268.52	472,263.59	2,534,247.52	-
Total long-term liabilities	\$ 79,279,816.53	1,121,665.52	5,424,011.18	74,977,470.87	3,450,435.26
	Balance 12/31/20	Issued	Retired	Balance 12/31/21	Amounts Due Within One Year
Bonds payable:					
General	\$ 17,065,473.35	-	1,551,513.26	15,513,960.09	1,752,810.77
Utility	13,105,000.00	-	1,055,000.00	12,050,000.00	1,110,000.00
Utility - NJEIT	3,241,966.00	-	213,922.00	3,028,044.00	218,922.00
Total	33,412,439.35	-	2,820,435.26	30,592,004.09	3,081,732.77
Other liabilities:					
School	1,530,000.00	8,595,000.00	630,000.00	9,495,000.00	870,000.00
PERS Liability	9,707,426.00		-	9,707,426.00	
PFRS Liability	27,793,358.00		-	27,793,358.00	
Compensated Absences Payable	2,534,247.52	114,440.31	179,979.86	2,468,707.97	-
Total long-term liabilities	\$ 74,977,470.87	8,709,440.31	3,630,415.12	80,056,496.06	3,951,732.77

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

\$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, 2021 was \$2,420,000.

\$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, 2021 was \$2,590,000.

\$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, 2021 was \$8,565,000.

\$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, 2021 was \$0.00.

\$1,110,000.00 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, 2021 was \$900,000.

\$8,595,000.00 School Bond, Series 2021, dated 7/14/2021 payable in annual installments through 7/15/2033. Interest is paid semiannually at a rate of 1.00% to 3.00% per annum. The balance remaining as of December 31, 2021 was \$8,595,000.00.

\$1,335,000.00 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, 2021 was \$1,052,591.11.

\$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, 2021 was \$295,000.00.

\$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, 2021 was \$591,368.98.

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

\$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, 2021 was \$2,345,000.

\$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, 2021 was \$6,320,000.

\$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, 2021 was \$3,385,000.

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

**CITY OF VENTNOR CITY  
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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, 2021 was \$3,028,044.00.

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

<u>Year</u>	<u>General Fund</u>		<u>Utility Fund</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,752,810.77	470,067.96	1,328,922.00	476,831.26
2023	1,984,134.36	412,744.37	1,383,922.00	434,131.26
2024	2,075,484.55	348,344.18	1,438,922.00	389,381.26
2025	2,206,861.88	281,066.85	1,468,922.00	343,381.26
2026	903,266.91	207,936.82	1,493,922.00	295,881.26
2027-2031	4,898,418.31	545,550.34	7,254,610.00	684,006.30
2032-2036	1,631,022.57	49,396.66	708,824.00	26,550.00
2037	61,960.74	843.76	-	-
	<u>\$ 15,513,960.09</u>	<u>2,315,950.94</u>	<u>15,078,044.00</u>	<u>2,650,162.60</u>

<u>Year</u>	<u>School Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 870,000.00	186,053.16
2023	905,000.00	165,687.50
2024	915,000.00	149,887.50
2025	985,000.00	133,987.50
2026	705,000.00	116,937.50
2027-2031	3,760,000.00	449,625.00
2032-2036	1,355,000.00	58,350.00
	<u>\$ 9,495,000.00</u>	<u>1,260,528.16</u>

As of December 31, 2021 the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$573,765.47 and to the utility budget was \$517,381.26.

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<u>Summary of Municipal Debt</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Issued:</u>			
General - Bonds	\$ 13,575,000.00	15,015,000.00	16,195,000.00
School - Bonds	9,495,000.00	1,530,000.00	2,800,000.00
Loan	1,052,591.11	1,117,143.82	1,211,055.86
NJEIT	886,368.98	933,329.53	980,290.08
Bond Anticipation Note	13,500,000.00	14,479,000.00	-
Sewer Utility - Bonds	12,050,000.00	13,105,000.00	14,095,000.00
Sewer Utility - Bond Anticipation Notes	6,000,000.00	450,000.00	-
Sewer Utility - NJEIT	3,028,044.00	3,241,966.00	3,455,888.00
Total Issued	<u>59,587,004.09</u>	<u>49,871,439.35</u>	<u>38,737,233.94</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	9,647,522.47	11,837,314.47	18,848,436.00
Sewer Utility - Bonds and Notes	1,947,467.00	1,736,430.00	2,186,430.00
Total Authorized But Not Issued	<u>11,594,989.47</u>	<u>13,573,744.47</u>	<u>21,034,866.00</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 71,181,993.56</u>	<u>63,445,183.82</u>	<u>59,772,099.94</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 1.771%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 9,495,071.00	9,495,071.00	-
Sewer Utility Debt	23,025,511.00	23,025,511.00	-
General Debt	38,661,411.56	386,887.18	38,274,524.38
	<u>\$ 71,181,993.56</u>	<u>32,907,469.18</u>	<u>38,274,524.38</u>

Net Debt \$38,274,524.38 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,161,313,902.67 = 1.771%.

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

3 1/2 % of Equalized Valuation Basis ( Municipal)	\$ 75,107,236.61
Net Debt	38,274,524.38
Remaining Borrowing Power	<u>\$ 36,832,712.23</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.

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**CITY OF VENTNOR CITY  
 NOTES TO FINANCIAL STATEMENTS  
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**Note 8: LEASE OBLIGATIONS**

The City has entered into several agreements to lease various copier machines for various City owned facilities under operating leases. The terms of the leases range from thirty-six (36) to sixty (60) months through December 31, 2026. The monthly payment of the leases range from \$60.12 to \$535.27 per month.

The total operating lease payments in 2021 was \$6,304.05.

The following is a schedule of the future minimum lease payments under these leases at December 31, 2021.

Year	Amount
2023	\$ 8,769.08
2024	8,146.92
2025	7,345.20
2026	4,817.43
2027	0.00
Total	\$ <u>29,078.63</u>

**Note 9: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2021 and 2020, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Current Fund	\$ 3,400,000.00	2,840,000.00
Water & Sewer Utility	559,222.00	259,611.93

**Note 10: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2021, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2021	2022 Budget Appropriation	Balance to Succeeding
Water and Sewer Utility Fund:			
Overexpenditure of Appropriations	\$ 23,790.53	23,790.53	-
	<u>\$ 23,790.53</u>	<u>23,790.53</u>	<u>-</u>

The appropriations in the 2022 Budget are not less than that required by statute.

**Note 11: SCHOOL TAXES**

Local District School Tax in the amounts of \$17,082,698.00 and \$16,888,980.00 have been raised for the 2021 and 2020 calendar years and remitted to the school district.



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**Note 12: 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 12/31/21	Balance 12/31/20
Prepaid Taxes	\$ 1,011,318.04	909,690.17
Cash Liability for Taxes Collected in Advance	\$ 1,011,318.04	909,690.17

**Note 13: PENSION FUNDS**

Description of Plans

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

Public Employees' Retirement System

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

Police and Fireman's Retirement System

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

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 45<sup>th</sup> birthday and after he has completed 20 years of services, the last 10 must have been completed immediately preceding his application.

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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 provides for employee contributions of 7.50% 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, 2021, 2020, and 2019 were \$651,205.00, \$588,105.00 and \$578,415.50.

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, 2021, 2020, and 2019 were \$2,403,000.00, \$2,285,119.00, and \$2,465,510.96.

The total payroll for the year ended December 31, 2021, 2020, and 2019 was \$15,227,377.15, \$15,177,039.46 and \$14,626,654.26. Payroll covered by PFRS was \$7,888,223.00, \$7,798,087.00 and \$7,508,896.00. Payroll covered by PERS was \$4,500,273.00, \$4,440,277.00, and \$4,390,440.00.

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, 2021, 2020, and 2019 was \$0, \$0 and \$0. The City's trust for the Lifeguard Pension at December 31, 2021 and 2020 was \$184,669.54 and \$213,386.39 respectively. Currently there are only three individuals receiving benefits. The benefits paid by the trust for the year ended December 31, 2021, 2020, and 2019 were \$62,218.25, \$53,835.45 and \$52,536.66.

Significant Legislation

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

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

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

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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 1/60<sup>th</sup> from 1/55<sup>th</sup>, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7<sup>th</sup> 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 14: PENSION LIABILITIES**

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

The following represents the municipality's pension liabilities as June 30, 2020:

**Public Employees' Retirement System**

The Municipality has a liability of \$9,707,426 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 that was rolled forward to June 30, 2020. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Municipality's proportion would be 0.05952779010%, which would be a decrease of 1.27% from its proportion measured as of June 30, 2019.

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For the year ended December 31, 2020, the Municipality would have recognized pension expense of \$484,740. At December 31, 2020, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected & actual experience	\$ 176,756	(34,330)
Changes of assumptions	314,920	(4,064,591)
Changes in proportion	453,038	(179,216)
Net difference between projected and actual earnings on pension plan investments	331,808	
Total	<u>\$ 1,276,522</u>	<u>(4,278,137)</u>

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

<u>Year ended June 30,</u>	
2021	\$ (1,116,273)
2022	(1,017,701)
2023	(581,590)
2024	(235,185)
2025	(50,866)
Total	<u>\$ (3,001,615)</u>

**Actuarial Assumptions**

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

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were

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based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disable retirees were base on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

*Discount Rate*

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

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

The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipality's proportionate share of the net pension liability	\$ 11,561,518	\$ 9,707,426	\$ 8,136,202

*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 \$27,793,358 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2019 that was rolled forward to June 30, 2020. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Municipality's proportion would be 0.21509691120%, which would be a decrease of 4.92% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Municipality would have recognized pension expense of \$857,930. At December 31, 2020, the Municipality would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 280,204	(99,747)
Changes of assumptions	69,942	(7,451,233)
Changes in proportion	488,546	(4,053,674)
Net difference between projected and actual earnings on pension plan investments	1,629,655	
Total	<u>\$ 2,468,347</u>	<u>(11,604,654)</u>

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

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**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

Year ended June 30,		
2021	\$	(4,263,600)
2022		(2,877,413)
2023		(1,171,415)
2024		(442,519)
2025		(381,360)
Total	<u>\$</u>	<u>(9,136,307)</u>

**Actuarial Assumptions**

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

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

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

**CITY OF VENTNOR CITY  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based 78% of the actuarially determine contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 35,921,573	\$ 27,793,358	\$ 21,042,435

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**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2020 State special funding situation net pension liability amount of \$2,005,329,818.00 is the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2020 State special funding situation pension expense of \$227,263,993.00 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2020. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Municipality was 0.21509691120% for 2020. The net pension liability amount allocated to the Municipality was \$4,313,402. For the fiscal year ending June 30, 2020 State special funding situation pension expense of \$488,838 is allocated to the Municipality.

*Pension plan fiduciary net position.*

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

**Note 15: OTHER POST-RETIREMENT BENEFITS**

*General Information about the Plan:*

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

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

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.

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

*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 \$5,512,481,278 and \$12,598,993,950, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's non special funding situation during the measurement period July 1, 2019 through June 30, 2020. Employer and non-employer allocation percentages have been rounded for presentation purposes.

*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.

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**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

*Net OPEB Liability:*

*Components of Net OPEB Liability*

The components of the collective net OPEB liability of the participating employers in the Plan as of June 30, 2020 is as follows:

	<u>June 30, 2020</u>
	<u>Collective</u>
	<u>Total</u>
Total OPEB Liability	\$ 18,111,475,228.00
Plan Fiduciary Net Position	164,862,282.00
Net OPEB Liability	<u>\$ 17,946,612,946.00</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%

At June 30, 2020, the State's proportionate share for the Special Funding Situation that is associated with the City is \$29,454,268.00. The State's proportionate share attributable to the City of the Collective Net OPEB Liability for the Special Funding Situation was 0.539228% which was an increase from the prior year of 22.71%.

For the Year ended June 30, 2020, the State of New Jersey realized Total OPEB Expense in the amount of \$1,466,241.00 for its proportionate share of Total OPEB Expense that is associated with the City.

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

Mortality:

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

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

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
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\* Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

*Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53% respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years.

*Discount Rate*

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

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

The following presents the Net OPEB liability as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the Net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Collective			
Net OPEB Liability	\$ 21,216,688,254.00	\$ 17,946,612,946.00	\$ 15,358,051,000.00

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

The following presents the net OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

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**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Collective			
Net OPEB Liability	\$ 14,850,840,718.00	\$ 17,946,612,946.00	\$ 22,000,569,109.00

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

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB from the following sources:

	<u>Collective Totals</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 472,699,992	\$ (3,341,994,109)
Changes of assumptions	2,684,248,513	(3,991,049,511)
Net difference between projected and actual earnings on OPEB plan investments	11,397,084	
Total	<u>\$ 3,168,345,589</u>	<u>\$ (7,333,043,620)</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:

<u>Year ended June 30,</u>	<u>Collective Totals</u>
2021	\$ (964,720,007)
2022	(965,594,678)
2023	(967,008,484)
2024	(968,300,349)
2025	(660,258,014)
Thereafter	361,183,501
Total	<u>\$ (4,164,698,031)</u>

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

*Collective OPEB Expenses reported by the State of New Jersey.*

The components of allocable OPEB Expense related to specific liabilities of individual employers for the year ending June 30, 2020 are as follows:

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**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

Service cost	\$	605,949,339.00
Interest on Total OPEB Liability		497,444,533.00
Expected Investment Return		(7,632,336.00)
Administrative Expenses		9,913,267.00
Changes of Benefit Terms		1,034,142.00
Current Period Recognition (Amortization) of Deferred Inflows/ Outflows of Resources:		
Differences between Expected and Actual Experience		(550,598,668.00)
Changes in Assumptions		(418,656,482.00)
Differences between Projected and Actual Investment Earnings on OPEB Plan Investments		4,535,144.00
Total Collective OPEB Expense	\$	<u>141,988,939.00</u>

**Note 16: ACCRUED SICK AND VACATION BENEFITS**

The entity has permitted employees to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$2,468,707.97 in 2021 and \$2,534,247.52 in 2020. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. It is the entity's policy to negotiate the final amount of each payment of accrued sick 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 17: 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.

**Note 18: RISK MANAGEMENT**

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

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

The entity is a member of the Atlantic County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The entity is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The entity has a general liability limit of \$100,000 under JIF, which increases to \$5,000,000 under MEL.

**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:

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
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<u>Calendar Year</u>	<u>City Contributions</u>	<u>Interest</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ 20,345.50	122.91	20,088.15	22,040.25	44,169.15
2020	18,067.64	189.85	21,128.06	67,227.60	25,652.84
2019	54,170.85	82.49	21,196.31	76,667.95	53,494.89

**Note 19: 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 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 20: CONTINGENT LIABILITIES**

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

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**CITY OF VENTNOR CITY  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2021 AND 2020**

**Note 21: INTERFUND BALANCES**

During the most current calendar year ended December 31, 2021, the following interfunds were included on the balance sheets of the various funds of City of Ventnor City:

	Due From	Due To
Current Fund:		
Animal Control Fund	\$ 3,169.60	
Other Trusts	622.26	
Grant Fund		316,489.41
Utility Operating Fund	317,324.52	
Grant Fund:		
Current Fund	316,489.41	
Trust Fund:		
Current Fund		3,791.86
Utility Operating Fund:		
Current Fund		<u>317,324.52</u>
	<u>\$ 637,605.79</u>	<u>637,605.79</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 22: SUBSEQUENT EVENTS**

**Bond and Note Issuance**

On July 1, 2022, the City issued \$11,500,000 in General Obligation Bonds, Series 2022, consisting of \$9,000,000 in General Improvement Bonds and \$2,500,000 in Water and Sewer Utility Bonds. Principal of the bonds is payable on July 1 of each year commencing on July 1, 2023 through July 1, 2034. Interest is payable semiannually at a rate of 3.8754% per annum during 2023 and 4% per annum thereafter. Bonds maturing on or prior to July 1, 2030 are not subject to redemption prior to their respective maturity dates. Those maturing on or after July 1, 2030 are redeemable at the option of the City, in whole or in part, on any date on or after July 1, 2029, upon notice as required by the bondholders, plus accrued interest to the date fixed for redemption.

Also on July 13, 2022, the City issued \$8,000,000 in Bond Anticipation Notes consisting of \$4,500,000 General Improvement Notes and \$3,500,000 in Water and Sewer Utility Notes. The notes bear interest at the rate of 2.50% per annum, which interest is payable on July 12, 2023. This note is being issued to fund various 2020 General Capital Improvements as well as various 2021 Utility Capital Improvements, including the acquisition of real property.

**Other**

The entity has evaluated subsequent events through August 5, 2022, the date which the financial statements were available to be issued and identified no events requiring disclosure.



## **SUPPLEMENTARY INFORMATION**

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# FORD - SCOTT

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

To the Honorable Mayor and  
Members of the City Commission  
City of Ventnor  
County of Atlantic, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements – regulatory basis, as listed in the accompanying table of contents, of the City of Ventnor, State of New Jersey, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 5, 2022, which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, the City of Ventnor prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey.

**Report Internal Control over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

## **Purpose of this Report**

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

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

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

August 5, 2022

## ***Schedule of Financial Statement Findings***

### **Finding 2021-1**

#### **Criteria**

Sufficient appropriation balances should exist prior to the issuance of any purchase order for goods or services.

#### **Condition**

Overexpenditures totaling \$23,790.53 were noted in the Water and Sewer Utility Fund, Interest on Bond Anticipation Notes, as of December 31, 2021.

#### **Cause**

##### **Debt Service**

During the 2021 calendar year, there was a mis-posting of interest paid on the City's debt service. Interest that was related to the Utility budget was inadvertently charged to the Current Operating fund, and vice versa. This was not detected until after the close of the year.

#### **Effect**

Overexpenditures of appropriations are not permitted by law and are deferred charges to be raised in the budget of the succeeding year.

#### **Recommendation**

That the budget be monitored on a routine basis to ensure appropriation balances are sufficient for all remaining expenditures and that the balances are reasonable. Appropriation transfers, if needed, should be approved between November 1 and December 31.

#### **Management Response**

The CFO will ensure that all debt service appropriations are accurately charged throughout the year and that balances are reasonable. Any transfers needed during the last two months of the year will be presented to the Commission for their approval.

## ***STATUS OF PRIOR RECOMMENDATIONS***

**NONE**

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

		Current Fund
Balance December 31, 2020	\$	8,647,077.64
Increased by Receipts:		
Taxes Receivable		53,046,959.50
Tax Title Liens		-
Prepaid Taxes		1,011,318.04
Tax Overpayments		
Revenue Accounts Receivable		4,282,711.93
Miscellaneous Revenue		467,216.27
Due from State - Sr. Citizens and Veterans		57,500.00
Due to State Marriage License Fees		1,375.00
Due to State - DCA Fees		26,296.00
Due from Payroll account		0.71
Due from Utility Operating		2,001,875.84
Federal & State Grants Receivable		858,494.16
Unappropriated Federal & State Grants		795.20
		61,754,542.65
		70,401,620.29
Decreased by Disbursements:		
Current Year Appropriation		27,965,540.63
Prior Year Appropriations		424,848.47
Accounts Payable		30,562.28
County Taxes		11,604,057.02
Local District School Taxes		17,577,285.27
Tax Overpayments Refunded		14,143.04
Due to State - Marriage Licenses		1,275.00
Due to State - DCA Fees		18,031.00
Federal and State Disbursements		407,836.52
Due to Utility Operating		1,303,517.85
		59,347,097.08
Balance December 31, 2021	\$	11,054,523.21

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

Year	Balance Dec. 31, 2020	Current Year Levy	Added Taxes	Collections by Cash		Overpayments	Adjustments	Balance Dec. 31, 2021
				2020	2021			
Arrears \$	1,410.86				1,410.86			(0.00)
2019	13,819.75				10,662.49			3,157.26
2020	1,043,124.68		16,179.71		1,042,382.32		12,511.48	4,410.59
	1,058,355.29	-	16,179.71	-	1,054,455.67	-	12,511.48	7,567.85
2021	-	53,454,021.84	561,244.72	909,690.17	52,051,369.19		(43,508.87)	1,097,716.07
\$	1,058,355.29	53,454,021.84	577,424.43	909,690.17	53,105,824.86	-	(30,997.39)	1,105,283.92

	53,046,959.50	Cash Receipts
	58,865.36	Senior Citizens and Veterans
	<u>53,105,824.86</u>	

**Analysis of Current Year Tax Levy**

<b>Tax Yield:</b>	
General Property Tax	53,454,021.84
Added Taxes (54-4-63.1 et. Seq.)	<u>561,244.72</u>
	<u>54,015,266.56</u>
<b>Tax Levy:</b>	
General County Taxes	10,121,677.52
County Library Taxes	764,937.86
County Open Space Taxes	106,961.43
County Health Taxes	542,047.41
County Added and Omitted Taxes	121,455.26
Total County Taxes	<u>11,657,079.48</u>
Local School District Tax	17,082,698.00
Local Tax for Municipal Purposes	24,821,012.25
Add: Additional Tax Levied	<u>454,476.83</u>
	<u>25,275,489.08</u>
	<u>54,015,266.56</u>

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2020	Accrued in 2021	Treasurer	Balance Dec. 31, 2021
Licenses:				
Alcoholic Beverages	-	7,182.00	7,182.00	
Other	-	27,517.00	27,517.00	
Fees and Permits	-	400,368.15	400,368.15	
Fines and Costs:				
Municipal Court	6,023.87	174,782.37	173,776.34	7,029.90
Interest and Costs on Taxes	-	249,121.76	249,121.76	
Parking Meters	-	166,913.92	166,913.92	
Interest Earned on Investments	-	69,552.09	69,552.09	
Beach Control Fees	-	436,546.33	436,546.33	
Land Rental	-	87,500.00	87,500.00	
Viking Rowing Foundation, Inc. Lease Agreement	-	-	-	
Payment in Lieu of Taxes	-	130,008.00	130,008.00	
Cable Television Franchise Fees	-	55,956.63	55,956.63	
City Lease Fees	-	57,146.36	57,146.36	
Ambulance Service Fees	-	167,744.68	167,744.68	
Recreation Fees	-	54,621.00	54,621.00	
Energy Receipts Tax	-	608,112.00	608,112.00	
Uniform Construction Code Fees	-	418,648.00	418,648.00	
Borough of Longport-Uniform Construction Code	-	44,150.00	44,150.00	
Utility Fund Allocation	-	410,000.00	410,000.00	
Reserve for Payment of Debt	-	200,000.00	200,000.00	
American Rescue Plan Act of 2021	-	517,847.67	517,847.67	
Miscellaneous Revenue Not Anticipated	-	467,216.27	467,216.27	
	<u>\$ 6,023.87</u>	<u>4,750,934.23</u>	<u>4,749,928.20</u>	<u>7,029.90</u>



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

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charges	Balance Lapsed
<b>OPERATIONS WITHIN "CAPS"</b>				
<b>GENERAL GOVERNMENT:</b>				
Mayor's Office				
Salaries and Wages	\$ 2,703.30	2,703.30	-	2,703.30
Other Expenses	6,658.34	6,658.34	58.64	6,599.70
Police				
Salaries and Wages	111,758.80	111,758.80	-	111,758.80
Other Expenses	108,513.24	108,513.24	33,618.43	74,894.81
Fire				
Salaries and Wages	44,344.96	44,344.96	-	44,344.96
Other Expenses	33,625.70	33,625.70	9,988.72	23,636.98
Uniform Fire Safety Act				
Other Expenses	6,013.02	6,013.02	334.99	5,678.03
Radio and Communications				
Salaries and Wages	44,046.61	44,046.61	-	44,046.61
Other Expenses	8,738.15	8,738.15	-	8,738.15
City Administrator				
Salaries and Wages	2,775.00	2,775.00	-	2,775.00
Other Expenses	34,060.25	34,060.25	21,120.00	12,940.25
Office of Emergency Management				
Other Expenses	1,453.01	1,453.01	1,108.00	345.01
Traffic and Electrical Division				
Salaries and Wages	6,980.43	6,980.43	-	6,980.43
Other Expenses	21,538.62	21,538.62	32.00	21,506.62
Dog Control				
Other Expenses	700.00	700.00	700.00	-
Celebration of Public Events				
Other Expenses	15,444.22	15,444.22	-	15,444.22
Beach Patrol				
Other Expenses	310.79	310.79	-	310.79
Beach Control				
Salaries and Wages	208.28	208.28	-	208.28
Other Expenses	4,510.55	4,510.55	3,675.37	835.18
<b>DEPARTMENT OF PUBLIC WORKS, PARKS &amp; PUBLIC PROPERTY</b>				
Streets and Roads				
Salaries and Wages	29,362.39	29,362.39	-	29,362.39
Other Expenses	66,526.96	66,526.96	13,199.31	53,327.65
Motor Vehicle Maintenance				
Salaries and Wages	24,562.15	24,562.15	-	24,562.15
Other Expenses	63,583.84	63,583.84	12,991.40	50,592.44
Buildings and Grounds				
Salaries and Wages	13,462.25	13,462.25	-	13,462.25
Other Expenses	270,072.03	270,072.03	77,994.36	192,077.67
Recreation				
Salaries and Wages	74,572.88	74,572.88	-	74,572.88
Other Expenses	21,268.31	21,268.31	739.96	20,528.35
City Engineer				
Other Expenses	88,331.67	88,331.67	58,067.50	30,264.17
Solid Waste/Recycling				
Salaries and Wages	10,714.06	10,714.06	-	10,714.06
Other Expenses	234,908.49	234,908.49	78,614.15	156,294.34
<b>DEPARTMENT OF REVENUE AND FINANCE</b>				
Legal Services and Costs				
Other Expenses	82,377.49	82,377.49	20,224.90	62,152.59
City Clerk				
Salaries and Wages	1,573.47	1,573.47	-	1,573.47
Other Expenses	13,410.61	13,410.61	1,701.67	11,708.94
Codification of Ordinances	618.99	618.99	-	618.99

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

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charges	Balance Lapsed
Elections				
Other Expenses	4,591.12	4,591.12	34.55	4,556.57
Planning Board				
Salaries and Wages	2,705.00	2,705.00	-	2,705.00
Other Expenses	12,366.24	12,366.24	5,619.73	6,746.51
Financial Administration				
Salaries and Wages	42,493.34	42,493.34	-	42,493.34
Other Expenses	24,171.31	24,171.31	4,864.09	19,307.22
Assessment of Taxes				
Salaries and Wages	71.66	71.66	-	71.66
Other Expenses	8,561.11	8,561.11	815.00	7,746.11
Collection of Taxes				
Salaries and Wages	933.92	933.92	-	933.92
Other Expenses	3,321.77	3,321.77	2,516.74	805.03
Information Technology				
Salaries and Wages	7,593.36	7,593.36	-	7,593.36
Other Expenses	36,524.43	36,524.43	31,235.59	5,288.84
Municipal Court				
Salaries and Wages	17,408.87	17,408.87	-	17,408.87
Other Expenses	11,744.76	11,744.76	1,248.97	10,495.79
Municipal Prosecutor				
Salaries and Wages	2,700.00	2,700.00	2,700.00	-
Public Defender (P.L. 1997, C.256)				
Other Expenses	1,000.00	1,000.00	1,000.00	-
Insurance				
General Liability	11,724.54	11,724.54	-	11,724.54
Workers Compensation	12.24	12.24	-	12.24
Employee Group Health	107,338.94	107,338.94	16,569.48	90,769.46
Health Waiver	2,337.87	2,337.87	-	2,337.87
Construction Official				
Salaries and Wages	6,276.88	6,276.88	-	6,276.88
Other Expenses	6,920.74	6,920.74	634.43	6,286.31
Inspection of Housing				
Salaries and Wages	1,927.22	1,927.22	-	1,927.22
Other Expenses	4,211.77	4,211.77	288.00	3,923.77
Electrical and Plumbing				
Salaries and Wages	7,389.91	7,389.91	-	7,389.91
Utilities				
Gasoline	65,069.19	65,069.19	1,745.31	63,323.88
Electricity	7,571.87	7,571.87	2,237.97	5,333.90
Telephone	15,217.47	15,217.47	9,706.85	5,510.62
Natural Gas	13,344.57	13,344.57	13,273.54	71.03
STATUTORY EXPENDITURES				
Contribution to				
Public Employees' Retirement System	118.51	118.51	-	118.51
Social Security System	2,051.75	2,051.75	-	2,051.75
Unemployment	13,788.76	13,788.76	-	13,788.76
Medical Insurance	1,944.86	1,944.86	(0.20)	1,945.06
Define Contribution Retirement Program	1,541.18	1,541.18	-	1,541.18
OPERATIONS EXCLUDED FROM "CAPS"				
Borough of Longport-Uniform Construction Code Office				
Salaries and Wages	86.97	86.97	-	86.97
	<u>\$ 1,894,790.99</u>	<u>1,894,790.99</u>	<u>428,659.45</u>	<u>1,466,131.54</u>
Appropriation Reserves	1,347,687.07		424,848.47	Paid
Accounts Payable and Encumbrances	547,103.92		3,810.98	Accounts Payable
	<u>1,894,790.99</u>		<u>428,659.45</u>	

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

Balance December 31, 2020		
School Tax Payable	\$	493,718.06
Increased by:		
Levy - Calender Year January 1, 2021 to December 31, 2021		<u>17,082,698.00</u>
		17,576,416.06
Decreased by:		
Payments		<u>17,576,416.06</u>
Balance December 31, 2021		
School Tax Payable		<u><u>-</u></u>
Current Year Liability for Local School District School Tax:		
Tax Paid		17,576,416.06
Tax Payable Ending		<u>-</u>
		17,576,416.06
Less: Tax Payable Beginning		<u>493,718.06</u>
Amount charged to Current Year Operations	\$	<u><u>17,082,698.00</u></u>

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

Purpose	Balance	Transferred	Received	Adjustments	Balance
	Dec. 31, 2020	From 2021			Dec. 31, 2021
		Revenues			
<b>FEDERAL GRANTS:</b>					
FEMA Assistance to Firefighters Body Armor	\$ 77,743.00				77,743.00
FEMA - Emergency Management	3,269.84	2,709.78	2,709.78		3,269.84
FEMA - Emergency Management	-	10,000.00	10,000.00		-
FEMA - Fire Assistance Grant	17,000.00				17,000.00
FEMA - Emergency Management	21,000.00				21,000.00
	24,761.34				24,761.34
<b>Total Federal</b>	<b>143,774.18</b>	<b>12,709.78</b>	<b>12,709.78</b>	<b>-</b>	<b>143,774.18</b>
<b>STATE GRANTS:</b>					
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		187,830.83		2,169.17
New Jersey Transportation Trust Fund - 2018 Municipal Aid Hampshire Avenue	43,000.00		43,000.00		-
New Jersey Transportation Trust Fund - Safe Streets		300,000.00			300,000.00
New Jersey Transportation Trust Fund - 2022 Municipal Aid Suffolk to Edgewater		310,000.00			310,000.00
New Jersey Transportation Trust Fund - 2021 Bicycle and Pedestrian		100,000.00			100,000.00
NJ Transportation Trust Fund Authority Act - 2020 Newport Avenue	48,872.00		48,872.00		-
NJ Transportation Trust Fund Authority Act - 2019 Dorset Avenue	310,000.00		232,500.00		77,500.00
NJ Transportation Trust Fund Authority Act - 2021	207,000.00	265,000.00			265,000.00
New Jersey Transportation - Safe Routes to School	-				207,000.00
Recycling Tonnage - 2021	-	13,117.95	13,117.95		-
Municipal Alliance	8,795.60	14,282.46	3,560.00		19,518.06
Clean Communities	-	33,603.60	33,603.60		-
Resilient NJ	88,242.96				88,242.96
<b>Total State</b>	<b>1,175,910.56</b>	<b>1,036,004.01</b>	<b>842,484.38</b>	<b>-</b>	<b>1,369,430.19</b>

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

Purpose	Balance Dec. 31, 2020	Transferred From 2021 Revenues	Received	Adjustments	Balance Dec. 31, 2021
<b>OTHER:</b>					
Atlantic County DWI Checkpoint	-	3,300.00	3,300.00		-
Total Other	<u>1,319,684.74</u>	<u>3,300.00</u>	<u>3,300.00</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,319,684.74</u>	<u>1,052,013.79</u>	<u>858,494.16</u>	<u>-</u>	<u>1,513,204.37</u>

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

	Balance December 31, 2020		2021 Appropriations	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2021
	Appropriated	Reserve for Encumbrances					
<b>FEDERAL GRANTS:</b>	\$						
Community Development Block Grant	154,028.00						154,028.00
Post Sandy Planning Assistance	9,590.01			1,630.40			9,590.01
Federal Bulletproof Vest Partnership	5,629.41		2,709.78	2,709.78			3,999.01
Body Armor Replacement Program-2021	423.50	9,576.50		4,820.00			10,000.00
FEMA- Emergency Management	4,820.00		10,000.00	976.76	8,294.50		728.74
FEMA - Emergency Management	-						-
FEMA - Emergency Management	-						-
<b>Total Federal</b>	<b>174,490.92</b>	<b>9,576.50</b>	<b>12,709.78</b>	<b>10,136.94</b>	<b>8,294.50</b>	<b>-</b>	<b>178,345.76</b>
<b>STATE GRANTS:</b>							
NJ Transportation Trust Fund Authority Act - 2019	82,471.75	9,706.68		91,755.21			423.22
Dorset Avenue							
NJ Transportation Trust Fund Authority Act - 2020	222,122.00			222,122.00			-
Wellington Avenue	207,000.00						207,000.00
New Jersey Transportation - Safe Routes to School	2,169.17	-					2,169.17
New Jersey Transportation Trust Fund - Bikeway							
New Jersey Transportation Trust Fund - 2018 Municipal Aid	172,000.00						172,000.00
Hampshire Avenue							
New Jersey Transportation Trust Fund 2017 - Monmouth	42,910.47	6,988.73		6,988.73			42,910.47
New Jersey Transportation Trust Fund - Burk Avenue		6,163.61		6,163.61			
New Jersey Transportation Trust Fund							
Ventnor Heights			265,000.00				265,000.00
New Jersey Transportation Trust Fund - Safe Streets			300,000.00				300,000.00
Little Rock Avenue							
New Jersey Transportation Trust Fund - Muni Aid 2021			310,000.00				310,000.00
Suffolk to Edgewater			100,000.00				100,000.00
New Jersey Transportation Trust Fund - Bikeway	3,285.83			3,285.83			-
Recycling Tonnage Grant-2013	25,517.12			25,312.78			204.34
Recycling Tonnage Grant-2017	4,259.69			4,259.69			-
Recycling Tonnage Grant-2019	12,805.23			2,600.10			10,205.13
Recycling Tonnage Grant-2020				13,117.95			-
Recycling Tonnage Grant-2021							-
Alliance for the Prevention of Alcohol and Drug Abuse	2,250.00	-					2,250.00
Alliance for the Prevention of Alcohol and Drug Abuse-2019	11,690.00	-					11,690.00
Alliance for the Prevention of Alcohol and Drug Abuse-2020	14,590.84			1,624.65			12,966.19
Alliance for the Prevention of Alcohol and Drug Abuse-2021			14,282.46	3,741.82			10,540.64
Alliance for the Prevention of Alcohol and Drug Abuse-2021 - Match			1,190.21	1,684.84			1,190.21
Alcohol Education, Rehabilitation and Enforcement-2018	2,106.61			839.16			421.77
Alcohol Education, Rehabilitation and Enforcement-2017	839.16			839.16			-
Alcohol Education, Rehabilitation and Enforcement-2019	1,165.43						1,165.43
Alcohol Education, Rehabilitation and Enforcement-2020	541.80						541.80
Resilient NJ Grant	88,242.96						88,242.96

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

	Balance December 31, 2020		2021		Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2021
	Appropriated	Reserve for Encumbrances	Appropriations	Appropriations				
Clean Communities-2020	26,776.18				5,773.82	14,638.72		6,363.64
Clean Communities-2019	490.13	507.91						998.04
Clean Communities-2018	60.52	311.52						372.04
Clean Communities-2021			33,603.60					33,603.60
Drunk Driving Enforcement Fund-2020	2,760.00							2,760.00
Drunk Driving Enforcement Fund-2019	22,771.85	120.00			8,392.39			14,499.46
Drunk Driving Enforcement Fund-2015	179.00							179.00
Drunk Driving Enforcement Fund-2014	-	37.00			37.00			-
State Housing Inspection	3,403.00							3,403.00
Total State	<u>952,408.74</u>	<u>23,835.45</u>	<u>1,037,194.22</u>		<u>397,699.58</u>	<u>14,638.72</u>		<u>1,601,100.11</u>
<b>OTHER:</b>								
Atlantic County DWI Checkpoint			3,300.00					3,300.00
Total State	<u>-</u>	<u>-</u>	<u>3,300.00</u>		<u>-</u>	<u>-</u>		<u>3,300.00</u>
	<u>\$ 1,126,899.66</u>	<u>33,411.95</u>	<u>1,053,204.00</u>		<u>407,836.52</u>	<u>22,933.22</u>		<u>1,782,745.87</u>

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

Purpose	Balance Dec. 31, 2020	Transferred To 2021 Appropriations	Received	Cancelled	Balance Dec. 31, 2021
<b>FEDERAL GRANTS:</b>					
Bulletproof Vest	\$ 94.49		-		94.49
Total Federal	<u>94.49</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94.49</u>
<b>STATE GRANTS:</b>					
State Housing Inspection	23,125.00		-		23,125.00
Alcohol Education and Rehab	-		795.20		795.20
Total State	<u>23,125.00</u>	<u>-</u>	<u>795.20</u>	<u>-</u>	<u>23,920.20</u>
	<u>\$ 23,219.49</u>	<u>-</u>	<u>795.20</u>	<u>-</u>	<u>24,014.69</u>



**TRUST FUND  
SCHEDULE OF CASH - TREASURER**

	Dog Licenses	Other
Balance December 31, 2020	\$ 18,534.20	3,121,581.53
Increased by Receipts:		
Dog License Fees 2021	2,526.80	
Due to State of New Jersey	445.20	
Late Fees	200.00	
Payroll Deductions Payable		9,310,996.17
Miscellaneous Trust Reserves		2,490,737.65
Due from Current		27,089.46
	3,172.00	11,828,823.28
	21,706.20	14,950,404.81
Decreased by Disbursements		
Statutory Expenditures	275.00	
Due to State of New Jersey	438.60	
Payroll Deductions Payable		9,207,961.78
Miscellaneous Trust Reserves		3,883,562.53
Due to Current Fund	11,856.00	25,343.13
	12,569.60	13,116,867.44
Balance December 31, 2021	\$ 9,136.60	1,833,537.37

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

Balance December 31, 2020	\$	6,678.20
Increased by:		
Dog License Fees Collected	2,526.80	
Late Fees	200.00	
		2,726.80
		9,405.00
Decreased by:		
Statutory Excess	3,169.60	
Expenditures under N.J.S. 4:19-15:11	275.00	
		3,444.60
Balance December 31, 2021	\$	5,960.40

License Fees Collected:

Year	Amount
2020	\$ 2,844.00
2019	3,116.40
	\$ 5,960.40

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

Balance December 31, 2020	\$	11,856.00
Increased by:		
Statutory Excess		3,169.60
		<u>3,169.60</u>
		15,025.60
Decreased by:		
Paid to Current Fund		11,856.00
		<u>11,856.00</u>
Balance December 31, 2021	\$	<u><u>3,169.60</u></u>

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

Balance December 31, 2020	\$	-
Increased by:		
2021 State License Fees		445.20
		<u>445.20</u>
		445.20
Decreased by:		
Disbursements to the State		438.60
		<u>438.60</u>
Balance December 31, 2021	\$	<u><u>6.60</u></u>

**TRUST FUND**  
**SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE**

Balance December 31, 2020		\$ 273,134.31
Increased by:		
Receipts	<u>9,310,996.17</u>	<u>9,310,996.17</u>
		9,584,130.48
Decreased by:		
Disbursements	<u>9,207,961.78</u>	<u>9,207,961.78</u>
Balance December 31, 2021		<u><u>\$ 376,168.70</u></u>

**TRUST - OTHER FUNDS  
SCHEDULE OF DUE TO/(FROM) CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance Dec 31, 2020	Increased by		Decreased by		Balance Dec 31, 2021
		Receipts	Current Fund	Disbursements	2021 Budget Appropriation	
Payroll Agency	\$ 19,288.94			19,288.54		0.40
Law Enforcement Trust	1,435.25			1,435.25		-
Federal Forfeiture Trust	(1,894.07)	1,894.07				-
Developer's Escrow	(277.55)	493.87				216.32
Other Trust	(23,589.81)	23,995.35				405.54
Evidence Trust	78.19			78.19		-
Uniform Fire	398.58			398.58		-
Tax Title Lien Redemption	(706.17)	706.17				-
Lifeguard Pension	4,142.57			4,142.57		-
	\$ (1,124.07)	27,089.46	-	25,343.13	-	622.26

**TRUST - OTHER FUNDS  
SCHEDULE OF MISCELLANEOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

Reserve	Balance Dec 31, 2020	Increased by		Decreased by		Balance Dec 31, 2021
		Receipts	Collections made by Current Fund	Disbursements	Payments made by Current Fund	
Small Cities Revolving Loan Fund	\$ 51,934.00	-	-	-	-	51,934.00
Developers Escrow	196,105.24	73,964.96	-	73,954.20	-	196,116.00
Law Enforcement Trust	2,879.16	1,449.29	-	4,000.00	-	328.45
Federal Forfeitures	2,028.08	34.93	-	1,928.48	-	134.53
Parking Offense Adjudication Act	3,648.51	1,598.00	-	1,401.03	-	3,845.48
Life Guard Pension Fund	213,386.39	33,501.40	-	62,218.25	-	184,669.54
Unemployment Trust	25,652.84	40,556.56	-	22,040.25	-	44,169.15
Evidence Trust	4,658.63	96.07	-	-	-	4,754.70
Tax Sale Premiums	1,290,500.00	419,410.93	-	1,084,310.93	-	625,600.00
Tax Title Lien Redemptions	760,506.84	1,159,783.37	-	1,920,069.67	-	220.54
Boardwalk Benches	16,264.16	-	-	-	-	16,264.16
Storm Emergency	45,452.65	10,000.00	-	1,300.00	-	54,152.65
Recreation Trust	5,247.69	-	-	5,247.69	-	-
Self-Insurance	-	64,126.78	-	64,126.78	-	-
Trust Other	16,728.48	-	-	16,728.48	-	-
Penalties Collected Under the Uniform Fire Code	17,197.52	11,809.66	-	15,513.63	-	13,493.55
Police Detail	84,659.48	309,591.25	-	329,151.37	-	65,099.36
Accumulated Absences	111,729.85	363,812.28	-	279,979.86	-	195,562.27
Merchant Fees	991.77	1,002.17	-	1,591.91	-	402.03
	<u>\$ 2,849,571.29</u>	<u>2,490,737.65</u>	<u>-</u>	<u>3,883,562.53</u>	<u>-</u>	<u>1,456,746.41</u>

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

Balance December 31, 2020		\$ 6,943,625.90
Increased by:		
Receipts	8,901,825.21	
	8,901,825.21	8,901,825.21
		15,845,451.11
Decreased by:		
Disbursements	5,993,350.97	
	5,993,350.97	5,993,350.97
Balance December 31, 2021		\$ <u>9,852,100.14</u>

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance	Receipts		Disbursements		Transfers		Balance
	Dec. 31, 2020	Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	Dec. 31, 2021
Fund Balance	\$ 1,422,998.39							1,422,998.39
Due from NJEIT	(70,703.00)							(70,703.00)
Capital Improvement Fund	207,206.00	200,000.00				307,513.00		99,693.00
Contracts Payable	2,917,542.49					2,917,542.49	6,515,215.81	6,515,215.81
Reserve for Payment of Bonds	225,061.97	361,825.21			200,000.00			386,887.18
<b>Improvement Authorizations:</b>								
2009-14 Various Improvements	511.83			8,108.00		14,006.34	13,494.51	467,343.63
2011-11 Various Improvements	475,451.63			32,528.57				-
2013-10 Various Improvements	32,528.57			146,362.36		9,700.00	59,306.50	59,498.02
2017-38 Various Projects	156,253.88			1,056,984.40		833,334.06	655,956.13	2,614,870.74
2017-41 General Capital Improvements	3,849,233.07			56,437.94		10,598.55	30,899.13	488,213.60
2017-42 Park and Beach Improvements	524,350.96			1,860,406.18		225,531.81	2,085,937.99	(71.00)
2018-28 Various School Improvements	(71.00)		3,000,000.00	113,039.04			28,291.88	(238,260.70)
2019-03 Construction of Firehouse #2	(3,153,513.54)		5,340,000.00	849,374.66		809,433.94	43,656.35	4,081,622.40
2020-24 Various Improvements	356,774.65			1,670,109.82		4,612,611.11	307,513.00	(5,975,207.93)
2021-14 Various Improvements	-							
	<u>\$ 6,943,625.90</u>	<u>561,825.21</u>	<u>8,340,000.00</u>	<u>5,793,350.97</u>	<u>200,000.00</u>	<u>9,740,271.30</u>	<u>9,740,271.30</u>	<u>9,852,100.14</u>



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

Balance December 31, 2020		\$ 207,206.00
Increased by:		
2021 Budget Appropriation	200,000.00	
		200,000.00
		407,206.00
Decreased by:		
Finance Improvement Authorizations	307,513.00	
		307,513.00
Balance December 31, 2021		\$ <u>99,693.00</u>

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

Balance December 31, 2020		\$ 18,595,473.35
Increased by:		
School Serial Bonds	8,595,000.00	
Serial Bonds	-	
		8,595,000.00
		27,190,473.35
Decreased by:		
2021 Budget Appropriation:		
General Serial Bonds	1,440,000.00	
School Serial Bonds	630,000.00	
Green Trust Loans Payable	64,552.71	
NJEIT Loans Payable	46,960.55	
		2,181,513.26
Balance December 31, 2021		\$ <u><u>25,008,960.09</u></u>

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

Ord #	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Raised in 2021 Budget	Other	Balance Dec. 31, 2021	Analysis of Balance			
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations	
2017-41	Various Improvements	\$ 5,061,521.47		4,000.00	-	5,057,521.47	4,160,000.00		897,521.47	
2017-42	Various Park and Beach Improvements	1,000,000.00				1,000,000.00	1,000,000.00		-	
2018-28	Various School Improvements	9,315,071.00		505,000.00	8,810,000.00	71.00	-	71.00	-	
2019-03	Construction of Firehouse #2	3,333,333.00				3,333,333.00	3,000,000.00	238,260.70	95,072.30	
2020-24	Various Improvements	7,606,389.00				7,606,389.00	5,340,000.00		2,266,389.00	
2021-14	Various Improvements	-	6,150,208.00			6,150,208.00		5,975,207.93	175,000.07	
		\$ 26,316,314.47	6,150,208.00	509,000.00	8,810,000.00	23,147,522.47	13,500,000.00	6,213,539.63	3,433,982.84	
							Improvement Authorizations Unfunded			
							Less:			
							Unexpended Proceeds of Bond			
							Anticipation Notes Issued:			
							<b>Ord. Number</b>			
							2017-41 \$ 2,614,870.74			
							2017-42 488,213.60			
							2020-24 4,081,622.40			
							<u>7,184,706.74</u>			
							<u>3,433,982.84</u>			

**GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2020		Authorizations		Paid or Charged	Current Year Encumbrances	Cancelled	Balance December 31, 2021	
				Funded	Unfunded	Other Funding	Deferred Charges to Future Taxation				Funded	Unfunded
2009-14	Various Improvements	6/18/2009	6,418,000	\$ 511.83					14,006.34	-	-	-
2011-11	Various Improvements	2011	1,700,000	475,451.63			8,108.00				467,343.63	
2013-10	Various Improvements	4/18/2013	5,000,000	32,528.57			32,528.57				-	
2017-38	Various Projects	2017	846,000	156,253.88			146,362.36		9,700.00		59,498.02	
2017-41	General Capital Improvements	2017	13,209,039	-	4,746,754.54		1,056,984.40		833,334.06		-	3,512,392.21
2017-42	Park and Beach Improvements	2017	1,785,000	-	524,350.96		56,437.94		10,598.55		-	488,213.60
2018-28	Various School Improvements	7/2/2018	9,315,071				1,860,406.18		225,531.81		-	-
2019-03	Construction of Firehouse #2	1/24/2019	3,500,000		179,819.46		113,039.04		809,433.94		-	95,072.30
2020-24	Various Improvements	12/12/2020	8,006,820	356,774.65	7,606,389.00		849,374.66		4,612,611.11		-	6,348,011.40
2021-14	Various Improvements	7/8/2021	6,457,721			307,513.00	1,670,109.82					175,000.07
				\$ 1,021,520.56	13,057,313.96	307,513.00	5,793,350.97		6,515,215.81	-	526,841.65	10,618,689.58

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2021				Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
			Date	Amount							
General Improvement Bonds of 2013	12/4/2013	6,365,000	12/1/2022	580,000.00	3,000%	\$ 2,980,000.00			560,000.00	2,420,000.00	
			12/1/2023	600,000.00	3,000%						
			12/1/2024	610,000.00	3,000%						
			12/1/2025	630,000.00	3,250%						
Refunding Improvement Bonds of 2017	9/22/2017	3,235,000	12/1/2022	620,000.00	4,000%	3,200,000.00			610,000.00	2,590,000.00	
			12/1/2023	635,000.00	4,000%						
			12/1/2024	650,000.00	4,000%						
			12/1/2025	685,000.00	4,000%						
General Improvement Bonds of 2019	10/22/2019	8,855,000	9/1/2022	435,000.00	3,000%	8,835,000.00			270,000.00	8,565,000.00	
			9/1/2023	630,000.00	3,000%						
			9/1/2024	695,000.00	3,000%						
			9/1/2025	770,000.00	3,000%						
			9/1/2026	780,000.00	4,000%						
			9/1/2027	780,000.00	4,000%						
			9/1/2028	810,000.00	4,000%						
			9/1/2029	830,000.00	4,000%						
9/1/2030	865,000.00	2,000%									
9/1/2031	955,000.00	2,000%									
9/1/2032	1,015,000.00	2,000%									
						\$	<u>15,015,000.00</u>	-	<u>1,440,000.00</u>	<u>13,575,000.00</u>	

**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, 2020	Increased	Decreased	Balance Dec. 31, 2021
			Date	Amount					
School Refunding Bonds	6/1/2009	4,345,000			\$	430,000.00		430,000.00	-
Refunding Series 2017	9/22/2017	1,110,000	12/1/2022	210,000.00	4.000%	1,100,000.00		200,000.00	900,000.00
			12/1/2023	225,000.00	4.000%				
			12/1/2024	225,000.00	4.000%				
			12/1/2025	240,000.00	4.000%				
School Bonds, Series 2021	7/7/2021	8,595,000	7/15/2022	660,000.00	1.750%	-	8,595,000.00		8,595,000.00
			7/15/2023	680,000.00	1.000%				
			7/15/2024	690,000.00	1.000%				
			7/15/2025	745,000.00	1.000%				
			7/15/2026	705,000.00	1.000%				
			7/15/2027	705,000.00	1.000%				
			7/15/2028	750,000.00	1.125%				
			7/15/2029	775,000.00	2.000%				
			7/15/2030	765,000.00	2.000%				
			7/15/2031	765,000.00	3.000%				
		7/15/2032	765,000.00	3.000%					
		7/15/2033	590,000.00	3.000%					
					\$	<u>1,530,000.00</u>	<u>8,595,000.00</u>	<u>630,000.00</u>	<u>9,495,000.00</u>

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding						
			Date	Amount	Interest Rate	Balance Dec. 31, 2020			
Fishing Pier	2/16/2017	1,335,000	2022	65,850.22	2.000%	\$ 1,117,143.82			
			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					
							\$ 1,117,143.82		
								-	
								64,552.71	
									1,052,591.11

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
			Date	Outstanding December 31, 2021					
Repair and Replace Bulkheads 2014-25	2/8/2018	325,000.00	8/1/2022	15,000.00	5.000%	305,000.00		10,000.00	295,000.00
			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%				
Repair and Replace Bulkheads 2014-25 (Original \$973,515 - \$246,624 Principal Forgiveness)	2/8/2018	726,891.00	2/1/2022	12,320.18	0.000%	628,329.53		36,960.55	591,368.98
			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%					
		8/1/2029	24,640.37	0.000%					
		2/1/2030	12,320.18	0.000%					
			8/1/2030	24,640.37	0.000%				



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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
			Date	Outstanding December 31, 2021 Amount					
Repair and Replace Bulkheads 2014-25 (Original \$973,515 - \$246,624 Principal Forgiveness)	2/8/2018	726,891.00	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%					
						\$ 933,329.53	46,960.55	886,368.98	

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

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
Various Improvements	2017-41	7/15/2020	7/15/2021	7/14/2022	1.00% \$	4,164,000.00		4,000.00	4,160,000.00
Various Improvements	2017-42	7/15/2020	7/15/2021	7/14/2022	1.00%	1,000,000.00			1,000,000.00
Various School Improvements	2018-28	7/15/2020	-	-	-	9,315,000.00		9,315,000.00	-
Construction of Firehouse #2	2019-03	7/15/2021	7/15/2021	7/14/2022	1.00%	-	3,000,000.00		3,000,000.00
Various Improvements	2020-24	7/15/2021	7/15/2021	7/14/2022	1.00%	-	5,340,000.00		5,340,000.00
						\$ 14,479,000.00	8,340,000.00	9,319,000.00	13,500,000.00
								509,000.00	
								8,810,000.00	
								9,319,000.00	

Paid by Budget Appropriation  
Bonds Issued

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Notes Issued	Grant Proceeds	Balance Dec. 31, 2021
2017-41	Various Improvements	\$ 897,521.47				897,521.47
2018-28	Various School Improvements	71.00				71.00
2019-03	Construction of Firehouse #2	3,333,333.00		3,000,000.00		333,333.00
2020-24	Various Improvements	7,606,389.00		5,340,000.00		2,266,389.00
2021-14	Various Improvements	-	6,150,208.00			6,150,208.00
		<u>\$ 11,837,314.47</u>	<u>6,150,208.00</u>	<u>8,340,000.00</u>	<u>-</u>	<u>9,647,522.47</u>

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

		Operating
Balance December 31, 2020	\$	920,200.97
Increased by Receipts:		
Sewer Rents Receivable	6,190,867.90	
Miscellaneous	148,955.26	
Overpayments	28,298.41	
Due from Utility Capital	406,700.50	
Due from Current Fund	317,324.52	
		7,092,146.59
		8,012,347.56
Decreased by Disbursements:		
2021 Appropriations	5,625,752.70	
2020 Appropriation Reserves	76,905.58	
Accrued Interest on Bonds & Notes	526,122.37	
		6,228,780.65
Balance December 31, 2021	\$	1,783,566.91

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

	Balance Dec. 31, 2020	----- Receipts -----		----- Disbursements -----		----- Transfers -----		Balance Dec. 31, 2021
		Debt Issued	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 553,656.38							153,656.38
Capital Improvement Fund	-		303,213.00		400,000.00	303,213.00	-	-
Contracts Payable	438,127.18					438,127.18	311,805.54	311,805.54
Reserve for Payment of Bonds & Notes	6,700.50		-		6,700.50			-
NJEIT Bonds & Loans Receivable	(300,210.00)							(300,210.00)
<b>Improvement Authorizations:</b>								
<u>Ordinance</u>								
<u>Number</u>								
2013-9b Renovations to Main Water Plant	4,217.50					-		4,217.50
2017-39 Water & Sewer Improvements	110,881.97			63,504.15		8,000.00	10,149.21	49,527.03
2017-40 Utility Improvements	463,656.83	1,700,000.00		465,527.34		97,704.28	427,977.97	2,028,403.18
2021-06 Various Utility Improvements	-	3,850,000.00		98,134.41		206,101.26	303,213.00	3,848,977.33
	<u>\$ 1,277,030.36</u>	<u>5,550,000.00</u>	<u>303,213.00</u>	<u>627,165.90</u>	<u>406,700.50</u>	<u>1,053,145.72</u>	<u>1,053,145.72</u>	<u>6,096,376.96</u>

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

Balance December 31, 2020		\$ 950,153.73
Increased by:		
Utility Rents Levied	<u>6,046,077.47</u>	<u>6,046,077.47</u>
		6,996,231.20
Decreased by:		
Collections	6,190,867.90	
Prepaid & Overpaid Applied	22,426.55	
Cancelled	<u>11,496.43</u>	<u>6,224,790.88</u>
Balance December 31, 2021		\$ <u><u>771,440.32</u></u>

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

Balance December 31, 2020	\$	22,426.55
Increase by:		
Overpayments created		28,298.41
Decreased by:		
Overpayments Applied		<u>(22,426.55)</u>
Balance December 31, 2021	\$	<u><u>28,298.41</u></u>

**WATER AND SEWER OPERATING FUND  
SCHEDULE OF 2020 APPROPRIATION RESERVES**

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 53,245.58	53,245.58		53,245.58
Other Expenses	271,289.26	271,289.26	76,966.28	194,322.98
ACMUA-Treatment Costs	139,454.00	139,454.00		139,454.00
Statutory Expenditures:				
Contribution to:				
Social Security System	-	-		-
Unemployment Compensation	272.07	272.07		272.07
Defined Contribution Retirement Plan	250.00	250.00		250.00
	\$ 464,510.91	464,510.91	76,966.28	387,544.63
		Cash Disbursed	76,905.58	
		Accounts Payable	60.70	
			76,966.28	



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

Balance December 31, 2020		\$	89,090.14
Increased by:			
Accrued interest charged to 2021 budget appropriation - Interest on bonds			544,023.76
			633,113.90
Decreased by:			
Disbursements			526,122.37
Balance December 31, 2021		\$	106,991.53

**ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2021**

Description	Principal Outstanding Dec. 31, 2021	Interest Rate	From	To	# of Days	Amount
Water and Sewer Bonds of 2013	2,345,000	var	12/01/21	12/31/21	30	6,818.75
Refunding Water and Sewer Bond- 2017	6,320,000	var	12/01/21	12/31/21	30	21,066.67
Water & Sewer Bonds of 2019	3,385,000	var	09/01/21	12/31/21	121	36,182.36
NJEIT Bonds Payable	1,948,044	0.00%	08/01/21	12/31/21	152	-
NJEIT Bonds Payable	1,080,000	var	08/01/21	12/31/21	152	14,590.42
Bond Anticipation Note	6,000,000	1.00%	07/14/21	12/31/21	170	28,333.33
						106,991.53

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

Account	Balance Dec. 31, 2020	Balance Dec. 31, 2021
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
	\$ 12,021,714.84	12,021,714.84
	\$ 12,021,714.84	12,021,714.84

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

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2020	2021 Authorizations			Balance Dec. 31, 2021
		Date	Amount		Deferred Reserve for Amortization	Deferred Charge to Future Revenue	Costs to Fixed Capital	
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	
2021-06	Various Utility Improvements	03/11/21	6,064,250	-	303,213.00	5,761,037.00	6,064,250.00	
				\$ 25,125,012.00	303,213.00	5,761,037.00	31,189,262.00	

**WATER AND SEWER CAPITAL UTILITY FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Authorization	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2020		Down Payment or Capital Improvement Fund	2021 Authorizations		Paid or Charged	Current Year Encumbrances	Balance Dec. 31, 2021	
				Funded	Unfunded		Deferred Charges to Future Revenue	Prior Year Encumbrances			Funded	Unfunded
2013-9b	Renovations to Main Water Plant	04/18/13	100,000.00	\$ 4,217.50	-					8,000.00	4,217.50	49,527.03
2017-39	Water & Sewer Improvements	11/16/17	400,000.00	463,656.83	1,736,430.00					97,704.28	328,403.18	1,736,430.00
2017-40	Utility Improvements	11/16/17	4,576,430.00			303,213.00	5,761,037.00			206,101.26		5,760,014.33
2021-06	Various Utility Improvements	03/11/21	6,064,250.00									
				\$ 467,874.33	1,847,311.97	303,213.00	5,761,037.00	438,127.18	627,165.90	311,805.54	332,620.68	7,545,971.36

**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, 2020	Increased	Decreased	Balance Dec. 31, 2021
2015-23	Repairs to Stormwater System	7/15/2020	7/14/2021	250,000.00	1.00% \$	250,000.00	-		250,000.00
2017-39	Water & Sewer Utility Improvements	7/15/2020	7/14/2021	200,000.00	1.00%	200,000.00	-		200,000.00
2017-40	Utility Improvements	7/14/2021	7/14/2021	1,700,000.00	1.00%	-	1,700,000.00		1,700,000.00
2021-06	Various Utility Improvements	7/14/2021	7/14/2021	3,850,000.00	1.00%	-	3,850,000.00		3,850,000.00
						\$ 450,000.00	5,550,000.00	-	6,000,000.00

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
			Date	Amount	December 31, 2021					
Water and Sewer Bonds of 2013	12/04/13	3,635,000	12/01/22	200,000.00	3.00%	\$ 2,535,000.00		190,000.00	2,345,000.00	
			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	12/01/22	640,000.00	4.00%	6,935,000.00		615,000.00	6,320,000.00	
			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%					
Water & Sewer Bonds of 2019	10/22/2019	3,845,000	09/01/22	270,000.00	3.00%	3,635,000.00		250,000.00	3,385,000.00	
			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%					
							\$ 13,105,000.00	-	1,055,000.00	12,050,000.00

**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, 2020	Loan Forgiveness	Paid	Balance Dec. 31, 2021
			Date	Outstanding December 31, 2021 Amount					
NJEIT Series 2016 A-1	05/26/16	3,125,466	02/01/22	105,948.00	0.00%	\$2,106,966.00	158,922.00	1,948,044.00	
			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%				
			02/01/34	-	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			Interest Rate	Balance Dec. 31, 2020	Loan Forgiveness	Paid	Balance Dec. 31, 2021	
			Date	Outstanding December 31, 2021	Amount						
NJEIT Series 2016 A-1	05/26/16	1,335,000	02/01/22	60,000.00	60,000.00	5.00%	1,135,000.00	55,000.00	1,080,000.00		
			02/01/23	65,000.00	65,000.00	5.00%					
			02/01/24	65,000.00	65,000.00	4.00%					
			02/01/25	70,000.00	70,000.00	4.00%					
			02/01/26	70,000.00	70,000.00	4.00%					
			02/01/27	75,000.00	75,000.00	4.00%					
			02/01/28	80,000.00	80,000.00	2.00%					
			02/01/29	80,000.00	80,000.00	2.00%					
			02/01/30	80,000.00	80,000.00	2.00%					
			02/01/31	85,000.00	85,000.00	2.13%					
			02/01/32	85,000.00	85,000.00	3.00%					
			02/01/33	85,000.00	85,000.00	3.00%					
			02/01/34	90,000.00	90,000.00	3.00%					
			02/01/35	90,000.00	90,000.00	3.00%					
							<b>\$3,241,966.00</b>	<b>\$</b>	<b>-</b>	<b>213,922.00</b>	<b>3,028,044.00</b>



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

Balance December 31, 2020		\$ 14,626,753.77
Increased by:		
Serial Bonds Paid by Operating Budget	1,055,000.00	
NJEIT Paid by Operating Budget	213,922.00	
	<hr/>	<hr/>
		1,268,922.00
Balance December 31, 2021		<u><u>\$ 15,895,675.77</u></u>

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

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2020	Fixed Capital Authorized	To Reserve for Amortization	Bond Paid/ Loan Forgiven	Balance Dec. 31, 2021
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
2021-06	Various Utility Improvements	03/11/21	-	303,213.00			303,213.00
			<u>\$ 3,986,577.07</u>	<u>303,213.00</u>	<u>-</u>	<u>-</u>	<u>4,289,790.07</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	BANS Issued	Serial Bonds Issued	Balance Dec. 31, 2021
2017-40	Water & Sewer Utility Improvements	\$ 1,736,430.00		1,700,000.00		36,430.00
2021-06	Water & Sewer Utility Improvements	-	5,761,037.00	3,850,000.00		1,911,037.00
		<u>\$ 1,736,430.00</u>	<u>5,761,037.00</u>	<u>5,550,000.00</u>	<u>-</u>	<u>1,947,467.00</u>

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**CITY OF VENTNOR CITY**

**PART II**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2021**

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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 \$44,000.

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 Commission'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:

- Water and Sewer Improvements on Baltimore, Wyoming, and Lafayette Avenues
- Concrete and Drainage Improvements – Richards & Troy Avenues
- City Hall Maintenance
- Concrete Gutter Replacement and Drainage Repairs
- City Hall – First Floor Door Alterations

### **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 14, 2021, adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Commission 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, 2021 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2021	0
2020	0
2019	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 2021 and 2022 Taxes	25
Payment of 2021 and 2022 Utility Bills	15
Delinquent Taxes	19
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.



<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2021	\$ 54,084,568.77	52,961,059.36	97.92%
2020	53,211,394.49	52,164,964.01	98.03%
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%

**Comparative Schedule of Tax Rate Information**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	\$ 2.588	2.591	2.585	2.634	2.648
Apportionment of Tax Rate:					
Municipal	1.135	1.135	1.118	1.121	1.133
County	0.560	0.562	0.590	0.599	0.570
School	0.893	0.894	0.877	0.914	0.945
Assessed Valuation	2,065,456,800	2,041,541,000	2,028,525,300	2,021,949,500	2,017,342,800

**Delinquent Taxes and Tax Title Liens**

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2021	\$ -	1,105,283.92	1,105,283.92	2.04%
2020	-	1,058,355.29	1,058,355.29	1.99%
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%

**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.

## RECOMMENDATIONS

That the budget be monitored on a routine basis to ensure appropriation balances are sufficient for all remaining expenditures and that the balances are reasonable. Appropriation transfers, if needed, should be approved between November 1 and December 31.

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**

**August 5, 2022**