

CITY OF VENTNOR CITY

ATLANTIC COUNTY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2020**

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, 2020

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Ventnor as of December 31, 2020 and 2019, 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, 2020 and 2019, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2020 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ventnor’s basic financial statements. The supplementary information listed in the table of contents including letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021 on our consideration of the City of Ventnor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ventnor's internal control over financial reporting and compliance.

Very truly yours,

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

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

June 28, 2021

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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>2020</u> | <u>2019</u> |
|--|-------------------------|----------------------|
| Regular Fund: | | |
| Cash: | | |
| Cash Treasurer | \$ 9,640,661.52 | 8,647,077.64 |
| Cash - Change | 530.00 | 530.00 |
| Total Cash | <u>9,641,191.52</u> | <u>8,647,607.64</u> |
| Other Receivables: | | |
| Due from State - Chapter 20 P.L. 1971 | 22,625.08 | 22,375.08 |
| Total Other Receivables | <u>22,625.08</u> | <u>22,375.08</u> |
| Receivables and Other Assets with Full Reserves: | | |
| Delinquent Property Taxes Receivable | 1,058,355.29 | 1,130,881.39 |
| Property Acquired for Taxes - at Assessed Valuation | 267,200.00 | 267,200.00 |
| Revenue Accounts Receivable | 6,023.87 | 13,071.01 |
| Demolition Lien Receivable | 39,495.19 | 39,495.19 |
| Interfund Receivable: | | |
| Animal Control Fund | 11,856.00 | - |
| General Capital Fund | - | 2.75 |
| Federal and State Grant Fund | 136,153.64 | - |
| Total Receivables and Other Assets | <u>1,519,083.99</u> | <u>1,450,650.34</u> |
| Deferred Charges: | | |
| Special Emergency Appropriation - Revaluation | - | 120,000.00 |
| Total Deferred Charges | <u>-</u> | <u>120,000.00</u> |
| Total Regular Fund | <u>11,182,900.59</u> | <u>10,240,633.06</u> |
| Federal and State Grant Fund: | | |
| Federal and State Grants Receivable | 1,319,684.74 | 1,758,256.76 |
| Due from Current Fund | - | 480,526.71 |
| Total Federal and State Grant Fund | <u>1,319,684.74</u> | <u>2,238,783.47</u> |
| Total Current Fund | <u>\$ 12,502,585.33</u> | <u>12,479,416.53</u> |

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

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | <u>2020</u> | <u>2019</u> |
|---|------------------|---------------|
| Regular Fund: | | |
| Liabilities: | | |
| Appropriation Reserves | \$ 1,347,687.07 | 1,141,373.43 |
| Reserve for Encumbrances | 547,103.92 | 615,582.96 |
| Accounts Payable | 133,891.61 | 66,004.67 |
| Prepaid Taxes | 909,690.17 | 915,442.73 |
| Overpaid Taxes | 77,780.35 | 73,446.94 |
| Local School Tax Payable | 493,718.06 | 0.06 |
| County Added Tax Payable | 68,432.80 | 61,972.52 |
| Due to State: | | |
| Marriage Licenses Fees | 225.00 | 250.00 |
| State Training Fees | 11,358.00 | 8,351.00 |
| Interfund Payable: | | |
| Federal and State Grant Fund | - | 480,526.71 |
| Trust Other Fund | 1,124.07 | 3,588.28 |
| Other | | |
| Reserve for Payroll Deductions | 279.71 | - |
| Reserve for Judgements | 42,500.00 | 42,500.00 |
| Reserve for Revaluation | 115,603.00 | 115,603.00 |
| | 3,749,393.76 | 3,524,642.30 |
| Reserve for Receivables and Other Assets | 1,519,083.99 | 1,450,650.34 |
| Fund Balance | 5,914,422.84 | 5,265,340.42 |
| Total Regular Fund | 11,182,900.59 | 10,240,633.06 |
| Federal and State Grant Fund: | | |
| Unappropriated Reserves | 23,219.49 | 52,471.73 |
| Appropriated Reserves | 1,126,899.66 | 1,710,610.95 |
| Encumbrances Payable | 33,411.95 | 475,700.79 |
| Due to Current Fund | 136,153.64 | - |
| | 1,319,684.74 | 2,238,783.47 |
| Total Federal and State Grant Fund | 1,319,684.74 | 2,238,783.47 |
| Total Current Fund | \$ 12,502,585.33 | 12,479,416.53 |

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

| | 2020 | 2019 |
|---|-----------------|---------------|
| Revenue and Other Income Realized | | |
| Fund Balance | \$ 2,700,000.00 | 2,630,000.00 |
| Miscellaneous Revenue Anticipated | 3,646,569.21 | 4,577,600.86 |
| Receipts from Delinquent Taxes | 1,118,413.00 | 1,219,812.40 |
| Receipts from Current Taxes | 52,164,964.01 | 51,566,302.00 |
| Non Budget Revenue | 206,979.68 | 571,570.95 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Res. | 1,205,984.07 | 721,647.75 |
| Interfunds Returned | - | 42,075.27 |
| Grants Cancelled | 243,908.29 | 12,620.13 |
| Accounts Payable Cancelled | - | 62,578.36 |
| Total Income | 61,286,818.26 | 61,404,207.72 |
| Expenditures | | |
| Budget and Emergency Appropriations: | | |
| Appropriations Within "CAPS" | | |
| Operations: | | |
| Salaries and Wages | 14,364,244.99 | 13,748,496.40 |
| Other Expenses | 7,434,915.01 | 7,371,547.71 |
| Deferred Charges & Statutory Expenditures | 3,418,851.15 | 3,616,577.12 |
| Appropriations Excluded from "CAPS" | | |
| Operations: | | |
| Salaries and Wages | 20,772.00 | 41,900.00 |
| Other Expenses | 90,270.05 | 1,029,117.50 |
| Capital Improvements | 100,000.00 | 200,000.00 |
| Debt Service | 2,474,455.84 | 2,194,208.24 |
| Deferred Charges | 120,000.00 | 150,000.00 |
| Type I School Debt Service | 1,372,300.00 | 1,406,825.00 |
| Local District School Tax | 16,888,980.00 | 16,405,694.00 |
| County Tax | 11,434,825.39 | 11,924,076.08 |
| County Share of Added Tax | 68,432.77 | 61,972.49 |
| Refund of Prior Year's Revenue | 13,535.00 | 2,000.00 |
| Interfunds Created | 136,153.64 | - |
| Total Expenditures | 57,937,735.84 | 58,152,414.54 |
| Excess/(Deficit) in Revenue | 3,349,082.42 | 3,251,793.18 |

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

| | 2020 | 2019 |
|---|-----------------|--------------|
| 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 | 3,349,082.42 | 3,251,793.18 |
| Fund Balance January 1 | 5,265,340.42 | 4,643,547.24 |
| | 8,614,422.84 | 7,895,340.42 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | 2,700,000.00 | 2,630,000.00 |
| Fund Balance December 31 | \$ 5,914,422.84 | 5,265,340.42 |

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

| | Anticipated | | Excess or (Deficit) |
|--|---------------------|-----------------|------------------------|
| | Budget | N.J.S. 40A:4-87 | |
| Fund Balance Anticipated | \$ 2,700,000.00 | 2,700,000.00 | - |
| Total Fund Balance Anticipated | <u>2,700,000.00</u> | <u>-</u> | <u>-</u> |
| Miscellaneous Revenues: | | | |
| Section A: Local Revenues | | | |
| Licenses: | | | |
| Alcoholic Beverages | 3,600.00 | | 2,270.00 |
| Other | 15,000.00 | | 4,692.00 |
| Fees and Permits | 240,000.00 | | 55,539.56 |
| Fines and Costs: | | | |
| Municipal Court | 205,000.00 | | (75,206.76) |
| Interest and Costs on Taxes | 260,000.00 | | 14,420.79 |
| Parking Meters | 85,000.00 | | 11,339.51 |
| Interest Earned on Investments | 100,000.00 | | 42,694.68 |
| Beach Control Fees | 250,000.00 | | 73,608.50 |
| Land Rental | 87,000.00 | | 501.00 |
| Viking Rowing Foundation, Inc. Lease Agreement | 31,000.00 | | 91.58 |
| Payment in Lieu of Taxes | 120,000.00 | | 10,008.00 |
| Cable Television Franchise Fees | 50,000.00 | | 6,053.99 |
| City Lease Fees | 40,000.00 | | 15,228.64 |
| Ambulance Service Fees | 140,000.00 | | 57,956.91 |
| Recreation Fees | 70,000.00 | | (60,671.25) |
| Total Section A: Local Revenues | <u>1,696,600.00</u> | <u>-</u> | <u>158,527.15</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, 2020**

| | Anticipated | | Excess or (Deficit) |
|--|---|--|--------------------------------------|
| | Budget | N.J.S. 40A:4-87 | |
| Section B: State Aid Without Offsetting Appropriations Energy Receipts Tax | 608,112.00 | | 0.01 |
| Total Section B: State Aid Without Offsetting Appropriations | 608,112.00 | - | 0.01 |
| Section C: Uniform Construction Code Fees Uniform Construction Code Fees | 270,000.00 | | 88,910.00 |
| Total Section C: Uniform Construction Code Fees | 270,000.00 | - | 88,910.00 |
| Section D: Special Items - Interlocal Municipal Service Agreements Offset with Appropriations Borough of Longport - Uniform Construction Code Office | 44,150.00 | | - |
| Total Section D: Special Items of General Revenue Anticipated | 44,150.00 | - | - |
| Section F: Special Items - Public and Private Programs Off-Set with Appropriations Recycling Tonnage Grant Drunk Driving Enforcement Fund Clean Communities Alcohol Education & Rehabilitation Municipal Alliance on Alcoholism and Drug Abuse Body Armor Replacement Fund FEMA-Emergency Management L.T. Joseph DiBernardo Memorial Fund | 12,805.23 2,760.00 13,760.00 3,269.84 12,000.00 | 31,562.58 541.80 3,570.60 10,000.00 | - - - - - - - - |
| Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations | 44,595.07 | 45,674.98 | - |

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

| | Anticipated | | Excess or (Deficit) |
|--|------------------|-----------------|------------------------|
| | Budget | N.J.S. 40A:4-87 | |
| Section G: Other Special Items | | | |
| Utility Fund Expense Allocation | 410,000.00 | | - |
| Reserve to Pay School Bonds | 280,000.00 | | - |
| Total Section G: Other Special Items | 690,000.00 | - | - |
| Total Miscellaneous Revenues: | 3,353,457.07 | 45,674.98 | 247,437.16 |
| Receipts from Delinquent Taxes | 999,600.00 | | 118,813.00 |
| Amount to be Raised by Taxes for Support of Municipal Budget | | | |
| Local Tax for Municipal Purposes | 23,184,407.40 | | 1,475,588.82 |
| Amount for Local District Tax | 1,372,300.00 | | - |
| Total Amount to be Raised by Taxes for Support of Municipal Budget | 24,556,707.40 | - | 1,475,588.82 |
| Budget Totals | 31,609,764.47 | 45,674.98 | 1,841,838.98 |
| Non- Budget Revenues: | | | |
| Other Non- Budget Revenues: | | | 206,979.68 |
| | \$ 31,609,764.47 | 45,674.98 | 2,048,818.66 |

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, 2020**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections \$ 52,164,964.01

Less: Reserve for Tax Appeals Pending -

Net Revenue from Collections 52,164,964.01

Allocated to:

School, County and Other Taxes 28,392,238.16

Balance for Support of Municipal Budget Appropriations 23,772,725.85

Increased by:

Appropriation "Reserved for Uncollected Taxes" 2,259,570.37

Amount for Support of Municipal Budget Appropriations 26,032,296.22

Receipts from Delinquent Taxes:

Delinquent Tax Collection \$ 1,118,413.00

Tax Title Lien Collections -

Total Receipts from Delinquent Taxes 1,118,413.00

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

City Clerk 1,398.00

Sale of Municipal Assets 20,144.61

Rentals 12,300.00

Miscellaneous Collector & Assessor 23,928.47

Police 1,582.00

Community Champions 27,015.00

Fire 23,512.24

Excess in Developer's Escrow 23,176.12

Senior & Vets Admin Fee 1,220.00

Miscellaneous 72,703.24

Total Miscellaneous Revenue Not Anticipated: \$ 206,979.68

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

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|----------------|----------------------------|-----------------|------------|------------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| \$ | 87,649.41 | 87,649.41 | 84,946.11 | | 2,703.30 | |
| Salaries and Wages | 17,100.00 | 17,100.00 | 10,441.66 | 39.25 | 6,619.09 | |
| Other Expenses | | | | | | |
| City Administrator | 15,000.00 | 15,000.00 | 12,225.00 | | 2,775.00 | |
| Salaries and Wages | 232,300.00 | 143,300.00 | 109,239.75 | 32,550.25 | 1,510.00 | |
| Other Expenses | | | | | | |
| Police | 4,247,221.28 | 4,347,221.28 | 4,235,462.48 | | 111,758.80 | |
| Salaries and Wages | 337,000.00 | 282,000.00 | 173,486.76 | 58,585.60 | 49,927.64 | |
| Other Expenses | | | | | | |
| Fire | 4,485,429.88 | 4,685,429.88 | 4,641,084.92 | | 44,344.96 | |
| Salaries and Wages | 128,200.00 | 128,200.00 | 94,574.30 | 19,496.01 | 14,129.69 | |
| Other Expenses | | | | | | |
| Uniform Fire Safety Act (P.L. 1983, C.383) | | | | | | |
| Salaries and Wages | 8,525.00 | - | 2,511.98 | 334.99 | 5,678.03 | |
| Other Expenses | | | | | | |
| Radio and Communications | 625,072.00 | 625,072.00 | 581,025.39 | | 44,046.61 | |
| Salaries and Wages | 40,000.00 | 29,000.00 | 20,261.85 | | 8,738.15 | |
| Other Expenses | | | | | | |
| Office of Emergency Management | | | | | | |
| Salaries and Wages | 11,200.00 | 11,200.00 | 9,746.99 | 277.01 | - | |
| Other Expenses | | | | | 1,176.00 | |
| Traffic and Electrical Division | 80,800.00 | 80,800.00 | 73,819.57 | | 6,980.43 | |
| Salaries and Wages | 44,500.00 | 44,500.00 | 22,961.38 | 4,258.41 | 17,280.21 | |
| Other Expenses | | | | | | |
| Beach Patrol | 578,000.00 | 579,072.51 | 579,072.51 | | - | |
| Salaries and Wages | 45,000.00 | 45,050.00 | 44,739.21 | 305.75 | 5.04 | |
| Other Expenses | | | | | | |
| Celebration of Public Events | 45,000.00 | 45,000.00 | 29,555.78 | 6,187.70 | 9,256.52 | |
| Other Expenses | | | | | | |
| Beach Control | 38,000.00 | 38,000.00 | 37,791.72 | | 208.28 | |
| Salaries and Wages | 10,000.00 | 10,000.00 | 5,489.45 | 4,000.00 | 510.55 | |
| Other Expenses | | | | | | |
| Animal Control | 8,400.00 | 8,400.00 | 7,700.00 | 700.00 | - | |
| 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, 2020**

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|----------------|----------------------------|-----------------|------------|------------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| DEPARTMENT OF PUBLIC WORKS, PARKS & PUBLIC PROPERTY | | | | | | |
| Director's Office | 10,000.00 | 10,000.00 | 10,000.00 | - | - | |
| Salaries and Wages | | | | | | |
| Other Expenses | | | | | | |
| Street Repairs and Maintenance | | | | | | |
| Salaries and Wages | 624,488.00 | 624,488.00 | 595,125.61 | 29,362.39 | | |
| Other Expenses | 50,250.00 | 100,250.00 | 33,723.04 | 13,627.42 | 52,899.54 | |
| Motor Vehicle Maintenance | | | | | | |
| Salaries and Wages | 254,332.00 | 254,332.00 | 229,769.85 | 24,562.15 | | |
| Other Expenses | 82,500.00 | 137,500.00 | 73,916.16 | 25,034.96 | 38,548.88 | |
| Buildings and Grounds | | | | | | |
| Salaries and Wages | 345,025.53 | 345,025.53 | 331,563.28 | 13,462.25 | | |
| Other Expenses | 244,500.00 | 391,089.00 | 121,016.97 | 64,677.76 | 205,394.27 | |
| Recreation | | | | | | |
| Salaries and Wages | 300,585.18 | 300,585.18 | 226,012.30 | 74,572.88 | | |
| Other Expenses | 88,600.00 | 74,800.00 | 53,531.69 | 1,995.93 | 19,272.38 | |
| Solid Waste/Recycling | | | | | | |
| Salaries and Wages | 139,100.00 | 139,100.00 | 128,385.94 | 10,714.06 | | |
| Other Expenses | 1,240,200.00 | 1,300,200.00 | 1,065,291.51 | 4,128.37 | 230,780.12 | |
| City Engineer | | | | | | |
| Other Expenses | 131,700.00 | 211,700.00 | 123,368.33 | 76,735.00 | 11,596.67 | |
| DEPARTMENT OF REVENUE AND FINANCE | | | | | | |
| Director's Office | | | | | | |
| Salaries and Wages | 10,000.00 | 10,000.00 | 10,000.00 | - | - | |
| Other Expenses | | | | | | |
| City Clerk | | | | | | |
| Salaries and Wages | 129,073.56 | 125,073.56 | 123,500.09 | 1,573.47 | | |
| Other Expenses | 48,494.00 | 38,494.00 | 25,083.39 | 5,649.73 | 7,760.88 | |
| Revision and Codification of Ordinances | 9,300.00 | 5,300.00 | 4,681.01 | | 618.99 | |

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, 2020**

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|---|----------------|----------------------------|-----------------|------------|-----------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| Elections | | | | | | |
| Other Expenses | 11,050.00 | 23,050.00 | 18,458.88 | 34.55 | 4,556.57 | |
| Financial Administration | | | | | | |
| Salaries and Wages | 325,933.58 | 325,933.58 | 283,440.24 | | 42,493.34 | |
| Other Expenses | 90,205.50 | 75,205.50 | 51,034.19 | 17,759.35 | 6,411.96 | |
| Audit Fee | | | | | | |
| Other Expenses | 64,000.00 | 51,200.00 | 51,200.00 | | - | |
| Information Technology | | | | | | |
| Salaries and Wages | 76,451.28 | 76,451.28 | 68,857.92 | | 7,593.36 | |
| Other Expenses | 340,296.51 | 300,296.51 | 263,772.08 | 34,294.43 | 2,230.00 | |
| Collection of Taxes | | | | | | |
| Salaries and Wages | 120,300.00 | 108,300.00 | 107,366.08 | | 933.92 | |
| Other Expenses | 15,040.00 | 10,040.00 | 6,718.23 | 121.42 | 3,200.35 | |
| Assessment of Taxes | | | | | | |
| Salaries and Wages | 89,000.00 | 90,000.00 | 89,928.34 | | 71.66 | |
| Other Expenses | 23,450.00 | 23,450.00 | 14,888.89 | 7,281.32 | 1,279.79 | |
| Legal Services and Costs | | | | | | |
| Other Expenses | 380,000.00 | 255,000.00 | 172,622.51 | 74,714.49 | 7,663.00 | |
| Insurance | | | | | | |
| General Liability | 136,000.00 | 96,000.00 | 84,275.46 | | 11,724.54 | |
| Workers Compensation | 803,289.00 | 718,289.00 | 718,276.76 | | 12.24 | |
| Employee Group Health | 1,900,000.00 | 1,900,000.00 | 1,792,661.06 | 36,015.16 | 71,323.78 | |
| Health Waiver | 75,000.00 | 85,000.00 | 82,662.13 | | 2,337.87 | |
| Municipal Land Use Law (N.J.S.A. 40:55 D-1) | | | | | | |
| Planning Board | | | | | | |
| Salaries and Wages | 29,750.00 | 17,750.00 | 15,045.00 | | 2,705.00 | |
| Other Expenses | 33,100.00 | 33,100.00 | 20,733.76 | 7,006.93 | 5,359.31 | |
| Municipal Court | | | | | | |
| Salaries and Wages | 204,029.00 | 204,029.00 | 186,620.13 | | 17,408.87 | |
| Other Expenses | 19,600.00 | 19,600.00 | 7,855.24 | 3,613.49 | 8,131.27 | |
| 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 | 29,700.00 | 2,700.00 | - | |

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, 2020**

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|----------------------|----------------------------|----------------------|-------------------|---------------------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| UNIFORM CONSTRUCTION CODE | | | | | | |
| Construction Official | | | | | | |
| Salaries and Wages | 382,802.14 | 382,802.14 | 376,525.26 | | 6,276.88 | |
| Other Expenses | 96,600.00 | 45,600.00 | 38,679.26 | 1,327.83 | 5,592.91 | |
| Inspection of Housing | | | | | | |
| Salaries and Wages | 107,949.64 | 132,949.64 | 131,022.42 | 288.00 | 1,927.22 | |
| Other Expenses | 33,476.00 | 10,476.00 | 6,264.23 | | 3,923.77 | |
| Electrical and Plumbing Inspections | | | | | | |
| Salaries and Wages | 49,180.00 | 46,780.00 | 39,390.09 | | 7,389.91 | |
| UNCLASSIFIED | | | | | | |
| Accumulated Leave Compensation | 550,000.00 | 550,000.00 | 550,000.00 | | - | |
| Utility Expenses and Bulk Purchases | | | | | | |
| Gasoline | 145,000.00 | 145,000.00 | 79,930.81 | 36,069.19 | 29,000.00 | |
| Electricity | 650,000.00 | 600,000.00 | 592,428.13 | | 7,571.87 | |
| Telephone | 85,000.00 | 80,000.00 | 64,782.53 | 6,293.62 | 8,923.85 | |
| Natural Gas | 70,000.00 | 50,000.00 | 36,655.43 | | 13,344.57 | |
| TOTAL OPERATIONS WITHIN "CAPS" | 21,743,448.49 | 21,799,160.00 | 19,923,901.04 | 547,103.92 | 1,328,155.04 | - |
| Contingent | 5,000.00 | - | | | | |
| TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS" | 21,748,448.49 | 21,799,160.00 | 19,923,901.04 | 547,103.92 | 1,328,155.04 | - |
| Detail: | | | | | | |
| Salaries and Wages | 14,057,572.48 | 14,364,244.99 | 13,889,898.16 | 8,887.70 | 465,459.13 | - |
| Other Expenses | 7,690,876.01 | 7,434,915.01 | 6,034,002.88 | 538,216.22 | 862,695.91 | - |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES: | | | | | | |
| Deferred Charges | | | | | | |
| None | | | | | | |

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, 2020**

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|----------------------|----------------------------|----------------------|-------------------|---------------------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| Statutory Expenditures: | | | | | | |
| Contributions to: | | | | | | |
| Public Employees' Retirement System | 588,105.00 | 590,105.00 | 589,986.49 | | 118.51 | |
| Social Security System (O.A.S.I.) | 300,000.00 | 310,000.00 | 307,948.25 | | 2,051.75 | |
| Consolidated Police and Firemen's Pension Fund | 8,960.66 | 8,967.37 | 8,967.37 | | (0.00) | |
| Police and Firemen's Retirement System | 2,285,119.00 | 2,285,988.78 | 2,285,988.78 | | - | |
| Unemployment | 70,000.00 | 20,000.00 | 6,211.24 | | 13,788.76 | |
| Medicare Insurance | 188,000.00 | 200,000.00 | 198,055.14 | | 1,944.86 | |
| Defined Contribution Retirement Program | 6,000.00 | 3,790.00 | 2,248.82 | | 1,541.18 | |
| TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES: | 3,446,184.66 | 3,418,851.15 | 3,399,406.09 | - | 19,445.06 | - |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS" | 25,194,633.15 | 25,218,011.15 | 23,323,307.13 | 547,103.92 | 1,347,600.10 | - |
| OPERATIONS - EXCLUDED FROM "CAPS" | | | | | | |
| (A) Operations - Excluded from "CAPS" | | | | | | |
| Borough of Longport - | | | | | | |
| Uniform Construction Code | 41,900.00 | 20,772.00 | 20,685.03 | | 86.97 | |
| Salaries and Wages | 2,250.00 | - | | | - | |
| Other Expenses | | | | | | |
| | 44,150.00 | 20,772.00 | 20,685.03 | - | 86.97 | - |

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

| | 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 | 12,805.23 | 12,805.23 | 12,805.23 | - | - | |
| DDEF | 2,760.00 | 2,760.00 | 2,760.00 | - | - | |
| Clean Communities Program | | 31,562.58 | 31,562.58 | - | - | |
| Alcohol Education and Rehabilitation | | 541.80 | 541.80 | - | - | |
| Municipal Alliance on Alcoholism and Drug Abuse | 13,760.00 | 17,330.60 | 17,330.60 | - | - | |
| Body Armor Replacement Fund | 3,269.84 | 3,269.84 | 3,269.84 | - | - | |
| Emergency Management Assistance | | 10,000.00 | 10,000.00 | - | - | |
| L.T. Joseph DiBernardo Memorial Fund | 12,000.00 | 12,000.00 | 12,000.00 | - | - | |
| | <u>44,595.07</u> | <u>90,270.05</u> | <u>90,270.05</u> | <u>-</u> | <u>-</u> | |
| Total Public and Private Programs Off-Set by Revenues | | | | | | |
| Total Operations - Excluded from "CAPS" | | | | | | |
| Detail: | | | | | | |
| Salaries and Wages | 41,900.00 | 20,772.00 | 20,685.03 | - | 86.97 | - |
| Other Expenses | 46,845.07 | 90,270.05 | 90,270.05 | - | - | - |
| (C) Capital Improvements | | | | | | |
| Capital Improvement Fund | 100,000.00 | 100,000.00 | 100,000.00 | - | - | - |
| | <u>100,000.00</u> | <u>100,000.00</u> | <u>100,000.00</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Capital Improvements | | | | | | |

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

| | Appropriations | | Expended | | | (Over expended) Unexpended Balance Cancelled |
|--|---------------------|-------------------------------|---------------------|------------|----------|---|
| | Budget | Budget After Modifications | Paid or Charged | Encumbered | Reserved | |
| (D) Debt Service | | | | | | |
| Payment of Bond Principal | 1,180,000.00 | 1,180,000.00 | 1,180,000.00 | | | - |
| Payment of Bond Anticipation Notes | | | | | | - |
| Interest on Bonds | 484,036.67 | 484,036.67 | 484,036.67 | | | - |
| Interest on Notes | | | | | | - |
| Green Trust Loan Program: | | | | | | |
| Loan Repayments for Principal and Interest | 117,667.00 | 117,667.00 | 117,666.01 | | | 0.99 |
| NJETT: | | | | | | |
| Principal | 46,960.55 | 46,960.55 | 46,901.50 | | | 59.05 |
| Interest | 11,968.76 | 11,968.76 | 11,968.76 | | | - |
| CDL Loan | | | | | | |
| Principal | 432,768.14 | 432,768.14 | 432,768.14 | | | - |
| Interest | 201,114.76 | 201,114.76 | 201,114.76 | | | - |
| Total Debt Service | <u>2,474,515.88</u> | <u>2,474,515.88</u> | <u>2,474,455.84</u> | <u>-</u> | <u>-</u> | <u>60.04</u> |
| (E) Deferred Charges | | | | | | |
| Special Emergency Authorizations - 5 years | 120,000.00 | 120,000.00 | 120,000.00 | | | - |
| Total Deferred Charges | <u>120,000.00</u> | <u>120,000.00</u> | <u>120,000.00</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| (K) Local District School Purposes | | | | | | |
| Payment of Bond Principal | 1,270,000.00 | 1,270,000.00 | 1,270,000.00 | | | - |
| Interest on Bonds | 102,300.00 | 102,300.00 | 102,300.00 | | | - |
| Total Local District School Purposes | <u>1,372,300.00</u> | <u>1,372,300.00</u> | <u>1,372,300.00</u> | <u>-</u> | <u>-</u> | <u>-</u> |

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

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|------------------|----------------------------|---|------------|------------------------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS" | 4,155,560.95 | 4,177,857.93 | 4,177,710.92 | - | 86.97 | 60.04 |
| SUBTOTAL GENERAL APPROPRIATIONS | 29,350,194.10 | 29,395,869.08 | 27,501,018.05 | 547,103.92 | 1,347,687.07 | 60.04 |
| (M) Reserve for Uncollected Taxes | 2,259,570.37 | 2,259,570.37 | 2,259,570.37 | - | - | - |
| TOTAL GENERAL APPROPRIATIONS | \$ 31,609,764.47 | 31,655,439.45 | 29,760,588.42 | 547,103.92 | 1,347,687.07 | 60.04 |
| Budget Appropriations by 40A:4-87 Emergency Appropriations | | 31,609,764.47 45,674.98 | | | Cancelled Overexpended | 60.04 - |
| | | <u>31,655,439.45</u> | | | | <u>60.04</u> |
| Reserve for Uncollected Taxes Federal and State Grants Deferred Charges | | | 2,259,570.37 90,270.05 120,000.00 | | | |
| Disbursements | | | 27,290,748.00 | | | |
| | | | <u>29,760,588.42</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>2020</u> | <u>2019</u> |
|---|-------------------------------|----------------------------|
| Dog License Fund: | | |
| Cash | \$ 18,534.20 | 15,691.40 |
| | <u>18,534.20</u> | <u>15,691.40</u> |
| Other Funds: | | |
| Cash - Treasurer | 3,118,581.53 | 2,029,008.60 |
| Cash Held in Trust | 3,000.00 | 3,000.00 |
| Due from Current | 1,124.07 | 3,588.28 |
| | <u>3,122,705.60</u> | <u>2,035,596.88</u> |
| | <u><u>3,141,239.80</u></u> | <u><u>2,051,288.28</u></u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| Dog License Fund: | | |
| Due to Current Fund | 11,856.00 | - |
| Due to State of New Jersey | - | 1.20 |
| Reserve for Dog Fund Expenditures | 6,678.20 | 15,690.20 |
| | <u>18,534.20</u> | <u>15,691.40</u> |
| Other Funds: | | |
| Payroll Deductions Payable | 273,134.31 | 116,644.69 |
| Due to Current Fund | - | - |
| Miscellaneous Reserves | 2,849,571.29 | 1,918,952.19 |
| | <u>3,122,705.60</u> | <u>2,035,596.88</u> |
| Total | \$ <u><u>3,141,239.80</u></u> | <u><u>2,051,288.28</u></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>2020</u> | <u>2019</u> |
|---|-------------------------|----------------------|
| Cash | \$ 6,943,625.90 | 2,087,568.04 |
| Deferred Charges to Future Taxation - | | |
| Funded | 18,595,473.35 | 21,186,345.94 |
| Unfunded | 26,316,314.47 | 18,848,436.00 |
| Interfunds and Receivables | | |
| Due from NJEIT | 70,703.00 | 70,703.00 |
| Due from CDBG - Streetscape Grant | - | 303,664.82 |
| | <u>51,926,116.72</u> | <u>42,496,717.80</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| Encumbrances Payable | 2,917,542.49 | 9,103,235.67 |
| Interfunds: | | |
| Due to Current Fund | - | 2.75 |
| Due to Water Sewer Capital Fund | - | 940,000.00 |
| Bond Anticipation Notes Payable | 14,479,000.00 | - |
| Serial Bonds Payable | 15,015,000.00 | 16,195,000.00 |
| School Serial Bonds - Type 1 Payable | 1,530,000.00 | 2,800,000.00 |
| Green Trust Loan Payable | - | 30,631.27 |
| Green Acres Loan Payable | 1,117,143.82 | 1,180,424.59 |
| NJEIT Loan Payable | 933,329.53 | 980,290.08 |
| Improvement Authorizations: | | |
| Funded | 1,021,520.56 | 3,849,769.33 |
| Unfunded | 13,057,313.96 | 6,485,336.93 |
| Reserve for Payment of Bonds - 2019 Bond Sale Premium | - | 279,303.57 |
| Reserve for Payment of Bonds - 2020 BAN | 215,108.99 | - |
| Reserve for Payment of Bonds - Other | 9,952.98 | 10,166.09 |
| Capital Improvement Fund | 207,206.00 | 507,637.00 |
| Fund Balance | 1,422,998.39 | 134,920.52 |
| | <u>\$ 51,926,116.72</u> | <u>42,496,717.80</u> |

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

| | |
|------|---------------|
| 2019 | 18,848,436.00 |
| 2020 | 11,837,314.47 |

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

| | 2020 | 2019 |
|---------------------------------|-----------------|------------|
| Beginning Balance January 1 | \$ 134,920.52 | 134,920.52 |
| Increased by: | | |
| Cancelled funded authorizations | 1,288,077.87 | |
| | \$ 1,422,998.39 | 134,920.52 |
| Ending Balance December 31 | | |

EXHIBIT D - WATER AND SEWER UTILITY

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

| | <u>2020</u> | <u>2019</u> |
|--|-------------------------|----------------------|
| <u>ASSETS</u> | | |
| Operating Fund: | | |
| Cash | \$ 920,200.97 | 1,461,537.00 |
| Change Fund | 100.00 | 100.00 |
| Due from Utility Capital | - | 711.79 |
| | <u>920,300.97</u> | <u>1,462,348.79</u> |
| Receivables and Other Assets with Full Reserves: | | |
| Consumer Accounts Receivable | <u>950,153.73</u> | <u>634,237.88</u> |
| | <u>950,153.73</u> | <u>634,237.88</u> |
| Deferred Charge | | |
| Expenditure without Appropriation | 4,225.00 | |
| Overexpenditure of Appropriations | 2,249.43 | - |
| | <u>6,474.43</u> | <u>-</u> |
| Total of Operating Fund | <u>1,876,929.13</u> | <u>2,096,586.67</u> |
| Capital Fund: | | |
| Cash | 1,277,030.36 | 1,601,325.43 |
| Fixed Capital - Completed | 12,021,714.84 | 12,021,714.84 |
| Fixed Capital - Authorized and Uncompleted | 25,125,012.00 | 25,125,012.00 |
| NJEIT Bonds Receivable | 300,210.00 | 300,210.00 |
| Due from General Capital Fund | - | 940,000.00 |
| Total of Capital Fund | <u>38,723,967.20</u> | <u>39,988,262.27</u> |
| Total Assets | <u>\$ 40,600,896.33</u> | <u>42,084,848.94</u> |

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,**

| | 2020 | 2019 |
|--|------------------|---------------|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| Operating Fund: | | |
| Liabilities: | | |
| Appropriation Reserves | \$ 373,477.03 | 106,884.56 |
| Encumbrances Payable | 91,033.88 | 104,910.50 |
| Accounts Payable | 25,264.84 | 20,403.64 |
| Utility Rent Prepayments & Overpayments | 22,426.55 | 33,867.77 |
| Accrued Interest on Bonds and Notes | 89,090.14 | 118,042.50 |
| | 601,292.44 | 384,108.97 |
| Reserve for Receivables | 950,153.73 | 634,237.88 |
| Fund Balance | 325,482.96 | 1,078,239.82 |
| Total of Operating Fund | 1,876,929.13 | 2,096,586.67 |
| Capital Fund: | | |
| Contracts Payable | 438,127.18 | 782,106.80 |
| Improvement Authorizations: | | |
| Funded | 467,874.33 | 1,676,318.32 |
| Unfunded | 1,847,311.97 | 2,346,599.57 |
| Water and Sewer Serial Bonds Payable | 13,105,000.00 | 14,095,000.00 |
| NJEIT Bonds Payable | 3,241,966.00 | 3,455,888.00 |
| Bond Anticipation Notes | 450,000.00 | - |
| Due to Utility Operating | - | 711.79 |
| Reserve to Pay Bonds - 2019 Bond Sale Premium | - | 128,488.17 |
| Reserve to Pay Bonds - Other | 6,700.50 | 9,400.00 |
| Reserves for Amortization | 14,626,753.77 | 13,422,831.77 |
| Deferred Reserve for Amortization | 3,986,577.07 | 3,986,577.07 |
| Fund Balance | 553,656.38 | 84,340.78 |
| Total of Capital Fund | 38,723,967.20 | 39,988,262.27 |
| Total Liabilities, Reserves and Fund Balance | \$ 40,600,896.33 | 42,084,848.94 |

There were Bonds and Notes Authorized But Not Issued at December 31, 2020 and 2019 of \$1,736,430 and \$2,186,430 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,**

| | 2020 | 2019 |
|--|-----------------|--------------|
| <u>Revenue and Other Income Realized</u> | | |
| Fund Balance Anticipated | \$ 1,000,000.00 | 798,079.00 |
| Rents | 5,049,157.89 | 5,205,870.27 |
| Miscellaneous Anticipated Revenue | 404,976.67 | 73,059.12 |
| Miscellaneous Unanticipated Revenue | 61,592.53 | 150,156.90 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 115,824.92 | 47,528.24 |
| Total Income | 6,631,552.01 | 6,274,693.53 |
| <u>Expenditures</u> | | |
| Operating | 4,584,540.00 | 4,387,676.00 |
| Debt Service | 1,710,743.87 | 1,466,654.60 |
| Deferred Charges and Statutory Expenditures | 95,499.43 | 96,750.00 |
| Total Expenditures | 6,390,783.30 | 5,951,080.60 |
| Excess in Revenues | 240,768.71 | 323,612.93 |
| 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 | 2,249.43 | - |
| Statutory Excess to Fund Balance | 247,243.14 | 323,612.93 |
| Fund Balance January 1 | 1,078,239.82 | 1,552,705.89 |
| Total | 1,325,482.96 | 1,876,318.82 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | 1,000,000.00 | 798,079.00 |
| Fund Balance December 31 | \$ 325,482.96 | 1,078,239.82 |

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>2020</u> | <u>2019</u> |
|--|----------------------|------------------|
| Balance January 1, | \$ 84,340.78 | 84,340.78 |
| Increased by: | | |
| Cancellation of Improvement Authorizations | 536,315.60 | - |
| Decreased by: | | |
| Anticipated Revenue - Operating Budget | 67,000.00 | - |
| Balance December 31, | <u>\$ 553,656.38</u> | <u>84,340.78</u> |

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

**WATER AND SEWER OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

| | Anticipated Budget | Realized | Excess or (Deficit) |
|-----------------------------|------------------------|---------------------|------------------------|
| Fund Balance Anticipated | \$ 1,000,000.00 | 1,000,000.00 | - |
| Rents - Sewer | 5,200,000.00 | 5,049,157.89 | (150,842.11) |
| Miscellaneous Receipts | 70,029.83 | 200,088.50 | 130,058.67 |
| Reserve for Debt Service | 137,888.17 | 137,888.17 | - |
| Utility Capital Surplus | 67,000.00 | 67,000.00 | - |
| Miscellaneous Unanticipated | - | 61,592.53 | 61,592.53 |
| | <u>\$ 6,474,918.00</u> | <u>6,515,727.09</u> | <u>40,809.09</u> |

Analysis of Realized Revenue

Rents

Consumer Accounts Receivable

5,049,157.89

Miscellaneous

Interest on Deposits

18,554.45

Interest on Delinquent Rents

41,284.38

Connection Fees

42,550.00

Fire Hydrant Service

1,800.00

Miscellaneous

95,899.67

200,088.50

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, 2020**

| | Appropriations | | | Expended | | | Unexpended Balance Canceled | Over-Expended |
|--|---------------------|------------------------------|---------------------|------------------|-------------------|--|-----------------------------------|-----------------|
| | Budget | Budget after Modification | Paid or Charged | Encumbered | Reserved | | | |
| Operating | | | | | | | | |
| Salaries and Wages | \$ 1,347,000.00 | 1,347,000.00 | 1,293,754.42 | | 53,245.58 | | | |
| Other Expenses | 1,467,540.00 | 1,467,540.00 | 1,196,250.74 | 91,033.88 | 180,255.38 | | | |
| ACMUA- Treatment Costs | 1,360,000.00 | 1,360,000.00 | 1,220,546.00 | | 139,454.00 | | | |
| Current Fund Allocation | 410,000.00 | 410,000.00 | 410,000.00 | | - | | | |
| | <u>4,584,540.00</u> | <u>4,584,540.00</u> | <u>4,120,551.16</u> | <u>91,033.88</u> | <u>372,954.96</u> | | | |
| Debt Service | | | | | | | | |
| Payment on Bond Principal | 990,000.00 | 990,000.00 | 990,000.00 | | | | | |
| Interest on Bonds | 494,220.00 | 494,220.00 | 462,876.24 | | | | 31,343.76 | |
| Interest on Notes | - | - | 4,225.00 | | | | | 4,225.00 |
| NJEIT Principal and Interest | 312,908.00 | 312,908.00 | 253,642.63 | | | | 59,265.37 | |
| | <u>1,797,128.00</u> | <u>1,797,128.00</u> | <u>1,710,743.87</u> | <u>-</u> | <u>-</u> | | <u>90,609.13</u> | <u>4,225.00</u> |
| Deferred Charges and Statutory Expenditures | | | | | | | | |
| Overexpenditures of Appropriations | | | | | | | | |
| Contribution to: | | | | | | | | |
| Social Security System (O.A.S.I.) | 92,000.00 | 92,000.00 | 94,249.43 | | (0.00) | | | 2,249.43 |
| Unemployment Compensation | 1,000.00 | 1,000.00 | 727.93 | | 272.07 | | | |
| Defined Contribution Retirement Plan | 250.00 | 250.00 | - | | 250.00 | | | |
| | <u>93,250.00</u> | <u>93,250.00</u> | <u>94,977.36</u> | <u>-</u> | <u>522.07</u> | | | <u>2,249.43</u> |
| Deficit in Operations in Prior Years | | | | | | | | |
| | <u>6,474,918.00</u> | <u>6,474,918.00</u> | <u>5,926,272.39</u> | <u>91,033.88</u> | <u>373,477.03</u> | | <u>90,609.13</u> | <u>6,474.43</u> |
| | | | | | | | | |
| Accrued interest on Bonds | | | 506,821.87 | | | | | |
| Deferred Charges | | | - | | | | | |
| Disbursed | | | <u>5,419,450.52</u> | | | | | |
| | | | <u>5,926,272.39</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>2020</u> | <u>2019</u> |
|------------------------------------|--------------------------------|--------------------------------|
| General Fixed Assets: | | |
| Land and Buildings | \$ 30,668,753.00 | 27,402,480.00 |
| Machinery and Equipment | 6,741,932.00 | 5,782,502.00 |
| Vehicles | <u>4,670,871.00</u> | <u>4,340,620.00</u> |
| Total General Fixed Assets | <u><u>42,081,556.00</u></u> | <u><u>37,525,602.00</u></u> |
| | | |
| Investment in General Fixed Assets | \$ <u><u>42,081,556.00</u></u> | \$ <u><u>37,525,602.00</u></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, 2020 AND 2019**

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, 2020 AND 2019**

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, 2020 AND 2019**

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, 2020 AND 2019**

Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

E. Comparative Data

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

F. Recent Accounting Pronouncements Not Yet Effective

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases". This statement, which is effective for fiscal periods beginning after June 30, 2021 will not have any effect on the City's financial reporting.

In June 2018, the Governmental Accounting Standard Board (GASB) issued Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period". This statement, which is effective for fiscal periods beginning after December 15, 2020, will not have any effect on the City's financial reporting.

In August 2018, the Governmental Accounting Standards Board (GASB) No. 90 "Majority Equity Interest – an amendment of GASB Statements No. 14 and No. 61". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the City's financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations". This statement is effective for fiscal periods beginning after December 15, 2021, will not have any effect on the City's financial reporting.

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

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

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

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

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2020 and 2019 statutory budgets included a reserve for uncollected taxes in the amount of \$2,259,570.37 and \$2,251,414.65. To balance the budget, the municipality is required to show a budgeted fund balance. The

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

amount of fund balance budgeted to balance the 2020 and 2019 statutory budgets was \$2,700,000.00 and \$2,630,000.00. 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 2020 and 2019 statutory budgets was \$1,000,000.00 and \$798,079.00.

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 2020 and 2019 calendar years:

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**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

| <u>Budget Category</u> | <u>2020</u> | <u>2019</u> |
|--|--------------|--------------|
| Police | | |
| Salaries and Wages | 100,000.00 | (69,961.46) |
| Other Expenses | (55,000.00) | - |
| Radio and Communications | | |
| Salaries and Wages | - | (57,000.00) |
| City Administrator | | |
| Other Expenses | (89,000.00) | (20,000.00) |
| Fire | | |
| Salaries and Wages | 200,000.00 | - |
| Street Repairs and Maintenance | | |
| Other Expenses | 50,000.00 | - |
| Motor Vehicle Maintenance | | |
| Other Expenses | 55,000.00 | - |
| Buildings and Grounds | | |
| Other Expenses | 146,589.00 | - |
| Legal Services and Costs | | |
| Other Expenses | (125,000.00) | (70,810.00) |
| Solid Waste/Recycling | | |
| Other Expenses | 60,000.00 | - |
| City Engineer | | |
| Other Expenses | 80,000.00 | - |
| Municipal Court | | |
| Salaries and Wages | - | 65,000.00 |
| Insurance | | |
| General Liability | (40,000.00) | - |
| Workers Compensation | (85,000.00) | (112,029.78) |
| Group Health | - | 280,000.00 |
| Information Technology | | |
| Other Expenses | (40,000.00) | - |
| Inspection of Housing | | |
| Salaries and Wages | - | 20,000.00 |
| Gasoline | - | (20,200.00) |
| Electric | (50,000.00) | - |
| Unemployment | (50,000.00) | - |
| Social Security System | - | 25,000.00 |
| Police and Firemen's Retirement System | - | 24,061.96 |

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

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

| <u>Budget Category</u> | <u>2020</u> | <u>2019</u> |
|----------------------------------|-------------|-------------|
| CDBG | | 154,028.00 |
| Clean Communities Program | 31,562.58 | 35,002.81 |
| FEMA - Emergency Management | 10,000.00 | - |
| Bulletproof Vest | - | 3,269.84 |
| Alcohol Education Rehabilitation | 541.80 | 1,165.43 |
| DWI | - | 26,132.28 |
| Municipal Alliance | 3,570.60 | 14,110.00 |
| NJ DOT Safe Routes to Schools | - | 207,000.00 |
| NJ DOT Transportation Grant | - | 222,122.00 |
| South Jersey Cultural Arts | - | 1,000.00 |
| FEMA - Fire Assistance Grant | - | 21,000.00 |

The entity may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. As of December 31, 2020, the City has no emergency or special emergency authorizations.

Note 3: INVESTMENTS

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

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

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

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

Note 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2020, and 2019, \$3,576,786.81 and \$5,562,663.45 of the municipality's bank balance of \$21,227,350.00 and \$16,094,575.64 was exposed to custodial credit risk.

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Note 5: FIXED ASSETS

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

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

| | 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> |

Note 6: SHORT-TERM OBLIGATIONS

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

| | 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> |

As of December 31, 2020, the City had the following bond anticipation note outstanding:

| Bank | 2020 Amount | Interest Rate | Date of Maturity |
|---------------------|------------------|------------------|---------------------|
| PNC Capital Markets | \$ 14,929,000.00 | 2.00% | 7/15/2021 |

**CITY OF VENTNOR CITY
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At December 31, 2020 the entity has authorized but not issued bonds in the amount of \$11,837,314.47.00 and \$1,736,430.00 in the General Capital Fund and Utility Capital Fund respectively.

Note 7: LONG TERM DEBT

Long-term debt as of December 31, 2020 and 2019 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 12/31/18 | Issued | Retired | Refunded | Balance 12/31/19 | Amounts Due Within One Year |
|--|-------------------------|----------------------|----------------------|----------|----------------------|-----------------------------------|
| Bonds payable: | | | | | | |
| General | \$ 11,160,368.19 | 8,855,000.00 | 1,629,022.25 | | 18,386,345.94 | 1,296,232.22 |
| Utility | 10,995,000.00 | 3,845,000.00 | 745,000.00 | | 14,095,000.00 | 990,000.00 |
| Utility - NJEIT | 3,941,674.00 | - | 485,786.00 | | 3,455,888.00 | 213,922.00 |
| Total | 26,097,042.19 | 12,700,000.00 | 2,859,808.25 | - | 35,937,233.94 | 2,500,154.22 |
| Other liabilities: | | | | | | |
| School | 4,055,000.00 | | 1,255,000.00 | | 2,800,000.00 | 1,270,000.00 |
| PERS Liability | 11,396,066.00 | | 531,687.00 | | 10,864,379.00 | |
| PFRS Liability | 33,792,175.00 | | 6,107,214.00 | | 27,684,961.00 | |
| Compensated Absences Payable | 2,073,386.97 | 486,773.47 | 566,917.85 | | 1,993,242.59 | - |
| Total long-term liabilities | \$ 77,413,670.16 | 13,186,773.47 | 11,320,627.10 | - | 79,279,816.53 | 3,770,154.22 |

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

\$8,315,000.00 General Improvement Bond dated 12/1/10 payable in annual installments through 12/1/2020. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2020 was \$0.00.

\$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, 2020 was \$2,980,000.

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

\$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, 2020 was \$3,200,000.

\$8,855,000.00 General Improvement Bond dated 10/22/19 payable in annual installments through 9/1/32. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2020 was \$8,855,000.

\$4,345,000.00 School Refunding Bonds dated 5/15/09 payable in annual installments through 2/1/21. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The net present value of this savings is \$289,374. The balance remaining as of December 31, 2020 was \$430,000.

\$2,823,000.00 School Bonds dated 12/1/10 payable in annual installments through 12/1/2020. Interest is paid semiannually at rates varying from 3.00% to 4.375% per annum. The balance remaining as of December 31, 2020 was \$0.

\$3,760,000.00 School Refunding Bonds dated 10/1/14 payable in annual installments through 10/1/20. Interest is paid semiannually at rates varying from 1.00% to 4.00% per annum. The net present value of this savings is \$258,812.48. The balance at December 31, 2020 was \$0.

\$1,110,000 School Refunding Bonds dated 9/22/17 payable in annual installments through 12/1/2025. Interest is paid semiannually at a rate of 4.00% per annum. The net present value of this savings is \$258,812.48. The balance at December 31, 2020 was \$1,100,000.

\$500,000.00 Green Trust Loan Payable dated 4/30/01 payable in semiannual installments through 10/30/20. Interest is paid semiannually at a rate of 2.00% per annum. The semiannual payments of \$15,546 are applied first to interest and then to principal. The balance remaining as of December 31, 2020 was \$0.

\$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, 2020 was \$1,117,143.82.

\$325,000.00 NJEIT Loan dated 2/8/2018 payable in annual installments through 8/1/20137. Interest is paid semiannually at rates varying from 5.00% to 3.00% per annum. The balance remaining as of December 31, 2020 was \$305,000.00.

\$726,891.00 NJEIT Loan dated 2/8/2018 payable in annual installments through 8/1/20137. This is an Interest Free Loan. The balance remaining as of December 31, 2020 was \$628,329.53.

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

\$12,240,000.00 Water and Sewer Bonds dated 12/1/10 payable in annual installments through 10/1/2020. Interest is paid semiannually at rates from 3.00% to 4.375% per annum. The balance remaining as of December 31, 2020 was \$0.

\$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, 2020 was \$2,535,000.

\$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, 2020 was \$6,935,000.

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

\$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, 2020 was \$3,635,000.

During 2014 the City entered into an agreement with NJEIT to finance utility improvements in the amount of \$5,387,000, of which a portion of the principal was forgiven. The principal is payable in annual installments through 8/1/35. Interest is paid semiannually at rates varying from 2.00% to 5.00% per annum. The balance remaining as of December 31, 2020 was \$3,241,966.

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

| Year | General Fund | | Utility Fund | |
|-----------|-------------------------|---------------------|----------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 2021 | \$ 1,551,513.26 | 521,165.47 | 1,268,922.00 | 517,381.26 |
| 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 |
| 2026-2030 | 4,710,958.10 | 701,610.55 | 7,809,610.00 | 948,281.30 |
| 2031-2035 | 2,664,789.14 | 99,754.51 | 1,924,610.00 | 58,156.26 |
| 2036-2037 | 118,921.28 | 2,362.52 | - | - |
| | <u>\$ 17,065,473.34</u> | <u>2,837,116.41</u> | <u>16,623,830.00</u> | <u>3,167,543.86</u> |

| Year | School Debt | |
|------|------------------------|-------------------|
| | Principal | Interest |
| 2021 | \$ 630,000.00 | 52,600.00 |
| 2022 | 210,000.00 | 36,000.00 |
| 2023 | 225,000.00 | 27,600.00 |
| 2024 | 225,000.00 | 18,600.00 |
| 2025 | 240,000.00 | 9,600.00 |
| | <u>\$ 1,530,000.00</u> | <u>144,400.00</u> |

As of December 31, 2020 the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$622,059.81 and to the utility budget was \$534,275.84.

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**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

| <u>Summary of Municipal Debt</u> | <u>Year 2020</u> | <u>Year 2019</u> | <u>Year 2018</u> |
|--|-------------------------|----------------------|----------------------|
| <u>Issued:</u> | | | |
| General - Bonds | \$ 15,015,000.00 | 16,195,000.00 | 8,830,000.00 |
| School - Bonds | 1,530,000.00 | 2,800,000.00 | 4,055,000.00 |
| Loan | 1,117,143.82 | 1,211,055.86 | 1,303,117.56 |
| NJEIT | 933,329.53 | 980,290.08 | 1,027,250.63 |
| Bond Anticipation Note | 14,479,000.00 | - | 2,037,803.00 |
| Sewer Utility - Bonds | 13,105,000.00 | 14,095,000.00 | 10,995,000.00 |
| Sewer Utility - Bond Anticipation Notes | 450,000.00 | - | 998,091.00 |
| Sewer Utility - NJEIT | 3,241,966.00 | 3,455,888.00 | 3,941,674.00 |
| Total Issued | <u>49,871,439.35</u> | <u>38,737,233.94</u> | <u>33,187,936.19</u> |
| <u>Authorized but not issued:</u> | | | |
| General - Bonds and Notes | 11,837,314.47 | 18,848,436.00 | 23,595,103.00 |
| Sewer Utility - Bonds and Notes | 1,736,430.00 | 2,186,430.00 | 5,226,430.00 |
| Total Authorized But Not Issued | <u>13,573,744.47</u> | <u>21,034,866.00</u> | <u>28,821,533.00</u> |
| Total Bonds & Notes Issued and Authorized But Not Issued | <u>\$ 63,445,183.82</u> | <u>59,772,099.94</u> | <u>62,009,469.19</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 1.587%.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|----------------------------|-------------------------|----------------------|----------------------|
| Local School District Debt | \$ 10,845,071.00 | 10,845,071.00 | - |
| Sewer Utility Debt | 18,533,396.00 | 18,533,396.00 | - |
| General Debt | 34,066,716.82 | | 34,066,716.82 |
| | <u>\$ 63,445,183.82</u> | <u>29,378,467.00</u> | <u>34,066,716.82</u> |

Net Debt \$34,066,716.82 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,145,921,046.00 = 1.587%.

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 | 34,066,716.82 |
| Remaining Borrowing Power | <u>\$ 41,040,519.79</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
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Note 8: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2020 and 2019, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2021 and 2020 were as follows:

| | | <u>2021</u> | <u>2020</u> |
|--------------------------|----|--------------|--------------|
| Current Fund | \$ | 2,840,000.00 | 2,700,000.00 |
| Water & Sewer Utility | | 259,611.93 | 1,000,000.00 |

Note 9: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2020, the following deferred charges are shown on the balance sheets of the various funds:

| | Balance December 31, 2020 | 2021 Budget Appropriation | Balance to Succeeding |
|--------------------------------------|---------------------------------|------------------------------|--------------------------|
| Water and Sewer Utility Fund: | | | |
| Expenditure without an Appropriation | \$ 4,225.00 | 4,225.00 | - |
| Overexpenditure of Appropriations | 2,249.43 | 2,249.43 | - |
| | <u>\$ 6,474.43</u> | <u>6,474.43</u> | <u>-</u> |

The appropriations in the 2021 Budget are not less than that required by statute.

Note 10: SCHOOL TAXES

Local District School Tax in the amounts of \$16,888,980.00.00 and \$16,405,694.00 have been raised for the 2020 and 2019 calendar years and remitted to the school district.

Note 11: TAXES COLLECTED IN ADVANCE

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

| | Balance 12/31/20 | Balance 12/31/19 |
|---|----------------------|---------------------|
| Prepaid Taxes | \$ 909,690.17 | 915,442.73 |
| Cash Liability for Taxes Collected in Advance | <u>\$ 909,690.17</u> | <u>915,442.73</u> |

Note 12: PENSION FUNDS

Description of Plans

Substantially all of the entity's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit pension plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues

**CITY OF VENTNOR CITY
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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 45th birthday and after he has completed 20 years of services, the last 10 must have been completed immediately preceding his application.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS 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, 2020, 2019, and 2018 were \$588,105.00, \$578,415.50 and \$542,768.03.

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, 2020, 2019, and 2018 were \$2,285,119.00, \$2,465,510.96, and \$2,166,063.78.

The total payroll for the year ended December 31, 2020, 2019, and 2018 was \$15,177,039.46, \$14,626,654.26 and \$14,675,588.68. Payroll covered by PFRS was \$7,798,087.00, \$7,508,896.00 and \$7,620,206.00. Payroll covered by PERS was \$4,440,277.00, \$4,390,440.00, and \$4,181,091.00.

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, 2020, 2019, and 2018 was \$0, \$0 and \$0. The City's trust for the Lifeguard Pension at December 31, 2020 and 2019 was \$213,386.39.03 and \$243,908.03 respectively. Currently there are only three individuals receiving benefits.

**CITY OF VENTNOR CITY
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The benefits paid by the trust for the year ended December 31, 2020, 2019, and 2018 were \$53,835.45, \$52,536.66 and \$53,102.73.

Significant Legislation

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

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

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

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

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to $\frac{1}{60}$ th from $\frac{1}{55}$ th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as $\frac{1}{7}$ th of the required amount, beginning in fiscal years 2012.

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

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

Note 13: PENSION LIABILITIES

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

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

Public Employees’ Retirement System

The 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.

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:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| 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 | \$ 1,276,522 | (4,278,137) |

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:

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
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| <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>\$</u> | <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 based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disable retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on 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:

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

| 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.

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.

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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:

| 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> |

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**CITY OF VENTNOR CITY
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2020 AND 2019**

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:

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**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

| 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 |

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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 14 – OTHER POST-RETIREMENT BENEFITS

General Information about the Plan:

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

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

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

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

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Allocation Methodology:

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense, however under the Regulatory Basis of Accounting followed by the City these amounts are not accrued or recorded in the financial statements and the information listed in this note is for disclosure purposes only. Statewide across all member employers, the special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation as applicable, the Collective Total OPEB liabilities for the year ended June 30, 2019 were \$5,637,151,775 and \$8,182,092,807, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's non special funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and non-employer allocation percentages have been rounded for presentation purposes.

Special Funding Situation:

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

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

Net OPEB Liability:

Components of Net OPEB Liability

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

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

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

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

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

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

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

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

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

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

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
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As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

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

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

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

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

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

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

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

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

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

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

Collective OPEB Expenses reported by the State of New Jersey

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

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

Note 15: ACCRUED SICK AND VACATION BENEFITS

The entity has permitted employees to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$2,534,247.52 in 2020 and \$1,993,42.59 in 2019. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. It is the entity's policy to negotiate the final amount of each payment of accrued sick and vacation pay on an individual basis. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The entity does not accrue the liability.

Note 16: ECONOMIC DEPENDENCY

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

Note 17: RISK MANAGEMENT

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

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
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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:

| Calendar Year | City Contributions | Interest | Employee Contributions | Amount Reimbursed | Ending Balance |
|---------------|--------------------|----------|------------------------|-------------------|----------------|
| 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 |
| 2018 | 103,000.00 | 32.74 | 21,229.64 | 85,966.81 | 54,713.19 |

Note 18: DEFERRED COMPENSATION

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

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the Employees. As part of its fiduciary role, the entity has an obligation of due care in selecting the third party administrator. In the opinion of the entity’s legal counsel, the entity has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

Note 19: CONTINGENT LIABILITIES

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

**CITY OF VENTNOR CITY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Note 20: INTERFUND BALANCES

During the most current calendar year ended December 31, 2020, 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 | \$ 11,856.00 | |
| Other Trust | | 1,124.07 |
| Grant Fund | 136,153.64 | |
| Utility Capital Fund | | |
| Grant Fund: | | |
| Current Fund | | 136,153.64 |
| Trust Fund: | | |
| Current | 1,124.07 | 11,856.00 |
| | <u>\$ 149,133.71</u> | <u>149,133.71</u> |

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

Note 21: SUBSEQUENT EVENTS

Capital Ordinance

On March 11, 2021, the City Commissioners adopted capital ordinance #006-2021 which authorized the following projects to be completed. This bond ordinance increases the City's authorized debt by \$5,761,037.00. This ordinance cancels, rescinds, and declares null and void bond ordinance #025-2020.

| Project | Appropriation And Estimated Cost | Estimated Maximum Amount of Bonds & Notes |
|---|--|--|
| Acquisition and Installation of Various Utility Equipment & Vehicles | \$ 234,560.00 | 222,832.00 |
| Various Utility Infrastructure Improvements | 5,829,690.00 | 5,538,205.00 |
| Total | <u>\$ 6,064,250.00</u> | <u>5,761,037.00</u> |

Other

On May 13, 2021, the City Commissioners adopted a resolution authorizing the offering of \$8,810,000 in School Bonds, Series 2021. This issue includes various general capital improvements and acquisition of various equipment for the City's Schools which were authorized by ordinance number 2018-28, adopted on July 12, 2018. As of the date of this audit report, the school bonds had not yet been issued.

The entity has evaluated subsequent events through June 28, 2021, 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

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account groups as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 28, 2021, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

Very truly yours,

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

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

Leon P. Costello

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

June 28, 2021

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

| | | Current Fund |
|--|----|---------------|
| Balance December 31, 2019 | \$ | 8,647,077.64 |
| Increased by Receipts: | | |
| Taxes Receivable | | 52,306,684.28 |
| Prepaid Taxes | | 909,690.17 |
| Revenue Accounts Receivable | | 3,556,299.16 |
| Miscellaneous Revenue | | 206,979.68 |
| Due from State - Sr. Citizens and Veterans | | 61,000.00 |
| Due to State Marriage License Fees | | 850.00 |
| Due to State - DCA Fees | | 22,048.00 |
| Due from Trust Other Fund | | 279.71 |
| Due from Capital | | 1,700,002.75 |
| Federal & State Grants Receivable | | 185,423.63 |
| Unappropriated Federal & State Grants | | 2,430.49 |
| Net Grants Cancelled - Due to Current Fund | | 243,908.29 |
| | | 59,195,596.16 |
| | | 67,842,673.80 |
| Decreased by Disbursements: | | |
| Current Year Appropriation | | 27,290,748.00 |
| Prior Year Appropriations | | 464,535.64 |
| Accounts Payable | | 18,549.74 |
| County Taxes | | 11,496,797.88 |
| Local District School Taxes | | 16,395,262.00 |
| Tax Overpayments Refunded | | 6,044.78 |
| Due to State - Marriage Licenses | | 875.00 |
| Due to State - DCA Fees | | 19,041.00 |
| Contra-Reimbursement JIF | | 5,623.77 |
| Federal and State Disbursements | | 560,626.18 |
| Due to General Capital | | 1,700,000.00 |
| Net Grants Cancelled - Due to Current Fund | | 243,908.29 |
| | | 58,202,012.28 |
| Balance December 31, 2020 | \$ | 9,640,661.52 |

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

| Year | Balance Dec. 31, 2019 | Current Year Levy | Added Taxes | Collections by Cash | | Overpayments | Adjustments | Balance Dec. 31, 2020 |
|--|--------------------------|----------------------|-------------|---------------------|----------------------|------------------------------|-------------|--------------------------|
| | | | | 2019 | 2020 | | | |
| Arrears \$ | 28,515.53 | | | | 27,065.02 | | 39.65 | 1,410.86 |
| 2019 | 1,102,365.86 | | | | 1,091,347.98 | | (2,801.87) | 13,819.75 |
| | 1,130,881.39 | - | - | - | 1,118,413.00 | - | (2,762.22) | 15,230.61 |
| 2020 | | 52,904,608.82 | 306,785.67 | 915,442.73 | 51,249,521.28 | | 3,305.80 | 1,043,124.68 |
| \$ | 1,130,881.39 | 52,904,608.82 | 306,785.67 | 915,442.73 | 52,367,934.28 | - | 543.58 | 1,058,355.29 |
| | | | | | 52,306,684.28 | Cash Receipts | | |
| | | | | | 61,250.00 | Senior Citizens and Veterans | | |
| | | | | | <u>52,367,934.28</u> | | | |
| Analysis of Current Year Tax Levy | | | | | | | | |
| Tax Yield: | | | | | | | | |
| | | | | | 52,904,608.82 | | | |
| | | | | | 306,785.67 | | | |
| | | | | | <u>53,211,394.49</u> | | | |
| Tax Levy: | | | | | | | | |
| | | | | | 10,175,332.19 | | | |
| | | | | | 754,633.82 | | | |
| | | | | | 27,158.69 | | | |
| | | | | | 477,700.69 | | | |
| | | | | | 68,432.77 | | | |
| | | | | | <u>11,503,258.16</u> | | | |
| | | | | | | 16,888,980.00 | | |
| | | | | | | <u>24,556,707.40</u> | | |
| | | | | | | 262,448.93 | | |
| | | | | | | <u>24,819,156.33</u> | | |
| | | | | | | <u>53,211,394.49</u> | | |

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

| | Balance Dec. 31, 2019 | Accrued in 2020 | Treasurer | Balance Dec. 31, 2020 |
|--|--------------------------|---------------------|---------------------|--------------------------|
| Licenses: | | | | |
| Alcoholic Beverages | | 5,870.00 | 5,870.00 | |
| Other | | 19,692.00 | 19,692.00 | |
| Fees and Permits | | 295,539.56 | 295,539.56 | |
| Fines and Costs: | | | | |
| Municipal Court | 13,071.01 | | | 6,023.87 |
| Interest and Costs on Taxes | | 122,746.10 | 129,793.24 | |
| Parking Meters | | 274,420.79 | 274,420.79 | |
| Interest Earned on Investments | | 96,339.51 | 96,339.51 | |
| Beach Control Fees | | 142,694.68 | 142,694.68 | |
| Land Rental | | 323,608.50 | 323,608.50 | |
| Viking Rowing Foundation, Inc. Lease Agreement | | 87,501.00 | 87,501.00 | |
| Payment in Lieu of Taxes | | 31,091.58 | 31,091.58 | |
| Cable Television Franchise Fees | | 130,008.00 | 130,008.00 | |
| City Lease Fees | | 56,053.99 | 56,053.99 | |
| Ambulance Service Fees | | 55,228.64 | 55,228.64 | |
| Recreation Fees | | 197,956.91 | 197,956.91 | |
| Energy Receipts Tax | | 9,328.75 | 9,328.75 | |
| Uniform Construction Code Fees | | 608,112.01 | 608,112.01 | |
| Borough of Longport-Uniform Construction Code | | 358,910.00 | 358,910.00 | |
| Utility Fund Allocation | | 44,150.00 | 44,150.00 | |
| Reserve to Pay School Bonds | | 410,000.00 | 410,000.00 | |
| Miscellaneous Revenue Not Anticipated | | 280,000.00 | 280,000.00 | |
| | | 206,979.68 | 206,979.68 | |
| | <u>\$ 13,071.01</u> | <u>3,756,231.70</u> | <u>3,763,278.84</u> | <u>6,023.87</u> |

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

| | Balance Dec. 31, 2019 | Balance After Transfers | Paid or Charges | Balance Lapsed |
|--|--------------------------|-------------------------------|--------------------|-------------------|
| OPERATIONS WITHIN "CAPS" | | | | |
| GENERAL GOVERNMENT: | | | | |
| Mayor's Office | | | | |
| Salaries and Wages | \$ 1,503.91 | 1,503.91 | - | 1,503.91 |
| Other Expenses | 15,705.19 | 15,705.19 | 1,041.00 | 14,664.19 |
| Police | | | | |
| Salaries and Wages | 149,663.21 | 149,663.21 | - | 149,663.21 |
| Other Expenses | 92,832.13 | 92,832.13 | 89,804.21 | 3,027.92 |
| Fire | | | | |
| Salaries and Wages | 84,121.62 | 84,121.62 | - | 84,121.62 |
| Other Expenses | 22,754.30 | 22,754.30 | 18,002.76 | 4,751.54 |
| Uniform Fire Safety Act | | | | |
| Other Expenses | 3,521.12 | 3,521.12 | 1,333.06 | 2,188.06 |
| Radio and Communications | | | | |
| Salaries and Wages | 16,115.17 | 16,115.17 | - | 16,115.17 |
| Other Expenses | 16,304.64 | 16,304.64 | 10,961.00 | 5,343.64 |
| City Administrator | | | | |
| Salaries and Wages | 3,290.00 | 3,290.00 | - | 3,290.00 |
| Other Expenses | 82,728.00 | 82,728.00 | 38,415.75 | 44,312.25 |
| Office of Emergency Management | | | | |
| Other Expenses | 1,465.00 | 1,465.00 | - | 1,465.00 |
| Dog Control | | | | |
| Other Expenses | 700.00 | 700.00 | 700.00 | - |
| Electrical Division | | | | |
| Salaries and Wages | 7,753.21 | 7,753.21 | - | 7,753.21 |
| Other Expenses | 17,563.22 | 17,563.22 | 15,337.55 | 2,225.67 |
| Celebration of Public Events | | | | |
| Other Expenses | 39,090.56 | 39,090.56 | 17,298.08 | 21,792.48 |
| Beach Patrol | | | | |
| Salaries and Wages | 2,414.54 | 2,414.54 | - | 2,414.54 |
| Other Expenses | 2,322.74 | 2,322.74 | 350.18 | 1,972.56 |
| Beach Control | | | | |
| Salaries and Wages | 2,463.74 | 2,463.74 | - | 2,463.74 |
| Other Expenses | 2,822.88 | 2,822.88 | 1,790.75 | 1,032.13 |
| DEPARTMENT OF PUBLIC WORKS, PARKS & PUBLIC PROPERTY | | | | |
| Director's Office | | | | |
| Salaries and Wages | 1.00 | 1.00 | - | 1.00 |
| Streets and Roads | | | | |
| Salaries and Wages | 60,922.08 | 60,922.08 | - | 60,922.08 |
| Other Expenses | 23,069.39 | 23,069.39 | 4,300.70 | 18,768.69 |
| Motor Vehicle Maintenance | | | | |
| Salaries and Wages | 76,914.10 | 76,914.10 | - | 76,914.10 |
| Other Expenses | 13,650.83 | 13,650.83 | 10,336.06 | 3,314.77 |
| Buildings and Grounds | | | | |
| Salaries and Wages | 57.78 | 57.78 | - | 57.78 |
| Other Expenses | 44,342.12 | 44,342.12 | 41,047.27 | 3,294.85 |
| Recreation | | | | |
| Salaries and Wages | 29,558.69 | 29,558.69 | - | 29,558.69 |
| Other Expenses | 11,713.51 | 11,713.51 | 7,494.66 | 4,218.85 |
| City Engineer | | | | |
| Other Expenses | 79,867.50 | 79,867.50 | 69,644.17 | 10,223.33 |
| Solid Waste/Recycling | | | | |
| Salaries and Wages | 12,808.65 | 12,808.65 | - | 12,808.65 |
| Other Expenses | 111,476.53 | 111,476.53 | 12,998.37 | 98,478.16 |
| DEPARTMENT OF REVENUE AND FINANCE | | | | |
| Director's Office | | | | |
| Salaries and Wages | 1.00 | 1.00 | - | 1.00 |
| Legal Services and Costs | | | | |
| Other Expenses | 87,974.15 | 87,974.15 | 31,073.49 | 56,900.66 |
| City Clerk | | | | |
| Salaries and Wages | 2,872.41 | 2,872.41 | - | 2,872.41 |
| Other Expenses | 17,266.96 | 17,266.96 | 3,329.57 | 13,937.39 |
| Codification of Ordinances | 3,699.76 | 3,699.76 | - | 3,699.76 |

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

| | Balance Dec. 31, 2019 | Balance After Transfers | Paid or Charges | Balance Lapsed |
|--|--------------------------|-------------------------------|--------------------|---------------------|
| Elections | | | | |
| Other Expenses | 232.55 | 232.55 | - | 232.55 |
| Audit Fee | | | | |
| Other Expenses | 8,800.00 | 8,800.00 | - | 8,800.00 |
| Planning Board | | | | |
| Salaries and Wages | 15,476.00 | 15,476.00 | (608.00) | 16,084.00 |
| Other Expenses | 10,073.98 | 10,073.98 | 4,490.42 | 5,583.56 |
| Financial Administration | | | | |
| Salaries and Wages | 24,145.74 | 24,145.74 | - | 24,145.74 |
| Other Expenses | 25,748.81 | 25,748.81 | 10,003.13 | 15,745.68 |
| Assessment of Taxes | | | | |
| Salaries and Wages | 1,882.00 | 1,882.00 | - | 1,882.00 |
| Other Expenses | 3,431.05 | 3,431.05 | 2,073.25 | 1,357.80 |
| Collection of Taxes | | | | |
| Salaries and Wages | 705.83 | 705.83 | - | 705.83 |
| Other Expenses | 11,294.08 | 11,294.08 | 4,001.50 | 7,292.58 |
| Information Technology | | | | |
| Salaries and Wages | 1.00 | 1.00 | - | 1.00 |
| Other Expenses | 87,288.54 | 87,288.54 | 50,924.81 | 36,363.73 |
| Municipal Court | | | | |
| Salaries and Wages | 2,523.73 | 2,523.73 | - | 2,523.73 |
| Other Expenses | 11,093.22 | 11,093.22 | 2,548.10 | 8,545.12 |
| Municipal Prosecutor | | | | |
| Salaries and Wages | 2,500.00 | 2,500.00 | 2,500.00 | - |
| Public Defender (P.L. 1997, C.256) | | | | |
| Other Expenses | 2,000.00 | 2,000.00 | 2,000.00 | - |
| Insurance | | | | |
| General Liability | 19,905.83 | 19,905.83 | 9,147.44 | 10,758.39 |
| Employee Group Health | 233,953.81 | 233,953.81 | 22,318.14 | 211,635.67 |
| Health Waiver | 62.47 | 62.47 | - | 62.47 |
| Inspection of Buildings | | | | |
| Salaries and Wages | 6,749.82 | 6,749.82 | - | 6,749.82 |
| Other Expenses | 41,348.25 | 41,348.25 | 35,375.16 | 5,973.09 |
| Inspection of Housing | | | | |
| Salaries and Wages | 3,992.31 | 3,992.31 | - | 3,992.31 |
| Other Expenses | 4,564.54 | 4,564.54 | 3,206.73 | 1,357.81 |
| Electrical and Plumbing | | | | |
| Salaries and Wages | 2,064.34 | 2,064.34 | - | 2,064.34 |
| Utilities | | | | |
| Gasoline | 31,309.15 | 31,309.15 | 17,617.63 | 13,691.52 |
| Electricity | 65.88 | 65.88 | - | 65.88 |
| Telephone | 7,620.90 | 7,620.90 | 1,491.50 | 6,129.40 |
| Natural Gas | 20,637.76 | 20,637.76 | 8,623.88 | 12,013.88 |
| STATUTORY EXPENDITURES | | | | |
| Contribution to | | | | |
| Social Security System | 2,871.26 | 2,871.26 | - | 2,871.26 |
| Consolidated Police and Firemen's Pension Fund | 0.48 | 0.48 | - | 0.48 |
| Unemployment | 3,593.07 | 3,593.07 | - | 3,593.07 |
| Define Contribution Retirement Program | 3,772.80 | 3,772.80 | - | 3,772.80 |
| OPERATIONS EXCLUDED FROM "CAPS" | | | | |
| Borough of Longport-Uniform Construction Code Office | | | | |
| Salaries and Wages | 23,665.55 | 23,665.55 | - | 23,665.55 |
| Other Expenses | 2,250.00 | 2,250.00 | - | 2,250.00 |
| | <u>\$ 1,756,956.39</u> | <u>1,756,956.39</u> | <u>550,972.32</u> | <u>1,205,984.07</u> |
| Appropriation Reserves | 1,141,373.43 | | 464,535.64 | Paid |
| Accounts Payable and Encumbrances | 615,582.96 | | 86,436.68 | Accounts Payable |
| | <u>1,756,956.39</u> | | <u>550,972.32</u> | |

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

| | | |
|--|----|---------------|
| Balance December 31, 2019 | | |
| School Tax Payable | \$ | 0.06 |
| Increased by: | | |
| Levy - Calender Year January 1, 2020 to December 31, 2020 | | 16,888,980.00 |
| | | 16,888,980.06 |
| Decreased by: | | |
| Payments | | 16,395,262.00 |
| Balance December 31, 2020 | | |
| School Tax Payable | | 493,718.06 |
| Current Year Liability for Local School District School Tax: | | |
| Tax Paid | | 16,395,262.00 |
| Tax Payable Ending | | 493,718.06 |
| | | 16,888,980.06 |
| Less: Tax Payable Beginning | | 0.06 |
| Amount charged to Current Year Operations | \$ | 16,888,980.00 |

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

| Purpose | Balance | Transferred | Received | Adjustments | Balance |
|---|---------------------|------------------|-------------------|-------------------|---------------------|
| | Dec. 31, 2019 | From 2020 | | | Dec. 31, 2020 |
| | | Revenues | | | |
| FEDERAL GRANTS: | | | | | |
| FEMA Assistance to Firefighters | \$ 77,743.00 | | | | 77,743.00 |
| Body Armor | 3,269.84 | 3,269.84 | 3,269.84 | | 3,269.84 |
| Bulletproof Vest | 2,899.41 | 2,899.41 | 2,899.41 | | - |
| Post Sandy Planning Assistance | 79,116.09 | | | 79,116.09 | - |
| FEMA - Emergency Management | 17,000.00 | 10,000.00 | 10,000.00 | | - |
| FEMA - Fire Assistance Grant | 21,000.00 | | | | 17,000.00 |
| FEMA - Emergency Management | 29,341.34 | | 4,580.00 | | 21,000.00 |
| | | | | | 24,761.34 |
| Total Federal | 230,369.68 | 13,269.84 | 20,749.25 | 79,116.09 | 143,774.18 |
| STATE GRANTS: | | | | | |
| New Jersey Transportation Trust Fund 2013 | 41,474.14 | | | 41,474.14 | - |
| New Jersey Transportation Trust Fund 2017 - Monmouth | 231,000.00 | | | | 231,000.00 |
| New Jersey Transportation Trust Fund - Burk Avenue | 49,000.00 | | | | 49,000.00 |
| New Jersey Transportation Trust Fund - Bikeway | 190,000.00 | | | | 190,000.00 |
| New Jersey Transportation Trust Fund - 2018 Municipal Aid | 172,000.00 | | 129,000.00 | | 43,000.00 |
| NJ Transportation Trust Fund Authority Act - 2020 | 48,872.00 | | | | 48,872.00 |
| NJ Transportation Trust Fund Authority Act - 2019 | 310,000.00 | | | | 310,000.00 |
| New Jersey Transportation - Safe Routes to School | 207,000.00 | | | | 207,000.00 |
| Recycling Tonnage - 2019 | - | 12,805.23 | 12,805.23 | | - |
| Municipal Alliance | 8,795.00 | 17,330.60 | 17,330.60 | | 8,795.60 |
| Drunk Driving Enforcement Fund - 2019 | - | 2,760.00 | 2,760.00 | | - |
| Clean Communities | - | 31,562.58 | 31,562.58 | | - |
| Alliance for Prevention of Alcohol and Drug Abuse | 0.08 | | | 0.08 | - |
| Sustainable Jersey | 14,715.00 | 541.80 | 541.80 | | - |
| NJ Historical Trust | 133,645.77 | | | 14,715.00 | - |
| Safe and Secure Program | 33,142.13 | | | 133,645.77 | - |
| Resilient NJ | 88,242.96 | | | 33,142.13 | - |
| | | | | | 88,242.96 |
| Total State | 1,527,887.08 | 65,000.21 | 193,999.61 | 222,977.12 | 1,175,910.56 |

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

| <u>Purpose</u> | <u>Balance Dec. 31, 2019</u> | <u>Transferred From 2020 Revenues</u> | <u>Received</u> | <u>Adjustments</u> | <u>Balance Dec. 31, 2020</u> |
|--------------------------------------|----------------------------------|---|-------------------|--------------------|----------------------------------|
| OTHER: | | | | | |
| L.T. Joseph DiBernardo Memorial Fund | - | 12,000.00 | | 12,000.00 | |
| Total Other | - | 12,000.00 | - | 12,000.00 | - |
| | <u>\$ 1,758,256.76</u> | <u>90,270.05</u> | <u>214,748.86</u> | <u>314,093.21</u> | <u>1,319,684.74</u> |

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

| | Balance December 31, 2019 | | 2020 Appropriations | Disbursed | Encumbrances | Canceled | Balance Dec. 31, 2020 |
|--|---------------------------|-----------------------------|------------------------|------------------|-----------------|-------------------|--------------------------|
| | Appropriated | Reserve for Encumbrances | | | | | |
| FEDERAL GRANTS: | \$ | | | | | | |
| Community Development Block Grant | 154,028.00 | | | | | | 154,028.00 |
| Post Sandy Planning Assistance | 9,590.01 | | | | | | 9,590.01 |
| Federal Bulletproof Vest Partnership | 5,629.41 | | 3,269.84 | 3,269.84 | | | 5,629.41 |
| Body Armor Replacement Program-2020 | | | | 1,710.80 | | 5,516.99 | - |
| Body Armor Replacement Program-2019 | 7,227.79 | | 10,000.00 | 5,180.00 | 9,576.50 | | - |
| FEMA- Emergency Management | 4,820.00 | 5,180.00 | | | | | 423.50 |
| FEMA - Emergency Management | 423.50 | | | | | 423.50 | 4,820.00 |
| FEMA - Emergency Management | 11,000.00 | | | 20,646.38 | | (9,646.38) | - |
| FEMA - Fire Assistance Grant | 1,645.00 | | | 1,645.00 | | | - |
| FEMA - Emergency Management | | | | | | | - |
| Total Federal | 194,363.71 | 5,180.00 | 13,269.84 | 32,452.02 | 9,576.50 | (3,705.89) | 174,490.92 |
| STATE GRANTS: | | | | | | | |
| NJ Transportation Trust Fund Authority Act - 2012 | 148,414.85 | | | | | 148,414.85 | - |
| NJ Transportation Trust Fund Authority Act | 1,443.38 | | | | | 1,443.38 | - |
| NJ Transportation Trust Fund Authority Act - 2015 | 140,250.00 | | | | | 140,250.00 | - |
| NJ Transportation Trust Fund Authority Act - 2019 | 82,471.75 | 227,528.25 | | 217,821.57 | 9,706.68 | | 82,471.75 |
| NJ Transportation Trust Fund Authority Act - 2020 | 222,122.00 | | | | | | 222,122.00 |
| New Jersey Transportation - Safe Routes to School | 207,000.00 | | | | | | 207,000.00 |
| New Jersey Transportation Trust Fund - Bikeway | - | 5,925.79 | | 3,756.62 | | | 2,169.17 |
| New Jersey Transportation Trust Fund - 2018 Municipal Aid | 172,000.00 | | | | | | 172,000.00 |
| New Jersey Transportation Trust Fund 2017 - Monmouth | - | 124,784.34 | | 117,795.61 | 6,988.73 | | (0.00) |
| New Jersey Transportation Trust Fund - Burk Avenue | - | 91,823.89 | | 42,749.81 | 6,163.61 | | 42,910.47 |
| Recycling Tonnage Grant | 9,702.57 | | | 9,702.57 | | | - |
| Recycling Tonnage Grant-2013 | 20,300.00 | | | 17,014.17 | | | 3,285.83 |
| Recycling Tonnage Grant-2017 | 38,230.34 | | | 12,713.22 | | | 25,517.12 |
| Recycling Tonnage Grant-2018 | 25,610.46 | | | 25,610.46 | | | - |
| Recycling Tonnage Grant-2019 | 18,079.19 | | | 13,819.50 | | | 4,259.69 |
| Recycling Tonnage Grant-2020 | | | 12,805.23 | | | | 12,805.23 |
| Alliance for the Prevention of Alcohol and Drug Abuse | 263.30 | 2,250.00 | | | | 263.30 | 2,250.00 |
| Alliance for the Prevention of Alcohol and Drug Abuse-2016 | 2,279.52 | | | | | 2,279.52 | - |
| Alliance for the Prevention of Alcohol and Drug Abuse-2019 | 10,850.24 | 839.76 | | 2,739.76 | | | 11,690.00 |
| Alliance for the Prevention of Alcohol and Drug Abuse-2020 | | | 17,330.60 | | | | 14,590.84 |
| Alcohol Education, Rehabilitation and Enforcement-2018 | 2,106.61 | | | | | | 2,106.61 |
| Alcohol Education, Rehabilitation and Enforcement-2017 | 839.16 | | | | | | 839.16 |
| Alcohol Education, Rehabilitation and Enforcement-2019 | 1,165.43 | | | | | | 1,165.43 |
| Alcohol Education, Rehabilitation and Enforcement-2020 | | | 541.80 | | | | 541.80 |
| Resilient NJ Grant | 88,242.96 | | | | | | 88,242.96 |
| Sustainable Jersey | 80.42 | | | | | 80.42 | - |
| Clean Communities-2020 | | | 31,562.58 | 4,786.40 | | | 26,776.18 |
| Clean Communities-2019 | 26,039.56 | 8,921.30 | | 33,962.82 | 507.91 | | 490.13 |
| Clean Communities-2017 | 13,193.02 | | | 13,193.02 | | | - |
| Clean Communities-2018 | - | 8,447.46 | | 8,075.42 | | | 60.52 |
| Drunk Driving Enforcement Fund-2020 | - | | 2,760.00 | | 311.52 | | 2,760.00 |

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

| | Balance December 31, 2019 | | 2020 Appropriations | Disbursed | Encumbrances | Canceled | Balance Dec. 31, 2020 |
|--------------------------------------|---------------------------|-----------------------------|------------------------|-------------------|------------------|-------------------|--------------------------|
| | Appropriated | Reserve for Encumbrances | | | | | |
| Drunk Driving Enforcement Fund-2019 | 26,132.28 | | | 3,240.43 | 120.00 | 5.00 | 22,771.85 |
| Drunk Driving Enforcement Fund-2017 | 110.00 | | | 105.00 | | | - |
| Drunk Driving Enforcement Fund-2015 | 179.00 | | | | | | 179.00 |
| Drunk Driving Enforcement Fund-2014 | 1,139.13 | | | 1,087.78 | 37.00 | 14.35 | 0.00 |
| Highway Project Over the Limit | 9,000.00 | | | | | 9,000.00 | - |
| DWI | 330.00 | | | | | 330.00 | - |
| Special DWI-2014 | 558.50 | | | | | 558.50 | - |
| Special DWI-2015 | 679.40 | | | | | 679.40 | - |
| Special DWI-2016 | 1,756.00 | | | | | 1,756.00 | - |
| NJ Historic Trust Fund | 5,200.55 | | | | | 5,200.55 | - |
| State Cooperative Housing | 11,097.00 | | | | | 11,097.00 | - |
| State Housing Inspection | 3,403.00 | | | | | | 3,403.00 |
| Safe and Secure Program - 2018 | 119,917.00 | | | | | 119,917.00 | - |
| Safe and Secure Program | 98,415.13 | | | | | 98,415.13 | - |
| Safe and Secure Program-2014 | 4,445.49 | | | | | 4,445.49 | - |
| Pedestrian Safety Program | 3,200.00 | | | | | 3,200.00 | - |
| Total State | 1,516,247.24 | 470,520.79 | 65,000.21 | 528,174.16 | 23,835.45 | 547,349.89 | 952,408.74 |
| OTHER: | | | | | | | |
| L.T. Joseph DiBernardo Memorial Fund | | | 12,000.00 | | | 12,000.00 | - |
| Total State | | | 12,000.00 | | | 12,000.00 | |
| | \$ 1,710,610.95 | 475,700.79 | 90,270.05 | 560,626.18 | 33,411.95 | 555,644.00 | 1,126,899.66 |

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

| Purpose | Balance Dec. 31, 2019 | Transferred To 2020 Appropriations | Received | Cancelled | Balance Dec. 31, 2020 |
|-------------------------------|--------------------------|--|-----------------|-----------------|--------------------------|
| FEDERAL GRANTS: | | | | | |
| Bulletproof Vest | \$ - | | 94.49 | | 94.49 |
| Total Federal | <u>-</u> | <u>-</u> | <u>94.49</u> | <u>-</u> | <u>94.49</u> |
| STATE GRANTS: | | | | | |
| Recycling Tonnage Grant | 12,805.23 | 12,805.23 | | | - |
| Municipal Alliance | 13,760.00 | 13,760.00 | | | - |
| PSEG Grant - 2019 | 2,357.50 | | | 2,357.50 | - |
| State Housing Inspection | 20,789.00 | | 2,336.00 | | 23,125.00 |
| Drunk Driver Enforcement Fund | 2,760.00 | 2,760.00 | | | - |
| Total State | <u>52,471.73</u> | <u>29,325.23</u> | <u>2,336.00</u> | <u>2,357.50</u> | <u>23,125.00</u> |
| | <u>\$ 52,471.73</u> | <u>29,325.23</u> | <u>2,430.49</u> | <u>2,357.50</u> | <u>23,219.49</u> |

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

| | Dog Licenses | Other |
|------------------------------|--------------|---------------|
| Balance December 31, 2019 | \$ 15,691.40 | 2,032,008.60 |
| Increased by Receipts: | | |
| Dog License Fees 2020 | 2,684.00 | |
| Due to State of New Jersey | 453.00 | |
| Late Fees | 160.00 | |
| Payroll Deductions Payable | | 9,093,999.27 |
| Miscellaneous Trust Reserves | | 3,794,259.68 |
| Due from Current | | 2,525.24 |
| | 3,297.00 | 12,890,784.19 |
| | 18,988.40 | 14,922,792.79 |
| Decreased by Disbursements | | |
| Due to State of New Jersey | 454.20 | |
| Payroll Deductions Payable | | 8,937,509.65 |
| Miscellaneous Trust Reserves | | 2,863,640.58 |
| Due to Current Fund | - | 61.03 |
| | 454.20 | 11,801,211.26 |
| Balance December 31, 2020 | \$ 18,534.20 | 3,121,581.53 |

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

| | | |
|--------------------------------------|-----------|-----------|
| Balance December 31, 2019 | \$ | 15,690.20 |
| Increased by: | | |
| Dog License Fees Collected | 2,684.00 | |
| Late Fees | 160.00 | |
| | | 2,844.00 |
| | | 18,534.20 |
| Decreased by: | | |
| Statutory Excess | 11,856.00 | |
| Expenditures under N.J.S. 4:19-15:11 | - | |
| | | 11,856.00 |
| Balance December 31, 2020 | \$ | 6,678.20 |

License Fees Collected:

| Year | Amount |
|---------|----------|
| 2019 \$ | 3,116.40 |
| 2018 | 3,561.80 |
| | 6,678.20 |

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

| | | |
|---------------------------|-----------|-----------|
| Balance December 31, 2019 | \$ | - |
| Increased by: | | |
| Statutory Excess | 11,856.00 | 11,856.00 |
| | | 11,856.00 |
| Decreased by: | | |
| Paid to Current Fund | | - |
| Balance December 31, 2020 | \$ | 11,856.00 |

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

| | | |
|----------------------------|--------|--------|
| Balance December 31, 2019 | \$ | 1.20 |
| Increased by: | | |
| 2020 State License Fees | 453.00 | 453.00 |
| | | 454.20 |
| Decreased by: | | |
| Disbursements to the State | | 454.20 |
| Balance December 31, 2020 | \$ | - |

**TRUST FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE**

| | | | |
|---------------------------|---------------------|----|--------------------------|
| Balance December 31, 2019 | | \$ | 116,644.69 |
| Increased by: | | | |
| Receipts | <u>9,093,999.27</u> | | <u>9,093,999.27</u> |
| | | | 9,210,643.96 |
| Decreased by: | | | |
| Disbursements | <u>8,937,509.65</u> | | <u>8,937,509.65</u> |
| Balance December 31, 2020 | | \$ | <u><u>273,134.31</u></u> |

**TRUST - OTHER FUNDS
SCHEDULE OF DUE TO/(FROM) CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

| Reserve | Balance Dec 31, 2019 | Increased by | | Decreased by | | Balance Dec 31, 2020 |
|---------------------------|-------------------------|-----------------|-----------------|---------------|---------------------------------|-------------------------|
| | | Receipts | Current Fund | Disbursements | 2020 Budget Appropriation | |
| Payroll Agency | \$ 19,156.28 | 132.66 | | | | 19,288.94 |
| Law Enforcement Trust | 1,400.44 | 34.81 | | | | 1,435.25 |
| Federal Forfeiture Trust | (1,894.71) | 0.64 | | | | (1,894.07) |
| Developer's Escrow | (322.33) | 105.81 | | 61.03 | | (277.55) |
| Other Trust | (23,589.81) | | | | | (23,589.81) |
| Evidence Trust | 38.80 | 39.39 | | | | 78.19 |
| Uniform Fire | 184.80 | 213.78 | | | | 398.58 |
| Tax Title Lien Redemption | (906.71) | 200.54 | | | | (706.17) |
| Lifeguard Pension | 2,344.96 | 1,797.61 | | | | 4,142.57 |
| | <u>\$ (3,588.28)</u> | <u>2,525.24</u> | <u>-</u> | <u>61.03</u> | <u>-</u> | <u>(1,124.07)</u> |

**TRUST - OTHER FUNDS
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2020**

| Reserve | Balance Dec 31, 2019 | Increased by | | Decreased by | | Balance Dec 31, 2020 |
|--|-------------------------|---------------------|---|---------------------|--|-------------------------|
| | | Receipts | Collections made by Current Fund | Disbursements | Payments made by Current Fund | |
| Small Cities Revolving Loan Fund | \$ 43,764.00 | 8,170.00 | | | | 51,934.00 |
| Developers Escrow | 274,336.11 | 44,924.71 | | 123,155.58 | | 196,105.24 |
| Law Enforcement Trust | 2,874.23 | 4.93 | | | | 2,879.16 |
| Federal Forfeitures | 2,027.49 | 0.59 | | | | 2,028.08 |
| Parking Offense Adjudication Act | 3,156.51 | 492.00 | | | | 3,648.51 |
| Life Guard Pension Fund | 243,908.03 | 23,313.81 | | 53,835.45 | | 213,386.39 |
| Unemployment Trust | 53,494.89 | 39,385.55 | | 67,227.60 | | 25,652.84 |
| Evidence Trust | 4,654.42 | 4.21 | | | | 4,658.63 |
| Tax Sale Premiums | 742,600.00 | 1,090,600.00 | | 542,700.00 | | 1,290,500.00 |
| Tax Title Lien Redemptions | 340,802.49 | 1,929,401.95 | | 1,509,697.60 | | 760,506.84 |
| Boardwalk Benches | 19,270.16 | 5,500.00 | | 8,506.00 | | 16,264.16 |
| Storm Emergency | 45,452.65 | | | | | 45,452.65 |
| Recreation Trust | 5,247.69 | | | | | 5,247.69 |
| Self-Insurance | 3,000.00 | | | 3,000.00 | | - |
| Trust Other | 16,728.42 | 0.06 | | | | 16,728.48 |
| Penalties Collected Under the Uniform Fire Code | 23,813.83 | 279.00 | | 6,895.31 | | 17,197.52 |
| Police Detail | 59,586.98 | 99,535.00 | | 74,462.50 | | 84,659.48 |
| Accumulated Absences | 33,993.44 | 550,000.00 | | 472,263.59 | | 111,729.85 |
| Merchant Fees | 240.85 | 2,647.87 | | 1,896.95 | | 991.77 |
| | <u>\$ 1,918,952.19</u> | <u>3,794,259.68</u> | <u>-</u> | <u>2,863,640.58</u> | <u>-</u> | <u>2,849,571.29</u> |

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

| | | |
|---------------------------|---------------|------------------------|
| Balance December 31, 2019 | | \$ 2,087,568.04 |
| Increased by: | | |
| Receipts | 15,236,767.66 | |
| | <hr/> | <hr/> |
| | | 15,236,767.66 |
| | | 17,324,335.70 |
| Decreased by: | | |
| Disbursements | 10,380,709.80 | |
| | <hr/> | <hr/> |
| | | 10,380,709.80 |
| Balance December 31, 2020 | | \$ <u>6,943,625.90</u> |

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

| | Balance Dec. 31, 2019 | Receipts | | Disbursements | | Transfers | | Balance Dec. 31, 2020 |
|--------------------------------------|--------------------------|---------------|---------------|-------------------------------|---------------|---------------|---------------|--------------------------|
| | | Miscellaneous | Debt Issued | Improvement Authorizations | Miscellaneous | From | To | |
| Fund Balance | \$ 134,920.52 | | | | | | | 1,422,998.39 |
| Due from NJEIT | (70,703.00) | | | | | | 1,288,077.87 | (70,703.00) |
| Due from DOT-Streetscape | (303,664.82) | 303,664.82 | | | | | | - |
| Capital Improvement Fund | 507,637.00 | 100,000.00 | | | | | | 207,206.00 |
| Contracts Payable | 9,103,235.67 | | | | 400,431.00 | | | 2,917,542.49 |
| Reserve for Payment of Bonds | 289,469.66 | 215,592.31 | | 280,000.00 | 9,103,235.67 | | | 225,061.97 |
| Due to Current | 2.75 | | | 2.75 | | | | - |
| Due to Water Sewer Capital | 940,000.00 | | | 940,000.00 | | | | - |
| Improvement Authorizations: | | | | | | | | |
| 1997-02 Various Improvements | 1,250.00 | | | | 1,250.00 | | | - |
| 1998-19 Acquisition of Real Property | 67,668.06 | | | 67,668.06 | | | | - |
| 2002-03 Various Improvements | 13,067.45 | | | 6,950.00 | 13,067.45 | | 6,950.00 | - |
| 2007-09 Various Improvements | 2,955.26 | | | | 2,955.26 | | | - |
| 2009-14 Various Improvements | 83,734.67 | | | | 97,229.18 | | 14,006.34 | 511.83 |
| 2011-11 Various Improvements | 482,775.63 | | | 7,324.00 | | | 2,286.27 | 475,451.63 |
| 2013-10 Various Improvements | 30,242.30 | | | | 93,215.00 | | | 32,528.57 |
| 2014-25 Repair and Replace Bulkheads | 93,215.00 | | | | | | | - |
| 2014-27 Various Improvements | 11,584.97 | | | | 12,372.47 | | 787.50 | - |
| 2017-38 Various Projects | 336,685.55 | | | 196,384.17 | 59,306.50 | | | 156,253.88 |
| 2017-41 General Capital Improvements | 2,514,223.83 | 138,510.53 | 4,164,000.00 | 3,357,511.63 | 1,730,376.61 | | 75,259.00 | 3,849,233.07 |
| 2017-42 Park and Beach Improvements | 212,366.61 | | 1,000,000.00 | 650,053.98 | 37,961.67 | | 2,120,386.95 | 524,350.96 |
| 2018-28 Various School Improvements | (9,315,071.00) | | 9,315,000.00 | 2,812,834.27 | 2,085,937.99 | | 4,898,772.26 | (71.00) |
| 2019-03 Construction of Firehouse #2 | (3,048,028.07) | | | 2,061,980.94 | 28,291.88 | | 1,984,787.35 | (3,153,513.54) |
| 2020-24 Various Improvements | | | | | 43,656.35 | | 400,431.00 | 356,774.65 |
| | \$ 2,087,568.04 | 757,767.66 | 14,479,000.00 | 9,160,707.05 | 13,709,287.03 | 13,709,287.03 | 13,709,287.03 | 6,943,625.90 |

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

| | | |
|------------------------------------|------------|-----------------------------|
| Balance December 31, 2019 | | \$ 507,637.00 |
| Increased by: | | |
| 2020 Budget Appropriation | 100,000.00 | |
| | | 100,000.00 |
| | | 607,637.00 |
| Decreased by: | | |
| Finance Improvement Authorizations | 400,431.00 | |
| | | 400,431.00 |
| Balance December 31, 2020 | | \$ <u><u>207,206.00</u></u> |

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

| | | |
|----------------------------|--------------|--------------------------------|
| Balance December 31, 2019 | | \$ 21,186,345.94 |
| Decreased by: | | |
| 2020 Budget Appropriation: | | |
| General Serial Bonds | 1,180,000.00 | |
| School Serial Bonds | 1,270,000.00 | |
| Green Trust Loans Payable | 93,912.04 | |
| NJEIT Loans Payable | 46,960.55 | |
| | | 2,590,872.59 |
| Balance December 31, 2020 | | \$ <u><u>18,595,473.35</u></u> |

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

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding | | | | Interest Rate | Balance Dec. 31, 2019 | Increased | Decreased | Balance Dec. 31, 2020 |
|-------------------------------------|---------------|--------------------------|---------------------------------|-------------------|--------|--------|------------------|-----------------------|--------------|---------------|-----------------------|
| | | | Date | December 31, 2020 | Amount | Amount | | | | | |
| General Improvement Bonds of 2010 | 12/1/2010 | 8,315,000 | - | - | - | - | 625,000.00 | - | 625,000.00 | - | |
| General Improvement Bonds of 2013 | 12/4/2013 | 6,365,000 | 12/1/2021 | 560,000.00 | 3,000% | 3,000% | 3,515,000.00 | - | 535,000.00 | 2,980,000.00 | |
| | | | 12/1/2022 | 580,000.00 | 3,000% | 3,000% | | | | | |
| | | | 12/1/2023 | 600,000.00 | 3,000% | 3,000% | | | | | |
| | | | 12/1/2024 | 610,000.00 | 3,000% | 3,000% | | | | | |
| | | | 12/1/2025 | 630,000.00 | 3,250% | 3,250% | | | | | |
| Refunding Improvement Bonds of 2017 | 9/22/2017 | 3,235,000 | 12/1/2021 | 610,000.00 | 4,000% | 4,000% | 3,200,000.00 | - | - | 3,200,000.00 | |
| | | | 12/1/2022 | 620,000.00 | 4,000% | 4,000% | | | | | |
| | | | 12/1/2023 | 635,000.00 | 4,000% | 4,000% | | | | | |
| | | | 12/1/2024 | 650,000.00 | 4,000% | 4,000% | | | | | |
| | | | 12/1/2025 | 685,000.00 | 4,000% | 4,000% | | | | | |
| General Improvement Bonds of 2019 | 10/22/2019 | 8,855,000 | 9/1/2021 | 270,000.00 | 3,000% | 3,000% | 8,855,000.00 | - | 20,000.00 | 8,835,000.00 | |
| | | | 9/1/2022 | 435,000.00 | 3,000% | 3,000% | | | | | |
| | | | 9/1/2023 | 630,000.00 | 3,000% | 3,000% | | | | | |
| | | | 9/1/2024 | 695,000.00 | 3,000% | 3,000% | | | | | |
| | | | 9/1/2025 | 770,000.00 | 3,000% | 3,000% | | | | | |
| | | | 9/1/2026 | 780,000.00 | 4,000% | 4,000% | | | | | |
| | | | 9/1/2027 | 780,000.00 | 4,000% | 4,000% | | | | | |
| | | | 9/1/2028 | 810,000.00 | 4,000% | 4,000% | | | | | |
| | | | 9/1/2029 | 830,000.00 | 4,000% | 4,000% | | | | | |
| | | | 9/1/2030 | 865,000.00 | 2,000% | 2,000% | | | | | |
| | | | 9/1/2031 | 955,000.00 | 2,000% | 2,000% | | | | | |
| | | | 9/1/2032 | 1,015,000.00 | 2,000% | 2,000% | | | | | |
| | | | | | | | \$ 16,195,000.00 | - | 1,180,000.00 | 15,015,000.00 | |

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

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding | | Interest Rate | Balance Dec. 31, 2019 | Decreased | Balance Dec. 31, 2020 |
|------------------------|---------------|--------------------------|---------------------------------|------------|---------------|------------------------|---------------------|-----------------------|
| | | | Date | Amount | | | | |
| School Refunding Bonds | 6/1/2009 | 4,345,000 | 2/1/2021 | 430,000.00 | 4.000% \$ | 865,000.00 | 435,000.00 | 430,000.00 |
| School Bonds | 12/1/2010 | 2,823,000 | - | - | - | 200,000.00 | 200,000.00 | - |
| Refunding Series 2014 | 2014 | 3,760,000 | - | - | - | 635,000.00 | 635,000.00 | - |
| Refunding Series 2017 | 9/22/2017 | 1,110,000 | 12/1/2021 | 200,000.00 | 4.000% | 1,100,000.00 | | 1,100,000.00 |
| | | | 12/1/2022 | 210,000.00 | 4.000% | | | |
| | | | 12/1/2023 | 225,000.00 | 4.000% | | | |
| | | | 12/1/2024 | 225,000.00 | 4.000% | | | |
| | | | 12/1/2025 | 240,000.00 | 4.000% | | | |
| | | | | | | <u>\$ 2,800,000.00</u> | <u>1,270,000.00</u> | <u>1,530,000.00</u> |

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

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding | | | | Balance Dec. 31, 2020 | |
|-----------------------|---------------|--------------------------|---------------------------------|-----------|---------------|-----------------------|-----------------------|--------------|
| | | | Date | Amount | Interest Rate | Balance Dec. 31, 2019 | | Decreased |
| Boathouse Renovations | 4/30/2001 | 500,000 | - | - | 2.000% \$ | 30,631.27 | 30,631.27 | - |
| Fishing Pier | | 1,335,000 | 2021 | 64,552.71 | 2.000% | 1,180,424.59 | 63,280.77 | 1,117,143.82 |
| | | | 2022 | 65,850.22 | | | | |
| | | | 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 | | | | | |
| | | | | | | \$ 1,211,055.86 | 93,912.04 | 1,117,143.82 |

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

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds | | Interest Rate | Balance Dec. 31, 2019 | Increased | Decreased | Balance Dec. 31, 2020 |
|--|---------------|--------------------------|---------------------|--------------------------------------|---------------|-----------------------|-----------|-----------|-----------------------|
| | | | Date | Outstanding December 31, 2020 Amount | | | | | |
| Repair and Replace Bulkheads 2014-25 | 2/8/2018 | 325,000.00 | 8/1/2021 | 10,000.00 | 5.000% | 315,000.00 | | 10,000.00 | 305,000.00 |
| | | | 8/1/2022 | 15,000.00 | 5.000% | | | | |
| | | | 8/1/2023 | 15,000.00 | 5.000% | | | | |
| | | | 8/1/2024 | 15,000.00 | 5.000% | | | | |
| | | | 8/1/2025 | 15,000.00 | 5.000% | | | | |
| | | | 8/1/2026 | 15,000.00 | 5.000% | | | | |
| | | | 8/1/2027 | 15,000.00 | 5.000% | | | | |
| | | | 8/1/2028 | 20,000.00 | 3.000% | | | | |
| | | | 8/1/2029 | 20,000.00 | 3.000% | | | | |
| | | | 8/1/2030 | 20,000.00 | 3.000% | | | | |
| | | | 8/1/2031 | 20,000.00 | 3.000% | | | | |
| | | | 8/1/2032 | 20,000.00 | 3.125% | | | | |
| | | | 8/1/2033 | 20,000.00 | 3.125% | | | | |
| | | | 8/1/2034 | 20,000.00 | 3.250% | | | | |
| | | | 8/1/2035 | 20,000.00 | 3.250% | | | | |
| | | | 8/1/2036 | 20,000.00 | 3.375% | | | | |
| | | | 8/1/2037 | 25,000.00 | 3.375% | | | | |
| Repair and Replace Bulkheads 2014-25 (Original \$973,515 - \$246,624 Principal Forgiveness) | 2/8/2018 | 726,891.00 | 2/1/2021 | 12,320.18 | 0.000% | 665,290.08 | | 36,960.55 | 628,329.53 |
| | | | 8/1/2021 | 24,640.37 | 0.000% | | | | |
| | | | 2/1/2022 | 12,320.18 | 0.000% | | | | |
| | | | 8/1/2022 | 24,640.37 | 0.000% | | | | |
| | | | 2/1/2023 | 12,320.18 | 0.000% | | | | |
| | | | 8/1/2023 | 24,640.37 | 0.000% | | | | |
| | | | 2/1/2024 | 12,320.18 | 0.000% | | | | |
| | | | 8/1/2024 | 24,640.37 | 0.000% | | | | |
| | | | 2/1/2025 | 12,320.18 | 0.000% | | | | |
| | | | 8/1/2025 | 24,640.37 | 0.000% | | | | |
| | | | 2/1/2026 | 12,320.18 | 0.000% | | | | |
| | | | 8/1/2026 | 24,640.37 | 0.000% | | | | |
| | | | 2/1/2027 | 12,320.18 | 0.000% | | | | |
| | | | 8/1/2027 | 24,640.37 | 0.000% | | | | |
| | | | 2/1/2028 | 12,320.18 | 0.000% | | | | |
| | | | 8/1/2028 | 24,640.37 | 0.000% | | | | |
| | | | 2/1/2029 | 12,320.18 | 0.000% | | | | |
| | | 8/1/2029 | 24,640.37 | 0.000% | | | | | |

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

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding | | Interest Rate | Balance Dec. 31, 2019 | Increased | Decreased | Balance Dec. 31, 2020 |
|--|---------------|--------------------------|---------------------------------|-----------|---------------|-----------------------|-----------|-----------|-----------------------|
| | | | Date | Amount | | | | | |
| Repair and Replace Bulkheads 2014-25 (Original \$973,515 - \$246,624 Principal Forgiveness) | 2/8/2018 | 726,891.00 | 2/1/2030 | 12,320.18 | 0.000% | | | | |
| | | | 8/1/2030 | 24,640.37 | 0.000% | | | | |
| | | | 2/1/2031 | 12,320.18 | 0.000% | | | | |
| | | | 8/1/2031 | 24,640.37 | 0.000% | | | | |
| | | | 2/1/2032 | 12,320.18 | 0.000% | | | | |
| | | | 8/1/2032 | 24,640.37 | 0.000% | | | | |
| | | | 2/1/2033 | 12,320.18 | 0.000% | | | | |
| | | | 8/1/2033 | 24,640.37 | 0.000% | | | | |
| | | | 2/1/2034 | 12,320.18 | 0.000% | | | | |
| | | | 8/1/2034 | 24,640.37 | 0.000% | | | | |
| | | | 2/1/2035 | 12,320.18 | 0.000% | | | | |
| | | | 8/1/2035 | 24,640.37 | 0.000% | | | | |
| | | | 2/1/2036 | 12,320.18 | 0.000% | | | | |
| | | | 8/1/2036 | 24,640.37 | 0.000% | | | | |
| | | 2/1/2037 | 12,320.18 | 0.000% | | | | | |
| | | 8/1/2037 | 24,640.55 | 0.000% | | | | | |
| | | | | | | \$ 980,290.08 | | 46,960.55 | 933,329.53 |

Cash Received
Loan Receivable

Loan Cancelled
Principal Paid 46,960.55
Loan Forgiveness 46,960.55

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

| Improvement Description | Ordinance Number | Date of Original Issue | Date of Issue | Date of Maturity | Interest Rate | Balance Dec. 31, 2019 | Increased | Decreased | Balance Dec. 31, 2020 |
|-----------------------------|------------------|------------------------|---------------|------------------|---------------|------------------------------|---------------|-----------|-----------------------|
| Various Improvements | 2017-41 | 7/15/2020 | 7/15/2020 | 7/15/2021 | 2.00% \$ | | 4,164,000.00 | | 4,164,000.00 |
| Various Improvements | 2017-42 | 7/15/2020 | 7/15/2020 | 7/15/2021 | 2.00% | | 1,000,000.00 | | 1,000,000.00 |
| Various School Improvements | 2018-28 | 7/15/2020 | 7/15/2020 | 7/15/2021 | 2.00% | | 9,315,000.00 | | 9,315,000.00 |
| | | | | | \$ | - | 14,479,000.00 | - | 14,479,000.00 |
| | | | | | | 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, 2019 | 2020 Authorizations | Notes Issued | Grant Proceeds | Balance Dec. 31, 2020 |
|------------------|-------------------------------------|--------------------------|------------------------|----------------------|-------------------|--------------------------|
| 2017-41 | Various Improvements | \$ 5,200,032.00 | | 4,164,000.00 | 138,510.53 | 897,521.47 |
| 2017-42 | Various Park and Beach Improvements | 1,000,000.00 | | 1,000,000.00 | | - |
| 2018-28 | Various School Improvements | 9,315,071.00 | | 9,315,000.00 | | 71.00 |
| 2019-03 | Construction of Firehouse #2 | 3,333,333.00 | | | | 3,333,333.00 |
| 2020-24 | Various Improvements | | 7,606,389.00 | | | 7,606,389.00 |
| | | <u>\$ 18,848,436.00</u> | <u>7,606,389.00</u> | <u>14,479,000.00</u> | <u>138,510.53</u> | <u>11,837,314.47</u> |

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

| | | Operating |
|-----------------------------------|--------------|--------------|
| Balance December 31, 2019 | \$ | 1,461,537.00 |
| Increased by Receipts: | | |
| Sewer Rents Receivable | 5,037,716.67 | |
| Miscellaneous | 261,681.03 | |
| Due from Utility Capital | 205,599.96 | |
| | | 5,504,997.66 |
| | | 6,966,534.66 |
| Decreased by Disbursements: | | |
| 2020 Appropriations | 5,419,450.52 | |
| 2019 Appropriation Reserves | 87,643.20 | |
| Accrued Interest on Bonds & Notes | 535,774.23 | |
| Accounts Payable | 3,465.74 | |
| | | 6,046,333.69 |
| Balance December 31, 2020 | \$ | 920,200.97 |

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

| | ----- Receipts ----- | | ----- Disbursements ----- | | ----- Transfers ----- | | Balance Dec. 31, 2020 |
|--------------------------------------|--------------------------|----------------|---------------------------|-------------------------------|-----------------------|--------------|--------------------------|
| | Balance Dec. 31, 2019 | Debt Issued | Miscellaneous | Improvement Authorizations | Miscellaneous | From | |
| Fund Balance | \$ 84,340.78 | | | | | | 553,656.38 |
| Due from Utility Operating | 711.79 | | | | 67,000.00 | | - |
| Due from General Capital Fund | (940,000.00) | | 940,000.00 | | 711.79 | | - |
| Contracts Payable | 782,106.80 | | | | | 782,106.80 | 438,127.18 |
| Reserve for Payment of Bonds & Notes | 137,888.17 | | | | 137,888.17 | | 438,127.18 |
| NJEIT Bonds & Loans Receivable | (300,210.00) | | | | | | 6,700.50 |
| | | | | | | | (300,210.00) |
| <u>Improvement Authorizations:</u> | | | | | | | |
| <u>Ordinance Number</u> | | | | | | | |
| 2009-15b | 1,800.00 | | | | | 1,800.00 | - |
| 2009-15c | 2,451.00 | | | | | 2,451.00 | - |
| 2010-14b | 49,682.73 | | | | | 49,682.73 | - |
| 2010-14c | 33,572.63 | | | 8,665.00 | | 33,572.63 | - |
| 2011-9a | 27,933.10 | | | 14,247.70 | | 13,685.40 | - |
| 2011-9d | 84,580.00 | | | 4,220.00 | | 93,522.70 | - |
| 2013-9a | 38,056.60 | | | 2,760.00 | | 35,296.60 | - |
| 2013-9b | 11,020.48 | | | | | 6,802.98 | 4,217.50 |
| 2013-9c | 62,029.47 | | | | | 62,029.47 | - |
| 2013-9d | 42,652.34 | | | | | 49,775.84 | - |
| 2013-9e | - | | | | | 7,123.50 | - |
| 2014-26 | 187,167.58 | | | 117,263.00 | | 187,167.58 | - |
| 2015-23 | (250,000.00) | 250,000.00 | | 250,000.00 | | | - |
| 2017-39 | (43,270.00) | 200,000.00 | | 53,262.15 | | 10,677.88 | 110,881.97 |
| 2017-40 | 1,588,811.96 | | | 1,064,977.76 | | 427,977.97 | 463,656.83 |
| | | | | | | | |
| | \$ 1,601,325.43 | 450,000.00 | 946,700.50 | 1,515,395.61 | 205,599.96 | 1,763,673.08 | 1,277,030.36 |

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

| | | |
|----------------------------|---------------------|-----------------------------|
| Balance December 31, 2019 | | \$ 634,237.88 |
| Increased by: | | |
| Utility Rents Levied | <u>5,377,935.78</u> | <u>5,377,935.78</u> |
| | | 6,012,173.66 |
| Decreased by: | | |
| Collections | 5,037,716.67 | |
| Prepaid & Overpaid Applied | 11,441.22 | |
| Cancelled | <u>12,862.04</u> | <u>5,062,019.93</u> |
| Balance December 31, 2020 | | <u><u>\$ 950,153.73</u></u> |

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

| | | |
|---------------------------|----|-------------------------|
| Balance December 31, 2019 | \$ | 33,867.77 |
| Increase by: | | |
| Overpayments created | | - |
| Decreased by: | | |
| Overpayments Applied | | <u>(11,441.22)</u> |
| Balance December 31, 2020 | \$ | <u><u>22,426.55</u></u> |

**WATER AND SEWER OPERATING FUND
SCHEDULE OF 2019 APPROPRIATION RESERVES**

| | Balance Dec. 31, 2019 | Balance After Transfers | Paid or Charged | Balance Lapsed |
|--------------------------------------|--------------------------|-------------------------------|--------------------|-------------------|
| Operating: | | | | |
| Salaries and Wages | \$ 18,136.24 | 18,136.24 | | 18,136.24 |
| Other Expenses | 190,847.06 | 190,847.06 | 95,970.14 | 94,876.92 |
| ACMUA-Treatment Costs | 2,212.00 | 2,212.00 | | 2,212.00 |
| Statutory Expenditures: | | | | |
| Contribution to: | | | | |
| Social Security System | 41.55 | 41.55 | | 41.55 |
| Unemployment Compensation | 308.21 | 308.21 | | 308.21 |
| Defined Contribution Retirement Plan | 250.00 | 250.00 | | 250.00 |
| | \$ 211,795.06 | 211,795.06 | 95,970.14 | 115,824.92 |
| | | Cash Disbursed | 87,643.20 | |
| | | Accounts Payable | 8,326.94 | |
| | | | 95,970.14 | |

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

| | |
|---|---------------|
| Balance December 31, 2019 | \$ 118,042.50 |
| Increased by: | |
| Accrued interest charged to 2020 budget appropriation - Interest on bonds | 506,821.87 |
| | 624,864.37 |
| Decreased by: | |
| Disbursements | 535,774.23 |
| Balance December 31, 2020 | \$ 89,090.14 |

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2020

| Description | Principal Outstanding Dec. 31, 2020 | Interest Rate | From | To | # of Days | Amount |
|---|---|------------------|----------|----------|--------------|-----------|
| Water and Sewer Bonds of 2013 | 2,535,000 | var | 12/01/20 | 12/31/20 | 30 | 7,293.75 |
| Refunding Water and Sewer Bond- 2017 | 6,935,000 | var | 12/01/20 | 12/31/20 | 30 | 23,116.67 |
| Water & Sewer Bonds of 2019 | 3,635,000 | var | 09/01/20 | 12/31/20 | 121 | 38,703.19 |
| NJEIT Bonds Payable | 2,106,966 | 0.00% | 08/01/20 | 12/31/20 | 152 | - |
| NJEIT Bonds Payable | 1,135,000 | var | 08/01/20 | 12/31/20 | 152 | 15,751.53 |
| Bond Anticipation Note | 450,000 | 2.00% | 07/15/20 | 12/31/20 | 169 | 4,225.00 |
| | | | | | | 89,090.14 |

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

| Account | Balance Dec. 31, 2019 | Balance Dec. 31, 2020 |
|---------------------------|--------------------------|--------------------------|
| 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, 2019 | 2020 Authorizations | | | Balance Dec. 31, 2020 |
|------------------|---|-----------|--------------|-----------------------|-----------------------------------|-----------------------------------|------------------------|-----------------------|
| | | 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 | |
| | | | | \$ 25,125,012.00 | - | - | 25,125,012.00 | |

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

| Ordinance Number | Improvement Authorization | Date | Ordinance Amount | Balance Dec. 31, 2019 | | Down Payment or Capital Improvement Fund | 2020 Authorizations | | Paid or Charged | Prior Year Encumbrance | Balance Dec. 31, 2020 | |
|------------------|---|----------|------------------|-----------------------|--------------|--|------------------------------------|--------------|---------------------|------------------------|-----------------------|--------------|
| | | | | Funded | Unfunded | | Deferred Charges to Future Revenue | Canceled | | | Funded | Unfunded |
| 2009-15b | Repairing the Water Tower | 06/18/09 | 290,000.00 | \$ 1,800.00 | - | - | - | 1,800.00 | - | - | - | - |
| 2009-15c | Purchase of Water Meters | 06/18/09 | 617,400.00 | 2,451.00 | - | - | - | 2,451.00 | - | - | - | - |
| 2010-14b | Replacement of well and well house #8 | 10/06/10 | 1,824,170.00 | 49,682.73 | - | - | - | 49,682.73 | - | - | - | - |
| 2010-14c | Improve and upgrade electrical at wells | 10/06/10 | 729,668.00 | 33,572.63 | - | - | 8,665.00 | 33,572.63 | 8,665.00 | - | - | - |
| 2011-9a | Replacement of Meter Batteries | 06/16/11 | 500,000.00 | 27,933.10 | - | - | 13,162.70 | 13,685.40 | 14,247.70 | 13,162.70 | - | - |
| 2011-9d | Purchase of Generator | 06/16/11 | 100,000.00 | 84,580.00 | - | - | 4,220.00 | 93,522.70 | 4,220.00 | - | - | - |
| 2013-9a | Replacement of Water Meters | 04/18/13 | 25,000.00 | 38,056.60 | - | - | 2,760.00 | 35,296.60 | 2,760.00 | - | - | - |
| 2013-9b | Renovations to Main Water Plant | 04/18/13 | 100,000.00 | 11,020.48 | - | - | 6,802.98 | 6,802.98 | 6,802.98 | - | - | - |
| 2013-9c | Renovations to Wells | 04/18/13 | 200,000.00 | 62,029.47 | - | - | 62,029.47 | 62,029.47 | 62,029.47 | - | - | - |
| 2013-9e | Acquisition of Water Plant Heating System | 04/18/13 | 75,000.00 | 42,652.34 | - | - | 7,123.50 | 49,775.84 | 7,123.50 | - | - | - |
| 2014-26 | Repairs to Stormwater System | 10/16/14 | 5,387,000.00 | 187,167.58 | - | - | 117,263.00 | 187,167.58 | 117,263.00 | - | - | - |
| 2015-23 | Repairs to Stormwater System | 11/19/15 | 250,000.00 | - | - | - | 250,000.00 | - | 250,000.00 | - | - | - |
| 2017-39 | Water & Sewer Improvements | 11/16/17 | 400,000.00 | 156,730.00 | - | - | 18,092.00 | 528.67 | 63,411.36 | 18,092.00 | 110,881.97 | - |
| 2017-40 | Utility Improvements | 11/16/17 | 4,576,430.00 | 1,588,811.96 | 1,736,430.00 | - | 367,800.60 | 1,492,955.73 | 1,492,955.73 | 367,800.60 | 463,656.83 | 1,736,430.00 |
| | | | | \$ 1,676,318.32 | 2,346,599.57 | - | 782,106.80 | 536,315.60 | 1,953,522.79 | 467,874.33 | 1,847,311.97 | |
| | | | | | | | Disbursed | | 1,515,395.61 | | | |
| | | | | | | | Encumbered | | 438,127.18 | | | |
| | | | | | | | | | <u>1,953,522.79</u> | | | |

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

| Ordinance | Purpose | Date of Original Issue | Date of Issue | Amount of Original Issue | Interest Rate | Balance Dec. 31, 2019 | Increased | Decreased | Balance Dec. 31, 2020 |
|-----------|------------------------------------|------------------------|---------------|--------------------------|---------------|------------------------------|------------|-----------|-----------------------|
| 2015-23 | Repairs to Stormwater System | 7/15/2020 | 7/15/2020 | 250,000.00 | 2.00% | - | 250,000.00 | | 250,000.00 |
| 2017-39 | Water & Sewer Utility Improvements | 7/15/2020 | 7/15/2020 | 200,000.00 | 2.00% | - | 200,000.00 | | 200,000.00 |
| | | | | | | \$ - | 450,000.00 | - | 450,000.00 |
| | | | | | | Paid by Budget Appropriation | | | |
| | | | | | | Serial Bonds Issued | | | |
| | | | | | | | | - | |

**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, 2019 | Balance Dec. 31, 2020 | |
|--------------------------------------|---------------|----------------|---------------------------------|--------|--------------|------------------|-----------------------|-----------------------|---------------|
| | | | Date | Amount | Decreased | | | | Increased |
| Water and Sewer Bonds of 2010 | 12/01/10 | 12,240,000 | | | | \$ 600,000.00 | - | | |
| Water and Sewer Bonds of 2013 | 12/01/21 | 3,635,000 | 190,000.00 | 3.00% | 600,000.00 | 2,715,000.00 | 2,535,000.00 | | |
| | 12/01/22 | | 200,000.00 | 3.00% | | | | | |
| | 12/01/23 | | 200,000.00 | 3.00% | | | | | |
| | 12/01/24 | | 210,000.00 | 3.00% | | | | | |
| | 12/01/25 | | 220,000.00 | 3.25% | | | | | |
| | 12/01/26 | | 230,000.00 | 3.375% | | | | | |
| | 12/01/27 | | 240,000.00 | 3.50% | | | | | |
| | 12/01/28 | | 250,000.00 | 3.625% | | | | | |
| | 12/01/29 | | 260,000.00 | 3.75% | | | | | |
| | 12/01/30 | | 265,000.00 | 4.00% | | | | | |
| 12/01/31 | 270,000.00 | 4.00% | | | | | | | |
| Refunding Water and Sewer Bond- 2017 | 09/22/17 | 7,195,000 | 615,000.00 | 4.00% | | 6,935,000.00 | 6,935,000.00 | | |
| Water & Sewer Bonds of 2019 | 12/01/22 | 3,845,000 | 640,000.00 | 4.00% | 3,845,000.00 | 3,845,000.00 | 3,635,000.00 | | |
| | 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% | | | | | |
| | 09/01/21 | | 250,000.00 | 3.00% | | | | | |
| 09/01/22 | 270,000.00 | 3.00% | | | | | | | |
| 09/01/23 | 290,000.00 | 3.00% | | | | | | | |
| 09/01/24 | 310,000.00 | 3.00% | | | | | | | |
| 09/01/25 | 325,000.00 | 3.00% | | | | | | | |
| 09/01/26 | 345,000.00 | 4.00% | | | | | | | |
| 09/01/27 | 345,000.00 | 4.00% | | | | | | | |
| 09/01/28 | 345,000.00 | 4.00% | | | | | | | |
| 09/01/29 | 365,000.00 | 4.00% | | | | | | | |
| 09/01/30 | 365,000.00 | 2.00% | | | | | | | |
| 09/01/31 | 425,000.00 | 2.00% | | | | | | | |
| | | | | | | \$ 14,095,000.00 | - | 990,000.00 | 13,105,000.00 |

**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, 2019 | Loan Forgiveness | Paid | Balance Dec. 31, 2020 |
|-----------------------|---------------|----------------|---------------------|--------------------------------------|---------------|-----------------------|------------------|--------------|-----------------------|
| | | | Date | Outstanding December 31, 2020 Amount | | | | | |
| NJEIT Series 2016 A-1 | 05/26/16 | 3,125,466 | 02/01/21 | 105,948.00 | 0.00% | \$2,265,888.00 | 158,922.00 | 2,106,966.00 | |
| | | | 08/01/21 | 52,974.00 | 0.00% | | | | |
| | | | 02/01/22 | 105,948.00 | 0.00% | | | | |
| | | | 08/01/22 | 52,974.00 | 0.00% | | | | |
| | | | 02/01/23 | 105,948.00 | 0.00% | | | | |
| | | | 08/01/23 | 52,974.00 | 0.00% | | | | |
| | | | 02/01/24 | 105,948.00 | 0.00% | | | | |
| | | | 08/01/24 | 52,974.00 | 0.00% | | | | |
| | | | 02/01/25 | 105,948.00 | 0.00% | | | | |
| | | | 08/01/25 | 52,974.00 | 0.00% | | | | |
| | | | 02/01/26 | 105,948.00 | 0.00% | | | | |
| | | | 08/01/26 | 52,974.00 | 0.00% | | | | |
| | | | 02/01/27 | 105,948.00 | 0.00% | | | | |
| | | | 08/01/27 | 52,974.00 | 0.00% | | | | |
| | | | 02/01/28 | 105,948.00 | 0.00% | | | | |
| | | | 08/01/28 | 52,974.00 | 0.00% | | | | |
| | | | 02/01/29 | 105,948.00 | 0.00% | | | | |
| | | | 08/01/29 | 52,974.00 | 0.00% | | | | |
| | | | 02/01/30 | 105,948.00 | 0.00% | | | | |
| | | | 08/01/30 | 52,974.00 | 0.00% | | | | |
| | | | 02/01/31 | 105,948.00 | 0.00% | | | | |
| | | | 08/01/31 | 52,974.00 | 0.00% | | | | |
| | | | 02/01/32 | 105,948.00 | 0.00% | | | | |
| | | | 08/01/32 | 52,974.00 | 0.00% | | | | |
| | | | 02/01/33 | 105,948.00 | 0.00% | | | | |
| | | | 08/01/33 | 52,974.00 | 0.00% | | | | |
| | | | 08/01/34 | 40,980.00 | 0.00% | | | | |

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

| Purpose | Date of Issue | Original Issue | Maturities of Loans | | | | Balance Dec. 31, 2019 | Interest Rate | Balance Dec. 31, 2020 | Loan Forgiveness | Paid | Balance Dec. 31, 2020 |
|-----------------------|---------------|----------------|---------------------|-------------------------------|--------|---------------|-----------------------|---------------|-----------------------|------------------|-----------------|-----------------------|
| | | | Date | Outstanding December 31, 2020 | Amount | Interest Rate | | | | | | |
| NJEIT Series 2016 A-1 | 05/26/16 | 1,335,000 | 02/01/21 | 55,000.00 | 5.00% | 1,190,000.00 | 5.00% | 55,000.00 | - | 55,000.00 | 1,135,000.00 | |
| | | | 02/01/22 | 60,000.00 | 5.00% | | 5.00% | | | | | |
| | | | 02/01/23 | 65,000.00 | 5.00% | | 5.00% | | | | | |
| | | | 02/01/24 | 65,000.00 | 4.00% | | 4.00% | | | | | |
| | | | 02/01/25 | 70,000.00 | 4.00% | | 4.00% | | | | | |
| | | | 02/01/26 | 70,000.00 | 4.00% | | 4.00% | | | | | |
| | | | 02/01/27 | 75,000.00 | 4.00% | | 4.00% | | | | | |
| | | | 02/01/28 | 80,000.00 | 2.00% | | 2.00% | | | | | |
| | | | 02/01/29 | 80,000.00 | 2.00% | | 2.00% | | | | | |
| | | | 02/01/30 | 80,000.00 | 2.00% | | 2.00% | | | | | |
| | | | 02/01/31 | 85,000.00 | 2.13% | | 2.13% | | | | | |
| | | | 02/01/32 | 85,000.00 | 3.00% | | 3.00% | | | | | |
| | | | 02/01/33 | 85,000.00 | 3.00% | | 3.00% | | | | | |
| | | | 02/01/34 | 90,000.00 | 3.00% | | 3.00% | | | | | |
| | | | 02/01/35 | 90,000.00 | 3.00% | | 3.00% | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | \$ 3,455,888.00 | |
| | | | | | | | | | | | - | |
| | | | | | | | | | | | 213,922.00 | |
| | | | | | | | | | | | 3,241,966.00 | |

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

| | | |
|---------------------------------------|------------|--------------------------------|
| Balance December 31, 2019 | | \$ 13,422,831.77 |
| Increased by: | | |
| Serial Bonds Paid by Operating Budget | 990,000.00 | |
| NJEIT Paid by Operating Budget | 213,922.00 | |
| | <hr/> | <hr/> |
| | | 1,203,922.00 |
| Balance December 31, 2020 | | <u><u>\$ 14,626,753.77</u></u> |

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

| Ordinance Number | Improvement Description | Date of Ordinance | Balance Dec. 31, 2019 | Fixed Capital Authorized | To Reserve for Amortization | Bond Paid/ Loan Forgiven | Balance Dec. 31, 2020 |
|------------------|------------------------------|-------------------|------------------------|--------------------------|-----------------------------|--------------------------|-----------------------|
| 2009-06 | Various Capital Improvements | 2009 | \$ 162,488.87 | | | | 162,488.87 |
| 2009-15c | Purchase of water meters | 6/18/09 | 887,976.69 | | | | 887,976.69 |
| 2010-14a | Various Capital Improvements | 10/06/10 | 1,903,629.51 | | | | 1,903,629.51 |
| 2014-26 | Repairs to Stormwater System | 10/16/14 | 1,032,482.00 | | | | 1,032,482.00 |
| | | | <u>\$ 3,986,577.07</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,986,577.07</u> |

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

| Ordinance Number | Improvement Description | Balance Dec. 31, 2019 | 2020 Authorizations | BANS Issued | Serial Bonds Issued | Balance Dec. 31, 2020 |
|------------------|------------------------------------|--------------------------|------------------------|-------------------|---------------------------|--------------------------|
| 2015-23 | Repairs to Stormwater System | \$ 250,000.00 | | 250,000.00 | | - |
| 2017-39 | Water & Sewer Utility Improvements | 200,000.00 | | 200,000.00 | | - |
| 2017-40 | Water & Sewer Utility Improvements | 1,736,430.00 | | | | 1,736,430.00 |
| | | <u>\$ 2,186,430.00</u> | <u>-</u> | <u>450,000.00</u> | <u>-</u> | <u>1,736,430.00</u> |

CITY OF VENTNOR CITY

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020

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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 Committee's opinion should be sought before a commitment is made.

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

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

- Window Replacement and Miscellaneous Building Improvements
- Dorset Avenue Sanitary Sewer Main Replacement
- Newport Avenue Municipal Parking Lot Improvements
- Construction of the Fishing Pier restroom/office building
- Chlorination tablet conversion main plant
- Reconstruction of Hampshire Drive
- 2020 Accessible Ramp Installation at various intersections
- Kingsley Drive Paving Project
- Reconstruction of Wellington Ave from Lafayette Ave. to Swarthmore Ave.

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 9, 2020, adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

The Tax Collector is hereby authorized and directed to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a

delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency.

There will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 30, 2020 and was complete.

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

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

| <u>Year</u> | <u>Number of Liens</u> |
|-------------|------------------------|
| 2020 | 0 |
| 2019 | 0 |
| 2018 | 1 |

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 2020 and 2021 Taxes | 25 |
| Payment of 2020 and 2021 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.

| Year | Tax Levy | Currently | |
|------|------------------|------------------|---------------------------|
| | | Cash Collections | Percentage of Collections |
| 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% |
| 2016 | 50,511,085.00 | 49,322,353.00 | 97.65% |

Comparative Schedule of Tax Rate Information

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Tax Rate | \$ 2.591 | 2.585 | 2.634 | 2.648 | 2.186 |
| Apportionment of Tax Rate: | | | | | |
| Municipal | 1.135 | 1.118 | 1.121 | 1.133 | 0.950 |
| County | 0.562 | 0.590 | 0.599 | 0.570 | 0.482 |
| School | 0.894 | 0.877 | 0.914 | 0.945 | 0.754 |
| Assessed Valuation | 2,041,541,000 | 2,028,525,300 | 2,021,949,500 | 2,017,342,800 | 2,362,000,750 |

Delinquent Taxes and Tax Title Liens

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

| Year | Amount of Tax Title Liens | Amount of Delinquent Taxes | Total Delinquent | Percentage of Tax Levy |
|------|---------------------------|----------------------------|------------------|------------------------|
| 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% |
| 2016 | 95,379.42 | 1,213,984.36 | 1,309,363.78 | 2.44% |

Uniform Construction Code

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

FINANCIAL STATEMENT FINDINGS

NONE

STATUS OF PRIOR RECOMMENDATIONS

NONE

RECOMMENDATIONS

NONE

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

Should any questions arise as to my comments or recommendations, or should you desire my assistance in implementing my recommendations, please do not hesitate to call me.

Very truly yours,

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

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

June 28, 2021