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CITY OF SEA ISLE CITY

**CITY OF SEA ISLE CITY
REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2019**

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CITY OF SEA ISLE CITY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS - REGULATORY BASIS

FOR THE YEAR ENDED

DECEMBER 31, 2019



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
Members of City Council
City of Sea Isle City
County of Cape May, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Sea Isle City, as of December 31, 2019 and 2018, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the City of Sea Isle City 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 Sea Isle City as of December 31, 2019 and 2018, 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, 2019 and 2018, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2019 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

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

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, are 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 19, 2020 on our consideration of the City of Sea Isle City'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 Sea Isle City'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 19, 2020

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**EXHIBIT - A
CURRENT FUND**

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

| <u>ASSETS</u> | <u>2019</u> | <u>2018</u> |
|--|-------------------------|----------------------|
| Regular Fund: | | |
| Cash: | | |
| Cash Treasurer | \$ 10,627,638.92 | 9,561,814.60 |
| Cash - Change | 555.00 | 555.00 |
| Total Cash | <u>10,628,193.92</u> | <u>9,562,369.60</u> |
| Receivables and Other Assets with Full Reserves: | | |
| Delinquent Property Taxes Receivable | 516,801.17 | 416,805.29 |
| Tax Title and Other Liens | 9,317.87 | 9,322.45 |
| Property Acquired for Taxes - at Assessed Valuation | 23,372.00 | 22,372.00 |
| Revenue Accounts Receivable | 3,823.20 | 1,900.82 |
| Total Receivables and Other Assets | <u>553,314.24</u> | <u>450,400.56</u> |
| Total Regular Fund | <u>11,181,508.16</u> | <u>10,012,770.16</u> |
| Federal and State Grant Fund: | | |
| Cash | | |
| Federal and State Grants Receivable | 5,279.47 | 6,152.99 |
| Due from Current Fund | 35,193.79 | 37,201.76 |
| Total Federal and State Grant Fund | <u>40,473.26</u> | <u>43,354.75</u> |
| Total Current Fund | <u>\$ 11,221,981.42</u> | <u>10,056,124.91</u> |

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

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

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | <u>2019</u> | <u>2018</u> |
|---|-------------------------|----------------------|
| Regular Fund: | | |
| Liabilities: | | |
| Appropriation Reserves | \$ 2,010,371.23 | 2,074,371.11 |
| Reserve for Encumbrances | 742,002.91 | 619,757.56 |
| Accounts Payable | 242,559.36 | - |
| Prepaid Taxes | 737,278.79 | 736,449.82 |
| Payroll Taxes Payable | 146.72 | - |
| County Added Tax Payable | 88,414.95 | 98,429.87 |
| Due to State: | | |
| Senior Citizens' & Veterans's Ded | 11,805.80 | 11,055.80 |
| Interfund Payable: | | |
| Federal and State Grant Fund | 35,193.79 | 37,201.76 |
| Other | | |
| Reserve for Revaluation - Current | - | 15,185.00 |
| Reserve for Revaluation - Prior | 114,454.33 | 114,454.33 |
| Reserve for Tourism Community | - | 700.00 |
| Other Liabilities | 176.00 | 176.00 |
| Reserve for Insurance Claims | 249,546.33 | 249,546.33 |
| | <u>4,231,950.21</u> | <u>3,957,327.58</u> |
| Reserve for Receivables and Other Assets | 553,314.24 | 450,400.56 |
| Fund Balance | <u>6,396,243.71</u> | <u>5,605,042.02</u> |
| Total Regular Fund | <u>11,181,508.16</u> | <u>10,012,770.16</u> |
| Federal and State Grant Fund: | | |
| Encumbrances Payable | 1,441.57 | 9,629.27 |
| Unappropriated Reserves | 30,091.29 | 26,965.10 |
| Appropriated Reserves | 8,940.40 | 6,760.38 |
| Total Federal and State Grant Fund | <u>40,473.26</u> | <u>43,354.75</u> |
| Total Current Fund | <u>\$ 11,221,981.42</u> | <u>10,056,124.91</u> |

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

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

| | 2019 | 2018 |
|---|----------------------|----------------------|
| Revenue and Other Income Realized | | |
| Fund Balance | \$ 2,750,000.00 | 3,000,000.00 |
| Miscellaneous Revenue Anticipated | 4,807,294.06 | 4,614,573.24 |
| Receipts from Delinquent Taxes | 411,560.76 | 400,565.49 |
| Receipts from Current Taxes | 33,104,705.07 | 32,539,839.13 |
| Non Budget Revenue | 158,718.76 | 295,126.92 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Res. | 1,848,084.78 | 1,653,482.39 |
| Cancellation of Taxes Overpaid | 10,153.29 | - |
| Cancellation of Prior Year Seniors/Vets | 250.00 | - |
| Cancelation Prior Year Accounts Payable | - | 2,595.27 |
| Total Income | <u>43,090,766.72</u> | <u>42,506,182.44</u> |
| Expenditures | | |
| Budget and Emergency Appropriations: | | |
| Appropriations Within "CAPS" | | |
| Operations: | | |
| Salaries and Wages | 9,598,782.00 | 9,487,392.00 |
| Other Expenses | 6,577,034.00 | 6,945,389.00 |
| Deferred Charges & Statutory Expenditures | 2,084,382.00 | 1,913,972.00 |
| Appropriations Excluded from "CAPS" | | |
| Operations: | | |
| Salaries and Wages | - | - |
| Other Expenses | 75,000.00 | 75,000.00 |
| Capital Improvements | 200,000.00 | 155,000.00 |
| Debt Service | 5,208,166.58 | 4,990,084.09 |
| Deferred Charges | - | 217,750.00 |
| State and Federal Grants | 43,033.07 | 60,538.76 |
| Transfer to Board of Education | 32,000.00 | 32,000.00 |
| Local District School Tax | 1,827,302.00 | 1,827,302.00 |
| County Tax | 13,806,900.98 | 13,064,098.83 |
| County Share of Added Tax | 88,414.95 | 98,429.87 |
| Refund of Prior Year's Revenue | 8,549.45 | 2,499.11 |
| Total Expenditures | <u>39,549,565.03</u> | <u>38,869,455.66</u> |
| Excess/(Deficit) in Revenue | <u>3,541,201.69</u> | <u>3,636,726.78</u> |

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

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

| | <u>2019</u> | <u>2018</u> |
|------------------------------------|------------------------|---------------------|
| Statutory Excess to Fund Balance | <u>3,541,201.69</u> | <u>3,636,726.78</u> |
| Fund Balance January 1 | <u>5,605,042.02</u> | <u>4,968,315.24</u> |
| | 9,146,243.71 | 8,605,042.02 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | <u>2,750,000.00</u> | <u>3,000,000.00</u> |
| Fund Balance December 31 | <u>\$ 6,396,243.71</u> | <u>5,605,042.02</u> |

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

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

| | Anticipated | | Excess or (Deficit) |
|--|---------------------|-----------------|------------------------|
| | Budget | N.J.S. 40A:4-87 | |
| Fund Balance Anticipated | \$ 2,750,000.00 | - | - |
| Total Fund Balance Anticipated | <u>2,750,000.00</u> | <u>-</u> | <u>-</u> |
| Miscellaneous Revenues: | | | |
| Section A: Local Revenues | | | |
| Licenses: | | | |
| Alcoholic Beverages | 15,000.00 | - | 4,308.64 |
| Other | 180,000.00 | - | 14,551.67 |
| Fees and Permits | 50,000.00 | - | 142,379.00 |
| Fines and Costs: | | | |
| Municipal Court | 200,000.00 | - | 70,759.65 |
| Interest and Costs on Taxes | 65,000.00 | - | 14,859.01 |
| Interest Earned on Investments | 30,000.00 | - | 28,014.21 |
| Parking Meters | 315,000.00 | - | 657.19 |
| Beach Fees | 1,280,000.00 | - | 144,800.00 |
| Marina Slips Rentals | 155,000.00 | - | 38,443.58 |
| Local Franchise Fee - Cable and Beach Vendors | 190,000.00 | - | 34,896.27 |
| Telephone Call Tower Rental | 360,000.00 | - | 84.93 |
| Total Section A: Local Revenues | <u>2,840,000.00</u> | <u>-</u> | <u>493,754.15</u> |
| Section B: State Aid Without Offsetting Appropriations | | | |
| Energy Receipts Tax | 293,009.00 | - | - |
| Total Section B: State Aid Without Offsetting Appropriations | <u>293,009.00</u> | <u>-</u> | <u>-</u> |
| Section C: Uniform Construction Code Fees | | | |
| Uniform Construction Code Fees | 300,000.00 | - | 254,038.00 |
| Total Section C: Uniform Construction Code Fees | <u>300,000.00</u> | <u>-</u> | <u>254,038.00</u> |

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

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

| | Anticipated | | Realized | Excess or (Deficit) |
|---|----------------------|-----------------|----------------------|------------------------|
| | Budget | N.J.S. 40A:4-87 | | |
| Section F: Special Items - Public and Private Programs | | | | |
| Off-Set with Appropriations | | | | |
| Clean Communities | 26,965.10 | - | 26,965.10 | - |
| Municipal Alliance on Alcoholism and Drug Abuse | 5,500.00 | - | 5,500.00 | - |
| COPS in Shops | 6,600.00 | - | 6,600.00 | - |
| Body Armor | 2,592.97 | - | 2,592.97 | - |
| Total Section F: Special Items - Public and Private Programs | 41,658.07 | - | 41,658.07 | - |
| Section G: Other Special Items | | | | |
| Recreation Fees | 45,000.00 | - | 44,270.00 | (730.00) |
| Festival Income | 52,000.00 | - | 57,900.00 | 5,900.00 |
| Ambulance Fees | 125,000.00 | - | 171,848.84 | 46,848.84 |
| City of Ocean City - Construction Code Official | 120,000.00 | - | 132,116.00 | 12,116.00 |
| Shared Service - Engineering/Admin | - | - | 165,500.00 | 165,500.00 |
| Shared Service - Plumbing | - | - | 13,200.00 | 13,200.00 |
| Total Section G: Other Special Items | 342,000.00 | - | 584,834.84 | 242,834.84 |
| Total Miscellaneous Revenues: | 3,816,667.07 | - | 4,807,294.06 | 990,626.99 |
| Receipts from Delinquent Taxes | 395,000.00 | | 411,560.76 | 16,560.76 |
| Amount to be Raised by Taxes for Support of Municipal Budget | 17,681,270.77 | - | 18,206,618.91 | 525,348.14 |
| Local Tax for Municipal Purposes | 17,681,270.77 | - | 18,206,618.91 | 525,348.14 |
| Total Amount to be Raised by Taxes for Support of Municipal Budget | 24,642,937.84 | - | 26,175,473.73 | 1,532,535.89 |
| Budget Totals | | | | |
| Non- Budget Revenues: | | | | |
| Other Non- Budget Revenues: | - | - | 158,718.76 | 158,718.76 |
| Total | 24,642,937.84 | - | 26,334,192.49 | 1,691,254.65 |

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

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

Analysis of Realized Revenues

Allocation of Current Tax Collections:

| | |
|--------------------------|---------------|
| Revenue from Collections | 33,104,705.07 |
|--------------------------|---------------|

| | |
|---------------------------------------|---|
| Less: Reserve for Tax Appeals Pending | - |
|---------------------------------------|---|

| | |
|------------------------------|---------------|
| Net Revenue from Collections | 33,104,705.07 |
|------------------------------|---------------|

Allocated to:

| | |
|--------------------------------|---------------|
| School, County and Other Taxes | 15,722,617.93 |
|--------------------------------|---------------|

| | |
|--|---------------|
| Balance for Support of Municipal Budget Appropriations | 17,382,087.14 |
|--|---------------|

Increased by:

| | |
|--|------------|
| Appropriation "Reserved for Uncollected Taxes" | 824,531.77 |
|--|------------|

| | |
|---|---------------|
| Amount for Support of Municipal Budget Appropriations | 18,206,618.91 |
|---|---------------|

Receipts from Delinquent Taxes:

| | |
|---------------------------|------------|
| Delinquent Tax Collection | 411,560.76 |
|---------------------------|------------|

| | |
|----------------------------|---|
| Tax Title Lien Collections | - |
|----------------------------|---|

| | |
|--------------------------------------|------------|
| Total Receipts from Delinquent Taxes | 411,560.76 |
|--------------------------------------|------------|

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

| | |
|-------------------|-------|
| Bookkeeping/Liens | 28.00 |
|-------------------|-------|

| | |
|--------------------|-----------|
| City Clerk Revenue | 15,035.75 |
|--------------------|-----------|

| | |
|--------------------|-----------|
| Div of Fire Safety | 18,570.51 |
|--------------------|-----------|

| | |
|---------------|--------|
| Elections CMC | 300.00 |
|---------------|--------|

| | |
|----------------------|--------|
| Facility Rental Fees | 174.74 |
|----------------------|--------|

| | |
|--------------|-----------|
| FEMA - SANDY | 41,311.31 |
|--------------|-----------|

| | |
|-----------------|----------|
| Foreclosure TTL | 4,000.00 |
|-----------------|----------|

| | |
|-----------|-----------|
| Gov Deals | 30,598.88 |
|-----------|-----------|

| | |
|------------------|--------|
| Homestead Rebate | 275.40 |
|------------------|--------|

| | |
|------------|-----------|
| JIF Refund | 20,293.88 |
|------------|-----------|

| | |
|--------------------------------|-------|
| Motor Vehicle Inspection Fines | 50.00 |
|--------------------------------|-------|

| | |
|----------------------------------|----------|
| Municipal Court Restitution Fees | 1,490.15 |
|----------------------------------|----------|

| | |
|---------------------|----------|
| Other Miscellaneous | 2,262.00 |
|---------------------|----------|

| | |
|-------------------|-----------|
| Police Extra Duty | 22,131.69 |
|-------------------|-----------|

| | |
|-------------------------|--------|
| Police Report Copy Fees | 276.45 |
|-------------------------|--------|

| | |
|--------------------------|------|
| Sale of Municipal Assets | 1.00 |
|--------------------------|------|

| | |
|----------------|-------|
| Tax Search Fee | 20.00 |
|----------------|-------|

| | |
|-------------|---|
| Unspent FSA | - |
|-------------|---|

| | |
|---------------------|--------|
| Vets & SC Admin fee | 565.00 |
|---------------------|--------|

| | |
|------------------|----------|
| Vital Statistics | 1,334.00 |
|------------------|----------|

| | |
|--|------------|
| Total Miscellaneous Revenue Not Anticipated: | 158,718.76 |
|--|------------|

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

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

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|-------------------------------------|----------------|----------------------------|-----------------|------------|------------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| OPERATIONS WITHIN "CAPS" | | | | | | |
| DEPARTMENT OF ADMINISTRATION | | | | | | |
| General Administration | | | | | | |
| Salaries and Wages | \$ 443,575.00 | 423,575.00 | 410,120.61 | - | 13,454.39 | - |
| Other Expenses | 167,000.00 | 167,000.00 | 88,219.45 | 54,382.09 | 24,388.46 | - |
| Mayor | | | | | | |
| Salaries and Wages | 15,000.00 | 15,000.00 | 15,000.00 | - | - | - |
| Other Expenses | 1,700.00 | 1,700.00 | 1,018.95 | 375.00 | 306.05 | - |
| City Council | | | | | | |
| Salaries and Wages | 45,000.00 | 45,000.00 | 45,000.00 | - | - | - |
| Other Expenses | 6,800.00 | 6,800.00 | 1,940.89 | - | 4,859.11 | - |
| Municipal Clerk | | | | | | |
| Salaries and Wages | 145,435.00 | 145,435.00 | 138,552.19 | - | 6,882.81 | - |
| Other Expenses | 38,730.00 | 38,730.00 | 14,672.66 | 11,381.64 | 12,675.70 | - |
| Elections | | | | | | |
| Salaries and Wages | 6,285.00 | 6,285.00 | 3,029.87 | - | 3,255.13 | - |
| Other Expenses | 23,600.00 | 23,600.00 | 14,913.95 | - | 8,686.05 | - |
| Municipal Engineer | | | | | | |
| Other Expenses | 93,500.00 | 93,500.00 | 67,781.30 | 5,531.20 | 20,187.50 | - |
| Fire Inspector | | | | | | |
| Salaries and Wages | 18,720.00 | 18,720.00 | 17,987.58 | - | 732.42 | - |
| Other Expenses | 1,000.00 | 1,000.00 | - | - | 1,000.00 | - |
| Insurance | | | | | | |
| Surety Bond Premiums | 910.00 | 910.00 | - | - | 910.00 | - |
| Reserve for Insurance | 21,000.00 | 21,000.00 | 1,875.00 | - | 19,125.00 | - |
| Other Expenses | 10,500.00 | 10,500.00 | 7,008.95 | 330.00 | 3,161.05 | - |
| General Liability | 116,300.00 | 116,300.00 | 92,567.20 | - | 23,732.80 | - |
| Workers Compensation Insurance | 417,025.00 | 417,025.00 | 417,025.00 | - | - | - |
| Employee Group Health | 2,500,650.00 | 2,434,243.00 | 2,060,879.21 | 31,764.78 | 341,599.01 | - |
| Health Benefits Waiver | | | | | | |
| Salaries and Wages | 25,000.00 | 25,000.00 | 18,108.42 | - | 6,891.58 | - |
| DEPARTMENT OF LAW | | | | | | |
| Legal Services and Costs | | | | | | |
| Other Expenses | 320,000.00 | 320,000.00 | 232,547.77 | 43,893.75 | 43,558.48 | - |
| Municipal Prosecutor | | | | | | |
| Other Expenses | 22,500.00 | 22,500.00 | - | 22,500.00 | - | - |
| Public Defender | | | | | | |
| Other Expenses | 4,500.00 | 4,500.00 | 2,250.00 | 2,250.00 | - | - |

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

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

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|----------------|----------------------------|-----------------|------------|------------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| DEPARTMENT OF FINANCE | | | | | | |
| Financial Administration | | | | | | |
| Salaries and Wages | 171,900.00 | 171,900.00 | 164,267.25 | - | 7,632.75 | - |
| Other Expenses | | | | | | |
| Postage | 27,400.00 | 27,400.00 | 3,140.48 | 24,000.00 | 259.52 | - |
| Audit Services | 40,000.00 | 40,000.00 | 40,000.00 | - | - | - |
| Miscellaneous Other Expenses | 34,935.00 | 34,935.00 | 13,869.74 | 3,391.69 | 17,673.57 | - |
| Collection of Taxes | | | | | | |
| Salaries and Wages | 106,620.00 | 106,620.00 | 94,038.92 | - | 12,581.08 | - |
| Other Expenses | 10,234.00 | 10,234.00 | 1,945.28 | - | 8,288.72 | - |
| Liquidation of Tax Title Liens & Foreclosed Property | | | | | | |
| Other Expenses | 750.00 | 750.00 | - | - | 750.00 | - |
| Assessment of Taxes | | | | | | |
| Salaries and Wages | 156,885.00 | 156,885.00 | 149,828.18 | - | 7,056.82 | - |
| Other Expenses | 17,000.00 | 17,000.00 | 2,911.43 | 3,089.95 | 10,998.62 | - |
| Street Signals and Safety Lanes | | | | | | |
| Salaries and Wages | 98,150.00 | 98,150.00 | 84,680.42 | - | 13,469.58 | - |
| Other Expenses | 109,390.00 | 114,390.00 | 74,722.37 | 39,140.82 | 526.81 | - |
| Bathing Beaches | | | | | | |
| Salaries and Wages | 224,920.00 | 213,420.00 | 197,105.06 | - | 16,314.94 | - |
| Other Expenses | 38,100.00 | 49,600.00 | 25,129.60 | 19,157.10 | 5,313.30 | - |
| Marina | | | | | | |
| Salaries and Wages | 108,525.00 | 108,525.00 | 97,736.75 | - | 10,788.25 | - |
| Other Expenses | 11,950.00 | 11,950.00 | 3,916.92 | 3,463.88 | 4,569.20 | - |
| Shade Tree Commission | | | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | - | - | 1,000.00 | - |
| Environmental Commission (NJS 40:56A-1, et seq.) | | | | | | |
| Salaries and Wages | 2,845.00 | 2,915.00 | 2,846.82 | - | 68.18 | - |
| Other Expenses | 4,000.00 | 4,000.00 | 3,911.78 | - | 88.22 | - |
| DEPARTMENT OF POLICE | | | | | | |
| Police | | | | | | |
| Salaries and Wages | 3,523,700.00 | 3,523,700.00 | 3,253,580.37 | - | 270,119.63 | - |
| Other Expenses | 213,974.00 | 213,974.00 | 134,178.79 | 64,259.46 | 15,535.75 | - |
| Emergency Management Services | | | | | | |
| Salaries and Wages | 19,640.00 | 19,692.00 | 19,247.40 | - | 444.60 | - |
| Other Expenses | 3,500.00 | 3,500.00 | - | - | 3,500.00 | - |
| Fire | | | | | | |
| Salaries and Wages | 19,750.00 | 19,750.00 | 12,186.95 | - | 7,563.05 | - |
| Other Expenses | 96,550.00 | 117,550.00 | 90,994.84 | 6,693.27 | 19,861.89 | - |

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

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

| | Appropriations | | Paid or Charged | Expended | | Reserved | (Over expended) Unexpended Balance Cancelled |
|--------------------------------------|----------------|----------------------------|-----------------|------------|------------|----------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | | |
| Emergency Medical Services | | | | | | | |
| Salaries and Wages | 354,000.00 | 379,000.00 | 369,505.43 | - | 9,494.57 | - | - |
| Other Expenses | 96,400.00 | 90,400.00 | 42,467.62 | 18,972.47 | 28,959.91 | - | - |
| Maintenance - Vehicle | | | | | | | |
| Salaries and Wages | 83,900.00 | 85,200.00 | 82,948.50 | - | 2,251.50 | - | - |
| Other Expenses | 38,600.00 | 38,600.00 | 23,042.56 | 8,084.71 | 7,502.73 | - | - |
| Lifeguards | | | | | | | |
| Salaries and Wages | 625,780.00 | 625,780.00 | 623,937.25 | - | 1,842.75 | - | - |
| Other Expenses | 73,645.00 | 73,645.00 | 69,731.73 | 1,886.02 | 2,027.25 | - | - |
| Animal Control Contract | | | | | | | |
| Contractual | 28,500.00 | 28,500.00 | 10,533.00 | - | 17,967.00 | - | - |
| DEPARTMENT OF PUBLIC WORKS | | | | | | | |
| Administration of Public Works | | | | | | | |
| Salaries and Wages | 366,700.00 | 366,700.00 | 344,211.64 | - | 22,488.36 | - | - |
| Other Expenses | 21,375.00 | 21,375.00 | 1,991.47 | 616.73 | 18,766.80 | - | - |
| Road Repairs and Maintenance | | | | | | | |
| Salaries and Wages | 311,270.00 | 311,270.00 | 237,471.23 | - | 73,798.77 | - | - |
| Other Expenses | 39,610.00 | 39,610.00 | 17,241.42 | 10,216.75 | 12,151.83 | - | - |
| Street Cleaning | | | | | | | |
| Salaries and Wages | 235,190.00 | 235,190.00 | 169,492.24 | - | 65,697.76 | - | - |
| Other Expenses | 23,510.00 | 31,510.00 | 5,339.79 | 11,626.07 | 14,544.14 | - | - |
| Solid Waste Management (40A:4-45.32) | | | | | | | |
| Salaries and Wages | 461,100.00 | 456,100.00 | 347,112.29 | - | 108,987.71 | - | - |
| Other Expenses | 36,575.00 | 36,575.00 | 7,891.37 | 12,117.63 | 16,566.00 | - | - |
| Garbage and Trash Removal | | | | | | | |
| Salaries and Wages | 390,500.00 | 390,500.00 | 323,485.77 | - | 67,014.23 | - | - |
| Other Expenses | | | | | | | |
| Contractual | 340,800.00 | 340,800.00 | 307,313.48 | - | 33,486.52 | - | - |
| Miscellaneous Other Expenses | 70,505.00 | 62,505.00 | 25,138.42 | 21,785.03 | 15,581.55 | - | - |
| Public Buildings and Grounds | | | | | | | |
| Salaries and Wages | 451,625.00 | 451,625.00 | 396,320.09 | - | 55,304.91 | - | - |
| Other Expenses | 118,100.00 | 118,100.00 | 83,414.37 | 26,668.89 | 8,016.74 | - | - |
| Shore Protection | | | | | | | |
| Salaries and Wages | 310,600.00 | 310,600.00 | 247,290.24 | - | 63,309.75 | - | - |
| Other Expenses | 113,250.00 | 113,250.00 | 21,264.34 | 33,439.40 | 58,546.25 | - | - |
| American with Disabilities Act | | | | | | | |
| Other Expenses | 5,000.00 | 5,000.00 | 3,114.00 | - | 1,886.00 | - | - |
| Historical Commission | | | | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | - | - | 1,000.00 | - | - |

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

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

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|---|----------------|----------------------------|-----------------|------------|-----------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| DEPARTMENT OF COMMUNITY DEVELOPMENT | | | | | | |
| Municipal Land Use Law (NJSA 40:55D-1) | | | | | | |
| Zoning Board | | | | | | |
| Salaries and Wages | 7,100.00 | 7,100.00 | 5,542.30 | - | 1,557.70 | - |
| Other Expenses | 8,800.00 | 8,800.00 | 7,392.41 | 458.11 | 949.48 | - |
| Planning Board | | | | | | |
| Salaries and Wages | 7,100.00 | 7,100.00 | 5,234.78 | - | 1,865.22 | - |
| Other Expenses | 17,700.00 | 17,700.00 | 7,454.36 | 864.00 | 9,381.64 | - |
| DEPARTMENT OF COMMUNITY SERVICES | | | | | | |
| Recreation | | | | | | |
| Salaries and Wages | 215,500.00 | 215,500.00 | 200,900.52 | - | 14,599.48 | - |
| Other Expenses | 142,523.00 | 142,523.00 | 93,080.26 | 28,570.75 | 20,871.99 | - |
| Expense of Participation in Free County Library | | | | | | |
| Salaries and Wages | 4,700.00 | 4,700.00 | 3,511.50 | - | 1,188.50 | - |
| Tourism | | | | | | |
| Salaries and Wages | 214,500.00 | 214,500.00 | 207,518.03 | - | 6,981.97 | - |
| Other Expenses | 255,915.00 | 255,915.00 | 224,540.25 | 15,963.69 | 15,411.06 | - |
| DEPARTMENT OF MUNICIPAL COURT | | | | | | |
| Municipal Court | | | | | | |
| Salaries and Wages | 121,500.00 | 122,500.00 | 117,242.05 | - | 5,257.95 | - |
| Other Expenses | 21,800.00 | 20,800.00 | 10,004.60 | 5,579.10 | 5,216.30 | - |
| UNIFORM CONSTRUCTION CODE | | | | | | |
| State Uniform Construction Code | | | | | | |
| Construction Official | | | | | | |
| Salaries and Wages | 281,915.00 | 281,915.00 | 251,426.22 | - | 30,488.78 | - |
| Other Expenses | 71,900.00 | 71,900.00 | 46,671.23 | 97.00 | 25,131.77 | - |
| Electrical Inspector | | | | | | |
| Salaries and Wages | 15,500.00 | 15,500.00 | 15,145.26 | - | 354.74 | - |
| Plumbing Inspector | | | | | | |
| Salaries and Wages | 17,380.00 | 17,430.00 | 17,036.24 | - | 393.76 | - |
| UNCLASSIFIED | | | | | | |
| Computer Services - All Departments | 40,000.00 | 85,000.00 | 39,288.20 | 44,129.18 | 1,582.62 | - |

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

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

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|----------------------|----------------------------|----------------------|-------------------|---------------------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| UTILITY EXPENSES AND BULK PURCHASES | | | | | | |
| Electricity | 170,000.00 | 170,000.00 | 152,181.64 | 12,038.74 | 5,779.62 | - |
| Street Lighting | 140,000.00 | 140,000.00 | 125,446.00 | 10,098.70 | 4,455.30 | - |
| Telephone | 65,000.00 | 65,000.00 | 56,847.25 | 7,140.25 | 1,012.50 | - |
| Natural Gas | 73,000.00 | 73,000.00 | 49,356.32 | 21,643.68 | 2,000.00 | - |
| Fuel Oil | 2,000.00 | 2,000.00 | - | - | 2,000.00 | - |
| Gasoline | 180,000.00 | 151,935.00 | 88,648.62 | 39,401.38 | 23,885.00 | - |
| Water & Sewer | 62,000.00 | 43,000.00 | 40,688.21 | - | 2,311.79 | - |
| TOTAL OPERATIONS WITHIN "CAPS" | 16,219,816.00 | 16,172,816.00 | 13,646,122.85 | 667,002.91 | 1,859,690.24 | - |
| Contingent | 3,000.00 | 3,000.00 | - | - | 3,000.00 | - |
| TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS" | 16,222,816.00 | 16,175,816.00 | 13,646,122.85 | 667,002.91 | 1,862,690.24 | - |
| Detail: | | | | | | |
| Salaries and Wages | 9,607,810.00 | 9,598,782.00 | 8,688,648.37 | - | 910,133.63 | - |
| Other Expenses | 6,615,006.00 | 6,577,034.00 | 4,957,474.48 | 667,002.91 | 952,556.61 | - |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES: | | | | | | |
| Statutory Expenditures: | | | | | | |
| Contributions to: | | | | | | |
| Public Employees' Retirement System | 625,802.00 | 640,802.00 | 625,802.00 | - | 15,000.00 | - |
| Social Security System (O.A.S.I.) | 733,547.00 | 733,547.00 | 639,115.21 | - | 94,431.79 | - |
| Police and Firemen's Retirement System | 615,233.00 | 647,233.00 | 615,233.00 | - | 32,000.00 | - |
| Unemployment Compensation Insurance | 37,800.00 | 37,800.00 | 35,356.07 | - | 2,443.93 | - |
| Lifeguard Pension | 10,000.00 | 10,000.00 | 10,000.00 | - | - | - |
| Reserve for Retirement Trust | 5,000.00 | 5,000.00 | 5,000.00 | - | - | - |
| Defined Contribution Retirement Program | 10,000.00 | 10,000.00 | 6,194.73 | - | 3,805.27 | - |
| TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES: | 2,037,382.00 | 2,084,382.00 | 1,936,701.01 | - | 147,680.99 | - |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS" | 18,260,198.00 | 18,260,198.00 | 15,582,823.86 | 667,002.91 | 2,010,371.23 | - |

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

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

| | Appropriations | | Paid or Charged | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|---------------------|----------------------------|---------------------|------------------|-------------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserved | |
| OPERATIONS - EXCLUDED FROM "CAPS" | | | | | | |
| (A) Operations - Excluded from "CAPS" | 75,000.00 | 75,000.00 | - | 75,000.00 | - | - |
| LOSAP | <u>75,000.00</u> | <u>75,000.00</u> | - | <u>75,000.00</u> | - | - |
| (A) Public and Private Programs Off-Set by Revenues | | | | | | |
| Clean Communities | 26,965.10 | 26,965.10 | 26,965.10 | - | - | - |
| Municipal Alliance on Alcoholism and Drug Abuse | | | | | | |
| County Share | 5,500.00 | 5,500.00 | 5,500.00 | - | - | - |
| Local Share | 1,375.00 | 1,375.00 | 1,375.00 | - | - | - |
| Body Armor | 2,592.97 | 2,592.97 | 2,592.97 | - | - | - |
| COPS in Shops | 6,600.00 | 6,600.00 | 6,600.00 | - | - | - |
| Total Public and Private Programs Off-Set by Revenues | <u>43,033.07</u> | <u>43,033.07</u> | <u>43,033.07</u> | - | - | - |
| Total Operations - Excluded from "CAPS" | 118,033.07 | 118,033.07 | 43,033.07 | 75,000.00 | - | - |
| Detail: | | | | | | |
| Salaries and Wages | - | - | - | - | - | - |
| Other Expenses | 118,033.07 | 118,033.07 | 43,033.07 | 75,000.00 | - | - |
| (C) Capital Improvements | | | | | | |
| Capital Improvement Fund | 200,000.00 | 200,000.00 | 200,000.00 | - | - | - |
| Total Capital Improvements | <u>200,000.00</u> | <u>200,000.00</u> | <u>200,000.00</u> | - | - | - |
| (D) Debt Service | | | | | | |
| Payment of Bond Principal | 3,890,000.00 | 3,890,000.00 | 3,890,000.00 | - | - | - |
| Interest on Bonds | 831,550.00 | 831,550.00 | 831,550.00 | - | - | - |
| Interest on Notes | 455,525.00 | 455,525.00 | 455,524.98 | - | 0.00 | 0.02 |
| Green Trust Loan Program: | | | | | | |
| Loan Repayments for Principal and Interest | 31,100.00 | 31,100.00 | 31,091.60 | - | 0.00 | 8.40 |
| Total Debt Service | <u>5,208,175.00</u> | <u>5,208,175.00</u> | <u>5,208,166.58</u> | - | <u>0.00</u> | <u>8.42</u> |

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

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

| | Appropriations | | Expended | | (Over expended) Unexpended Balance Cancelled |
|--|------------------|-------------------------------|----------------------|------------------------|---|
| | Budget | Budget After Modifications | Paid or Charged | Encumbered Reserved | |
| (N) Transferred to BOE for Use of Local School | 32,000.00 | 32,000.00 | 32,000.00 | - | - |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS" | 5,558,208.07 | 5,558,208.07 | 5,483,199.65 | 75,000.00 | 8.42 |
| SUBTOTAL GENERAL APPROPRIATIONS | 23,818,406.07 | 23,818,406.07 | 21,066,023.51 | 742,002.91 | 8.42 |
| (M) Reserve for Uncollected Taxes | 824,531.77 | 824,531.77 | 824,531.77 | - | - |
| TOTAL GENERAL APPROPRIATIONS | \$ 24,642,937.84 | 24,642,937.84 | 21,890,555.28 | 742,002.91 | 8.42 |
| Budget | | 24,642,937.84 | | | 8.42 |
| | | <u>24,642,937.84</u> | | Cancelled | <u>8.42</u> |
| Reserve for Uncollected Taxes | | | 824,531.77 | | |
| Federal and State Grants | | | 43,033.07 | | |
| Disbursements | | | 21,022,990.44 | | |
| | | | <u>21,890,555.28</u> | | |

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

**EXHIBIT - B
TRUST FUND**

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

| <u>Assets</u> | <u>2019</u> | <u>2018</u> |
|--------------------------------|------------------------|------------------------|
| <u>Assessment Fund:</u> | | |
| Cash and Investments | \$ 60,085.26 | \$ 53,026.03 |
| Assessments Receivable | 1,407.62 | - |
| | <u>61,492.88</u> | <u>53,026.03</u> |
| <u>Animal Control Fund</u> | | |
| Cash and Investments | 447.80 | 251.80 |
| | <u>447.80</u> | <u>251.80</u> |
| <u>Other Funds</u> | | |
| Cash and Investments | 2,249,711.46 | 1,967,036.53 |
| Lifeguard Pension Due from TTL | 5,000.00 | 700.00 |
| | <u>2,254,711.46</u> | <u>1,967,736.53</u> |
| | <u>\$ 2,316,652.14</u> | <u>\$ 2,021,014.36</u> |

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

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

| <u>Liabilities, Reserves and Fund Balance</u> | <u>2019</u> | <u>2018</u> |
|---|------------------------|------------------------|
| <u>Assessment Fund:</u> | | |
| Reserve for Assessments & Liens | \$ 1,407.62 | \$ - |
| Fund Balance | 60,085.26 | 53,026.03 |
| | <u>61,492.88</u> | <u>53,026.03</u> |
| <u>Animal Control Fund</u> | | |
| Reserve for Animal Control Expenditures | 447.80 | 251.80 |
| | <u>447.80</u> | <u>251.80</u> |
| <u>Other Funds</u> | | |
| Deposits for Redemption | 1,185.00 | - |
| Reserve for Retirement Fund | 85,905.23 | 80,808.63 |
| Reserve for Lifeguard Pension Fund | 955,375.16 | 927,982.59 |
| Reserve for Tennis Fees | 156,758.41 | 121,331.16 |
| Reserve for Cafeteria Plan | 2,080.00 | 2,085.69 |
| Reserve for Police Forefeited Fund | 2,887.65 | 2,884.79 |
| Reserve for Police Lost and Found | 545.63 | 148.15 |
| Reserve for Escrow Deposits | 499,016.60 | 360,945.57 |
| Reserve for POAA Fund | 7,195.40 | 5,317.40 |
| Reserve for Affordable Housing | 36,428.48 | - |
| Reserve for Recycling Fund | 244,490.77 | 254,746.69 |
| Reserve for Environmental Fees | 41,567.95 | 36,380.58 |
| Reserve for Municipal Alliance | 2,376.48 | 2,314.67 |
| Reserve for Donations | 2,212.47 | 1,036.60 |
| Reserve for Fire Safety Penalty | 250.00 | 250.00 |
| Reserve for Tourism | 171,988.23 | 146,257.01 |
| Reserve for TTL Redemption Premiums | 32,900.00 | 19,800.00 |
| Due to Lifeguard Pension from TTL | 5,000.00 | - |
| Due to State of New Jersey - Uniform Construction Code Training Fees | 6,548.00 | 5,447.00 |
| | <u>2,254,711.46</u> | <u>1,967,736.53</u> |
| | <u>\$ 2,316,652.14</u> | <u>\$ 2,021,014.36</u> |

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

EXHIBIT - C
GENERAL CAPITAL FUND

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

| <u>ASSETS</u> | <u>2019</u> | <u>2018</u> |
|---|-------------------------|----------------------|
| Cash | \$ 10,893,497.29 | 5,337,659.48 |
| Deferred Charges to Future Taxation - | | |
| Funded | 47,565,391.88 | 29,685,719.96 |
| Unfunded | 3,018,750.00 | 17,218,750.00 |
| | <u>61,477,639.17</u> | <u>52,242,129.44</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| Contracts Payable | 3,502,297.51 | 3,888,505.27 |
| Bond Anticipation Notes Payable | - | 13,015,000.00 |
| Serial Bonds Payable | 47,550,000.00 | 29,000,000.00 |
| Refunding Bonds Payable | - | 640,000.00 |
| Green Trust Loan Payable | 15,391.88 | 45,719.96 |
| Improvement Authorizations: | | |
| Funded | 4,064,766.34 | 28,387.74 |
| Unfunded | 3,018,750.00 | 3,170,555.33 |
| Reserve to Pay Bonds & Notes | 200,873.80 | 200,873.80 |
| Reserve to Pay Bonds | 1,969,212.64 | 896,740.34 |
| Reserve to Pay Notes - Ordinance#1555 | 251,804.15 | 251,804.15 |
| Capital Improvement Fund | 41,425.00 | 241,425.00 |
| Fund Balance | 863,117.85 | 863,117.85 |
| | <u>\$ 61,477,639.17</u> | <u>52,242,129.44</u> |

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

| | |
|------|--------------|
| 2018 | 4,203,750.00 |
| 2019 | 3,018,750.00 |

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

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

| | <u>2019</u> | <u>2018</u> |
|-----------------------------------|----------------------|-------------------|
| Beginning Balance January 1 | \$ 863,117.85 | 671,146.60 |
| Increased by: | | |
| Premiums on sale of Bonds & Notes | - | 191,971.25 |
| Ending Balance December 31 | <u>\$ 863,117.85</u> | <u>863,117.85</u> |

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

EXHIBIT - D
WATER AND SEWER UTILITY FUND

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

| | 2019 | 2018 |
|--|------------------|---------------|
| <u>ASSETS</u> | | |
| Operating Fund: | | |
| Cash | \$ 6,964,742.54 | 6,013,657.61 |
| | 6,964,742.54 | 6,013,657.61 |
| Receivables and Other Assets with Full Reserves: | | |
| Consumer Accounts Receivable | 292,003.00 | 299,978.71 |
| | 292,003.00 | 299,978.71 |
| Total Operating Fund | 7,256,745.54 | 6,313,636.32 |
| Assessment Trust Fund: | | |
| Cash | 77,581.07 | 76,639.43 |
| Assessment Receivable | - | 941.64 |
| Total Assessment Trust Fund | 77,581.07 | 77,581.07 |
| Capital Fund: | | |
| Cash - Treasurer | 3,614,615.67 | 4,118,563.46 |
| Fixed Capital - Completed | 25,864,749.81 | 25,864,749.81 |
| Fixed Capital - Authorized and Uncompleted | 21,344,000.00 | 19,394,000.00 |
| Total Capital Fund | 50,823,365.48 | 49,377,313.27 |
| | \$ 58,157,692.09 | 55,768,530.66 |

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

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

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | <u>2019</u> | <u>2018</u> |
|---|-------------------------|----------------------|
| Operating Fund: | | |
| Appropriation Reserves | \$ 667,282.22 | 330,276.27 |
| Reserve for Encumbrances | 228,096.80 | 716,907.15 |
| Prepaid Utility Rents | 308,791.67 | 299,959.89 |
| Utility Overpayments | 4,569.18 | 5,428.76 |
| Accrued Interest on Bonds and Notes | 87,421.95 | 99,145.15 |
| | <u>1,296,161.82</u> | <u>1,451,717.22</u> |
| Reserve for Receivables | 292,003.00 | 299,978.71 |
| Fund Balance | 5,668,580.72 | 4,561,940.39 |
| Total Operating Fund | <u>7,256,745.54</u> | <u>6,313,636.32</u> |
| Assessment Trust Fund: | | |
| Reserve for: | | |
| Assessment Receivable | - | 941.64 |
| Fund Balance | 77,581.07 | 76,639.43 |
| Total Assessment Trust Fund | <u>77,581.07</u> | <u>77,581.07</u> |
| Capital Fund: | | |
| Encumbrance Payable | 1,933,377.70 | 116,750.74 |
| Serial Bonds Payable | 12,140,000.00 | 13,300,000.00 |
| USDA Loans Payable | 2,348,150.57 | 2,386,809.23 |
| Refunding Bonds Payable | 590,000.00 | 885,000.00 |
| Improvement Authorizations: | | |
| Funded | 2,030,365.63 | 3,413,291.67 |
| Unfunded | 1,012,351.29 | - |
| Reserve for Amortization | 30,180,599.24 | 28,686,940.58 |
| Reserve for Pay Bonds | 259,000.00 | 259,000.00 |
| Fund Balance | 329,521.05 | 329,521.05 |
| Total Capital Fund | <u>50,823,365.48</u> | <u>49,377,313.27</u> |
| | <u>\$ 58,157,692.09</u> | <u>55,768,530.66</u> |

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

| | |
|------|--------------|
| 2018 | - |
| 2019 | 1,950,000.00 |

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

**WATER AND SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | <u>2019</u> | <u>2018</u> |
|--|------------------------|----------------------|
| Revenue and Other Income Realized | | |
| Fund Balance | \$ 750,645.00 | 2,040,587.80 |
| Rents | 9,049,797.16 | 9,075,329.21 |
| Penalties | 57,443.08 | 60,382.26 |
| Miscellaneous Revenue Anticipated | 223,328.00 | 213,136.90 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Res. | 830,095.56 | 997,684.13 |
| Total Income | <u>10,911,308.80</u> | <u>12,387,120.30</u> |
| Expenditures | | |
| Operations | 6,828,158.00 | 6,881,412.00 |
| Debt Service | 1,972,694.30 | 1,988,978.70 |
| Statutory Expenses | 253,069.50 | 1,473,658.30 |
| Refund of Prior Year Revenue | 101.67 | - |
| Total Expenditures | <u>9,054,023.47</u> | <u>10,344,049.00</u> |
| Excess in Revenue | <u>1,857,285.33</u> | <u>2,043,071.30</u> |
| Excess in Operations | <u>1,857,285.33</u> | <u>2,043,071.30</u> |
| Fund Balance January 1 | <u>4,561,940.39</u> | <u>4,559,456.89</u> |
| | 6,419,225.72 | 6,602,528.19 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | <u>750,645.00</u> | <u>2,040,587.80</u> |
| Fund Balance December 31 | <u>\$ 5,668,580.72</u> | <u>4,561,940.39</u> |

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

**WATER AND SEWER UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

| | <u>2019</u> | <u>2018</u> |
|-----------------------------|----------------------|-------------------|
| Beginning Balance January 1 | \$ 329,521.05 | 329,521.05 |
| Ending Balance December 31 | \$ <u>329,521.05</u> | <u>329,521.05</u> |

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

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

| | Anticipated Budget | Realized | Excess or (Deficit) |
|---------------------|------------------------|----------------------|------------------------|
| Surplus Anticipated | \$ 750,645.00 | 750,645.00 | - |
| Rents | 8,130,000.00 | 9,049,797.16 | 919,797.16 |
| Penalties | 55,000.00 | 57,443.08 | 2,443.08 |
| Miscellaneous | 150,000.00 | 223,328.00 | 73,328.00 |
| | <u>\$ 9,085,645.00</u> | <u>10,081,213.24</u> | <u>995,568.24</u> |

Analysis of Realized Revenue:

Rents

Consumer Accounts Receivable:

| | |
|----------------------|--------------|
| Current Collections | 8,749,936.72 |
| Prepaid Applied | 299,959.89 |
| Prepaid Adjustment | (959.03) |
| Overpayments Applied | 5,428.76 |
| Overpayments | (4,569.18) |

9,049,797.16

Miscellaneous

| | |
|--------------------------|-----------|
| Interest on Investments | 30,072.00 |
| Meters | 8,625.00 |
| Misc. Deposits | 2,625.00 |
| Reconnections | 43,000.00 |
| Sewer Connections | 22,500.00 |
| Special Meter Reading | 20,550.00 |
| Special Sewer Connection | 30,100.00 |
| Water Connections | 65,856.00 |

223,328.00

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

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

| | Appropriations | | Paid or Charged | Expended | | Reserve | (Over expended) Unexpended Balance Cancelled |
|---|------------------------|----------------------------|---------------------|-------------------|-------------------|------------------|--|
| | Budget | Budget After Modifications | | Encumbered | Reserve | | |
| Operations: | | | | | | | |
| Salaries and Wages | \$ 1,261,300.00 | 1,261,300.00 | 1,203,830.83 | - | 57,469.17 | - | - |
| Other Expenses | 842,693.00 | 842,693.00 | 459,961.15 | 228,096.80 | 154,635.05 | - | - |
| Insurance | 774,165.00 | 774,165.00 | 767,774.00 | - | 6,391.00 | - | - |
| Cape May County MUA | 3,950,000.00 | 3,950,000.00 | 3,501,213.00 | - | 448,787.00 | - | - |
| | <u>6,828,158.00</u> | <u>6,828,158.00</u> | <u>5,932,778.98</u> | <u>228,096.80</u> | <u>667,282.22</u> | - | - |
| Debt Service: | | | | | | | |
| Payment of Bond Principal | 1,455,000.00 | 1,455,000.00 | 1,455,000.00 | - | - | - | - |
| Interest on Bonds | 425,387.50 | 425,387.50 | 413,704.17 | - | - | 11,683.33 | - |
| Interest on Notes | 20,000.00 | 20,000.00 | - | - | - | 20,000.00 | - |
| Other Debt Service - USDA | 104,030.00 | 104,030.00 | 103,990.13 | - | - | 39.87 | - |
| | <u>2,004,417.50</u> | <u>2,004,417.50</u> | <u>1,972,694.30</u> | - | - | <u>31,723.20</u> | - |
| Deferred Charges and Statutory Expenditures: | | | | | | | |
| Public Employees' Retirement System | 147,070.00 | 147,070.00 | 147,070.00 | - | - | - | - |
| Social Security System | 96,499.50 | 96,499.50 | 96,499.50 | - | - | - | - |
| Unemployment Compensation Insurance | 9,500.00 | 9,500.00 | 9,500.00 | - | - | - | - |
| | <u>253,069.50</u> | <u>253,069.50</u> | <u>253,069.50</u> | - | - | - | - |
| | <u>\$ 9,085,645.00</u> | <u>9,085,645.00</u> | <u>8,158,542.78</u> | <u>228,096.80</u> | <u>667,282.22</u> | <u>31,723.20</u> | - |
| Statement of Expenditures: | | | | | | | |
| Accrued Interest on Bonds | | | 87,421.95 | | | | 31,723.20 |
| Disbursed | | | 8,071,120.83 | | | Cancelled | <u>31,723.20</u> |
| | | | <u>8,158,542.78</u> | | | | |

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

EXHIBIT - E
GENERAL FIXED ASSETS ACCOUNT GROUP

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

| | <u>2019</u> | <u>2018</u> |
|------------------------------------|-------------------------|-------------------------|
| General Fixed Assets: | | |
| Land and Buildings | \$ 3,138,438.00 | \$ 3,138,438.00 |
| Buildings | 16,044,869.00 | 16,044,869.00 |
| Machinery and Equipment | 12,617,955.08 | 11,907,900.37 |
| Total General Fixed Assets | <u>\$ 31,801,262.08</u> | <u>\$ 31,091,207.37</u> |
| | | |
| Investment in General Fixed Assets | <u>\$ 31,801,262.08</u> | <u>\$ 31,091,207.37</u> |

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

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NOTES TO THE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Description of Funds

The accounting policies of the City of Sea Isle 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 Sea Isle 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.

Water and Sewer Operating and Capital Funds -- account for the operations of the water and sewer utility and acquisition of water and 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.

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.

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

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.

Inter-funds - 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. Expenditures for long lived assets with an original cost in excess of \$1,000.00 are capitalized.

No depreciation has been provided for in the financial statements.

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

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately. Property and equipment purchased by the Water and Sewer Utility Fund is 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 Water and Sewer 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.

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

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 Sea Isle 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. Sewer Charges are billed semi-annually and due on April 1st and October 1st.

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 Sea Isle 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 regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Required Financial Statements

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

E. Comparative Data

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

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

F. Recent Accounting Pronouncements Not Yet Effective

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for fiscal periods beginning after December 15, 2019, may have an effect on the City's financial reporting.

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

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any an 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, which is effective for fiscal periods beginning after December 15, 2020, will not have any an effect on the City's financial reporting.

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

NOTE 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2019 and 2018 statutory budgets included a reserve for uncollected taxes in the amount of \$824,531.77 and \$802,813.31. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2019 and 2018 statutory budgets was \$2,750,000.00 and \$3,000,000.00.

In addition, the entity operates a self-liquidating Water and Sewer utility. Under New Jersey Statutes a separate budget for the Water and Sewer utility must be adopted concurrently with the operating budget of the entity. The Water and Sewer utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2019 and 2018 statutory budgets was \$750,645.00 and \$2,040,587.80.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1, these transfers can be made in the form of a resolution and approved by City Council. The following significant budget transfers were approved in the 2019 and 2018 calendar years:

| <u>Budget Category</u> | <u>2019</u> | <u>2018</u> |
|-------------------------------------|-------------|-------------|
| <u>Current Fund:</u> | | |
| General Administration | | |
| Salaries and Wages | (20,000.00) | 8,400.00 |
| Bathing Beaches | | |
| Salaries and Wages | (11,500.00) | |
| Other Expenses | 11,500.00 | |
| Environmental Commission | | |
| Salaries and Wages | 70.00 | |
| Insurance | | |
| Employee Group Health | (66,407.00) | (44,900.00) |
| Health Benefit Waiver | | |
| Salaries and Wages | - | 1,000.00 |
| Street Signals & Safety Lanes | | |
| Salaries and Wages | - | (5,000.00) |
| Other Expenses | 5,000.00 | - |
| Street Cleaning | | |
| Other Expenses | 8,000.00 | 16,500.00 |
| Police | | |
| Other Expenses | - | 15,000.00 |
| Fire | | |
| Other Expenses | 21,000.00 | - |
| Emergency Management Services | | |
| Salaries and Wages | 52.00 | - |
| Emergency Medical Services | | |
| Salaries and Wages | 25,000.00 | - |
| Other Expenses | (6,000.00) | |
| Maintenance - Vehicle | | |
| Salaries and Wages | 1,300.00 | - |
| Solid Waste Management | | |
| Salaries and Wages | (5,000.00) | - |
| Garbage and Trash Removal | | |
| Other Expenses | (8,000.00) | - |
| Recreation | | |
| Salaries and Wages | - | 12,000.00 |
| Other Expenses | - | (5,000.00) |
| Municipal Court | | |
| Salaries and Wages | 1,000.00 | - |
| Other Expenses | (1,000.00) | - |
| Plumbing Inspector | | |
| Salaries and Wages | 50.00 | - |
| Tourism | | |
| Salaries and Wages | - | (3,000.00) |
| Computer Services | 45,000.00 | - |
| Gasoline | (28,065.00) | - |
| Water and Sewer | (19,000.00) | - |
| Street Lighting | - | 5,000.00 |
| Public Employees Retirement System | 15,000.00 | - |
| Police & Firemens Retirement System | 32,000.00 | - |

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

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. There were no significant budget insertions approved during 2019. There were two significant budget insertions approved in 2018.

| <u>Budget Category</u> | <u>2019</u> | <u>2018</u> |
|--------------------------------|-------------|-------------|
| Drunk Driving Enforcement Fund | \$ - | \$ 8,448.69 |
| Green Communities Grant | - | 3,000.00 |

The entity may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. The Governing Body did not approve an emergency authorization in 2019 and 2018 calendar years. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. There were no Special Emergencies approved in 2019 or 2018.

NOTE 3: INVESTMENTS

As of December 31, 2019 and 2018, the municipality held certificates of deposits in the amount of \$6,053,000.00 and \$12,393,000.00 with First Bank of Sea Isle City. The certificates matured every 7 or 14 days depending on the maturity date in 2019 and were rolled over for another 7 or 14-day period at varying interest rates. The City also invests in Step Saver accounts with the First Bank of Sea Isle City. The interest rate on these accounts vary depending on the balance in the account.

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, 2019, \$2,329,122.29 of the government's bank balance of \$34,906,345.31 was exposed to custodial credit risk. As of December 31, 2018, \$2,021,553.69 of the government's bank balance of \$27,864,888.88 was exposed to custodial credit risk.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 5: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2019 and 2018:

| | Balance 12/31/2017 | Additions | Retirements/ Adjustments | Balance 12/31/2018 |
|-------------------------|-------------------------|---------------------|-----------------------------|-----------------------|
| Land | \$ 3,138,438.00 | - | - | 3,138,438.00 |
| Building | 16,044,869 | - | - | 16,044,869.00 |
| Equipment and Machinery | 11,111,033 | 1,084,341.50 | (287,474.00) | 11,907,900.37 |
| | <u>\$ 30,294,339.87</u> | <u>1,084,341.50</u> | <u>(287,474.00)</u> | <u>31,091,207.37</u> |

| | Balance 12/31/2018 | Additions | Retirements/ Adjustments | Balance 12/31/2019 |
|-------------------------|-------------------------|---------------------|-----------------------------|-----------------------|
| Land | \$ 3,138,438.00 | - | - | 3,138,438.00 |
| Building | 16,044,869.00 | - | - | 16,044,869.00 |
| Equipment and Machinery | 11,907,900.37 | 1,255,333.64 | (545,278.93) | 12,617,955.08 |
| | <u>\$ 31,091,207.37</u> | <u>1,255,333.64</u> | <u>(545,278.93)</u> | <u>31,801,262.08</u> |

NOTE 6: SHORT-TERM OBLIGATIONS

| | Balance 12/31/17 | Issued | Retired | Balance 12/31/18 |
|-------------------------------------|-------------------------|----------------------|----------------------|----------------------|
| Bond Anticipation Notes payable: | | | | |
| General | \$ 8,195,000.00 | 13,015,000.00 | 8,195,000.00 | 13,015,000.00 |
| Utility | - | - | - | - |
| | <u>\$ 8,195,000.00</u> | <u>13,015,000.00</u> | <u>8,195,000.00</u> | <u>13,015,000.00</u> |
| | Balance 12/31/18 | Issued | Retired | Balance 12/31/19 |
| Bond Anticipation Notes payable: | | | | |
| General | \$ 13,015,000.00 | - | 13,015,000.00 | - |
| Utility | - | - | - | - |
| | <u>\$ 13,015,000.00</u> | <u>-</u> | <u>13,015,000.00</u> | <u>-</u> |

The General note was issued on 9/12/18 and was due and payable 9/12/19 with interest at 3.50%. There is no balance of General Capital or Utility notes payable as of 12/31/19.

As of December 31, 2019, the entity has authorized but not issued bonds in the amount of \$3,018,750.00 and \$0 in the General Capital Fund and Utility Capital Fund respectively.

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

NOTE 7: LONG TERM DEBT

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

| | Balance 12/31/17 | Issued | Retired | Balance 12/31/18 | Amounts Due Within One Year |
|--|-------------------------|-------------------|---------------------|----------------------|-----------------------------------|
| Bonds payable: | | | | | |
| General | \$ 33,420,000.00 | | 3,780,000.00 | 29,640,000.00 | 3,890,000.00 |
| Utility | 15,610,000.00 | | 1,425,000.00 | 14,185,000.00 | 1,455,000.00 |
| Total | \$ 49,030,000.00 | - | 5,205,000.00 | 43,825,000.00 | 5,345,000.00 |
| Other liabilities: | | | | | |
| Loans Payable Green Trust | \$ 75,450.46 | - | 29,730.50 | 45,719.96 | 30,328.08 |
| Loans Payable USDA | \$ 2,424,426.31 | - | 37,617.08 | 2,386,809.23 | 38,659.37 |
| Compensated Absences Payable | 1,438,776.42 | 219,509.41 | 177,282.61 | 1,481,003.22 | - |
| Total long-term liabilities | \$ 52,968,653.19 | 219,509.41 | 5,449,630.19 | 47,738,532.41 | 5,413,987.45 |

| | Balance 12/31/18 | Issued | Retired | Balance 12/31/19 | Amounts Due Within One Year |
|--|-------------------------|----------------------|---------------------|----------------------|-----------------------------------|
| Bonds payable: | | | | | |
| General | \$ 29,640,000.00 | 21,800,000.00 | 3,890,000.00 | 47,550,000.00 | 3,750,000.00 |
| Utility | 14,185,000.00 | - | 1,455,000.00 | 12,730,000.00 | 1,465,000.00 |
| Total | \$ 43,825,000.00 | 21,800,000.00 | 5,345,000.00 | 60,280,000.00 | 5,215,000.00 |
| Other liabilities: | | | | | |
| Loans Payable Green Trust | \$ 45,719.96 | - | 30,328.08 | 15,391.88 | 15,391.88 |
| Loans Payable USDA | \$ 2,386,809.23 | - | 38,658.66 | 2,348,150.57 | 39,729.82 |
| Compensated Absences Payable | 1,481,003.22 | 205,189.15 | 155,721.10 | 1,530,471.27 | - |
| Total long-term liabilities | \$ 47,738,532.41 | 22,005,189.15 | 5,569,707.84 | 64,174,013.72 | 5,270,121.70 |

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

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

\$11,640,000 General Improvement Bonds dated April 15, 2012, due in annual installments through April 15, 2025, bearing interest at rates varying from 2% to 3%. The balance remaining at December 31, 2019, is \$6,170,000.00.

\$8,500,000 General Improvement Bonds dated September 15, 2015, due in annual installments through September 15, 2026, bearing interest at rates varying from 2% to 3%. The balance remaining at December 31, 2019, is \$6,100,000.00.

\$14,000,000 General Improvement Bonds dated October 13, 2016, due in annual installments through November 1, 2034, bearing interest at rates varying from 2% to 3%. The balance remaining at December 31, 2019, is \$13,480,000.00.

\$21,800,000 General Improvement Bonds dated August 28, 2019, due in annual installments through September 1, 2029, bearing interest at rates varying from 2% to 3%. The balance remaining at December 31, 2019, is \$21,800,000.00.

\$500,000 Green Trust Loan dated May 2, 2000, due in annual installments through 2020, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2019, is \$15,391.88.

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

\$5,030,000 Water and Sewer Utility Bonds dated November 15, 2009, due in annual installments through November 15, 2023, bearing a rate that varies from 3% to 4%. The balance remaining as of December 31, 2019, is \$1,320,000.00.

\$3,000,000 Water and Sewer Utility Bonds dated April 15, 2012 due in annual installments through April 15, 2026, bearing a rate that varies from 2% to 3%. The balance remaining as of December 31, 2019, is \$1,770,000.00.

\$4,600,000 General Improvement Bonds dated September 15, 2015, due in annual installments through September 15, 2029, bearing interest at rates varying from 2% to 3%. The balance remaining at December 31, 2019, is \$3,630,000.00.

\$6,080,000.00 General Improvement Bonds dated October 13, 2016, due in annual installments through November 1, 2034, bearing interest at rates varying from 2% to 3%. The balance remaining at December 31, 2019, is \$5,420,000.00.

\$1,755,000 Water and Sewer Utility Refunding Bonds dated April 3, 2014, due in annual installments through January 15, 2021, bearing a rate that varies from 3% to 5%. The balance remaining as of December 31, 2019, is \$590,000.00.

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

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

| Year | General Fund | | Utility Fund | |
|-----------|-------------------------|---------------------|----------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 2020 | 3,750,000.00 | 1,240,450.00 | 1,465,000.00 | 377,937.50 |
| 2021 | 3,990,000.00 | 1,165,350.00 | 1,515,000.00 | 328,562.50 |
| 2022 | 4,390,000.00 | 1,070,800.00 | 1,270,000.00 | 283,937.50 |
| 2023 | 4,580,000.00 | 949,350.00 | 1,060,000.00 | 244,987.50 |
| 2024 | 4,950,000.00 | 818,325.00 | 980,000.00 | 215,050.00 |
| 2025-2029 | 20,550,000.00 | 2,175,575.00 | 4,460,000.00 | 659,100.00 |
| 2030-2034 | 5,340,000.00 | 498,900.00 | 1,980,000.00 | 177,000.00 |
| | <u>\$ 47,550,000.00</u> | <u>7,918,750.00</u> | <u>12,730,000.00</u> | <u>2,286,575.00</u> |

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

| Year | Principal | Interest |
|------|------------------|---------------|
| 2020 | 15,391.88 | 153.92 |
| | <u>15,391.88</u> | <u>153.92</u> |

As of December 31, 2019, the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$1,318,166.58 and to the utility budget was \$413,704.17.

| <u>Summary of Municipal Debt</u> | <u>Year 2019</u> | <u>Year 2018</u> | <u>Year 2017</u> |
|--|-------------------------|-------------------------|-------------------------|
| <u>Issued:</u> | | | |
| General - Bonds and Notes | \$ 47,565,391.88 | \$ 42,700,719.96 | \$ 41,690,450.46 |
| Sewer Utility - Bonds and Notes | 15,078,150.57 | 16,571,809.23 | 18,034,426.31 |
| Total Issued | <u>62,643,542.45</u> | <u>59,272,529.19</u> | <u>59,724,876.77</u> |
| <u>Authorized but not issued:</u> | | | |
| General - Bonds and Notes | 3,018,750.00 | 4,203,750.00 | 5,017,750.00 |
| Sewer Utility - Bonds and Notes | 1,950,000.00 | - | 1,225,000.00 |
| Total Authorized But Not Issued | <u>4,968,750.00</u> | <u>4,203,750.00</u> | <u>6,242,750.00</u> |
| Total Bonds & Notes Issued and Authorized But Not Issued | <u>\$ 67,612,292.45</u> | <u>\$ 63,476,279.19</u> | <u>\$ 65,967,626.77</u> |

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

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 0.996%.

| | Gross Debt | Deductions | Net Debt |
|--------------------|----------------------|----------------------|----------------------|
| Sewer Utility Debt | \$ 17,028,150.57 | 17,028,150.57 | - |
| General Debt | 50,584,141.88 | - | 50,584,141.88 |
| | <u>67,612,292.45</u> | <u>17,028,150.57</u> | <u>50,584,141.88</u> |

Net Debt \$50,584,141.88 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended,
\$5,077,553,622.67= 0.996%

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

| | |
|---|--------------------------|
| 3 1/2 % of Equalized Valuation Basis (Municipal) | \$ 177,714,377.00 |
| Net Debt | 50,584,141.88 |
| Remaining Borrowing Power | <u>\$ 127,130,235.12</u> |

The City of Sea Isle City School District, as a K-6 school district, is permitted to borrow up to 2.5% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amount approved by the voters in excess of the limit is treated as an impairment of the municipal limit.

NOTE 8: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2019 and 2018, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2020 and 2019 were as follows:

| | 2020 | 2019 |
|---------------|-----------------|-----------------|
| Current Fund | \$ 2,966,000.00 | \$ 2,750,000.00 |
| Sewer Utility | 1,685,594.50 | 750,645.00 |

Municipalities are permitted to appropriate the full amount of fund balance, net of any amounts due from the State of NJ for Senior Citizens and Veterans Deductions, deferred charges, and cash deficit.

NOTE 9: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2019, there were no deferred charges shown on the balance sheet.

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

NOTE 10: SCHOOL TAXES

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

| | Local School Tax Balance 12/31/19 | Local School Tax Balance 12/31/18 |
|----------------|---|---|
| Balance of Tax | \$ 913,651.00 | \$ 913,651.00 |
| Deferred | 913,651.00 | 913,651.00 |
| Tax Payable | <u>\$ -</u> | <u>\$ -</u> |

NOTE 11: TAXES COLLECTED IN ADVANCE

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

| | Balance 12/31/19 | Balance 12/31/18 |
|---|----------------------|----------------------|
| Prepaid Taxes | <u>\$ 737,278.79</u> | <u>\$ 736,449.82</u> |
| Cash Liability for Taxes Collected in Advance | <u>\$ 737,278.79</u> | <u>\$ 736,449.82</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 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 Public Employees' Retirement System 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.

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

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15c-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15c-1 et seq. The City currently has 11 employees enrolled as of December 31, 2019.

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 Sea Isle 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 plan for his benefit for his/her 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 service, the last 10 must have been completed immediately preceding his/her application.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 7.34% through June 30, 2018 and 7.50% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 13.54% of covered payroll. The entity's contributions to PERS for the years ended December 31, 2019, 2018, and 2017 were \$615,233.00, \$548,778.00, and \$524,855.00.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The current PFRS rate is 27.31% of covered payroll. The entity's contributions to PFRS for the years ended December 31, 2019, 2018, and 2017 were \$772,872.00, \$714,889.26, and \$660,310.74.

The total payroll for the year ended December 31, 2019, 2018 and 2017 was \$10,145,876.96, \$10,123,814.28 and \$9,961,541.37. Payroll covered by PFRS was \$2,142,697.00, \$2,009,789.00, and \$2,063,907.00. Payroll covered by PERS was \$5,244,510.00, \$5,281,764.00, and \$5,173,013.00.

The Lifeguard Pension provides for employee contributions of 4.00% of employees' annual compensation. The City's contributions to the Lifeguard Pension for the year ended December 31, 2019, 2018 and 2017 was \$10,000.00, \$10,000.00 and \$10,000.00. The City's trust for the Lifeguard Pension at December 31, 2019 was \$950,375.16. Currently there are currently no individuals receiving benefits. The benefits paid by the trust for the year ended December 31, 2019, 2018 and 2017 were \$9,358.56, \$9,358.56, and \$9,908.66.

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

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 a $\frac{1}{7}$ th of the required amount, beginning in fiscal years 2012.

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

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

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

NOTE 13: PENSION LIABILITIES

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

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

Public Employees' Retirement System

The Municipality has a liability of \$13,599,850.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 that was rolled forward to June 30, 2019. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Municipality's proportion would be 0.07547721780%, which would be an increase of 3.56% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Municipality would have recognized pension expense of \$752,813.00. At December 31, 2019, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected & actual experience | \$ 244,100.00 | \$ (60,078.00) |
| Changes of assumptions | 1,357,995.00 | (4,720,465.00) |
| Changes in proportion | 927,867.00 | (340,624.00) |
| Net difference between projected and actual earnings on pension plan investments | | (214,679.00) |
| Total | \$ 2,529,962.00 | \$ (5,335,846.00) |

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

| Year ended June 30, | |
|------------------------|--------------------------|
| 2019 | \$ (324,737.33) |
| 2020 | (1,053,441.98) |
| 2021 | (940,662.31) |
| 2022 | (441,689.42) |
| 2023 | (45,352.96) |
| Total | \$ (2,805,884.00) |

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

Actuarial Assumptions

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

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 200 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disable retirees were 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, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

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

| | 1% Decrease (5.28%) | Current Discount Rate (6.28%) | 1% Increase (7.28%) |
|---|---------------------------|-------------------------------------|---------------------------|
| Municipality's proportionate share of the net pension liability | \$ 16,322,075.11 | \$ 13,599,850.00 | \$ 11,308,655.38 |

Pension plan fiduciary net position.

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

Police and Firemen's Retirement System

The Municipality has a liability of \$7,131,989.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2018 that was rolled forward to June 30, 2019. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Municipality's proportion would be 0.05827827190%, which would be a decrease of 7.39% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Municipality would have recognized pension expense of \$576,681.00. At December 31, 2019, the Municipality would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected & actual experience | \$ 60,203.00 | \$ (45,154.00) |
| Changes of assumptions | 244,381.00 | (2,304,994.00) |
| Changes in proportion | 221,881.00 | (629,868.00) |
| Net difference between projected and actual earnings on pension plan investments | | (96,636.00) |
| Total | \$ 526,465.00 | \$ (3,076,652.00) |

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

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

| Year ended June 30, | | |
|------------------------|----|-----------------------|
| 2018 | \$ | (445,108.91) |
| 2019 | | (934,354.38) |
| 2020 | | (661,718.68) |
| 2021 | | (326,182.30) |
| 2022 | | (182,822.73) |
| Total | \$ | <u>(2,550,187.00)</u> |

Actuarial Assumptions

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

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

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

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

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

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

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

Discount Rate

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

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

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

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

| | Decrease (5.74%) | Rate (6.85%) | Increase (7.85%) |
|---|---------------------|-----------------|---------------------|
| District's proportionate share of the net pension liability | 9,342,964.60 | 7,131,989.00 | 5,302,262.67 |

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

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

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Municipality was 0.05827827190% for 2019. The net pension liability amount allocated to the Municipality was \$1,126,155.00. For the fiscal year ending June 30, 2019 State special funding situation pension expense of \$130,850.00 is allocated to the Municipality.

Pension plan fiduciary net position.

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

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

NOTE 14: POST-RETIREMENT BENEFITS

The City offers medical, prescription drug, life insurance, dental and vision coverage to eligible retirees and their dependents after 25 years or more of service. Police officers receive the same benefits after 20 years or more of service. As of March 1, 2015, the medical and prescription drug benefits were administered through State Health Benefits program.

The dental, vision and life insurance coverage provided to eligible retirees and their dependents is administered directly by the City.

The City of Sea Isle City contributions for post-retirement benefits for the year ended December 31, 2019 and 2018 were \$789,115.36 and \$1,176,108.50 respectively.

The City participates New Jersey State Health Benefits Program ("the SHBP"), which qualifies as a cost-sharing, multiple –employer plan in accordance with GASB Statement 75 "Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions" ("OPEB"). The SHBP is administered by the State of New Jersey, Department of Treasury, Division of Pension and Benefits.

Under the SHBP, retirees may continue the health benefits programs in which they are enrolled at the time of retirement, provided the retiree pays the costs of the benefits (at group rates) for themselves and their eligible dependents. The OPEB Liability associated with the SHBP is further discussed in Note 15.

City employees are also eligible to participate in the single – employer OPEB Plan discussed below.

A retiree and their covered dependents may also receive County-paid dental and vision benefits for a period of 3 to 5 years in accordance with labor agreements if they meet any one of the following requirements:

- (1) Twenty-five (25) years or more of full-time service with Atlantic County and Twenty-five (25) years or more enrolled in the pension system; or
- (2) Fifteen (15) years of full-time service with the Atlantic County and the employee is sixty-two (62) years of age.

The Regulatory Basis of Accounting does not permit the accrual of Actuarially determined OPEB Expenses or Liabilities. The County reports all OPEB related costs on the "pay as you go" basis. The following information is for disclosure purposes only and has not been accrued in the Financial Statements of the County.

The actuarial determined valuation of these benefits has been reviewed and will be reviewed bi-annually for the purpose of estimating the present value of future benefits for active and retired employees and their dependents as required by GASB 75.

The actuarial valuation report was based on 166 total participants including 67 retirees.

Annual OPEB Cost and Net OPEB Liability

The County's annual OPEB cost represents the accrued cost for post-employment benefits under GASB 75. The cumulative difference between the annual OPEB cost and the benefits paid during a year will result in a net OPEB obligation. The annual OPEB cost is equal to the annual required contribution (ARC) less adjustment if a net OPEB obligation exists. The ARC is equal to the normal cost and amortization of the Unfunded Actuarial Accrued Liability (UAAL) plus interest.

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

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates and assumptions about the probability of occurrences of events far into the future, including future employment, mortality and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

In the January 1, 2017 actuarial valuation, the "Entry-Age-Normal as a Percentage of Salary" method was used for all participants. The actuarial assumptions used to project future costs included a discount rate of 3.78% and annual dental and vision cost trend rate of 2.0%. In addition, the unfunded actuarial accrued liability is being amortized over the maximum acceptable period of 30 years.

Other Post-employment Benefit Costs and Obligations

In the January 1, 2018 actuarial valuation, the Actuarially Determined Contribution for the year's ending December 31, 2018 were projected as follows:

| | <u>12/31/2018</u> |
|--|-------------------|
| Actuarial determined contribution | \$ 1,001,934.00 |
| Benefit payments | (122,912.00) |
| Net change in total OPEB liability | <u>879,022.00</u> |
| Covered Payroll | \$ 8,600,000.00 |
| Actuarially Determined Contribution as a % of Covered Payroll | 1.43% |

The following reflects the change in the Total OPEB Liability as of the January 1, 2018 valuation date for the Years ended December 31, 2018.

| | <u>12/31/2018</u> |
|---|-------------------------|
| OPEB Liability, Beginning of Year | \$ 11,178,147.00 |
| Changes for the Year: | |
| Service Cost | 210,505.00 |
| Interest | 404,648.00 |
| Assumption Changes & Difference Between Actual & Expected Experience | (59,481.00) |
| Change in Actuarial Cost Method | - |
| Benefit Payments | (122,912.00) |
| OPEB Liability, End of Year | <u>\$ 11,610,907.00</u> |
| Covered payroll (for Covered Participants) | \$ 8,600,000.00 |
| Total OPEB liability as a percentage of covered payroll | 135.01% |

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

Sensitivity of the total OPEB liability to changes in the discount rate.

The January 1, 2018 valuation was prepared using a discount rate of 3.64%. If the discount rate were 1% higher than what was used in this valuation, the Total OPEB Liability would decrease to \$9,615,038.00 or by 4.64%. If the discount rate were 1% lower than was used in this valuation, the Total OPEB Liability would increase to \$13,606,776.00 or by 2.64%.

| | Discount Rate | | |
|----------------------|-------------------------|-------------------------|------------------------|
| | 1% Decrease | Baseline 3.78% | 1% Increase |
| Total OPEB Liability | \$ <u>13,606,776.00</u> | \$ <u>11,610,907.00</u> | \$ <u>9,615,038.00</u> |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The January 1, 2017 valuation was prepared using an initial trend rate of 8.00% decreasing to 5.0%. If the trend rate were 1% higher than what was used in this valuation, the Total OPEB Liability would increase to \$13,970,568.00 or by 9.00% decreasing to 6.00%. If the trend rate were 1% lower than was used in this valuation, the Total OPEB Liability would decrease to \$9,630,928.00 or by 7.00% decreasing to 4.00%.

| | Healthcare Cost Trend Rates | | |
|----------------------|-----------------------------|-------------------------|-------------------------|
| | 1% Decrease | Baseline 0.00% | 1% Increase |
| Total OPEB Liability | \$ <u>9,630,928.00</u> | \$ <u>11,610,907.00</u> | \$ <u>13,970,568.00</u> |

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

For the year ended December 31, 2018, the City's Actuarially determined OPEB expense was 605,239.00. At December 31, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Increase in January 1, 2018 OPEB Liability due to Actuarial experience different from expected and actuarial assumption changes | \$ - | \$ 49,567.00 |
| Total | \$ <u>-</u> | \$ <u>49,567.00</u> |

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

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

| For the Year Ending December 31, | |
|----------------------------------|--------------|
| 2019 | \$ 9,913.40 |
| 2020 | 9,913.40 |
| 2021 | 9,913.40 |
| 2022 | 9,913.40 |
| 2023 | 9,913.40 |
| Thereafter | - |
| | \$ 49,567.00 |

NOTE 15 – OTHER POST-RETIREMENT BENEFITS

General Information about the Plan:

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

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

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

- 1) retired on a disability pension;
- or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer;
- or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer;
- or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

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

Net OPEB Liability:

Components of Net OPEB Liability

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

| | June 30, 2019 | |
|---|-----------------------------|--------------------------------|
| | Collective Total | Proportionate Share |
| Total OPEB Liability | \$ 13,819,244,582.00 | \$ 21,748,727.00 |
| Plan Fiduciary Net Position | 273,173,482.00 | 429,920.00 |
| Net OPEB Liability | <u>\$ 13,546,071,100.00</u> | <u>\$ 21,318,807.00</u> |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 1.98% | 1.98% |

At June 30, 2019 the City's proportionate share of the Collective Net OPEB Liability was \$21,318,807.00. The City's proportion of the Collective Net OPEB Liability was 0.157380% which was a decrease from the prior year of 5.79%.

For the Year ended June 30, 2019 the City's Total OPEB Expense was (\$501,159.00).

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

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

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

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

Mortality:

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

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

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

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

Health Care Trend Assumptions

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

Discount Rate

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

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

| | 1% Decrease (2.50%) | Discount Rate (3.50%) | 1% Increase (4.50%) |
|---------------------|------------------------|--------------------------|------------------------|
| Collective | | | |
| Net OPEB Liability | \$ 15,662,704,137.00 | \$ 13,546,071,100.00 | \$ 11,826,026,995.00 |
| Proportionate Share | | | |
| Net OPEB Liability | \$ 24,649,964.12 | \$ 21,318,807.00 | \$ 18,611,801.55 |

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

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

| | 1% Decrease | Healthcare Cost Trend Rate | 1% Increase |
|---------------------|----------------------|-------------------------------|----------------------|
| Collective | | | |
| Net OPEB Liability | \$ 11,431,214,644.00 | \$ 13,546,071,100.00 | \$ 16,243,926,531.00 |
| Proportionate Share | | | |
| Net OPEB Liability | \$ 17,990,445.86 | \$ 21,318,807.00 | \$ 25,564,691.94 |

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

At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB from the following sources:

| | Collective Totals | | Proportionate Share | |
|--|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ | \$ (3,961,399,180.00) | \$ | \$ (6,234,450.00) |
| Changes of assumptions | | (4,800,426,301.00) | | (7,554,911.00) |
| Net difference between projected and actual earnings on OPEB plan investments | 11,158,226.00 | | 17,561.00 | |
| Changes in proportion and differences between contributions and proportionate share of contributions | | | 2,325,247.00 | (3,983,765.00) |
| Total | \$ 11,158,226.00 | \$ (8,761,825,481.00) | \$ 2,342,808.00 | \$ (17,773,126.00) |

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

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

| Year ended June 30, | Collective Totals | Proportionate Share |
|------------------------|---------------------------|---------------------------|
| 2019 | \$ (1,425,201,517) | \$ (2,513,101.23) |
| 2020 | (1,425,201,517) | (2,513,101.23) |
| 2021 | (1,426,076,187) | (2,514,643.56) |
| 2022 | (1,427,489,995) | (2,517,136.57) |
| 2023 | (1,428,781,861) | (2,519,414.56) |
| Thereafter | (1,617,916,178) | (2,852,920.86) |
| Total | <u>\$ (8,750,667,255)</u> | <u>\$ (15,430,318.00)</u> |

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

Collective OPEB Expenses reported by the State of New Jersey

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

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

Schedule of City's Share of Net OPEB Liability

| | <u>2019</u> |
|---|------------------|
| City's Proportionate Share of Net OPEB Liability | 0.157380% |
| City's Share of Net OPEB Liability | \$ 21,318,807.00 |
| City's Covered Payroll | 7,390,150.60 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll | 288.48% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 1.97% |

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

NOTE 16: ACCRUED SICK AND VACATION BENEFITS

The entity has permitted employees to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. The monetary value of these earned and unused employee benefits has not been accrued by either charges to operations or to budgets of prior years, although in some cases they might be material, since the realization of this liability may be affected by conditions which preclude an employee from receiving full payment of the accrual. At December 31, 2019, the City estimates this liability to approximate \$1,530,471.27 based on 2019 pay rates and compensated absence balances. At December 31, 2018, the liability was \$1,481,003.22. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The entity does not accrue the liability.

NOTE 17: ECONOMIC DEPENDENCY

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

NOTE 18: RISK MANAGEMENT

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

Property and Liability Insurance - The entity maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2019 and 2018 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 \$50,000 under JIF, which increases to \$1,000,000 under MEL.

NOTE 19: DEFERRED COMPENSATION

The Employees of the City of Sea Isle 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.

The plan administrators are Nationwide and AIG. There are 22 and 38 employees who participate respectively.

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

NOTE 20: CONTINGENT LIABILITIES

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

NOTE 21: INTERFUND BALANCES

During the most current calendar year ended December 31, 2019, the following inter-funds were included on the balance sheets of the various funds of the City of Sea Isle City:

| | Due From | Due To |
|-------------------|---------------------|---------------------|
| Current Fund: | | |
| Grant Fund | \$ - | \$ 35,212.79 |
| Grant Fund: | | |
| Current Fund | 35,193.79 | - |
| Trust Fund: | | |
| Tax Title Lien | | 5,000.00 |
| Trust Fund - SUCC | 19.00 | |
| Lifeguard Pension | 5,000.00 | - |
| | <u>\$ 40,212.79</u> | <u>\$ 40,212.79</u> |

The amounts due to the Grant fund from the Current fund is due to there is only one bank account for the Current Fund and the Grant Fund. There was also an inter-fund between two Trust accounts, Lifeguard Pension and Tax Title Lien in the amount of \$5,000.00. This was the result of an incorrect deposit posting of cash between the two accounts. This will be corrected in 2020. No other significant inter-funds existed at year-end.

NOTE 22: LENGTH OF SERVICE AWARDS PROGRAM

During the 2004 calendar year, the voters of the City of Sea Isle City approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This plan is made available to all bona fide eligible volunteers who are performing qualified services which is defined as firefighting and prevention services, emergency medical services and ambulance services pursuant to Section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP will also comply with New Jersey Public Law 1997, Chapter 388 and the LOSAP Document. The City appropriated \$75,000.00 and \$75,000.00 in 2019 and 2018 budgets, respectively for contributions to the LOSAP for volunteers who have met the established criteria.

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

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

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

NOTE 23: SUBSEQUENT EVENTS

The entity has evaluated subsequent events through June 19, 2020, the date which the financial statements were available to be issued and identified no other events requiring disclosure.

SUPPLEMENTARY INFORMATION



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
Members of City Council
City of Sea Isle City
Cape May County, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated June 19, 2020, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Very truly yours,

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

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

June 19, 2020

CITY OF SEA ISLE CITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2019

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

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

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

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

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

MANAGEMENT RESPONSES

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

A corrective action plan is not required for 2019.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year audit findings.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

| | Current Fund | Grant Fund |
|--|-------------------------|------------------|
| Balance December 31, 2018 | \$ 9,562,369.60 | - |
| Increased by Receipts: | | |
| Tax Collector | 33,581,332.48 | - |
| Revenue Accounts Receivable | 4,685,776.98 | - |
| Miscellaneous Revenue | 158,698.76 | - |
| State of New Jersey: | | |
| Senior Citizen and Veterans Deductions | 25,500.00 | - |
| Marriage Licenses | 825.00 | - |
| Payroll Deductions Payable | 11,296,024.10 | - |
| Due to Tourism Commission | 95,253.33 | - |
| Due to Grant Fund | 44,626.54 | - |
| Due to Current Fund | - | 48,009.51 |
| Federal and State Unallocated | - | 30,091.29 |
| Federal and State Receivables | - | 14,535.25 |
| | <u>49,888,037.19</u> | <u>92,636.05</u> |
| | 59,450,406.79 | 92,636.05 |
| Decreased by Disbursements: | | |
| Current Year Appropriation | 21,022,990.44 | - |
| Prior Year Appropriations | 618,669.53 | - |
| County Taxes | 13,905,330.85 | - |
| Local District School Taxes | 1,827,302.00 | - |
| Refund of Tax Overpayments | 1,955.38 | - |
| Payroll Taxes Paid | 11,295,877.38 | - |
| Refund Prior Year Revenue | 5,299.45 | - |
| Due to Grant Fund | 48,009.51 | - |
| Due to Tourism Commission | 95,953.33 | - |
| State of New Jersey: | | |
| Marriage Licenses | 825.00 | - |
| Due to Current Fund | - | 44,626.54 |
| Federal and State Disbursements | - | 48,009.51 |
| | <u>48,822,212.87</u> | <u>92,636.05</u> |
| Balance December 31, 2019 | \$ <u>10,628,193.92</u> | <u>-</u> |

See Accompanying Auditor's Report

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

| | | |
|-----------------------------|---------------|---------------|
| Balance December 31, 2018 | | \$ - |
| Increased by Receipts: | | |
| Prepaid Taxes | 739,206.30 | |
| Taxes Receivable | 32,686,879.09 | |
| Homestead Rebate | 75,368.08 | |
| Revenue Accounts Receivable | 79,879.01 | |
| | | 33,581,332.48 |
| | | 33,581,332.48 |
| Payments to Treasurer | | 33,581,332.48 |
| Balance December 31, 2019 | | \$ - |

See Accompanying Auditor's Report

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

| Year | Balance Dec. 31, 2018 | Current Year Levy | Collections by Cash | | Adjustments | Transferred To Tax Title Lien | Arrears | Balance Dec. 31, 2019 |
|------|--------------------------|----------------------|---------------------|---------------|-------------|-------------------------------------|---------|--------------------------|
| | | | 2018 | 2019 | | | | |
| 2018 | \$ 416,805.29 | - | - | 411,560.76 | 5,244.53 | - | - | (0.00) |
| | 416,805.29 | - | - | 411,560.76 | 5,244.53 | - | - | (0.00) |
| 2019 | - | 33,536,146.69 | 88,414.95 | 32,368,255.25 | 2,951.34 | 104.06 | - | 516,801.17 |
| | \$ 416,805.29 | 33,536,146.69 | 88,414.95 | 32,779,816.01 | 8,195.87 | 104.06 | - | 516,801.17 |

| | |
|------------------------------|----------------------|
| Cash Receipts | 32,686,879.09 |
| Homestead Rebate | 75,368.08 |
| Senior Citizens and Veterans | 27,000.00 |
| Overpayments | (9,431.16) |
| | <u>32,779,816.01</u> |

Analysis of Current Year Tax Levy

| | |
|----------------------------------|----------------------|
| Tax Yield: | |
| General Property Tax | 33,536,146.69 |
| Added Taxes (54:4-63.1 et. Seq.) | <u>88,414.95</u> |
| | <u>33,624,561.64</u> |

| | |
|--------------------------------|------------------|
| Tax Levy: | |
| General County Taxes | 11,613,021.72 |
| County Library Taxes | 1,683,805.29 |
| County Open Space Taxes | 510,073.97 |
| County Added and Omitted Taxes | <u>88,414.95</u> |
| Total County Taxes | 13,895,315.93 |

Local School District Tax 1,827,302.00

Local Tax for Municipal Purposes 17,681,270.77
 Add: Additional Tax Levied 220,672.94
 17,901,943.71

33,624,561.64

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

| | | | |
|---------------------------------|--------|----|----------|
| Balance December 31, 2018 | | \$ | 9,322.45 |
| Increased by: | | | |
| Transfers from Taxes Receivable | 104.06 | | |
| | 104.06 | | 104.06 |
| Decreased by: | | | 9,426.51 |
| Other | 108.64 | | |
| | 108.64 | | 108.64 |
| Balance December 31, 2019 | | \$ | 9,317.87 |

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

| | Balance Dec. 31, 2018 | Accrued in 2018 | Collected by | | Balance Dec. 31, 2019 |
|---|--------------------------|---------------------|------------------|---------------------|--------------------------|
| | | | Collector | Treasurer | |
| Licenses: | | | | | |
| Alcoholic Beverages | - | 19,308.64 | - | 19,308.64 | - |
| Other | - | 194,551.67 | - | 194,551.67 | - |
| Fees an Permits | - | 192,379.00 | - | 192,379.00 | - |
| Fines and Costs: | | | | | |
| Municipal Court | 1,900.82 | 272,682.03 | - | 270,759.65 | 3,823.20 |
| Interest and Costs on Taxes | - | 79,859.01 | 79,859.01 | - | - |
| Parking Meters | - | 315,657.19 | - | 315,657.19 | - |
| Interest Earned on Investments | - | 58,014.21 | - | 58,014.21 | - |
| Beach Fees | - | 1,424,800.00 | - | 1,424,800.00 | - |
| Marina Slip Rentals | - | 193,443.58 | - | 193,443.58 | - |
| Local Franchise Fee - Cable/Beach | - | 224,896.27 | - | 224,896.27 | - |
| Telephone Cell Tower Rental | - | 360,084.93 | - | 360,084.93 | - |
| Energy Receipts Tax | - | 293,009.00 | - | 293,009.00 | - |
| Construction Code Fees | - | 554,038.00 | - | 554,038.00 | - |
| Ambulance Fees | - | 171,848.84 | - | 171,848.84 | - |
| Recreation Fees | - | 44,270.00 | - | 44,270.00 | - |
| Festival Income | - | 57,900.00 | - | 57,900.00 | - |
| City of Ocean City - Construction Code Official | - | 132,116.00 | - | 132,116.00 | - |
| Shared Service - Engineering/Admin | - | 165,500.00 | - | 165,500.00 | - |
| Shared Service - Plumbing | - | 13,200.00 | - | 13,200.00 | - |
| Miscellaneous Revenue Not Anticipated | - | 158,718.76 | 20.00 | 158,698.76 | - |
| | <u>1,900.82</u> | <u>4,926,277.13</u> | <u>79,879.01</u> | <u>4,844,475.74</u> | <u>3,823.20</u> |
| Cash Received by Treasurer | | | | 4,844,475.74 | |
| Cash Received by Collector | | | | 79,879.01 | |
| Non-Cash Miscellaneous Non-Budgeted Revenue | | | | - | |
| | | | | <u>4,924,354.75</u> | |

See Accompanying Auditor's Report

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

| | Balance Dec. 31, 2018 | Balance After Transfers | Paid or Charges | Balance Lapsed | Over- Expended |
|--|--------------------------|-------------------------------|--------------------|-------------------|-------------------|
| OPERATIONS WITHIN "CAPS" | | | | | |
| DEPARTMENT OF ADMINISTRATION | | | | | |
| General Administration | | | | | |
| Salaries and Wages | \$ 2,489.60 | 2,489.60 | 2,489.60 | - | - |
| Other Expenses | 60,478.04 | 60,478.04 | 37,989.57 | 22,488.47 | - |
| Mayor | | | | | |
| Other Expenses | 605.73 | 605.73 | 125.00 | 480.73 | - |
| City Council | | | | | |
| Other Expenses | 5,921.53 | 5,921.53 | - | 5,921.53 | - |
| Municipal Clerk | | | | | |
| Salaries and Wages | 55,628.31 | 55,628.31 | 1,099.35 | 54,528.96 | - |
| Other Expenses | 19,229.26 | 19,229.26 | 8,978.82 | 10,250.44 | - |
| Elections | | | | | |
| Salaries and Wages | 4,928.45 | 4,928.45 | - | 4,928.45 | - |
| Other Expenses | 13,180.29 | 13,180.29 | - | 13,180.29 | - |
| Municipal Engineer | | | | | |
| Other Expenses | 36,163.49 | 36,163.49 | 6,525.50 | 29,637.99 | - |
| Fire Inspector | | | | | |
| Salaries and Wages | 362.42 | 362.42 | - | 362.42 | - |
| Other Expenses | 345.07 | 345.07 | - | 345.07 | - |
| Insurance | | | | | |
| Surety Bond Premiums | 700.00 | 700.00 | - | 700.00 | - |
| Reserve for Insurance | 20,100.00 | 20,100.00 | - | 20,100.00 | - |
| Other Expenses | 6,378.73 | 6,378.73 | (141.78) | 6,520.51 | - |
| General Liability | 22,570.16 | 22,570.16 | - | 22,570.16 | - |
| Employee Group Health | 471,937.19 | 471,937.19 | 32,633.78 | 439,303.41 | - |
| Health Benefit Waiver (Salaries & Wages) | 579.07 | 579.07 | - | 579.07 | - |
| DEPARTMENT OF LAW | | | | | |
| Legal Services and Costs | | | | | |
| Other Expenses | 82,416.42 | 82,416.42 | 12,175.10 | 70,241.32 | - |
| Municipal Prosecutor | | | | | |
| Other Expenses | 22,500.00 | 22,500.00 | 22,500.00 | - | - |
| Public Defender | | | | | |
| Other Expenses | 2,250.00 | 2,250.00 | 2,250.00 | - | - |

See Accompanying Auditor's Report

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

| | Balance Dec. 31, 2018 | Balance After Transfers | Paid or Charges | Balance Lapsed | Over- Expended |
|--|--------------------------|-------------------------------|--------------------|-------------------|-------------------|
| DEPARTMENT OF FINANCE | | | | | |
| Financial Administration | 12,851.03 | 12,851.03 | - | 12,851.03 | - |
| Salaries and Wages | 23,915.85 | 23,915.85 | 23,914.80 | 1.05 | - |
| Other Expenses | 20,916.20 | 20,916.20 | 11,935.25 | 8,980.95 | - |
| Postage | | | | | |
| Miscellaneous Other Expenses | 25,336.46 | 25,336.46 | - | 25,336.46 | - |
| Collection of Taxes | 7,883.88 | 7,883.88 | 1,131.00 | 6,752.88 | - |
| Salaries and Wages | | | | | |
| Other Expenses | 662.50 | 662.50 | 555.70 | 106.80 | - |
| Liquidation of Tax Title Liens & Foreclosed Property | | | | | |
| Other Expenses | 8,539.12 | 8,539.12 | 577.80 | 7,961.32 | - |
| Assessment of Taxes | 13,004.45 | 13,004.45 | (13,737.33) | 26,741.78 | - |
| Salaries and Wages | | | | | |
| Other Expenses | 2,538.98 | 2,538.98 | - | 2,538.98 | - |
| Street Signals and Safety Lanes | 25,774.31 | 25,774.31 | 24,539.27 | 1,235.04 | - |
| Salaries and Wages | | | | | |
| Other Expenses | 24,319.54 | 24,319.54 | - | 24,319.54 | - |
| Bathing Beaches | 23,142.61 | 23,142.61 | 15,286.00 | 7,856.61 | - |
| Salaries and Wages | | | | | |
| Other Expenses | 7,599.27 | 7,599.27 | - | 7,599.27 | - |
| Marina | 9,092.54 | 9,092.54 | - | 9,092.54 | - |
| Salaries and Wages | | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | - | 1,000.00 | - |
| Shade Tree Commission | | | | | |
| Other Expenses | 0.14 | 0.14 | - | 0.14 | - |
| Environmental Commission (NJS 40:56A-1, et seq.) | 320.04 | 320.04 | - | 320.04 | - |
| Salaries and Wages | | | | | |
| Other Expenses | 237,182.63 | 237,182.63 | 235,459.24 | 1,723.39 | - |
| DEPARTMENT OF POLICE | | | | | |
| Police | 128,404.77 | 128,404.77 | 108,755.09 | 19,649.68 | - |
| Salaries and Wages | | | | | |
| Other Expenses | 2.60 | 2.60 | - | 2.60 | - |
| Emergency Management Services | 2,361.44 | 2,361.44 | 1,260.53 | 1,100.91 | - |
| Salaries and Wages | | | | | |
| Other Expenses | | | | | |

See Accompanying Auditor's Report

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

| | Balance Dec. 31, 2018 | Balance After Transfers | Paid or Charges | Balance Lapsed | Over- Expended |
|--------------------------------------|--------------------------|-------------------------------|--------------------|-------------------|-------------------|
| Fire | | | | | |
| Salaries and Wages | 7,279.65 | 7,279.65 | - | 7,279.65 | - |
| Other Expenses | 40,582.17 | 40,582.17 | 13,576.58 | 27,005.59 | - |
| Emergency Medical Services | | | | | |
| Salaries and Wages | 31,300.97 | 31,300.97 | 7,079.00 | 24,221.97 | - |
| Other Expenses | 54,521.04 | 54,521.04 | 13,247.69 | 41,273.35 | - |
| Maintenance - Vehicles | | | | | |
| Salaries and Wages | 77.97 | 77.97 | - | 77.97 | - |
| Other Expenses | 8,351.51 | 8,351.51 | 6,784.04 | 1,567.47 | - |
| Lifeguards | | | | | |
| Salaries and Wages | 716.79 | 716.79 | - | 716.79 | - |
| Other Expenses | 691.71 | 691.71 | - | 691.71 | - |
| Animal Control Contract | | | | | |
| Contractual | 17,130.00 | 17,130.00 | - | 17,130.00 | - |
| DEPARTMENT OF PUBLIC WORKS | | | | | |
| Administration of Public Works | | | | | |
| Salaries and Wages | 31,929.41 | 31,929.41 | 760.20 | 31,169.21 | - |
| Other Expenses | 25,735.15 | 25,735.15 | 711.92 | 25,023.23 | - |
| Road Repairs and Maintenance | | | | | |
| Salaries and Wages | 34,166.82 | 34,166.82 | 1,260.00 | 32,906.82 | - |
| Other Expenses | 23,217.71 | 23,217.71 | 14,745.76 | 8,471.95 | - |
| Street Cleaning | | | | | |
| Salaries and Wages | 89,252.86 | 59,252.86 | 18,444.78 | 40,808.08 | - |
| Other Expenses | 31,480.40 | 31,480.40 | 4,642.75 | 26,837.65 | - |
| Solid Waste Management (40A.4-45.32) | | | | | |
| Salaries and Wages | 20,420.79 | 20,420.79 | - | 20,420.79 | - |
| Other Expenses | 19,158.35 | 19,158.35 | 10,034.20 | 9,124.15 | - |
| Garbage and Trash Removal | | | | | |
| Salaries and Wages | 65,449.63 | 65,449.63 | 5,939.58 | 59,510.05 | - |
| Other Expenses | | | | | |
| Contractual | 36,454.24 | 36,454.24 | 11,711.41 | 24,742.83 | - |
| Miscellaneous Other Expenses | 40,299.71 | 40,299.71 | 16,927.44 | 23,372.27 | - |
| Public Buildings and Grounds | | | | | |
| Salaries and Wages | 100,303.99 | 100,303.99 | 2,666.52 | 97,637.47 | - |
| Other Expenses | 27,241.69 | 27,241.69 | 20,315.20 | 6,926.49 | - |

See Accompanying Auditor's Report

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

| | Balance Dec. 31, 2018 | Balance After Transfers | Paid or Charges | Balance Lapsed | Over- Expended |
|--|--------------------------|-------------------------------|--------------------|-------------------|-------------------|
| Shore Protection | | | | | |
| Salaries and Wages | 59,288.61 | 59,288.61 | 1,521.45 | 57,767.16 | - |
| Other Expenses | 19,493.46 | 19,493.46 | 12,107.90 | 7,385.56 | - |
| Americans with Disabilities Act Other Expenses | 1,480.00 | 1,480.00 | - | 1,480.00 | - |
| Historical Commission Other Expenses | 1,000.00 | 1,000.00 | - | 1,000.00 | - |
| Demolition of Buildings | | | | | |
| DEPARTMENT OF COMMUNITY DEVELOPMENT | | | | | |
| Municipal Land Use Law (NJSA 40:55D-1) Zoning Board | | | | | |
| Salaries and Wages | 1,645.57 | 1,645.57 | - | 1,645.57 | - |
| Other Expenses | 4,213.87 | 4,213.87 | 490.91 | 3,722.96 | - |
| Planning Board | | | | | |
| Salaries and Wages | 2,155.17 | 2,155.17 | - | 2,155.17 | - |
| Other Expenses | 6,010.72 | 6,010.72 | 675.00 | 5,335.72 | - |
| Preparation of Master Plan | | | | | |
| DEPARTMENT OF COMMUNITY SERVICES | | | | | |
| Recreation | | | | | |
| Salaries and Wages | 552.18 | 552.18 | 552.18 | - | - |
| Other Expenses | 39,804.92 | 39,804.92 | 19,612.49 | 20,192.43 | - |
| Expense of Participation in Free County Library | | | | | |
| Salaries and Wages | 1,455.73 | 1,455.73 | 242.80 | 1,212.93 | - |
| Tourism | | | | | |
| Salaries and Wages | 3,389.79 | 3,389.79 | 214.28 | 3,175.51 | - |
| Other Expenses | 34,087.87 | 34,087.87 | 9,001.74 | 25,086.13 | - |
| DEPARTMENT OF MUNICIPAL COURT | | | | | |
| Municipal Court | | | | | |
| Salaries and Wages | 39,804.55 | 39,804.55 | 4,577.70 | 35,226.85 | - |
| Other Expenses | 8,344.73 | 8,344.73 | 179.94 | 8,164.79 | - |

See Accompanying Auditor's Report

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

| | Balance Dec. 31, 2018 | Balance After Transfers | Paid or Charges | Balance Lapsed | Over- Expended |
|--|--------------------------|-------------------------------|--------------------|---------------------|-------------------|
| UNIFORM CONSTRUCTION CODE | | | | | |
| State Uniform Construction Code | | | | | |
| Construction Code Official | | | | | |
| Salaries and Wages | 1,133.98 | 1,133.98 | - | 1,133.98 | - |
| Other Expenses | 21,600.84 | 21,600.84 | - | 21,600.84 | - |
| Electrical Inspector | | | | | |
| Salaries and Wages | 139.74 | 139.74 | - | 139.74 | - |
| Plumbing Inspector | | | | | |
| Salaries and Wages | 13.76 | 13.76 | - | 13.76 | - |
| UNCLASSIFIED | | | | | |
| Computer Services All Departments | 1,571.29 | 1,571.29 | 1,339.16 | 232.13 | - |
| UTILITY EXPENSES AND BULK PURCHASES | | | | | |
| Electric | 18,480.12 | 18,480.12 | 13,798.35 | 4,681.77 | - |
| Street Lighting | 20,223.11 | 20,223.11 | 10,573.02 | 9,650.09 | - |
| Telephone | 8,351.12 | 8,351.12 | 6,160.06 | 2,191.06 | - |
| Natural Gas | 15,042.39 | 15,042.39 | 9,964.47 | 5,077.92 | - |
| Fuel Oil | 931.70 | 931.70 | - | 931.70 | - |
| Gasoline | 77,834.74 | 77,834.74 | 4,258.18 | 73,576.56 | - |
| Water and Sewer | 14,099.76 | 14,099.76 | - | 14,099.76 | - |
| Contingent | 3,000.00 | 3,000.00 | - | 3,000.00 | - |
| STATUTORY EXPENDITURES | | | | | |
| Contributions to: | | | | | |
| Public Employees' Retirement System | 1.00 | 1.00 | | 1.00 | - |
| Social Security System (O.A.S.I) | 97,436.12 | 97,436.12 | (25.10) | 97,461.22 | - |
| Police and Firemen's Retirement System | - | 30,000.00 | 30,000.00 | - | - |
| Unemployment Compensation Insurance | 4,018.23 | 4,018.23 | - | 4,018.23 | - |
| DCRP | 3,148.92 | 3,148.92 | - | 3,148.92 | - |
| OPERATIONS EXCLUDED FROM "CAPS" | | | | | |
| LOSAP | 75,000.00 | 75,000.00 | 35,650.00 | 39,350.00 | - |
| TOTAL | \$ 2,694,128.67 | 2,694,128.67 | 846,043.89 | 1,848,084.78 | - |

See Accompanying Auditor's Report

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

| | | | |
|--|----|-------------------|------------------------|
| Balance December 31, 2018 | | | |
| School Tax Payable | \$ | - | |
| School Tax Deferred | | <u>913,651.00</u> | |
| | | | \$ 913,651.00 |
| Increased by: | | | |
| Levy - School Year July 1, 2018 to June 30, 2019 | | | <u>1,827,302.00</u> |
| | | | 2,740,953.00 |
| Decreased by: | | | |
| Adjustment of Payable Payments | | | - |
| | | | <u>1,827,302.00</u> |
| Balance December 31, 2019 | | | |
| School Tax Payable | | - | |
| School Tax Deferred | | <u>913,651.00</u> | |
| | | | <u>913,651.00</u> |
| Current Year Liability for Local School District School Tax: | | | |
| Tax Paid | | | 1,827,302.00 |
| Tax Payable Ending | | | <u>-</u> |
| | | | 1,827,302.00 |
| Less: Tax Payable Beginning | | | |
| | | | <u>-</u> |
| Amount charged to Current Year Operations | | | <u>\$ 1,827,302.00</u> |

See Accompanying Auditor's Report

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

| <u>Purpose</u> | Balance Dec. 31, 2018 | Transferred From 2018 Revenues | Received | Adjustments | Balance Dec. 31, 2019 |
|--------------------------------------|--------------------------|--------------------------------------|------------------|-----------------|--------------------------|
| FEDERAL GRANTS: | | | | | |
| COPS in Shops 2018 | \$ 872.84 | - | - | 872.84 | - |
| COPS in Shops 2019 | - | 6,600.00 | 6,441.60 | 158.40 | - |
| Total Federal | <u>872.84</u> | <u>6,600.00</u> | <u>6,441.60</u> | <u>1,031.24</u> | <u>-</u> |
| STATE GRANTS: | | | | | |
| Municipal Alliance Program - 2018-19 | \$ 5,280.15 | - | 5,280.15 | - | - |
| Municipal Alliance Program - 2019-20 | - | 5,500.00 | 220.53 | - | 5,279.47 |
| Body Armor - 2019 | - | 2,592.97 | 2,592.97 | - | - |
| Green Communities - 2018 | - | - | - | - | - |
| Total State | <u>5,280.15</u> | <u>8,092.97</u> | <u>8,093.65</u> | <u>-</u> | <u>5,279.47</u> |
| | <u>\$ 6,152.99</u> | <u>14,692.97</u> | <u>14,535.25</u> | <u>1,031.24</u> | <u>5,279.47</u> |

See Accompanying Auditor's Report

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

| | Balance December 31, 2018 | | 2019 | | Disbursed | Encumbrances | Canceled | Balance Dec. 31, 2019 |
|---|---------------------------|-----------------------------|------------------|----------|------------------|-----------------|-----------------|--------------------------|
| | Appropriated | Reserve for Encumbrances | Appropriations | | | | | |
| FEDERAL GRANTS: | | | | | | | | |
| Cops in Shops 2018-2019 | 151.28 | - | - | - | - | - | 151.28 | - |
| Cops in Shops 2019-2020 | - | - | 6,600.00 | - | 5,720.04 | - | 879.96 | - |
| Total Federal | <u>151.28</u> | <u>-</u> | <u>6,600.00</u> | <u>-</u> | <u>5,720.04</u> | <u>-</u> | <u>1,031.24</u> | <u>-</u> |
| STATE GRANTS: | | | | | | | | |
| Clean Communities 2017-2018 | - | - | 26,965.10 | - | 26,965.10 | - | - | - |
| Body Armor 2018-2019 | 2,428.28 | - | - | - | - | - | - | 2,428.28 |
| Body Armor 2019-2020 | - | - | 2,592.97 | - | - | - | - | 2,592.97 |
| Drunk Driving Enforcement Grant 2017-2018 | - | 8,448.69 | - | - | 8,448.69 | - | - | - |
| Municipal Alliance Program | | | | | | | | |
| County Share 2018-2019 | 2,805.82 | 1,180.58 | - | - | 3,986.40 | - | - | - |
| Local Share 2018-2019 | 1,375.00 | - | - | - | 1,375.00 | - | - | - |
| County Share 2019-2020 | - | - | 5,500.00 | - | 1,514.28 | 1,441.57 | - | 2,544.15 |
| Local Share 2019-2020 | - | - | 1,375.00 | - | - | - | - | 1,375.00 |
| Total State | <u>6,609.10</u> | <u>9,629.27</u> | <u>36,433.07</u> | <u>-</u> | <u>42,289.47</u> | <u>1,441.57</u> | <u>-</u> | <u>8,940.40</u> |
| \$ | <u>6,760.38</u> | <u>9,629.27</u> | <u>43,033.07</u> | <u>-</u> | <u>48,009.51</u> | <u>1,441.57</u> | <u>1,031.24</u> | <u>8,940.40</u> |

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

| Purpose | Balance | Transferred | Received | Adjustments | Balance |
|-----------------------------|---------------------|------------------|------------------|-------------|------------------|
| | Dec. 31, 2018 | To 2018 | | | Dec. 31, 2019 |
| | | Appropriations | | | |
| STATE GRANTS: | | | | | |
| Clean Communities 2018-2019 | \$ 26,965.10 | 26,965.10 | - | - | - |
| Clean Communities 2019-2020 | - | - | 30,091.29 | - | 30,091.29 |
| Total State | <u>26,965.10</u> | <u>26,965.10</u> | <u>30,091.29</u> | <u>-</u> | <u>30,091.29</u> |
| | <u>\$ 26,965.10</u> | <u>26,965.10</u> | <u>30,091.29</u> | <u>-</u> | <u>30,091.29</u> |

See Accompanying Auditor's Report

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

| | | | |
|-----------------------------|--------|----|--------|
| Balance December 31, 2018 | | \$ | 251.80 |
| Increased By Receipts: | | | |
| Dog Licenses Fees | 196.00 | | |
| State License Fees | 67.80 | | |
| | | | 263.80 |
| | | | 515.60 |
| Decreased By Disbursements: | | | |
| State of New Jersey | 67.80 | | |
| | | | 67.80 |
| Balance December 31, 2019 | | \$ | 447.80 |

TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER

| | Other \$ | Assessment \$ |
|-------------------------------------|--------------|------------------|
| Balance December 31, 2018 | 1,967,036.53 | 53,026.03 |
| Increased By Receipts: | | |
| Retirement | 5,000.00 | - |
| Building Inspectors Office | 619,107.00 | - |
| Lifeguard Pension | 34,326.12 | - |
| Tennis Fees | 57,311.25 | - |
| Cafeteria Plan | 2,080.00 | - |
| Donations | 4,500.00 | - |
| Police Forfeited Property | 2.86 | - |
| Site Plan | 154,551.00 | - |
| Escrow - Rental Bonds | 381.88 | - |
| Escrow - Trustee | 237,321.52 | - |
| DCA Fees | 24,057.00 | - |
| POAA | 1,878.00 | - |
| Affordable Housing | 36,428.48 | - |
| Recycling Fees | 21,912.17 | - |
| Environmental Fees | 19,785.00 | - |
| Municipal Alliance | 67.00 | - |
| Police Lost & Found Cash | 1,353.77 | - |
| Tourism Fees | 113,256.77 | - |
| Tax Title Lien Redemption: | | |
| Redemption of Tax Sale Certificates | 179,323.92 | - |
| Premiums | 32,900.00 | - |
| Assessments Received | - | 7,059.23 |
| Due from Current | 700.00 | - |
| Interest on Investments | 2,524.60 | - |
| | 1,548,768.34 | 7,059.23 |
| | 3,515,804.87 | 60,085.26 |
| Decreased By Disbursements: | | |
| Tennis Fees | 21,884.00 | - |
| Building Inspectors Account | 619,107.00 | - |
| Cafeteria Plan | 2,085.69 | - |
| Lifeguard Pension | 9,358.56 | - |
| Site Plan | 149,691.15 | - |
| Escrow - Rental Bonds Returned | 293.36 | - |
| Escrow - Trustee - Returned | 104,198.86 | - |
| Police Lost & Found Cash | 956.29 | - |
| Recycling | 32,168.09 | - |
| Refunds of Tax Sale Certificates | 19,800.00 | - |
| Tax Title Lien Redemptions | 178,138.92 | - |
| Due to State DCA (SUCC) | 22,956.00 | - |
| Environmental Commission | 14,597.63 | - |
| Municipal Alliance | 5.19 | - |
| Donations | 3,324.13 | - |
| Tourism | 87,525.55 | - |
| Due to Current - Interest | 2.99 | - |
| | 1,266,093.41 | - |
| | 2,249,711.46 | \$ |
| Balance December 31, 2019 | 2,249,711.46 | \$ 60,085.26 |

See Accompanying Auditor's Report

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

| | | | |
|-----------------------------|--------|----|--------|
| Balance December 31, 2018 | | \$ | 251.80 |
| Increased By: | | | |
| Dog Licenses Fees Collected | 196.00 | | |
| | | | 196.00 |
| Balance December 31, 2019 | | \$ | 447.80 |

| License Fees Collected | <u>Year</u> | |
|------------------------|-------------|--------|
| | 2017 | 208.00 |
| | 2018 | 251.80 |
| | | 459.80 |

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

| | | | |
|-----------------------------|-------|----|-------|
| Balance December 31, 2018 | | \$ | - |
| Increased By: | | | |
| Collected in 2019 | 67.80 | | |
| | | | 67.80 |
| Decreased By: | | | |
| Paid to State of New Jersey | 67.80 | | |
| | | | 67.80 |
| Balance December 31, 2019 | | \$ | - |

TRUST - OTHER FUNDS
SCHEDULE OF RESERVE FOR LIFEGUARD PENSION

| | | |
|-----------------------------|-----------|---------------|
| Balance December 31, 2018 | | \$ 927,982.59 |
| Increased By Receipts: | | |
| Employee Withholdings | 24,326.12 | |
| City Contribution | 10,000.00 | |
| Interest on Deposits | 2,425.01 | |
| | | 36,751.13 |
| Decreased By Disbursements: | | |
| Retirement Payouts | 9,358.56 | |
| | | 9,358.56 |
| Balance December 31, 2019 | | \$ 955,375.16 |

TRUST - OTHER FUNDS
SCHEDULE OF RESERVE FOR RETIREMENT

| | | |
|---------------------------|-----------------|---------------------|
| Balance December 31, 2018 | | \$ 80,808.63 |
| Increased By Receipts: | | |
| City Contribution | 5,000.00 | |
| Interest on Deposits | 96.60 | |
| | <u>5,096.60</u> | <u>5,096.60</u> |
| Balance December 31, 2019 | | <u>\$ 85,905.23</u> |

TRUST - OTHER FUNDS
SCHEDULE OF RESERVE FOR TENNIS FEES

| | | |
|-----------------------------|-----------|-----------------------------|
| Balance December 31, 2018 | | \$ 121,331.16 |
| Increased By Receipts: | | |
| Parking Meters | 26,557.25 | |
| Tennis Fees | 30,754.00 | |
| Interest on Deposits | 2.99 | |
| | <hr/> | <hr/> |
| | | 57,314.24 |
| Decreased By Disbursements: | | |
| Tennis Expenditures | 21,884.00 | |
| Due to Current | 2.99 | |
| | <hr/> | <hr/> |
| | | 21,886.99 |
| Balance December 31, 2019 | | \$ <u><u>156,758.41</u></u> |

TRUST - OTHER FUNDS
SCHEDULE OF RESERVE FOR CAFETERIA PLAN

| | | |
|-----------------------------|-----------------|---------------------------|
| Balance December 31, 2018 | | \$ 2,085.69 |
| Increased By Receipts: | | |
| Employee Contributions | 2,080.00 | |
| | <u>2,080.00</u> | <u>2,080.00</u> |
| Decreased By Disbursements: | | |
| Medical Reimbursements | 2,085.69 | |
| | <u>2,085.69</u> | <u>2,085.69</u> |
| Balance December 31, 2019 | | \$ <u><u>2,080.00</u></u> |

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

| | | |
|----------------------------|---------------|--------------------------------|
| Balance December 31, 2018 | | \$ 5,337,659.48 |
| Increased by: | | |
| Budget Appropriation : | | |
| Capital Improvement Fund | 200,000.00 | |
| Reserve to Pay Bonds | 1,072,472.30 | |
| Bond Sale | 21,800,000.00 | |
| | | 23,072,472.30 |
| | | 28,410,131.78 |
| Decreased by: | | |
| Improvement Authorizations | 4,501,634.49 | |
| Bond Anticipation Notes | 13,015,000.00 | |
| | | 17,516,634.49 |
| Balance December 31, 2019 | | \$ <u><u>10,893,497.29</u></u> |

See Accompanying Auditor's Report

GENERAL CAPITAL FUND
ANALYSIS OF CASH

| | Balance Dec. 31, 2018 | | Receipts | | Disbursements | | Transfers | | Balance Dec. 31, 2019 | |
|---|--------------------------|---------------------|---------------------|---------------------|----------------------------|---------------|---------------------|---------------------|--------------------------|----------------------|
| | | | Miscellaneous | Debt Issued | Improvement Authorizations | Miscellaneous | From | To | | |
| Fund Balance | \$ 863,117.85 | - | - | - | - | - | - | - | - | 863,117.85 |
| Capital Improvement Fund | 241,425.00 | - | 200,000.00 | - | - | - | 400,000.00 | - | - | 41,425.00 |
| Encumbrances Payable | 3,888,505.27 | - | - | - | - | - | 3,888,505.27 | - | - | 3,502,297.51 |
| Reserve to Pay Bonds & Notes | 200,873.80 | - | - | - | - | - | - | - | 3,502,297.51 | 200,873.80 |
| Reserve to Pay Bonds | 896,740.34 | - | 1,072,472.30 | - | - | - | - | - | - | 1,969,212.64 |
| Reserve to Pay Notes - Ordinance #1555 | 251,804.15 | - | - | - | - | - | - | - | - | 251,804.15 |
| Improvement Authorizations: | | | | | | | | | | |
| 1463 Various Capital Improvements | 37,450.79 | - | - | - | 14,437.51 | - | - | - | 1,847.16 | 24,860.44 |
| 1478 Various Improvements | 2,480.25 | - | - | - | - | - | - | - | - | 2,480.25 |
| 1503 Various Capital Improvements | 3,664.26 | - | - | - | 1,011.75 | - | 1,580.74 | - | 2,592.49 | 3,664.26 |
| 1525 Various Capital Improvements | 2,081.30 | - | - | - | - | - | - | - | - | 2,081.30 |
| 1555 Various Capital Improvements | 47,526.97 | - | - | - | 10,803.34 | - | - | - | 9,949.23 | 46,672.86 |
| 1565 Various Capital Improvements | 43,770.87 | - | - | - | 43,770.85 | - | 2,753.72 | - | 11,635.60 | 8,881.90 |
| 1576 Various Capital Improvements | 106,726.90 | - | - | - | 5,042.23 | - | - | - | - | 101,684.67 |
| 1588 Various Capital Improvements | 27,237.27 | - | - | - | 817,618.91 | - | 79,840.48 | - | 9,236,005.56 | 55,783.44 |
| 1592 Purchase of Fire Truck | 22,641.28 | - | - | - | 8,419.85 | - | - | - | - | 14,221.43 |
| 1603 Purchase of Dump Truck/Loader/Flat Bed | 20,161.93 | - | - | - | - | - | - | - | - | 20,161.93 |
| 1606 Various Capital Improvements | 254,100.47 | - | - | - | 1,421,458.41 | - | 142,166.99 | - | 1,353,297.51 | 43,772.58 |
| 1623 Various Capital Improvements | (1,572,649.22) | - | - | 4,200,000.00 | 1,748,171.32 | - | 1,738,337.67 | - | 1,583,177.72 | 724,019.51 |
| 1634 Various Capital Improvements | - | - | - | 4,585,000.00 | 430,128.50 | - | 1,537,617.91 | - | 295,000.00 | 2,912,253.59 |
| 1635 Various Capital Improvements | - | - | - | - | 771.82 | - | - | - | 105,000.00 | 104,228.18 |
| | <u>\$ 5,337,659.48</u> | <u>1,272,472.30</u> | <u>1,272,472.30</u> | <u>8,785,000.00</u> | <u>4,501,634.49</u> | <u>-</u> | <u>7,790,802.78</u> | <u>7,790,802.78</u> | <u>10,893,497.29</u> | <u>10,893,497.29</u> |

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

| | | | |
|---|------------|----|-------------------------|
| Balance December 31, 2018 | | \$ | 241,425.00 |
| Increased by: | | | |
| Current Budget Appropriation | 200,000.00 | | |
| | <hr/> | | <hr/> |
| | | | 200,000.00 |
| | | | 441,425.00 |
| Decreased by: | | | |
| Improvement Authorizations Funded - Ordinance #1634 | 295,000.00 | | |
| Improvement Authorizations Funded - Ordinance #1635 | 105,000.00 | | |
| | <hr/> | | <hr/> |
| | | | 400,000.00 |
| Balance December 31, 2019 | | \$ | <u><u>41,425.00</u></u> |

See Accompanying Auditor's Report

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

| | | |
|------------------------------------|---------------|--------------------------------|
| Balance December 31, 2018 | | \$ 29,685,719.96 |
| Increased by: | | |
| General Serial Bonds | 21,800,000.00 | |
| | | 21,800,000.00 |
| | | 51,485,719.96 |
| Decreased by: | | |
| General Serial Bonds Payments | 3,250,000.00 | |
| Refunding Bonds - General Payments | 640,000.00 | |
| Green Trust Loan Payments | 30,328.08 | |
| | | 3,920,328.08 |
| Balance December 31, 2019 | | \$ <u><u>47,565,391.88</u></u> |

See Accompanying Auditor's Report

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

| Ord # | Improvement Description | Balance Dec. 31, 2018 | 2019 Authorizations | Raised in 2019 Budget | Debt Issued | Balance Dec. 31, 2019 | Analysis of Balance | | Unexpended Improvement Authorizations |
|-------|------------------------------|--------------------------|------------------------|-----------------------------|----------------------|--------------------------|-------------------------------|---------------------|---|
| | | | | | | | Bond Anticipation Notes | Expenditures | |
| 1463 | Various Capital Improvements | \$ 225,000.00 | - | - | 225,000.00 | - | - | - | - |
| 1555 | Various Capital Improvements | 1,080,000.00 | - | - | 1,080,000.00 | - | - | - | - |
| 1565 | Various Capital Improvements | 2,795,000.00 | - | - | 2,795,000.00 | - | - | - | - |
| 1576 | Various Capital Improvements | 1,435,000.00 | - | - | 1,435,000.00 | - | - | - | - |
| 1588 | Various Capital Improvements | 3,950,000.00 | - | - | 3,950,000.00 | - | - | - | - |
| 1592 | Purchase of Fire Truck | 530,000.00 | - | - | 530,000.00 | - | - | - | - |
| 1606 | Various Capital Improvements | 3,000,000.00 | - | - | 3,000,000.00 | - | - | - | - |
| 1623 | Various Capital Improvements | 4,203,750.00 | 5,605,000.00 | - | 4,200,000.00 | 3,750.00 | - | 3,750.00 | - |
| 1634 | Various Capital Improvements | - | 1,995,000.00 | - | 4,585,000.00 | 1,020,000.00 | - | 1,020,000.00 | - |
| 1635 | Various Capital Improvements | - | - | - | - | 1,995,000.00 | - | 1,995,000.00 | - |
| | | <u>\$ 17,218,750.00</u> | <u>7,600,000.00</u> | <u>-</u> | <u>21,800,000.00</u> | <u>3,018,750.00</u> | <u>-</u> | <u>3,018,750.00</u> | <u>-</u> |

| | |
|-------------------------------------|------------------------|
| Improvement Authorizations Unfunded | 3,018,750.00 |
| Less: | |
| Unexpended Proceeds of Bond | |
| Anticipation Notes Issued: | |
| Ord. Number _____ | |
| None. | |
| | <u>\$ 3,018,750.00</u> |

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| Ord # | Improvement Description | Ord. Date | Amount | Balance December 31, 2018 | | Authorizations | | Balance December 31, 2019 | |
|-------|--|------------|-----------|---------------------------|--------------|----------------|-------------------------------------|---------------------------|--------------|
| | | | | Funded | Unfunded | Other Funding | Deferred Charges to Future Taxation | Funded | Unfunded |
| | | | | | | | | | |
| 1463 | Various Capital Improvements | 2/10/2009 | 4,380,000 | - | 37,450.79 | - | - | 24,860.44 | - |
| 1478 | Various Capital Improvements | 3/9/2010 | 700,000 | 2,480.25 | - | - | - | 2,480.25 | - |
| 1503 | Various Capital Improvements | 7/19/2011 | 3,600,000 | 3,664.26 | - | - | - | 3,664.26 | - |
| 1525 | Various Capital Improvements | 12/15/2012 | 4,600,000 | 2,081.30 | - | - | - | 2,081.30 | - |
| 1555 | Various Capital Improvements | 11/12/2013 | 3,100,000 | - | 47,526.97 | - | - | 46,672.86 | - |
| 1565 | Various Capital Improvements | 3/11/2014 | 3,000,000 | - | 43,770.87 | - | 854.11 | 8,881.90 | - |
| 1576 | Various Capital Improvements | 2/24/2015 | 1,580,000 | - | 106,726.90 | - | 5,042.23 | 101,684.67 | - |
| 1588 | Various Capital Improvements | 3/15/2016 | 4,200,000 | - | 27,237.27 | - | 27,237.27 | 95,783.44 | - |
| 1592 | Purchase of Fire Truck | 6/14/2016 | 560,000 | - | 22,641.28 | - | 8,419.85 | 14,221.43 | - |
| 1603 | Purchase of Dump Truck/Loader/Flat Bed | 3/14/2017 | 230,000 | 20,161.93 | - | - | - | 20,161.93 | - |
| 1606 | Various Capital Improvements | 3/28/2017 | 3,185,000 | - | 254,100.47 | - | 254,100.47 | 43,772.58 | - |
| 1623 | Various Capital Improvements | 7/24/2018 | 4,425,000 | - | 2,631,100.78 | - | 1,903,331.27 | 724,019.51 | 3,750.00 |
| 1634 | Various Capital Improvements | 7/23/2019 | 5,900,000 | - | - | 295,000.00 | 5,605,000.00 | 2,912,253.59 | 1,020,000.00 |
| 1635 | Various Capital Improvements | 7/23/2019 | 2,100,000 | - | - | 105,000.00 | 1,995,000.00 | 104,228.18 | 1,995,000.00 |
| | | | | \$ 28,387.74 | 3,170,555.33 | 400,000.00 | 7,600,000.00 | 4,364,766.34 | 3,018,750.00 |

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

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding December 31, 2019 | | | | Interest Rate | Balance Dec. 31, 2018 | Increased | Decreased | Balance Dec. 31, 2019 |
|----------------------------------|---------------|--------------------------|---|--------------|--------|--|------------------|-----------------------|--------------|---------------|-----------------------|
| | | | Date | Amount | | | | | | | |
| General Obligation Bonds of 2009 | 11/15/2009 | 8,340,000 | | | | | 1,400,000.00 | - | 1,400,000.00 | - | |
| | | | 4/15/2020 | 970,000.00 | 3.000% | | | | | | |
| | | | 4/15/2021 | 1,000,000.00 | 2.500% | | | | | | |
| | | | 4/15/2022 | 1,000,000.00 | 2.750% | | | | | | |
| General Obligation Bonds of 2012 | 4/15/2012 | 11,640,000 | | | | | 7,120,000.00 | - | 850,000.00 | 6,170,000.00 | |
| | | | 4/15/2023 | 1,000,000.00 | 3.000% | | | | | | |
| | | | 4/15/2024 | 1,100,000.00 | 3.000% | | | | | | |
| | | | 4/15/2025 | 1,100,000.00 | 3.000% | | | | | | |
| General Obligation Bonds of 2015 | 9/15/2015 | 8,500,000 | | | | | 6,800,000.00 | - | 700,000.00 | 6,100,000.00 | |
| | | | 9/15/2020 | 750,000.00 | 3.000% | | | | | | |
| | | | 9/15/2021 | 850,000.00 | 3.000% | | | | | | |
| | | | 9/15/2022 | 900,000.00 | 2.000% | | | | | | |
| | | | 9/15/2023 | 900,000.00 | 2.125% | | | | | | |
| | | | 9/15/2024 | 900,000.00 | 3.000% | | | | | | |
| | | | 9/15/2025 | 900,000.00 | 3.000% | | | | | | |
| | | | 9/15/2026 | 900,000.00 | 3.000% | | | | | | |
| General Obligation Bonds of 2016 | 10/13/2016 | 14,000,000 | | | | | 13,680,000.00 | - | 200,000.00 | 13,480,000.00 | |
| | | | 11/1/2020 | 600,000.00 | 2.000% | | | | | | |
| | | | 11/1/2021 | 600,000.00 | 2.000% | | | | | | |
| | | | 11/1/2022 | 730,000.00 | 3.000% | | | | | | |
| | | | 11/1/2023 | 800,000.00 | 3.000% | | | | | | |
| | | | 11/1/2024 | 850,000.00 | 3.000% | | | | | | |
| | | | 11/1/2025 | 880,000.00 | 3.000% | | | | | | |
| | | | 11/1/2026 | 900,000.00 | 3.000% | | | | | | |
| | | | 11/1/2027 | 900,000.00 | 2.125% | | | | | | |
| | | | 11/1/2028 | 940,000.00 | 3.000% | | | | | | |
| | | | 11/1/2029 | 940,000.00 | 3.000% | | | | | | |
| | | | 11/1/2030 | 950,000.00 | 3.000% | | | | | | |
| | | | 11/1/2031 | 950,000.00 | 3.000% | | | | | | |
| | | | 11/1/2032 | 1,100,000.00 | 3.000% | | | | | | |
| | | 11/1/2033 | 1,100,000.00 | 3.000% | | | | | | | |
| | | 11/1/2034 | 1,200,000.00 | 3.000% | | | | | | | |
| General Obligation Bonds of 2019 | 8/28/2019 | 21,800,000 | | | | | - | 21,800,000.00 | - | 21,800,000.00 | |
| | | | 9/1/2020 | 1,430,000.00 | 2.000% | | | | | | |
| | | | 9/1/2021 | 1,540,000.00 | 2.000% | | | | | | |
| | | | 9/1/2022 | 1,760,000.00 | 3.000% | | | | | | |
| | | | 9/1/2023 | 1,880,000.00 | 3.000% | | | | | | |
| | | | 9/1/2024 | 2,100,000.00 | 3.000% | | | | | | |
| | | | 9/1/2025 | 2,310,000.00 | 3.000% | | | | | | |
| | | | 9/1/2026 | 2,530,000.00 | 3.000% | | | | | | |
| | | | 9/1/2027 | 2,640,000.00 | 2.000% | | | | | | |
| | | | 9/1/2028 | 2,750,000.00 | 2.000% | | | | | | |
| | | | 9/1/2029 | 2,860,000.00 | 2.000% | | | | | | |
| | | | | | | | \$ 29,000,000.00 | 21,800,000.00 | 3,250,000.00 | 47,550,000.00 | |

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF REFUNDING BONDS - GENERAL**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding | | Interest Rate | Balance Dec. 31, 2018 | Increased | Decreased | Balance Dec. 31, 2019 |
|---------------------------------|---------------|--------------------------|---------------------------------|--------|---------------|-----------------------|-----------|---------------|-----------------------|
| | | | Date | Amount | | | | | |
| General Refunding Issue of 2014 | 4/3/2014 | 2,460,000 | | | | 640,000.00 | - | 640,000.00 | - |
| | | | | | | \$ 640,000.00 | | \$ 640,000.00 | |

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

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding | Interest Rate | Balance | | | | | |
|---------------------------------------|---------------|--------------------------|--|---------------|---------------|---------------|-----------|--------|-----------|-----------|
| | | | | | Dec. 31, 2018 | Dec. 31, 2019 | | | | |
| Marina Recreation Development Complex | 5/2/2000 | 500,000 | <table border="1"> <thead> <tr> <th>Date</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>15,391.88</td> </tr> </tbody> </table> | Date | Amount | 2020 | 15,391.88 | 2.000% | 45,719.96 | 15,391.88 |
| Date | Amount | | | | | | | | | |
| 2020 | 15,391.88 | | | | | | | | | |
| | | | | | - | - | | | | |
| | | | | | 30,328.08 | 30,328.08 | | | | |
| | | | | | 45,719.96 | 15,391.88 | | | | |
| | | | | | \$ | 15,391.88 | | | | |

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

| Improvement Description | Ordinance Number | Date of Original Issue | Date of Issue | Date of Maturity | Interest Rate | Balance Dec. 31, 2018 | Increased | Decreased | Balance Dec. 31, 2019 |
|------------------------------|------------------|------------------------|---------------|------------------|---------------|-----------------------|-----------|---------------|-----------------------|
| Various Capital Improvements | 1463/1529 | 6/25/2010 | 9/12/2018 | 9/12/2019 | 3.50% | 225,000.00 | - | 225,000.00 | - |
| Various Capital Improvements | 1555 | 7/22/2014 | 9/12/2018 | 9/12/2019 | 3.50% | 1,080,000.00 | - | 1,080,000.00 | - |
| Various Capital Improvements | 1565 | 7/12/2016 | 9/12/2018 | 9/12/2019 | 3.50% | 2,795,000.00 | - | 2,795,000.00 | - |
| Various Capital Improvements | 1576 | 7/12/2016 | 9/12/2018 | 9/12/2019 | 3.50% | 1,435,000.00 | - | 1,435,000.00 | - |
| Various Capital Improvements | 1588 | 1/10/2017 | 9/12/2018 | 9/12/2019 | 3.50% | 3,950,000.00 | - | 3,950,000.00 | - |
| Purchase of Fire Truck | 1592 | 1/27/2016 | 9/12/2018 | 9/12/2019 | 3.50% | 530,000.00 | - | 530,000.00 | - |
| Various Capital Improvements | 1606 | 9/12/2018 | 9/12/2018 | 9/12/2019 | 3.50% | 3,000,000.00 | - | 3,000,000.00 | - |
| | | | | | \$ | 13,015,000.00 | - | 13,015,000.00 | - |

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

| Ordinance Number | Improvement Description | Balance Dec. 31, 2018 | 2019 Authorizations | Debt Issued | Other | Balance Dec. 31, 2019 |
|---------------------|------------------------------|--------------------------|------------------------|---------------------|----------|--------------------------|
| 1623 | Various Capital Improvements | 4,203,750.00 | - | 4,200,000.00 | - | 3,750.00 |
| 1634 | Various Capital Improvements | - | 5,605,000.00 | 4,585,000.00 | - | 1,020,000.00 |
| 1635 | Various Capital Improvements | - | 1,995,000.00 | - | - | 1,995,000.00 |
| | | <u>\$ 4,203,750.00</u> | <u>7,600,000.00</u> | <u>8,785,000.00</u> | <u>-</u> | <u>3,018,750.00</u> |

See Accompanying Auditor's Report

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

| | Operating Fund | Assessment Trust Fund | Capital Fund |
|-------------------------------------|------------------------|-----------------------|---------------------|
| Balance December 31, 2018 | \$ 6,013,657.61 | 76,639.43 | 4,118,563.46 |
| Increased by Receipts: | | | |
| Collector | 8,749,936.72 | 941.64 | - |
| Miscellaneous Revenue | 223,328.00 | - | - |
| Penalties | 57,443.08 | - | - |
| Prepaid Rents | 307,832.64 | - | - |
| | <u>9,338,540.44</u> | <u>941.64</u> | <u>-</u> |
| | 15,352,198.05 | 77,581.07 | 4,118,563.46 |
| Decreased by Disbursements: | | | |
| Current Year Appropriation | 8,071,120.83 | - | - |
| Prior Year Appropriations | 217,087.86 | - | - |
| Improvement Authorizations | - | - | 503,947.79 |
| Accrued Interest on Bonds and Notes | 99,145.15 | - | - |
| Refund of Prior Year Revenue | 101.67 | - | - |
| | <u>8,387,455.51</u> | <u>-</u> | <u>503,947.79</u> |
| Balance December 31, 2019 | \$ <u>6,964,742.54</u> | <u>77,581.07</u> | <u>3,614,615.67</u> |

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

| | Balance Dec. 31, 2018 | Receipts | | Disbursements | | Transfers | | Balance Dec. 31, 2019 |
|------------------------------------|--------------------------|---------------|-------------|-------------------------------|---------------|--------------|--------------|--------------------------|
| | | Miscellaneous | Debt Issued | Improvement Authorizations | Miscellaneous | From | To | |
| Fund Balance | \$ 329,521.05 | - | - | - | - | - | - | 329,521.05 |
| Encumbrance Payable | 116,750.74 | - | - | - | - | - | - | 1,933,377.70 |
| Reserve to Pay Bonds | 259,000.00 | - | - | - | - | - | - | 259,000.00 |
| Improvement Authorizations: | | | | | | | | |
| Ord. Number | | | | | | | | |
| 1437 | 494,672.49 | - | - | - | - | - | - | 494,672.49 |
| 1479 | 120,102.22 | - | - | 7,538.00 | - | - | - | 88,707.34 |
| 1483 | 243,688.12 | - | - | 28,284.31 | - | 25,875.98 | 2,019.10 | 215,403.81 |
| 1495 | 18,853.35 | - | - | 8,475.55 | - | - | - | 11,634.85 |
| 1496 | 145,393.13 | - | - | - | - | - | 1,257.05 | 145,393.13 |
| 1502 | 14,182.80 | - | - | - | - | - | - | 14,182.80 |
| 1524 | 182,366.47 | - | - | 13,845.00 | - | 793.00 | 1,833.75 | 169,562.22 |
| 1566 | 288,070.19 | - | - | 49,987.28 | - | 136,954.79 | 49,665.40 | 150,793.52 |
| 1589 | 781,562.90 | - | - | 99,372.36 | - | 44,332.86 | 61,975.44 | 699,833.12 |
| 1611 | 1,124,400.00 | - | - | 235,977.37 | - | 848,240.28 | - | 40,182.35 |
| 1636 | - | - | - | 60,467.92 | - | 877,180.79 | - | (937,648.71) |
| | \$ 4,118,563.46 | - | - | 503,947.79 | - | 2,050,128.44 | 2,050,128.44 | 3,614,615.67 |

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR**

| | | |
|------------------------------|---------------------|-------------------------------|
| Balance December 31, 2018 | | \$ 6,013,657.61 |
| Increased by Receipts: | | |
| Consumer Accounts Receivable | 9,429,746.06 | |
| | <u>9,429,746.06</u> | <u>9,429,746.06</u> |
| | | 15,443,403.67 |
| Payments to Treasurer | | <u>8,478,661.13</u> |
| Balance December 31, 2019 | | <u><u>\$ 6,964,742.54</u></u> |

See Accompanying Auditor's Report

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

| | | |
|--------------------------------------|--------------|-----------------------------|
| Balance December 31, 2018 | | \$ 299,978.71 |
| Increased by Receipts: | | |
| Consumer Accounts Charges and Levies | 9,042,780.48 | |
| Overpayments & Adjustments | 4,569.18 | |
| | <hr/> | <hr/> |
| | | 9,047,349.66 |
| | | 9,347,328.37 |
| Decreased by Disbursements: | | |
| Collections | 8,749,936.72 | |
| Prepaid Applied | 299,959.89 | |
| Overpayments Applied | 5,428.76 | |
| | <hr/> | <hr/> |
| | | 9,055,325.37 |
| Balance December 31, 2019 | | \$ <u><u>292,003.00</u></u> |

See Accompanying Auditor's Report

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

| | Balance Dec. 31, 2018 | Balance After Transfers | Paid or Charges | Balance Lapsed | Over- Expended |
|---------------------|--------------------------|-------------------------------|--------------------|-------------------|-------------------|
| Operating: | | | | | |
| Salaries and Wages | \$ 120,937.36 | 120,937.36 | 10,634.87 | 110,302.49 | - |
| Other Expenses | 253,303.06 | 253,303.06 | 94,168.99 | 159,134.07 | - |
| Insurance | 6,300.00 | 6,300.00 | - | 6,300.00 | - |
| Cape May County MUA | 666,643.00 | 666,643.00 | 112,284.00 | 554,359.00 | - |
| | <u>\$ 1,047,183.42</u> | <u>1,047,183.42</u> | <u>217,087.86</u> | <u>830,095.56</u> | <u>-</u> |

See Accompanying Auditor's Report

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

| | | | |
|-----------------------------------|-----------|----|------------|
| Balance December 31, 2018 | | \$ | 99,145.15 |
| Increased by: | | | |
| Budget Appropriations | 87,421.95 | | |
| | 87,421.95 | | 186,567.10 |
| Decreased By: | | | |
| Payments of Debt Service Interest | 99,145.15 | | |
| Payments to Treasurer | 99,145.15 | | 99,145.15 |
| Balance December 31, 2019 | | \$ | 87,421.95 |

Analysis of Accrued Interest December 31, 2019

| | Principal Outstanding December 31, 2019 | Interest Rate | From | To | Days | Amount |
|---------------------|---|------------------|----------|------------|-----------|-----------|
| <u>Serial Bonds</u> | | | | | | |
| \$ | 1,320,000.00 | Var | 11/15/19 | 12/31/2019 | 45 | 6,600.00 |
| | 1,770,000.00 | Var | 10/15/19 | 12/31/2019 | 75 | 10,708.33 |
| | 3,630,000.00 | Var | 09/15/19 | 12/31/2019 | 105 | 29,906.77 |
| | 590,000.00 | Var | 07/15/19 | 12/31/2019 | 165 | 12,168.75 |
| | 5,420,000.00 | Var | 11/01/19 | 12/31/2019 | 60 | 25,616.67 |
| <u>USDA</u> | | | | | | |
| \$ | 2,348,150.57 | 2.75% | 12/03/19 | 12/31/2019 | 27 | 2,421.42 |
| | | | | | 87,421.95 | |
| | | | | | 87,421.95 | |

See Accompanying Auditor's Report

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

| Ord # | Improvement Description | Ord. Date | Amount | Balance December 31, 2018 | | Authorizations | | Paid or Charged | Balance December 31, 2019 | |
|-------|-------------------------|-----------|-----------|---------------------------|----------|----------------|-------------------------------------|-----------------|---------------------------|--------------|
| | | | | Funded | Unfunded | Other Funding | Deferred Charges to Future Taxation | | Funded | Unfunded |
| 1437 | Various Improvements | 02/11/08 | 2,400,000 | \$ 494,672.49 | - | - | - | - | 494,672.49 | - |
| 1479 | Various Improvements | 03/09/10 | 1,780,000 | 120,102.22 | - | - | 31,394.88 | 31,394.88 | 88,707.34 | - |
| 1483 | Various Improvements | 06/29/10 | 1,100,000 | 243,688.12 | - | - | 28,284.31 | 28,284.31 | 215,403.81 | - |
| 1495 | Various Improvements | 01/11/11 | 315,000 | 18,853.35 | - | - | 7,218.50 | 7,218.50 | 11,634.85 | - |
| 1496 | Various Improvements | 01/11/11 | 3,200,000 | 145,393.13 | - | - | - | - | 145,393.13 | - |
| 1502 | Various Improvements | 07/19/11 | 2,000,000 | 14,182.80 | - | - | - | - | 14,182.80 | - |
| 1524 | Various Improvements | 06/26/12 | 2,000,000 | 182,366.47 | - | - | 12,804.25 | 12,804.25 | 169,562.22 | - |
| 1566 | Various Improvements | 04/08/14 | 2,900,000 | 288,070.19 | - | - | 137,276.67 | 137,276.67 | 150,793.52 | - |
| 1589 | Various Improvements | 03/15/16 | 3,800,000 | 781,562.90 | - | - | 81,729.78 | 81,729.78 | 699,833.12 | - |
| 1611 | Fees & Compensation | 07/25/17 | 1,125,000 | 1,124,400.00 | - | - | 1,084,217.65 | 1,084,217.65 | 40,182.35 | - |
| 1636 | Various Improvements | 07/23/19 | 1,950,000 | - | - | 1,950,000.00 | 937,648.71 | 937,648.71 | - | 1,012,351.29 |
| | | | | \$ 3,413,291.67 | - | 1,950,000.00 | 2,320,574.75 | 2,320,574.75 | 2,030,365.63 | 1,012,351.29 |

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding December 31, 2019 | | Interest Rate | Balance Dec. 31, 2018 | Increased | Decreased | Balance Dec. 31, 2019 |
|----------------------------------|---------------|--------------------------|---|------------|---------------|-----------------------|-----------|--------------|-----------------------|
| | | | Date | Amount | | | | | |
| General Obligation Bonds of 2009 | 11/15/2009 | 5,030,000 | 11/15/2020 | 400,000.00 | 4.000% | 1,750,000.00 | - | 430,000.00 | 1,320,000.00 |
| | | | 11/15/2021 | 400,000.00 | 4.000% | | | | |
| | | | 11/15/2022 | 400,000.00 | 4.000% | | | | |
| General Obligation Bonds of 2012 | 4/15/2012 | 3,000,000 | 11/15/2023 | 120,000.00 | 4.000% | 1,980,000.00 | - | 210,000.00 | 1,770,000.00 |
| | | | 4/15/2020 | 210,000.00 | 3.000% | | | | |
| | | | 4/15/2021 | 220,000.00 | 2.500% | | | | |
| | | | 4/15/2022 | 240,000.00 | 2.750% | | | | |
| | | | 4/15/2023 | 270,000.00 | 3.000% | | | | |
| | | | 4/15/2024 | 270,000.00 | 3.000% | | | | |
| General Obligation Bonds of 2015 | 9/15/2015 | 4,600,000 | 4/15/2025 | 280,000.00 | 3.000% | 3,910,000.00 | - | 280,000.00 | 3,630,000.00 |
| | | | 4/15/2026 | 280,000.00 | 3.000% | | | | |
| | | | 9/15/2020 | 300,000.00 | 3.000% | | | | |
| | | | 9/15/2021 | 320,000.00 | 3.000% | | | | |
| | | | 9/15/2022 | 330,000.00 | 2.000% | | | | |
| | | | 9/15/2023 | 350,000.00 | 2.125% | | | | |
| General Obligation Bonds of 2016 | 11/1/2016 | 6,080,000 | 9/15/2024 | 370,000.00 | 3.000% | 5,660,000.00 | - | 240,000.00 | 5,420,000.00 |
| | | | 9/15/2025 | 380,000.00 | 3.000% | | | | |
| | | | 9/15/2026 | 380,000.00 | 3.000% | | | | |
| | | | 9/15/2027 | 400,000.00 | 3.000% | | | | |
| | | | 9/15/2028 | 400,000.00 | 3.000% | | | | |
| | | | 9/15/2029 | 400,000.00 | 3.000% | | | | |
| | | | 11/1/2020 | 260,000.00 | 2.000% | | | | |
| | | | 11/1/2021 | 280,000.00 | 2.000% | | | | |
| | | | 11/1/2022 | 300,000.00 | 3.000% | | | | |
| | | | 11/1/2023 | 320,000.00 | 3.000% | | | | |
| 11/1/2024 | 340,000.00 | 3.000% | | | | | | | |
| 11/1/2025 | 360,000.00 | 3.000% | | | | | | | |
| 11/1/2026 | 380,000.00 | 3.000% | | | | | | | |
| 11/1/2027 | 380,000.00 | 2.125% | | | | | | | |
| 11/1/2028 | 400,000.00 | 3.000% | | | | | | | |
| 11/1/2029 | 400,000.00 | 3.000% | | | | | | | |
| 11/1/2030 | 400,000.00 | 3.000% | | | | | | | |
| 11/1/2031 | 400,000.00 | 3.000% | | | | | | | |
| 11/1/2032 | 400,000.00 | 3.000% | | | | | | | |
| 11/1/2033 | 400,000.00 | 3.000% | | | | | | | |
| 11/1/2034 | 380,000.00 | 3.000% | | | | | | | |
| | | | | | | \$ 13,300,000.00 | - | 1,160,000.00 | 12,140,000.00 |

See Accompanying Auditor's Report

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF REFUNDING BONDS**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding December 31, 2019 | | Interest Rate | Balance Dec. 31, 2018 | Increased | Decreased | Balance Dec. 31, 2019 |
|-------------------------|---------------|--------------------------|---|------------|---------------|-----------------------|-----------|------------|-----------------------|
| | | | Date | Amount | | | | | |
| Refunding issue of 2014 | 4/3/2014 | 1,755,000.00 | 1/15/2020 | 295,000.00 | 4.000% | 885,000.00 | - | 285,000.00 | 590,000.00 |
| | | | 1/15/2021 | 295,000.00 | 5.000% | | | | |
| | | | | | | \$ 885,000.00 | - | 285,000.00 | 590,000.00 |

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS PAYABLE**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding | | Interest Rate | Increased | Decreased | Balance Dec. 31, 2019 |
|--|---------------|--------------------------|---------------------------------|--------|---------------|-----------|-----------|-----------------------|
| | | | Date | Amount | | | | |
| USDA Loans Payable - 2015 | 6/3/2015 | 2,514,000.00 | | ***** | 2.750% | - | 38,658.66 | 2,348,150.57 |
| USDA Bond - semi-annual payments of \$52,015.00 due on June 3 and December 3. Final payment June 3, 2055 | | | | | | | | |
| | | | | | | | | \$ 2,386,809.23 |
| | | | | | | | | <u>2,348,150.57</u> |

See Accompanying Auditor's Report

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

| Ordinance Number | Improvement Description | Balance Dec. 31, 2018 | 2019 Authorizations | Debt Issued | Other | Balance Dec. 31, 2019 |
|---------------------|-------------------------|--------------------------|------------------------|----------------|-------|--------------------------|
| 1636 | Various Improvements | \$ - | 1,950,000.00 | | | 1,950,000.00 |
| | | \$ - | 1,950,000.00 | - | | 1,950,000.00 |

CITY OF SEA ISLE CITY

PART II

GENERAL COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2019

CITY OF SEA ISLE CITY

GENERAL COMMENTS

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

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law." Effective January 1, 2011, the bid threshold was \$17,500. However, effective July 1, 2015, pursuant to subsection b. of section 9 of P.L. 1971, c. 198 (C.40A:11-9), the governing body can establish the bid threshold at \$40,000 with the appointment of a qualified purchasing agent. The City adopted the bid threshold of \$40,000.

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body adopted the following resolution on December 24, 2019 authorizing interest to be charged on delinquent taxes:

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

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

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

Delinquent Taxes and Tax Title Liens

The tax sale was held on December 5, 2019 and was complete.

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

CITY OF SEA ISLE CITY

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

| <u>Year</u> | <u>Number</u> |
|-------------|---------------|
| 2019 | 4 |
| 2018 | 5 |
| 2017 | 4 |

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

Verification of Delinquent Taxes and Other Charges

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

| <u>Type:</u> | <u>Number Mailed</u> |
|---------------------------------------|----------------------|
| Payments of 2019 and 2020 Taxes | 5 |
| Delinquent Taxes | 10 |
| Current Water and Sewer Utility Rents | 10 |
| Delinquent Water and Sewer Rents | 5 |
| Total | <u>30</u> |

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

Comparison of Tax Levies and Collections Currently

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

| <u>Year</u> | <u>Tax Levy</u> | <u>Currently Cash Collections</u> | <u>Percentage of Collections</u> |
|-------------|-----------------|-----------------------------------|----------------------------------|
| 2019 \$ | 33,624,561.64 | 33,104,705.07 | 98.45% |
| 2018 | 32,971,623.04 | 32,539,839.13 | 98.69% |
| 2017 | 31,942,960.31 | 31,537,338.81 | 98.73% |
| 2016 | 30,555,049.22 | 30,136,436.86 | 98.63% |
| 2015 | 28,851,137.43 | 28,455,552.53 | 98.63% |

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CITY OF SEA ISLE CITY

Comparative Schedule of Tax Rate Information

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Tax Rate | \$ 0.718 | 0.710 | 0.672 | 0.672 | 0.589 |
| Apportionment of Tax Rate: | | | | | |
| Municipal | 0.380 | 0.385 | 0.376 | 0.376 | 0.325 |
| County | 0.298 | 0.285 | 0.255 | 0.255 | 0.226 |
| Local School | 0.040 | 0.040 | 0.041 | 0.041 | 0.038 |
| Assessed Valuation | 4,653,394,000 | 4,609,325,900 | 4,562,274,600 | 4,515,427,300 | 4,878,736,975 |

Delinquent Taxes and Tax Title Liens

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

| <u>Year</u> | <u>Amount of Tax Title Liens</u> | <u>Amount of Delinquent Taxes</u> | <u>Total Delinquent</u> | <u>Percentage Of Tax Levy</u> |
|-------------|----------------------------------|-----------------------------------|-------------------------|-------------------------------|
| 2019 \$ | 9,317.87 | 516,801.17 | 526,119.04 | 1.56% |
| 2018 | 9,322.45 | 416,805.29 | 426,127.74 | 1.29% |
| 2017 | 9,103.30 | 400,404.45 | 409,507.75 | 1.28% |
| 2016 | 9,088.01 | 404,045.72 | 413,133.73 | 1.35% |
| 2015 | 9,073.22 | 316,126.45 | 325,199.67 | 1.13% |

Uniform Construction Code

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

Deposit of Municipal Funds

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

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

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

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

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CITY OF SEA ISLE CITY

FINDINGS AND RECOMMENDATIONS

None

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 19, 2020