

**CITY OF CAPE MAY
REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2024**

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CITY OF CAPE MAY
PART I
REPORT ON AUDIT OF
FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED
DECEMBER 31, 2024



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Cape May, as of December 31, 2024 and 2023, 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, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Cape May as of December 31, 2024, and 2023, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2024 and 2023, 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, 2024 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Basis for Opinions

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

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cape May basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards and schedule of state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and NJ OMB 15-08 respectively, and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025, on our consideration of the City of Cape May's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cape May's internal control over financial reporting and compliance.

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

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

June 30, 2025

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EXHIBIT A - CURRENT FUND

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

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Regular Fund:		
Cash:		
Treasurer	\$ 20,529,995.72	18,508,391.42
Investment in BAN	2,000,000.00	2,000,000.00
Petty Cash and Change Funds	950.00	950.00
Total Cash	<u>22,530,945.72</u>	<u>20,509,341.42</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	204,338.30	288,675.28
Tax Title and Other Liens	12,874.66	12,174.93
Property Acquired for Taxes - at Assessed Valuation	83,316.00	83,316.00
Revenue Accounts Receivable	37,327.32	31,723.48
Due from State:		
Chapter 20 P.L. 1971	33,026.45	33,776.45
Interfund Receivable:		
TTL Premium	140.49	72.65
Animal Control	4,291.64	3,728.22
COAH	0.01	0.01
Utility Operating	100,630.30	50,630.30
Total Receivables and Other Assets	<u>475,945.17</u>	<u>504,097.32</u>
Deferred Charges:		
Overexpenditure of Appropriations	37,339.19	198,840.88
Overexpenditure of Appropriation Reserves	49,253.76	-
Emergency	60,870.15	-
Special Emergency	250,000.00	-
Total Deferred Charges	<u>397,463.10</u>	<u>198,840.88</u>
Total Regular Fund	<u>23,404,353.99</u>	<u>21,212,279.62</u>
Federal and State Grant Fund:		
Cash	1,907,802.72	26,618.74
Federal and State Grants Receivable	9,725,357.71	5,080,486.52
Due from Current Fund	305,907.28	305,907.28
Revolving Loan Receivable	600,000.00	600,000.00
Total Federal and State Grant Fund	<u>12,539,067.71</u>	<u>6,013,012.54</u>
Total Current Fund	<u>\$ 35,943,421.70</u>	<u>27,225,292.16</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2024</u>	<u>2023</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,054,966.82	1,470,941.60
Reserve for Encumbrances	2,281,012.81	240,541.03
Accounts Payable	496,959.01	24,486.50
Prepaid Taxes	806,371.51	719,020.64
Overpaid Taxes	11,072.02	-
County Added Tax Payable	43,128.97	68,598.18
Regional School Tax (Overpaid)	(0.07)	(0.07)
Due to State:		
Marriage Licenses	2,250.00	475.00
DCA Training Fees	21,549.00	16,852.00
Interfund Payable:		
Grant Fund	305,907.28	305,907.28
POAA Trust	3,106.00	3,106.00
Street Opening Trust	11,550.00	11,550.00
Beach Utility Operating	1,399.00	1,399.00
General Capital	3,069,812.30	1,825,731.30
Tourism Operating	241,529.95	241,529.95
Performance Bond Trust	10,000.00	10,000.00
Police Off Duty Trust	192,509.57	241,630.00
Fire Safety Trust	4,600.00	4,600.00
Lifeguard Pension Trust	46,276.35	21,593.91
Parking Trust	36,600.00	36,600.00
Retirement Trust	115,000.00	115,000.00
Other:		
Payroll Taxes Payable	232,326.73	96,046.88
Tax Title Lien Exchange	1,482.58	1,482.58
Reserve for Municipal Relief Fund	-	35,216.53
Reserve for Escrow Deposits	309,115.67	331,177.37
Reserve for Insurance	490,983.59	490,983.59
	<u>9,789,509.09</u>	<u>6,314,469.27</u>
Reserve for Receivables and Other Assets	442,918.72	470,320.87
Fund Balance	<u>13,171,926.18</u>	<u>14,427,489.48</u>
Total Regular Fund	<u>23,404,353.99</u>	<u>21,212,279.62</u>
Federal and State Grant Fund:		
Unappropriated Reserves	514,120.93	431,669.19
Appropriated Reserves	10,858,333.30	4,717,193.62
Due to General Capital Fund	191,317.50	191,317.50
Reserve for Encumbrances	375,295.98	72,832.23
Reserve for Revolving Loans Receivable	600,000.00	600,000.00
Total Federal and State Grant Fund	<u>12,539,067.71</u>	<u>6,013,012.54</u>
Total Current Fund	<u>\$ 35,943,421.70</u>	<u>27,225,292.16</u>

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

	<u>2024</u>	<u>2023</u>
Revenue and Other Income Realized		
Fund Balance	\$ 5,900,000.00	4,140,163.00
Miscellaneous Revenue Anticipated	19,013,333.68	11,890,021.64
Receipts from Delinquent Taxes	278,523.02	252,127.70
Receipts from Current Taxes	31,710,420.51	31,908,339.87
Non Budget Revenue	160,569.13	250,953.96
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	1,090,890.21	1,370,587.92
Total Income	<u>58,153,736.55</u>	<u>49,812,194.09</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	8,154,416.00	7,752,440.88
Other Expenses	7,204,336.34	6,577,548.00
Deferred Charges & Statutory Expenditures	2,265,788.95	2,076,829.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	878,484.00	861,256.00
Other Expenses	7,236,238.40	791,555.59
Capital Improvements	1,622,000.00	462,000.00
Debt Service	4,484,631.72	3,753,713.60
Deferred Charges	1,022,081.00	901,595.00
Local District School Tax	1,962,587.00	1,943,346.00
Regional District School Tax	7,974,327.50	7,764,030.00
County Tax	10,958,858.05	11,162,036.72
County Share of Added Tax	43,128.97	68,598.18
Refund of Prior Year Revenue	-	830.82
Interfund Created	50,631.26	54,431.18
Total Expenditures	<u>53,857,509.19</u>	<u>44,170,210.97</u>
Excess/(Deficit) in Revenue	<u>4,296,227.36</u>	<u>5,641,983.12</u>

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

	<u>2024</u>	<u>2023</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	348,209.34	198,840.88
Total Adjustments	<u>348,209.34</u>	<u>198,840.88</u>
Statutory Excess to Fund Balance	<u>4,644,436.70</u>	<u>5,843,225.25</u>
Fund Balance January 1	<u>14,427,489.48</u>	<u>12,724,427.23</u>
	19,071,926.18	18,567,652.48
Decreased by:		
Utilization as Anticipated Revenue	<u>5,900,000.00</u>	<u>4,140,163.00</u>
Fund Balance December 31	<u>\$ 13,171,926.18</u>	<u>14,427,489.48</u>

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 5,900,000.00		5,900,000.00	-
Total Fund Balance Anticipated	5,900,000.00	-	5,900,000.00	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	55,000.00		57,946.00	2,946.00
Other	325,000.00		364,576.30	39,576.30
Fees and Permits	400,000.00		405,412.70	5,412.70
Fines and Costs:				
Municipal Court	206,000.00		341,661.49	135,661.49
Interest and Costs on Taxes	40,000.00		56,154.15	16,154.15
Parking Meters	2,000,000.00		2,628,697.19	628,697.19
Interest on Investments and Deposits	400,000.00		792,892.66	392,892.66
Hotel Room Tax	3,000,000.00		3,408,901.48	408,901.48
Lease and Rent Contracts	450,000.00		548,220.68	98,220.68
T.V. Cable Receipts	40,000.00		45,836.76	5,836.76
Victorian Towers - In Lieu of Taxes	190,000.00		221,936.92	31,936.92
Emergency Medical Services	350,000.00		412,645.83	62,645.83
Total Section A: Local Revenues	7,456,000.00	-	9,284,882.16	1,828,882.16
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	341,658.00		341,658.22	0.22
Municipal Relief Fund	35,216.53		35,216.53	-
Total Section B: State Aid Without Offsetting Appropriations	376,874.53	-	376,874.75	0.22
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	700,000.00		825,356.00	125,356.00
Total Section C: Uniform Construction Code Fees	700,000.00	-	825,356.00	125,356.00
Section D: Interlocal Municipal Service Agreements				
Interlocal Agreement (Police Protection) with West Cape May	547,574.00		542,120.00	(5,454.00)
Interlocal Agreement (Police Protection) with Cape May Point	330,910.00		330,910.00	-
Total Section D: Interlocal Municipal Service Agreements	878,484.00	-	873,030.00	(5,454.00)

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Section F: Special Items - Public and Private Programs			
Off-Set with Appropriations			
Recycling Tonnage	14,585.62		-
Bureau of Housing Inspection	8,407.00		-
Body Armor Grant	2,163.69		-
Clean Communities	21,777.09		-
NJ Emergency Management Grant	10,000.00		-
COPS in Shops	960.00		-
2024 Boardwalk Preservation Fund		6,722,552.00	-
DCA - Small Cities Block Grant		270,672.00	-
2024 Wawa Foundation Grant - Police Department		10,000.00	-
Total Section F: Special Items - Public and Private Programs			
Off-Set with Appropriations	57,893.40	7,003,224.00	-
Section G: Other Special Items			
Uniform Fire Safety Act	225,000.00		17,073.37
Water & Sewer Utility Contribution to Street Improvements	50,000.00		-
Reserve to Pay Debt Service	300,000.00		-
Total Section G: Other Special Items	575,000.00	-	17,073.37
Total Miscellaneous Revenues:	10,044,251.93	7,003,224.00	1,965,857.75
Receipts from Delinquent Taxes	105,000.00		173,523.02
Amount to be Raised by Taxes for Support of Municipal Budget			
Local Tax for Municipal Purposes	10,857,708.16		1,293,167.07
Total Amount to be Raised by Taxes for Support of Municipal Budget			
	10,857,708.16	-	1,293,167.07
Budget Totals	26,906,960.09	7,003,224.00	3,432,547.84
Non- Budget Revenues:			
Other Non- Budget Revenues:	-		160,569.13
	\$ 26,906,960.09	7,003,224.00	3,593,116.97

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, 2024**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	31,710,420.51
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Less: Reserve for Tax Appeals Pending	-
---------------------------------------	---

Net Revenue from Collections	31,710,420.51
------------------------------	---------------

Allocated to:

School, County and Other Taxes	20,947,969.02
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Balance for Support of Municipal Budget Appropriations	10,762,451.49
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Increased by:

Appropriation "Reserved for Uncollected Taxes"	1,388,423.74
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Amount for Support of Municipal Budget Appropriations	12,150,875.23
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Receipts from Delinquent Taxes:

Delinquent Tax Collection	278,523.02
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Total Receipts from Delinquent Taxes	278,523.02
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Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Accident Report	1,025.00
Clerk's office	8,735.10
Clerk-Liquor License Transfer	750.00
Copy Machines	175.77
Sale of Municipal Assets	86,664.91
GIS	1,090.00
Parking Fees	13,500.00
Police Applications	1,300.00
NSF Fees	280.00
Shade Tree	9,200.00
Marriage Ceremony/Fees	21,025.00
2% Admin Fee	550.00
Cape May Pt - Court	11,667.78
Dog Excess Revenue	563.42
Fire Violation Fine	2,000.00
Miscellaneous	2,042.15

Total Miscellaneous Revenue Not Anticipated:	160,569.13
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CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT:					
General Administration					
Salaries & Wages	\$ 210,000.00	240,000.00	235,624.72		4,375.28
Other Expenses	213,250.00	213,250.00	193,627.65	18,005.76	1,616.59
Mayor and Council					
Salaries & Wages	42,200.00	42,200.00	33,537.52		8,662.48
Other Expenses	7,700.00	7,700.00	3,758.18	65.99	3,875.83
City Clerk					
Salaries & Wages	267,500.00	267,500.00	250,501.68		16,998.32
Other Expenses	42,200.00	42,200.00	41,348.11	755.92	95.97
Financial Administration					
Salaries & Wages	199,500.00	199,500.00	195,928.74		3,571.26
Other Expenses	19,500.00	19,500.00	17,530.19	1,629.03	340.78
Audit Services					
Other Expenses	35,000.00	35,000.00	28,875.00		6,125.00
Assessment of Taxes					
Salaries & Wages	138,500.00	138,500.00	120,413.11		18,086.89
Other Expenses	23,000.00	23,000.00	5,028.71	5,091.43	12,879.86
Preparation of Tax Map - Special Emergency				191,500.00	58,500.00
Collection of Taxes					
Salaries & Wages	98,500.00	98,500.00	97,605.49		894.51
Other Expenses	17,750.00	17,750.00	7,872.52	5,297.85	4,579.63
Legal Services					
Other Expenses					
Miscellaneous Other Expenses	476,000.00	376,000.00	331,740.56	5,635.31	38,624.13
Engineering & Planning Services					
Other Expenses	70,000.00	35,000.00	28,997.72	1,804.50	4,197.78
Economic Development					
Other Expenses	5,000.00	5,000.00			5,000.00
Emergency Medical Services - Collection					
Contractual Expenses	19,500.00	19,500.00	17,276.99	1,520.10	702.91
INSURANCE					
General Liability	396,222.00	396,222.00	375,553.67		20,668.33
Workers Compensation Insurance	553,000.00	353,000.00	340,519.03		12,480.97
Employee Group Health	2,358,500.00	2,558,500.00	1,093,803.31	1,502,035.88	(37,339.19)
Employee Group Health Waiver					
Salaries & Wages	95,000.00	95,000.00			95,000.00
LAND USE ADMINISTRATION					
Planning Board					
Salaries & Wages	25,500.00	25,500.00	24,640.25		859.75
Other Expenses	26,500.00	26,500.00	23,979.01	1,594.93	926.06
Zoning Board of Adjustment					
Salaries & Wages	57,500.00	67,500.00	64,086.53		3,413.47
Other Expenses	20,600.00	20,600.00	18,447.14	1,617.69	535.17

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, 2024

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
PUBLIC SAFETY						
Fire						
Salaries & Wages	2,055,000.00	1,985,000.00	1,963,315.59		21,684.41	-
Other Expenses	118,600.00	178,600.00	167,785.54	4,195.05	6,619.41	-
Aid to Volunteer Fire Company						
Other Expenses	20,000.00	20,000.00	20,000.00		-	-
Police						
Salaries & Wages	2,034,516.00	2,034,516.00	1,974,422.62		60,093.38	-
Other Expenses	270,250.00	330,250.00	290,865.11	17,394.06	21,990.83	-
County Dispatch Service						
Other Expenses	195,000.00	195,000.00	195,000.00		-	-
Emergency Management Services						
Salaries & Wages	8,000.00	8,000.00	3,276.60		4,723.40	-
Other Expenses	8,000.00	8,000.00	5,324.96	779.72	1,895.32	-
Parking and Traffic Maintenance						
Salaries & Wages	134,500.00	134,500.00	124,189.77		10,310.23	-
Other Expenses	69,400.00	69,400.00	40,367.46	9,946.36	19,086.18	-
Public Safety						
Other Expenses	1,000.00	1,000.00			1,000.00	-
Municipal Court						
Salaries & Wages	145,500.00	145,500.00	121,932.68		23,567.32	-
Other Expenses	154,205.00	154,205.00	117,789.54	983.36	35,432.10	-
Public Defender						
Other Expenses	8,300.00	8,300.00			8,300.00	-
PUBLIC WORKS FUNCTION						
Road Repairs and Maintenance						
Salaries & Wages	896,500.00	896,500.00	896,500.00		(0.00)	-
Other Expenses	346,600.00	346,600.00	267,792.09	55,410.64	23,397.27	-
Sanitary Landfill Contractual						
Other Expenses	27,000.00	27,000.00	25,938.01	1,060.99	1.00	-
Recycling						
Salaries & Wages	207,500.00	107,500.00	60,011.09		47,488.91	-
Other Expenses	75,000.00	75,000.00	69,897.26	1,612.03	3,490.71	-
Public Buildings and Grounds						
Salaries & Wages	803,500.00	888,500.00	864,913.32		23,586.68	-
Other Expenses	490,000.00	525,000.00	463,754.25	20,050.21	41,195.54	-
Emergency - 2024 Lightning Strike		450,000.00	36,366.05	2,499.69	22,004.41	389,129.85
Shade Tree Commission						
Other Expenses	48,150.00	68,150.00	39,200.00		28,950.00	-
Property Maintenance Enforcement						
Other Expenses	2,500.00	2,500.00			2,500.00	-

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, 2024

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
HEALTH AND HUMAN SERVICES					
Uniform Fire Safety	189,500.00	199,500.00	195,735.92		-
Salaries & Wages	42,000.00	42,000.00	23,811.06	2,055.69	-
Other Expenses					
Environmental Commission	1,200.00	1,200.00	200.00		-
Salaries & Wages	10,000.00	10,000.00	5,116.20		-
Other Expenses					
PARKS AND RECREATION FUNCTIONS					
Civic Affairs					
Salaries & Wages	100,000.00	55,000.00	52,935.63		-
Other Expenses	69,150.00	69,150.00	60,763.57		-
Historic Preservation Commission					
Salaries & Wages	60,000.00	60,000.00	56,810.47		-
Other Expenses	49,250.00	49,250.00	30,078.26	436.59	-
Grants Coordinator					
Other Expenses	50,000.00	50,000.00	49,024.20		-
UNIFORM CONSTRUCTION CODE					
State Uniform Construction Code					
Construction Official					
Salaries & Wages	419,500.00	464,500.00	457,882.28		-
Other Expenses	57,000.00	67,000.00	47,399.94	3,170.34	-
UNCLASSIFIED					
Celebration of Public Events, Anniversary or Holiday	67,000.00	67,000.00	61,338.35	2,295.58	-
UTILITY EXPENSES AND BULK PURCHASES					
General Office Operations	140,500.00	140,500.00	134,875.71	5,182.05	-
Street Lighting	160,000.00	135,000.00	119,298.85	15,701.15	(0.00)
Gas Lighting	38,500.00	38,500.00	26,285.95		-
Gas Lighting - Parts	30,000.00	30,000.00	22,257.00		-
TOTAL OPERATIONS WITHIN "CAPS"	<u>15,020,543.00</u>	<u>15,710,543.00</u>	<u>12,643,151.16</u>	<u>1,879,327.90</u>	<u>351,790.66</u>
Contingent	-	-	-	-	-
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	<u>15,020,543.00</u>	<u>15,710,543.00</u>	<u>12,643,151.16</u>	<u>1,879,327.90</u>	<u>351,790.66</u>
Detail:					
Salaries & Wages	8,189,416.00	8,154,416.00	7,794,464.01	-	-
Other Expenses	6,831,127.00	7,556,127.00	4,848,687.15	1,879,327.90	351,790.66

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, 2024

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
DEFERRED CHARGES AND STATUTORY EXPENDITURES:					
Deferred Charges:					
Overexpenditure of Appropriations	198,840.88	198,840.88	198,840.88	-	-
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	485,860.07	485,860.07	485,860.07	-	-
Social Security System (O.A.S.I.)	425,000.00	435,000.00	430,113.77	4,886.23	-
Police and Firemen's Retirement System of NJ	1,095,088.00	1,095,088.00	1,095,088.00	-	-
Unemployment Compensation Insurance	27,000.00	27,000.00	27,000.00	-	-
Reserve for Retirement Trust	15,000.00	15,000.00	15,000.00	-	-
Defined Contribution Retirement Program (DCRP)	9,000.00	9,000.00		9,000.00	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	2,255,788.95	2,265,788.95	2,251,902.72	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	17,276,331.95	17,976,331.95	14,895,053.88	1,879,327.90	351,790.66
OPERATIONS - EXCLUDED FROM "CAPS"					
(A) Operations - Excluded from "CAPS"					
Length of Service Award Program - Fire	20,000.00	20,000.00	4,287.00	15,713.00	-
General Liability	28,276.00	28,276.00	(13,680.00)	41,956.00	-
Workers Compensation Insurance	53,545.00	53,545.00		53,545.00	-
Interlocal Municipal Service Agreements					
Police Protection West Cape May & Cape May Point	547,574.00	547,574.00	515,151.41	32,422.59	-
Contractual - West Cape May - Salaries & Wages	330,910.00	330,910.00	330,910.00	-	-
Contractual - Cape May Point - Salaries & Wages	48,300.00	48,300.00	48,300.00	-	-
Rental of Borough Property - West Cape May					
	1,028,605.00	1,028,605.00	884,968.41	143,636.59	-

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, 2024

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
(A) Public and Private Programs Off-Set by Revenues					
Matching Funds for Grants	25,000.00	25,000.00			-
Body Armor Grant	2,163.69	2,163.69	2,163.69		-
Recycling Tonnage Grant	14,585.62	14,585.62	14,585.62		-
Bureau of Housing Inspection	8,407.00	8,407.00	8,407.00		-
Clean Communities Program	21,777.09	21,777.09	21,777.09		-
NJLPS COPS in Shops	960.00	960.00	960.00		-
Emergency Management Grant	10,000.00	10,000.00	10,000.00		-
2024 Boardwalk Preservation Fund		6,722,552.00	6,722,552.00		-
DCA - Small Cities Block Grant		270,672.00	270,672.00		-
2024 Wawa Foundation Grant - Police Department		10,000.00	10,000.00		-
Total Public and Private Programs Off-Set by Revenues	82,893.40	7,086,117.40	7,061,117.40	-	-
Total Operations - Excluded from "CAPS"	1,111,498.40	8,114,722.40	7,946,085.81	-	-
Detail:					
Salaries & Wages	878,484.00	878,484.00	846,061.41	-	-
Other Expenses	233,014.40	7,236,238.40	7,100,024.40	-	-
(C) Capital Improvements					
Capital Improvement Fund	300,000.00	300,000.00	300,000.00		-
Reserve for Open Space Acquisitions	222,000.00	222,000.00	222,000.00		-
Improvements to Municipal Facilities	1,100,000.00	1,100,000.00	662,144.37	401,684.91	-
Total Capital Improvements	1,622,000.00	1,622,000.00	1,184,144.37	401,684.91	-
(D) Debt Service					
Payment of Bond Principal	3,355,000.00	3,355,000.00	3,355,000.00		-
Payment of Bond Anticipation Notes and Capital Notes	100.00	100.00			100.00
Interest on Bonds	1,044,225.00	1,044,225.00	1,044,224.42		0.58
Interest on Notes	100.00	100.00			100.00
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	20,200.00	20,200.00	20,185.99		14.01
Capital Lease Obligations:					
Principal	52,000.00	52,000.00	50,221.31		1,778.69
Interest	15,000.00	15,000.00	15,000.00		-
Total Debt Service	4,486,625.00	4,486,625.00	4,484,631.72	-	1,993.28

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, 2024

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
(E) Deferred Charges					
Ordinance # 263-2013	718,000.00	718,000.00	718,000.00	-	-
Ordinance # 311-2016	300,000.00	300,000.00	300,000.00	-	-
Ordinance # 501-2023	1,700.00	1,700.00	1,700.00	-	-
Ordinance # 511-2023	2,381.00	2,381.00	2,381.00	-	-
Total Deferred Charges	<u>1,022,081.00</u>	<u>1,022,081.00</u>	<u>1,022,081.00</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	<u>8,242,204.40</u>	<u>15,245,428.40</u>	<u>14,636,942.90</u>	<u>401,684.91</u>	<u>1,993.28</u>
SUBTOTAL GENERAL APPROPRIATIONS	<u>25,518,536.35</u>	<u>33,221,760.35</u>	<u>29,531,996.78</u>	<u>2,281,012.81</u>	<u>353,783.94</u>
(M) Reserve for Uncollected Taxes	<u>1,388,423.74</u>	<u>1,388,423.74</u>	<u>1,388,423.74</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS	<u>\$ 26,906,960.09</u>	<u>34,610,184.09</u>	<u>30,920,420.52</u>	<u>2,281,012.81</u>	<u>353,783.94</u>
Budget				Cancelled	391,123.13
Appropriations by 40A:4-87		26,906,960.09		Overexpended	(37,339.19)
Special Emergency		7,003,224.00			
Emergency		250,000.00			
		<u>450,000.00</u>			
		<u>34,610,184.09</u>			<u>353,783.94</u>
Reserve for Uncollected Taxes		1,388,423.74			
Federal and State Grants		7,061,117.40			
Rental of Borough Property - West Cape May		39,300.00			
Deferred Charge		198,840.88			
Due from Police Off Duty Trust		(49,120.43)			
Due to General Capital		1,544,081.00			
Disbursements		<u>20,737,777.93</u>			
		<u>30,920,420.52</u>			

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EXHIBIT B - TRUST FUNDS

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

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
<u>Animal Control Fund</u>		
Cash and Investments	\$ 6,838.23	5,931.57
	<u>6,838.23</u>	<u>5,931.57</u>
<u>Length of Service Award Program (LOSAP) - Unaudited</u>		
Investments		
Mutual Funds	395,145.10	339,406.91
	<u>395,145.10</u>	<u>339,406.91</u>
<u>Other Funds</u>		
Cash and Investments	5,479,596.26	5,076,807.92
Due from Current Fund	419,641.92	444,079.91
Due from Water & Sewer Operating	22,500.00	22,500.00
Revenue Accounts Receivable	726.00	408.00
	<u>5,922,464.18</u>	<u>5,543,795.83</u>
	<u>\$ 6,324,447.51</u>	<u>5,889,134.31</u>

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

	<u>2024</u>	<u>2023</u>
<u>Liabilities, Reserves and Fund Balance</u>		
<u>Animal Control Fund</u>		
Reserve for Animal Control Expenditures	\$ 2,539.99	2,184.75
Due to Current Fund	4,291.64	3,728.22
Due to State of New Jersey	6.60	18.60
	<u>6,838.23</u>	<u>5,931.57</u>
<u>Length of Service Award Program (LOSAP) - Unaudited</u>		
Net Assets Available for Benefits	395,145.10	339,406.91
	<u>395,145.10</u>	<u>339,406.91</u>
<u>Other Funds</u>		
Reserve for:		
Due to Current Fund	140.50	72.66
Unemployment Compensation	100,521.14	90,629.93
Retirement Fund	381,490.30	337,536.01
Parking Offense Adjudication Act	32,256.45	29,074.40
Street Openings	244,580.25	223,769.37
Tax Lien Premiums	2,070.26	2,070.26
Parking Escrow	285,866.38	269,945.50
Lifeguard Pension	614,382.86	625,021.60
Police Forfeiture	22.98	2,127.13
COAH	2,607,968.66	2,284,231.43
Fire Safety	14,915.23	13,879.33
Neighborhood Revitalization	152,699.48	147,990.72
Security Deposits	28,455.89	27,578.41
DARE	573.58	555.87
Small Cities Block Grant	799,440.69	774,788.52
Public Assistance	3,818.42	3,700.67
Performance Bond	342,323.51	397,888.72
Police Off-Duty	306,290.92	307,374.82
Flexible Spending	108.00	1,499.00
Fishermen's Memorial	3,800.18	3,345.76
Dellas Field	738.50	715.72
	<u>5,922,464.18</u>	<u>5,543,795.83</u>
	<u>\$ 6,324,447.51</u>	<u>5,889,134.31</u>

EXHIBIT C - GENERAL CAPITAL FUND

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

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash	\$ 9,560,092.79	8,922,363.81
Deferred Charges to Future Taxation -		
Funded	27,024,750.81	30,449,148.15
Unfunded	18,102,380.00	9,772,081.00
Deferred Charge -		
Overexpenditure of Capital Improvement Fund	99,728.00	-
State Grant Receivable	303,066.77	303,066.77
NJEIT Loans Receivable	35,670.53	35,670.53
Due from Current Fund	3,069,812.30	1,825,731.30
Due from Grant Fund	191,317.50	191,317.50
	<u>58,386,818.70</u>	<u>51,499,379.06</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	7,401,764.45	5,893,003.69
Bond Anticipation Notes Payable	8,200,000.00	-
Serial Bonds Payable	26,575,000.00	29,930,000.00
Green Trust Loan Payable	19,887.18	39,382.51
Capital Lease Payable	429,863.63	479,765.64
Improvement Authorizations:		
Funded	1,367,767.33	2,568,892.55
Unfunded	8,825,857.53	6,927,096.09
Reserve to Pay Bonds or Notes	404,612.97	653,280.97
Reserve for Open Space	3,718,569.00	3,496,569.00
Reserves for Mall Improvements	26,575.60	26,575.60
Capital Improvement Fund	-	67,892.00
Fund Balance	1,416,921.01	1,416,921.01
	<u>\$ 58,386,818.70</u>	<u>51,499,379.06</u>

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

2023	9,772,081.00
2024	9,902,380.00

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

	<u>2024</u>	<u>2023</u>
Beginning Balance January 1	\$ 1,416,921.01	1,416,921.01
Increased by:		
None	-	-
Decreased by:		
Appropriated to Finance Improvement Authorizations	-	-
Ending Balance December 31	\$ <u>1,416,921.01</u>	<u>1,416,921.01</u>

EXHIBIT - D
WATER AND SEWER UTILITY FUND

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

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 2,120,017.98	2,253,306.33
Investment in BANS	901,000.00	901,000.00
Due from Water and Sewer Utility Capital Fund	417,412.00	202,412.00
	<u>3,438,429.98</u>	<u>3,356,718.33</u>
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	251,218.83	172,472.65
	<u>251,218.83</u>	<u>172,472.65</u>
Deferred Charges:		
Overexpenditure of Appropriation	68,378.99	-
	<u>68,378.99</u>	<u>-</u>
Total Operating Fund	<u>3,758,027.80</u>	<u>3,529,190.98</u>
Capital Fund:		
Cash	4,233,831.77	1,825,980.36
Loans Receivable	266,689.47	266,689.47
Fixed Capital	18,975,433.85	18,975,433.85
Fixed Capital - Authorized and Uncompleted	35,604,155.99	33,804,155.99
Total Capital Fund	<u>59,080,111.08</u>	<u>54,872,259.67</u>
	<u>\$ 62,838,138.88</u>	<u>58,401,450.65</u>

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

	2024	2023
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Appropriation Reserves	\$ 44,951.53	564,793.34
Reserve for Encumbrances	421,307.87	47,867.16
Accounts Payable	117,820.43	100,916.48
Overpaid Rents	27,389.65	31,007.48
Sales Tax Payable	190.71	190.71
Accrued Interest on Bonds and Notes	141,647.51	106,754.24
Reserve for Sewer Treatment Plant	809.71	809.71
Due to Current Fund	100,630.30	50,630.30
Due to Trust Fund	22,500.00	22,500.00
	<u>877,247.71</u>	<u>925,469.42</u>
Reserve for Receivables	251,218.83	172,472.65
Fund Balance	2,629,561.26	2,431,248.91
Total Operating Fund	<u>3,758,027.80</u>	<u>3,529,190.98</u>
Capital Fund:		
Encumbrances Payable	1,877,903.77	2,357,995.66
Bond Anticipation Notes Payable	9,915,000.00	4,870,000.00
Serial Bonds Payable	8,310,000.00	9,350,000.00
Loans Payable	1,189,727.73	1,241,961.92
Improvement Authorizations:		
Funded	488,019.21	488,019.21
Unfunded	2,655,898.57	3,056,862.91
Due to Utility Operating	417,412.00	202,412.00
Reserve for Amortization	31,540,206.88	30,447,972.69
Deferred Reserve for Amortization	1,789,655.23	1,789,655.23
Reserve for Debt Service	317,981.35	499,073.71
Capital Improvement Fund	200,000.00	190,000.00
Fund Balance	378,306.34	378,306.34
Total Capital Fund	<u>59,080,111.08</u>	<u>54,872,259.67</u>
	<u>\$ 62,838,138.88</u>	<u>58,401,450.65</u>

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

2023	5,080,000.00
2024	1,835,000.00

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

	<u>2024</u>	<u>2023</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 412,500.00	323,088.00
Water and Sewer Rents	6,916,022.16	6,844,348.27
Reserve to Pay Bonds and Notes	225,000.00	225,000.00
Miscellaneous	277,915.08	227,296.07
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	311,825.62	393,026.62
Total Income	<u>8,143,262.86</u>	<u>8,012,758.96</u>
Expenditures		
Operations:		
Salaries and Wages	1,000,000.00	900,000.00
Other Expenses	4,768,378.99	4,750,000.00
Capital Improvements	60,000.00	60,000.00
Debt Service	1,584,950.51	1,540,656.24
Deferred Charges and Statutory Expenditures	187,500.00	193,088.00
Total Expenditures	<u>7,600,829.50</u>	<u>7,443,744.24</u>
Excess in Revenue	<u>542,433.36</u>	<u>569,014.72</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute Deferred Charges to Budgets of		
Succeeding Year	68,378.99	-
Total Adjustments	<u>68,378.99</u>	<u>-</u>
Excess in Operations	<u>610,812.35</u>	<u>569,014.72</u>
Fund Balance January 1	<u>2,431,248.91</u>	<u>2,185,322.19</u>
	3,042,061.26	2,754,336.91
Decreased by:		
Utilization as Anticipated Revenue	<u>412,500.00</u>	<u>323,088.00</u>
Fund Balance December 31	<u>\$ 2,629,561.26</u>	<u>2,431,248.91</u>

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

	<u>2024</u>	<u>2023</u>
Beginning Balance January 1	\$ 378,306.34	378,306.34
Increased by:		
None	-	-
Decreased by:		
None	-	-
Ending Balance December 31	\$ <u>378,306.34</u>	<u>378,306.34</u>

**WATER AND SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Anticipated Budget	Realized	Excess or (Deficit)
Operating Surplus Anticipated	\$ 412,500.00	412,500.00	-
Anticipated Revenue:			
Rents	6,840,000.00	6,916,022.16	76,022.16
Miscellaneous	150,000.00	277,915.08	127,915.08
Reserve to Pay Bond and Notes	225,000.00	225,000.00	-
	<u>\$ 7,627,500.00</u>	<u>7,831,437.24</u>	<u>203,937.24</u>
Analysis of Realized Revenue:			
Water and Sewer Rents			
Accounts Receivable	6,916,022.16		
Total Water & Sewer Rents		<u>6,916,022.16</u>	
Miscellaneous Revenue			
Interest on Investments	188,304.79		
Penalties and Interest	8,504.91		
Sewer Connections	2,735.53		
Meter Installations	61,465.00		
Disconnection Fee	1,450.00		
Special Reading Charge	4,400.00		
Shut Off Notice Fee	8,925.00		
WCM Interlocal	1,470.00		
Miscellaneous	659.85		
Total Miscellaneous		<u>277,915.08</u>	

WATER AND SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget	Appropriations	Budget After Modifications	Paid or Charged	Expended	(Over expended) Unexpended Balance Cancelled
					Encumbered	Reserved
Operations:						
Salaries and Wages	\$ 1,000,000.00		1,000,000.00	967,899.27		32,100.73
Other Expenses	4,700,000.00		4,700,000.00	4,347,071.12	421,307.87	-
	<u>5,700,000.00</u>		<u>5,700,000.00</u>	<u>5,314,970.39</u>	<u>421,307.87</u>	<u>32,100.73</u>
						<u>(68,378.99)</u>
Capital Improvements:						
Capital Improvement Fund	10,000.00		10,000.00	10,000.00		-
Current Fund Share of Roads	50,000.00		50,000.00	50,000.00		-
	<u>60,000.00</u>		<u>60,000.00</u>	<u>60,000.00</u>	<u>-</u>	<u>-</u>
Debt Service:						
Payment of Bond Principal	1,100,000.00		1,100,000.00	1,092,879.19		0.00
Interest on Bonds	380,000.00		380,000.00	343,518.19		0.00
Interest on Notes	200,000.00		200,000.00	148,553.13		-
	<u>1,680,000.00</u>		<u>1,680,000.00</u>	<u>1,584,950.51</u>	<u>-</u>	<u>0.00</u>
						<u>7,120.81</u>
						<u>36,481.81</u>
						<u>51,446.87</u>
						<u>95,049.49</u>
Deferred Charges and Statutory Expenditures:						
Statutory Ordinances						
Public Employee's Retirement System	85,000.00		85,000.00	85,000.00		-
Social Security System (O.A.S.I.)	75,000.00		75,000.00	62,149.20		12,850.80
Unemployment Compensation Insurance	5,000.00		5,000.00	5,000.00		-
Reserve for Retirement Trust	22,500.00		22,500.00	22,500.00		-
	<u>187,500.00</u>		<u>187,500.00</u>	<u>174,649.20</u>	<u>-</u>	<u>12,850.80</u>
						<u>-</u>
	<u>7,627,500.00</u>		<u>7,627,500.00</u>	<u>7,134,570.10</u>	<u>421,307.87</u>	<u>44,951.53</u>
						<u>26,670.50</u>
						<u>95,049.49</u>
						<u>(68,378.99)</u>
						<u>26,670.50</u>
						<u>7,134,570.10</u>
						<u>7,134,570.10</u>

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

EXHIBIT - E
BEACH UTILITY FUND

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

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 2,792,837.59	2,615,079.05
Investment in BANS	-	210,000.00
Due from Current Fund	1,399.00	1,399.00
	<u>2,794,236.59</u>	<u>2,826,478.05</u>
Deferred Charges:		
Overexpenditure of Appropriation	-	16,172.50
	<u>-</u>	<u>16,172.50</u>
Total Operating Fund	<u>2,794,236.59</u>	<u>2,842,650.55</u>
Capital Fund:		
Cash	684,706.67	1,302,575.42
Due from Beach Operating	159,900.00	64,900.00
Fixed Capital - Authorized and Uncompleted	7,325,000.00	6,000,000.00
Total Capital Fund	<u>8,169,606.67</u>	<u>7,367,475.42</u>
	<u>\$ 10,963,843.26</u>	<u>10,210,125.97</u>

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

	2024	2023
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Appropriation Reserves	\$ 263,772.58	102,524.25
Encumbrances Payable	27,980.19	54,060.81
Accounts Payable	4,994.27	5,479.10
Accrued Interest on Bonds and Notes	34,866.67	39,593.33
Due to Beach Capital	159,900.00	64,900.00
	<u>491,513.71</u>	<u>266,557.49</u>
 Fund Balance	 2,302,722.88	 2,576,093.06
 Total Operating Fund	 <u>2,794,236.59</u>	 <u>2,842,650.55</u>
 Capital Fund:		
Encumbrances Payable	149,063.80	419,663.95
Bond Anticipation Notes Payable	-	210,000.00
General Serial Bonds Payable	2,255,000.00	2,650,000.00
Reserve for Amortization	3,550,000.00	2,945,000.00
Improvement Authorizations		
Funded	85,327.50	319,504.97
Unfunded	1,446,936.79	160,027.92
Reserve to Pay Bonds	77,353.96	77,353.96
Capital Improvement Fund	484,000.00	464,000.00
Fund Balance	121,924.62	121,924.62
 Total Capital Fund	 <u>8,169,606.67</u>	 <u>7,367,475.42</u>
	<u>\$ 10,963,843.26</u>	<u>10,210,125.97</u>

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

2023	195,000.00
2024	1,520,000.00

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

	<u>2024</u>	<u>2023</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 1,136,572.50	645,500.00
Beach Fees	3,714,630.50	3,031,367.00
Miscellaneous Revenue	130,875.24	102,515.83
Miscellaneous Not Anticipated Revenue	226.00	13,318.88
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	105,329.82	259,805.37
Prior Year Accounts Payable Cancelled	5,479.10	-
Total Income	<u>5,093,113.16</u>	<u>4,052,507.08</u>
Expenditures		
Operations:		
Salaries and Wages	2,420,500.00	2,134,500.00
Other Expenses	780,800.00	645,000.00
Capital Improvements	20,000.00	20,000.00
Debt Service	706,438.34	346,172.50
Deferred Charges and Statutory Expenditures	302,172.50	240,900.00
Total Expenditures	<u>4,229,910.84</u>	<u>3,386,572.50</u>
Excess/(Deficit) in Revenue	<u>863,202.32</u>	<u>665,934.58</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute Deferred Charges to Budgets of		
Succeeding Year	-	16,172.50
Total Adjustments	<u>-</u>	<u>16,172.50</u>
Excess in Operations	<u>863,202.32</u>	<u>682,107.08</u>
Fund Balance January 1	<u>2,576,093.06</u>	<u>2,539,485.98</u>
	3,439,295.38	3,221,593.06
Decreased by:		
Utilization as Anticipated Revenue	<u>1,136,572.50</u>	<u>645,500.00</u>
Fund Balance December 31	<u>\$ 2,302,722.88</u>	<u>2,576,093.06</u>

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

	<u>2024</u>	<u>2023</u>
Beginning Balance January 1	\$ 121,924.62	121,924.62
Increased by:		
None	-	-
Decreased by:		
None	-	-
Ending Balance December 31	\$ <u>121,924.62</u>	<u>121,924.62</u>

**BEACH UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 1,136,572.50	1,136,572.50	-
Anticipated Revenue:			
User Fees	3,000,000.00	3,714,630.50	714,630.50
Miscellaneous	100,000.00	130,875.24	30,875.24
Miscellaneous Not Anticipated Revenue	-	226.00	226.00
	<u>\$ 4,236,572.50</u>	<u>4,982,304.24</u>	<u>745,731.74</u>
Analysis of Realized Revenue:			
Beach Fees			
Collections	<u>3,714,630.50</u>		
Total Beach Fees		<u>3,714,630.50</u>	
Miscellaneous Revenue			
Miscellaneous	226.00		
Interest on Investments	<u>130,875.24</u>		
Total Miscellaneous		<u>131,101.24</u>	

BEACH UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Operations:						
Beach Front (Lifeguards)						
Salaries & Wages	1,266,000.00	1,254,000.00	1,141,932.97		112,067.03	-
Other Expenses	110,800.00	110,800.00	89,382.19	10,392.91	11,024.90	-
Beach Tag Program						
Salaries & Wages	502,000.00	514,000.00	510,421.19		3,578.81	-
Other Expenses	169,000.00	169,000.00	138,067.60	8,007.78	22,924.62	-
Insurance						
Liability Insurance	22,000.00	22,000.00	22,000.00		-	-
Workers Compensation	35,000.00	35,000.00	35,000.00		-	-
Employee Group Insurance	17,000.00	17,000.00			17,000.00	-
Audit Services						
Other Expenses	5,500.00	5,500.00	1,125.00		4,375.00	-
Tax Collector						
Salaries & Wages	17,000.00	17,000.00	17,000.00		-	-
Police						
Salaries & Wages	124,500.00	124,500.00	124,500.00		-	-
Police Dispatch						
Other Expenses	50,000.00	50,000.00	50,000.00		-	-
Fire						
Salaries & Wages	88,000.00	88,000.00	88,000.00		-	-
Legal						
Other Expenses	6,000.00	6,000.00			6,000.00	-
Road Repairs & Maintenance						
Salaries & Wages	263,000.00	263,000.00	263,000.00		-	-
Other Expenses	96,000.00	96,000.00	89,263.69	4,321.17	2,415.14	-
Public Buildings & Grounds						
Salaries & Wages	78,000.00	78,000.00	78,000.00		-	-
Other Expenses	200,000.00	200,000.00	198,832.07	1,095.83	72.10	-
General Administration						
Salaries & Wages	21,000.00	21,000.00	21,000.00		-	-
Other Expenses	5,000.00	5,000.00	2,384.26		2,615.74	-
Financial Administration						
Salaries & Wages	19,000.00	19,000.00	19,000.00		-	-
Other Expenses	3,000.00	3,000.00	3,000.00		-	-
Sanitary Landfill						
Other Expenses	8,500.00	8,500.00	4,335.02		4,164.98	-
Beach Safety						
Other Expenses	10,000.00	10,000.00			10,000.00	-

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EXHIBIT - F
TOURISM UTILITY FUND

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

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 2,666,097.12	2,299,252.21
Change Fund	500.00	500.00
Due from Current Fund	241,529.95	241,529.95
	<u>2,908,127.07</u>	<u>2,541,282.16</u>
 Total Operating Fund	 <u>2,908,127.07</u>	 <u>2,541,282.16</u>
	<u>2,908,127.07</u>	<u>2,541,282.16</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Appropriation Reserves	131,306.84	256,620.01
Encumbrances Payable	36,167.91	48,372.67
Accounts Payable	4,510.96	-
Sales Tax Payable	630.89	630.89
Due to Security Deposit	37,017.50	37,017.50
	<u>209,634.10</u>	<u>342,641.07</u>
 Fund Balance	 2,698,492.97	 2,198,641.09
 Total Operating Fund	 <u>2,908,127.07</u>	 <u>2,541,282.16</u>
	<u>\$ 2,908,127.07</u>	<u>2,541,282.16</u>

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

	<u>2024</u>	<u>2023</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ -	-
Tourism Fees	1,491,937.86	1,434,656.90
Other Credits to Income:		
Miscellaneous Revenue not Anticipated	74,500.01	56,405.56
Unexpended Balance of Appropriation Reserves	238,414.01	149,583.34
Prior Year Accounts Payable Canceled	-	931.50
Total Income	<u>1,804,851.88</u>	<u>1,641,577.30</u>
Expenditures		
Operations:		
Salaries and Wages	550,000.00	550,000.00
Other Expenses	700,000.00	700,000.00
Statutory Expenditures	55,000.00	55,000.00
Total Expenditures	<u>1,305,000.00</u>	<u>1,305,000.00</u>
Excess/(Deficit) in Revenue	<u>499,851.88</u>	<u>336,577.30</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute Deferred Charges to Budgets of		
Succeeding Year	-	-
Total Adjustments	<u>-</u>	<u>-</u>
Excess in Operations	<u>499,851.88</u>	<u>336,577.30</u>
Fund Balance January 1	<u>2,198,641.09</u>	<u>1,862,063.79</u>
	2,698,492.97	2,198,641.09
Decreased by:		
Utilization as Anticipated Revenue	<u>-</u>	<u>-</u>
Fund Balance December 31	<u>\$ 2,698,492.97</u>	<u>2,198,641.09</u>

**TOURISM UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Anticipated Budget	Realized	Excess or (Deficit)
Anticipated Revenue:			
Tourism Fees & Events	\$ 370,000.00	388,415.22	18,415.22
Hotel Room Tax	700,000.00	700,000.00	-
Lease and Rent Contracts	170,000.00	331,572.64	161,572.64
Mercantile License Fee	65,000.00	71,950.00	6,950.00
Miscellaneous	-	74,500.01	74,500.01
	<u>\$ 1,305,000.00</u>	<u>1,566,437.87</u>	<u>261,437.87</u>

Analysis of Realized Revenue:

Tourism Fees	
Collections	388,415.22
	<u>388,415.22</u>

Miscellaneous Revenue Not Anticipated:

Miscellaneous	2,404.00
Special Event Application Fees	1,530.00
Interest	70,566.01
	<u>74,500.01</u>

TOURISM UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Operations:						
Salaries and Wages	\$ 550,000.00	550,000.00	550,000.00		-	-
Other Expenses	700,000.00	700,000.00	545,377.97	36,167.91	118,454.12	-
Statutory Expenditures:						
Social Security System (O.A.S.I.)	55,000.00	55,000.00	42,147.28		12,852.72	-
	<u>1,305,000.00</u>	<u>1,305,000.00</u>	<u>1,137,525.25</u>	<u>36,167.91</u>	<u>131,306.84</u>	<u>-</u>
	<u>\$ 1,305,000.00</u>	<u>1,305,000.00</u>	<u>1,137,525.25</u>	<u>36,167.91</u>	<u>131,306.84</u>	<u>-</u>
			Cash Disbursed \$ 1,137,525.25			
			<u>\$ 1,137,525.25</u>			

EXHIBIT - G
GENERAL FIXED ASSET ACCOUNT GROUP

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

	2024	2023
<u>General Fixed Assets</u>		
Land, Buildings and Improvements	\$ 27,718,436.93	27,718,436.93
Machinery and Equipment	12,443,883.99	11,662,925.45
	<u>40,162,320.92</u>	<u>39,381,362.38</u>
<u>Investment in General Fixed Assets</u>		
Investment in General Fixed Assets	40,162,320.92	39,381,362.38
	<u>\$ 40,162,320.92</u>	<u>39,381,362.38</u>

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NOTES TO THE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Cape May is a shore community located at the southern tip of the State of New Jersey in the County of Cape May. The population according to the 2020 census is 3,350.

The City of Cape May is governed by the Faulkner Act Council-Manager form of government, providing for the election of a five-member City Council. The Mayor is a member of the Council and directly elected by the voters. The Council is the policy maker for the municipality. The Manager, as chief executive and administrative officer of the City, is appointed by the Council. The City Manager is responsible for personnel, enforcement of ordinances and overall administration.

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

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

B. Description of Funds

The accounting policies of the City of Cape May 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 respect to public funds. Under this method of accounting, the City of Cape May 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 sewer capital facilities other than those acquired in the Current and General Capital Funds.

Beach Utility Operating and Capital Funds -- account for the operations and acquisition of capital facilities of the municipally owned beach utility.

Tourism Utility Operating -- The Tourism Utility Operating Fund was created January 1, 2012, by adopting City Ordinance 244-2011. The purpose of the fund is to account for and properly budget and pay for the management and operation of Convention Hall as well as for all the activities and events provided through the City's Department of Tourism, Civic Affairs and Recreation.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

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 City budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City'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 City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds -- Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

General Fixed Assets -- The City 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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

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 \$2,000.00 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 a Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The City is responsible for remitting 100% of the City of Cape May School District and the Lower Cape May Regional High School District and the County of Cape May 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 Cape May 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.

Levy of Utility Charges – The City operates a water and sewer utility fund. Rates are determined by ordinance and changed as necessary. Water and Sewer charges are based on flat fees and usage based on the type of City. Charges are billed annually and due in quarterly installments.

Interest on Delinquent Utility Charges – It is the policy of the City 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.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

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 City's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

F. Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the year ended December 31, 2024:

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No.99, "Omnibus 2022". This statement, and the requirements related to leases, PPP's and SBITAs which is effective for fiscal years beginning after June 15, 2022, and all reporting periods, thereafter, may have an effect on the School District's financial statements. This statement, and the requirements related financial guarantees and the classification and reporting of derivative instruments which is effective for fiscal years beginning after June 15, 2023, and all reporting periods, thereafter. This standard did not have a significant effect on the City's financial reporting for the year ended December 31, 2024.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62". This statement, which is effective for fiscal years beginning after June 15, 2023, and all reporting periods, thereafter. This standard did not have a significant effect on the City's financial reporting for the year ended December 31, 2024.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement, which is effective for fiscal years beginning after December 15, 2023, and all reporting periods, thereafter. This standard did not have a significant effect on the City's financial reporting for the year ended December 31, 2024.

G. Recent Accounting Pronouncements Not Yet Effective

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, "Certain Risk Disclosures". This statement, which is effective for fiscal years beginning after June 15, 2024, and all reporting periods, thereafter, will not have any significant effect on the City's financial reporting.

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, "Financial Reporting Model Improvements". This statement, which is effective for fiscal years beginning after June 15, 2025, and all reporting periods, thereafter, will not have any significant effect on the City's financial reporting.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 104, "Disclosure of Certain Capital Assets". This statement, which is effective for fiscal years beginning after June 15, 2025, and all reporting periods, thereafter, will not have any significant 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 City is required to establish a reserve for uncollected taxes. The 2024 and 2023 statutory budgets included a reserve for uncollected taxes in the amount of \$1,388,423.74 and \$1,319,892.47. To balance the budget, the City is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2024 and 2023 statutory budgets was \$5,900,000.00 and \$4,140,163.00. In addition, the City operates a self-liquidating water and sewer utility, beach utility and tourism utility. Under New Jersey Statutes a separate budget for each utility must be adopted concurrently with the operating budget of the City. The utility budgets 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 water and sewer budget in 2024 and 2023 statutory budgets was \$412,500.00 and \$323,088.00. The amount of fund balance budgeted to balance the beach utility budget in 2024 and 2023 statutory budgets was \$1,136,572.50 and \$645,000.00. The amount of fund balance budgeted to balance to the tourism utility budget in 2024 and 2023 was \$0.00 and \$0.00.

The Chief Financial Officer has the discretion of approving intra-department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1, these transfers can be made in the form of a resolution and approved by the City Council. The following more significant budget transfers were approved in the 2024 and 2023 calendar years:

<u>Budget Category</u>	<u>2024</u>	<u>2023</u>
<u>Current Fund:</u>		
General Administration		
Salaries & Wages	\$ 30,000	
Legal Services		
Other Expenses: Miscellaneous Other Expenses	(100,000)	
Engineering & Planning Services		
Other Expenses	(35,000)	
Insurance		
Employee Group Health	200,000	
Workers Compensation Insurance	(200,000)	(1,000)
Fire		
Salaries & Wages	(70,000)	
Other Expenses	60,000	
Police		
Other Expenses	60,000	

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

<u>Budget Category</u>	<u>2024</u>	<u>2023</u>
<u>Current Fund: (Continued)</u>		
Recycling		
Salaries & Wages	(100,000)	
Public Buildings and Grounds		
Salaries & Wages	85,000	
Other Expenses	35,000	
Shade Tree Commission		
Other Expenses	20,000	
Uniform Fire Safety		
Salaries & Wages	10,000	
Civic Affairs		
Salaries & Wages	(45,000)	
Construction Official		
Salaries & Wages	45,000	
Other Expenses	10,000	
Utilities		
Street Lighting	(25,000)	
Statutory Expenditures		
Public Employees' Retirement System		1,000
Social Security System (O.A.S.I.)	10,000	
<u>Water/Sewer Utility Fund:</u>	None	None
<u>Tourism Utility Fund:</u>	None	None
<u>Beach Utility Fund:</u>		
Beach Front (Lifeguards)		
Salaries & Wages	(12,000)	100,000
Other Expenses		(47,000)
Beach Tag Program		
Salaries & Wages	12,000	22,000
Insurance		
Liability Insurance		(10,000)
Legal		
Other Expenses		(3,000)
Public Buildings & Grounds		
Other Expenses		(30,000)
Beach Safety		
Other Expenses		(10,000)
Engineering & Planning		
Other Expenses		(22,000)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2024 and 2023, the following budget insertions were approved:

<u>Budget Category</u>	<u>2024</u>	<u>2023</u>
Small Cities-CDBG-Tennis Club ADA	\$ 270,672.00	
2023 Local Recreational Improvement		70,000.00
Boardwalk Preservation Fund	6,722,552.00	
R. Kennedy - Law Enforcement Against Drugs Support		3,000.00
2023 Small Cities CDBG		400,000.00
Wawa Foundation Grant - Police Department Equipment	10,000.00	10,000.00
2023 Next Gen 30, INC Donation -Kiwanis Park Benches		5,000.00

The City 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 public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. During 2024 the following budget insertions for Emergency or Special Emergency appropriations were made.

Special Emergency – Preparation of Tax Map	\$250,000.00
Emergency – 2024 Lightning Strike	\$450,000.00

NOTE 3: INVESTMENTS

As of December 31, 2024, and 2023, the city did not have any investments.

Interest Rate Risk. The City 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 city can invest in any one issuer.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

NOTE 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City'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 funds that may pass to the city relative to the happening of a future condition. As of December 31, 2024, \$5,486,881.35 of the City's bank balance of \$50,317,343.15 was exposed to custodial credit risk. As of December 31, 2023, \$5,194,592.51 of the City's bank balance of \$44,380,604.88 was exposed to custodial credit risk.

NOTE 5: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2024, and 2023:

	Balance 12/31/2022	Additions	Adjustments/ Retirements	Balance 12/31/2023
Land, Building and Improvements	\$ 27,718,436.93			27,718,436.93
Equipment and Machinery	10,294,936.90	924,676.15	443,312.40	11,662,925.45
	<u>38,013,373.83</u>	<u>924,676.15</u>	<u>443,312.40</u>	<u>39,381,362.38</u>
	Balance 12/31/2023	Additions	Adjustments/ Retirements	Balance 12/31/2024
Land, Building and Improvements	\$ 27,718,436.93			27,718,436.93
Equipment and Machinery	11,662,925.45	1,315,716.00	(534,757.46)	12,443,883.99
	<u>39,381,362.38</u>	<u>1,315,716.00</u>	<u>(534,757.46)</u>	<u>40,162,320.92</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

NOTE 6: LONG TERM DEBT

Long-term debt as of December 31, 2024, and 2023 consisted of the following:

	Balance 12/31/2022	Issued	Retired	Balance 12/31/2023	Amounts Due Within One Year
Bonds payable:					
General	\$ 22,415,000.00	10,175,000.00	2,660,000.00	29,930,000.00	3,355,000.00
Water Sewer Utility	10,345,000.00		995,000.00	9,350,000.00	1,040,000.00
Beach Utility	1,380,000.00	1,550,000.00	280,000.00	2,650,000.00	395,000.00
Total	34,140,000.00	11,725,000.00	3,935,000.00	41,930,000.00	4,790,000.00
Other liabilities:					
Loans Payable:					
General	58,493.71		19,111.20	39,382.51	19,111.20
Water Sewer Utility	1,294,196.11		52,234.19	1,241,961.92	52,234.19
Compensated Absences Payable	872,213.86	390,609.88		1,262,823.74	
Total long-term liabilities	<u>\$ 36,364,903.68</u>	<u>12,115,609.88</u>	<u>4,006,345.39</u>	<u>44,474,168.17</u>	<u>4,861,345.39</u>
	Balance 12/31/2023	Issued	Retired	Balance 12/31/2024	Amounts Due Within One Year
Bonds payable:					
General	\$ 29,930,000.00		3,355,000.00	26,575,000.00	3,520,000.00
Water Sewer Utility	9,350,000.00		1,040,000.00	8,310,000.00	940,000.00
Beach Utility	2,650,000.00		395,000.00	2,255,000.00	415,000.00
Total	41,930,000.00	-	4,790,000.00	37,140,000.00	4,875,000.00
Other liabilities:					
Loans Payable:					
General	39,382.51		19,495.33	19,887.18	19,887.18
Water Sewer Utility	1,241,961.92		52,234.19	1,189,727.73	52,234.19
Compensated Absences Payable	1,262,823.74		267,837.22	994,986.52	
Total long-term liabilities	<u>\$ 44,474,168.17</u>	<u>-</u>	<u>5,129,566.74</u>	<u>39,344,601.43</u>	<u>4,947,121.37</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

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

\$10,700,000 General Bonds dated July 15, 2013, due in annual installments through July 15, 2027, bearing interest at various rates. The balance remaining as of December 31, 2024 is \$2,730,000.00.

\$6,035,000 General Bonds dated July 15, 2014, due in annual installments through July 15, 2025, bearing interest at 3.00% per annum. The balance remaining as of December 31, 2024 is \$815,000.00.

\$10,155,000 General Bonds dated July 11, 2019, due in annual installments through February 1, 2031, bearing interest at various rates. The balance remaining as of December 31, 2024 is \$6,890,000.00.

\$7,670,000 General Bonds dated October 13, 2021, due in annual installments through October 15, 2036, bearing interest at various rates. The balance remaining as of December 31, 2024 is \$6,530,000.00.

\$10,175,000 General Bonds dated September 14, 2023, due in annual installments through September 1, 2036, bearing interest at various rates. The balance remaining as of December 31, 2024 is \$9,610,000.00.

\$324,621.37 Green Trust Loan dated November 9, 2005, due in annual installments through August 9, 2025, bearing interest at 2.00% per annum. The balance remaining as of December 31, 2024 is \$19,887.18.

Outstanding bonds whose principal and interest are paid from the Water and Sewer Utility Operating Fund of the City:

\$2,335,000 Water and Sewer Utility Bonds dated July 15, 2013, due in annual installments through July 15, 2025, bearing interest at various rates. The balance remaining as of December 31, 2024 is \$150,000.00.

\$2,700,000 General Bonds dated July 15, 2014, due in annual installments through July 15, 2025, bearing interest at 3.00% per annum. The balance remaining as of December 31, 2024 is \$280,000.00.

\$4,250,000 General Bonds dated July 11, 2019, due in annual installments through February 1, 2031, bearing interest at various rates. The balance remaining as of December 31, 2024 is \$2,850,000.00.

\$5,505,000 Refunding Bonds dated December 15, 2021, due in annual installments through June 15, 2047, bearing interest at various rates. The balance remaining as of December 31, 2024 is \$5,030,000.00.

\$1,252,948.00 Environmental Infrastructure Trust Loan dated May 22, 2018, due in annual installments through August 1, 2047, bearing interest at 0.00% per annum. The balance remaining as of December 31, 2024 is \$819,727.73.

\$430,000.00 Environmental Infrastructure Trust Bond dated May 22, 2018, due in semiannual installments through August 1, 2047, bearing interest at various rates. The balance remaining as of December 31, 2024 is \$370,000.00.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

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

\$2,005,000 General Bonds dated July 15, 2014, due in annual installments through July 15, 2026, bearing interest at 3.00% per annum. The balance remaining as of December 31, 2024 is \$440,000.00.

\$760,000 General Bonds dated July 11, 2019, due in annual installments through February 1, 2027, bearing interest at various rates. The balance remaining as of December 31, 2024 is \$360,000.00.

\$1,550,000 General Bonds dated September 14, 2023, due in annual installments through September 1, 2034, bearing interest at various rates. The balance remaining as of December 31, 2024 is \$1,455,000.00.

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

Year Ending December 31,	General Capital Fund	
	Principal	Interest
2025	\$ 3,520,000.00	931,925.00
2026	2,800,000.00	788,575.00
2027	2,890,000.00	669,625.00
2028	2,135,000.00	556,425.00
2029	2,265,000.00	477,162.50
2030-2034	9,490,000.00	1,359,900.00
2035-2036	3,475,000.00	169,500.00
	<u>\$ 26,575,000.00</u>	<u>4,953,112.50</u>

Year Ending December 31,	Utility Capital Fund		Beach Utility Capital Fund	
	Principal	Interest	Principal	Interest
2025	\$ 940,000.00	303,700.00	415,000.00	92,450.00
2026	535,000.00	264,900.00	460,000.00	75,700.00
2027	560,000.00	241,200.00	230,000.00	58,100.00
2028	590,000.00	220,200.00	120,000.00	50,200.00
2029	640,000.00	201,450.00	140,000.00	44,200.00
2030-2034	2,050,000.00	743,350.00	890,000.00	111,600.00
2035-2039	1,255,000.00	468,500.00		
2040-2044	1,020,000.00	249,000.00		
2045-2047	720,000.00	44,000.00		
	<u>\$ 8,310,000.00</u>	<u>2,736,300.00</u>	<u>2,255,000.00</u>	<u>432,250.00</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

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

Year Ending December 31,	General Capital Fund		Utility Capital Fund	
	Principal	Interest	Principal	Interest
2025	\$ 19,887.18	298.82	\$ 52,234.19	12,862.50
2026			52,234.19	12,362.50
2027			52,234.19	11,862.50
2028			52,234.19	11,362.50
2029			57,234.19	11,062.50
2030-2034			286,170.95	48,506.24
2035-2039			286,170.95	36,450.00
2040-2044			286,214.88	21,875.00
2045-2047			65,000.00	4,725.00
	<u>\$ 19,887.18</u>	<u>298.82</u>	<u>1,189,727.73</u>	<u>171,068.74</u>

As of December 31, 2024, 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 \$1,059,523.24, water and sewer utility budget was \$492,071.32 and the beach utility budget was \$101,438.34.

<u>Summary of Municipal Debt</u>	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 34,794,887.18	\$ 29,969,382.51	\$ 25,388,493.71
Water/Sewer Utility - Bonds and Notes	19,414,727.73	15,461,961.92	14,509,196.11
Beach Utility - Bonds and Notes	2,255,000.00	2,860,000.00	1,380,000.00
Total Issued	<u>56,464,614.91</u>	<u>48,291,344.43</u>	<u>41,277,689.82</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	9,902,380.00	9,772,081.00	12,569,595.00
Water/Sewer Utility - Bonds and Notes	1,835,000.00	5,080,000.00	3,092,588.00
Beach Utility - Bonds and Notes	1,520,000.00	195,000.00	2,099,900.00
Total Authorized But Not Issued	<u>13,257,380.00</u>	<u>15,047,081.00</u>	<u>17,762,083.00</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 69,721,994.91</u>	<u>\$ 63,338,425.43</u>	<u>\$ 59,039,772.82</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of the 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 0.902%.

	Gross Debt	Deductions	Net Debt
Regional School District Debt	\$ 7,037,548.53	7,037,548.53	-
Water and Sewer Utility Debt	21,249,727.73	21,249,727.73	-
Beach Utility	3,775,000.00	3,775,000.00	-
General Debt	44,697,267.18	404,612.97	44,292,654.21
	<u>\$ 76,759,543.44</u>	<u>32,466,889.23</u>	<u>44,292,654.21</u>

Net Debt \$44,292,654.21 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$4,911,678,863.00 = 0.902%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 171,908,760
Net Debt	44,292,654
Remaining Borrowing Power	<u>\$ 127,616,106</u>

NOTE 7: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2024, and 2023, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2025, and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Current Fund	\$ 6,000,000.00	5,900,000.00
Water & Sewer Utility	472,500.00	412,500.00
Beach Utility	782,850.00	1,136,572.50
Tourism Utility	185,000.00	None

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

NOTE 8: 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:

	12/31/2024	12/31/2023
Balance of Tax	\$ 966,451.80	\$ 966,451.80
Deferred	966,451.80	966,451.80
Tax Payable	<u>\$ -</u>	<u>\$ -</u>

Regional 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:

	12/31/2024	12/31/2023
Balance of Tax	\$ 3,991,697.43	\$ 3,982,629.93
Deferred	3,991,697.50	3,982,630.00
Tax Payable	<u>\$ (0.07)</u>	<u>\$ (0.07)</u>

NOTE 9: TAXES COLLECTED IN ADVANCE

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

	Balance 12/31/24	Balance 12/31/23
Prepaid Taxes	\$ 806,371.51	\$ 719,020.64
Cash Liability for Taxes Collected in Advance	<u>\$ 806,371.51</u>	<u>\$ 719,020.64</u>

NOTE 10: PENSION FUNDS

Description of Plans

Substantially all of the City'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/annual-reports.shtml>.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

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. PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system.

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). 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. Currently there are no individuals enrolled in DCRP.

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 the 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 Cape May has established a pension plan to provide retirement, disability, and survivor pension benefits for the individuals who serve on the City's lifeguard force. It is promulgated pursuant to the requirements of N.J.S.A. 43:13-23, et seq. It shall be effective January 1, 1994 ("Effective Date") and applied to members of the City of Cape May Beach Patrol employed as a lifeguard or lieutenant on or after the effective date.

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 the State of New Jersey legislation. PERS provided for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 17.61% of covered payroll. The City's contributions to PERS for the years ended December 31, 2024, 2023, and 2022 were \$570,860.07, \$554,492.98, and \$540,765.00.

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 City's contributions to PFRS for the years ended December 31, 2024, 2023, and 2022 were \$1,095,088.00, \$1,053,367.90, and \$1,021,756.98.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

The total payroll for the year ended December 31, 2024, 2023, and 2022 was \$11,174,906.88, \$10,506,925.94, and \$9,770,748.99. Payroll covered by PFRS was \$3,719,518.00, \$3,420,536.00, \$2,972,646.00. Payroll covered by PERS was \$4,419,091.00, \$3,720,395.00, and \$3,164,890.00.

The Lifeguard Pension provides for employee contributions of 4.00% of employees' annual compensation. The City's trust for the Lifeguard Pension at December 31, 2024 was \$589,700.42. Currently there are twelve individuals receiving benefits. The benefits paid by the trust for the year ended December 31, 2024, 2023 and 2022 were \$92,789.00, \$82,786.50, and \$79,932.00.

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

be calculated using a three-year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

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

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

NOTE 11: 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 City's pension liabilities. However, due to the fact that the City reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the City's pension liabilities as June 30, 2023:

Public Employees' Retirement System

The City has a liability of \$5,996,723 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, that was rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the City's proportion would be 0.0414013254%, which would be a decrease of 5.16% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the City would have recognized pension expense of (\$152,080). At December 31, 2023, the City 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	\$ 57,336	\$ (24,513)
Changes of assumptions	13,174	(363,427)
Changes in proportion	296,554	(600,300)
Net difference between projected and actual earnings on pension plan investments	27,616	
Total	<u>\$ 394,680</u>	<u>\$ (988,240)</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

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

Year ended June 30,	
2024	\$ (1,070,356)
2025	(425,005)
2026	952,339
2027	(58,668)
2028	8,130
Total	<u>\$ (593,560)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023, measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	2.75% – 6.55% (based on years of service)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disable retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) 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, 2023, are summarized in the following table:

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

The sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.

The following presents the City's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	\$ 7,296,359	\$ 5,996,723	\$ 4,947,198

Pension plan fiduciary net position.

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

Police and Firemen's Retirement System

The City has a liability of \$9,089,077 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2022, that was rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the City's proportion would be 0.08226315%, which would be an increase of 1.77% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the City would have recognized pension expense of \$340,285. At December 31, 2023, the City 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	\$ 389,176	\$ (433,468)
Changes of assumptions	19,617	(613,731)
Changes in proportion	272,495	(807,811)
Net difference between projected and actual earnings on pension plan investments	462,890	
Total	<u>\$ 1,144,178</u>	<u>\$ (1,855,010)</u>

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

Year ended June 30,	
2024	\$ (2,100,221)
2025	(1,885,611)
2026	3,271,080
2027	(195,107)
2028	175,951
Thereafter	23,075
Total	<u>\$ (710,832)</u>

NOTES TO FINANCIAL STATEMENTS
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(CONTINUED)

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation of July 1, 2021, which was rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	3.25% - 16.25% (based on years of service)
Investment rate of return:	7.00%

Employee 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. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96% adjustment for females. Disability rates were based on the Pub-2010 amount-weighted mortality table with a 152% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

NOTES TO FINANCIAL STATEMENTS
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(CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 on 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

The sensitivity of the City'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, 2022, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	12,144,491	9,089,077	6,544,521

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, 2023, State special funding situation net pension liability amount of \$2,035,866,759 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, 2023, State special funding situation pension expense of \$231,575,656 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2023. 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 2023, the State contributed an amount more 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 City was 0.08226315% for 2023. The net pension liability amount allocated to the City was \$1,674,768. For the fiscal year ending June 30, 2023, State special funding situation pension expense of \$190,501 is allocated to the City.

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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(CONTINUED)

NOTE 12 – OTHER POST-RETIREMENT BENEFITS

General Information about the Plan:

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

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

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for post-retirement 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, 2024 AND 2023
(CONTINUED)

Allocation Methodology:

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense, however under the Regulatory Basis of Accounting followed by the City these amounts are not accrued or recorded in the financial statements and the information listed in this note is for disclosure purposes only. Statewide across all member employers, the special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the Collective Total OPEB liabilities for the year ended June 30, 2023 were \$3,461,898,890 and \$11,427,677,896, 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 nonspecial funding situation during the measurement period July 1, 2022, through June 30, 2023. Employer and non-employer allocation percentages have been rounded for presentation purposes.

Special Funding Situation:

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

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

Net OPEB Liability:

Components of Net OPEB Liability

The components of the collective net OPEB liability of the participating employers in the Plan as of June 30, 2023, is as follows:

	June 30, 2023	
	Collective Total	Proportionate Share
Total OPEB Liability	\$ 14,889,576,786	\$ 28,890,395
Plan Fiduciary Net Position (Deficit)	(116,962,691)	(226,944)
Net OPEB Liability	<u>\$ 15,006,539,477</u>	<u>\$ 29,117,339</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.79%	-0.79%

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

At June 30, 2023 the City's proportionate share of the Collective Net OPEB Liability was \$29,117,339. The State's proportionate share for the Special Funding Situation that is associated with the City is \$354,422. The City's proportion of the Collective Net OPEB Liability was 0.194031% which was an increase from the prior year of 31.32%. The State's proportionate share attributable to the City of the Collective Net OPEB Liability for the Special Funding Situation was 0.010158% which was a decrease from the prior year of 16.5%.

City's Proportionate Share of Collective Net OPEB Liability	\$	29,117,339
State's proportionate share that is associated with the City		354,422
Total	\$	<u><u>29,471,761</u></u>

For the Year ended June 30, 2023, the City's Total OPEB Expense was \$1,338,429 and the State of New Jersey realized Total OPEB Expense in the amount of (\$64,264) for its proportionate share of Total OPEB Expense that is associated with the City.

The total OPEB liability as of June 30, 2023, was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. 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:

Investment Rate of Return	
Including Inflation rate	3.65%

Salary increases*:

PERS	<u>Completed Years of Service</u>	<u>Annual Rate of Increase (%)</u>
	0	6.55
	5	5.75
	10	4.75
	15	3.75
	20	3.15
	25	2.85
	>=29	2.75
PFRS	<u>Completed Years of Service</u>	<u>Annual Rate of Increase (%)</u>
	0	16.25
	5	11.00
	10	6.00
	15	4.00
	>=17	3.25

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

Mortality:

Pre-Retirement Healthy Mortality:

PERS: Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

PFRS: Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

Post-Retirement Healthy Mortality

Chapter 330 Retirees: PUB-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Other Retirees: PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disable Retiree Mortality:

PERS Future Disabled Retirees: PUB-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

PFRS Future Disabled Retirees: PUB-2010 "Safety" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Chapter 330 Current Retirees: PUB-2010 "Safety" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Other Current Retirees: PUB-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2022, valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021 and July 1, 2018 to June 30, 2021, respectively.

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

Discount Rate

The discount rate for June 30, 2023, was 3.65%. The discount rate will change each year based on the Bond Buyer Go 20-Bond Municipal Bond Index each year.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB liability as of June 30, 2023, 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 (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Collective				
Net OPEB Liability	\$	12,753,792,805	15,006,539,477	17,890,743,651
Proportionate Share				
Net OPEB Liability	\$	24,746,312	29,117,339	34,713,589

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

The following presents the net OPEB liability as of June 30, 2023, 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	\$	12,753,792,805	15,006,539,477	17,890,743,651
Proportionate Share				
Net OPEB Liability	\$	24,746,312	29,117,339	34,713,589

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

At June 30, 2023, 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	\$ 629,024,174	(4,075,285,752)	1,342,741	(7,907,318)
Changes of assumptions	1,943,909,895	(4,241,868,248)	3,771,788	(8,230,539)
Net difference between projected and actual earnings on OPEB plan investments		(2,476,129)	15,860,303	(4,804)
Changes in proportion and differences between contributions and proportionate share of contributions				(1,716,243)
Total	\$ 2,572,934,069	(8,319,630,129)	20,974,832	(17,858,904)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

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

Year Ended June 30,	Collective Totals	Proportionate Share
2024	\$ (1,702,483,126)	933,339
2025	(1,394,440,795)	764,463
2026	(754,368,466)	413,561
2027	(353,621,247)	193,863
2028	(713,799,887)	391,321
Thereafter	(764,982,539)	419,380
Total	\$ <u>(5,683,696,060)</u>	<u>3,115,928</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, 2023, are as follows:

Service cost	\$ 597,135,801
Interest on Total OPEB Liability	581,375,849
Expected Investment Return	3,134,857
Administrative Expenses	12,616,744
Changes of Benefit Terms	23,039,435
Current Period Recognition (Amortization) of Deferred Inflows/ Outflows of Resources:	
Differences between Expected and Actual Experience	(899,529,226)
Changes in Assumptions	(803,252,884)
Differences between Projected and Actual Investment	
Earnings on OPEB Plan Investments	1,590,849
Total Collective OPEB Expense	\$ <u>(483,888,575)</u>

Schedule of City's Share of Net OPEB Liability

	2023	2022	2021	2020	2019	2018
City's Proportionate Share of Net OPEB Liability	0.194031%	0.147758%	0.155289%	0.112284%	0.103730%	0.105250%
City's Share of Net OPEB Liability	\$ 29,117,339	23,862,319	27,951,680	20,336,289	14,051,069	16,489,116
City's Covered Payroll	3,720,395	3,164,890	3,145,562	3,340,526	3,193,362	2,944,262
City's Proportionate Share of the Net OPEB Liability as a percentage of its Covered-Employee Payroll	782.64%	753.97%	888.61%	608.78%	440.01%	560.04%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.79%	-0.36%	0.28%	0.97%	1.97%	1.98%

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

NOTE 13: ACCRUED SICK AND VACATION BENEFITS

The City has permitted employees to accrue unused vacation, personal and sick time, which may be taken as time off or paid at a later date at an agreed upon rate. Employees are only eligible to receive 50% of the sick time they have accrued, and the maximum dollar amount of sick time that may be earned is \$12,000. 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, 2024, the City estimates this liability to approximate \$994,986.52 based on 2024 pay rates and compensated absence balances.

NOTE 14: RISK MANAGEMENT

The City 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 City maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2024, and 2023 the City did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The City 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 City 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 City has a general liability limit of \$50,000 under JIF, which increases to \$1,000,000 under MEL.

New Jersey Unemployment Compensation Insurance – The City has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the City is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The City is billed quarterly for amounts due to the State.

NOTE 15: DEFERRED COMPENSATION

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. In 1998 the City of Cape May amended the plan by resolution to comply with a private letter ruling of the Internal Revenue Service that requires assets of deferred compensation plans be held in trust under the beneficial ownership of the Trustee, (City of Cape May) serving as Trustee, for the exclusive benefit of the plan participants and their beneficiaries, and that the assets shall not be diverted to any other purpose. The plan administrator is as follows:

Voya Retirement Insurance and Annuity Company

NOTE 16: CONTINGENT LIABILITIES

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

NOTE 17: INTERFUND BALANCES

During the most current calendar year ended December 31, 2024, the following interfunds were included on the balance sheets of the various funds of the City of Cape May:

	Due From	Due To
Current Fund:		
Animal Control Fund	\$ 4,291.64	
Federal and State Grant Funds		305,907.28
General Capital Fund		3,069,812.30
Water Sewer Operating Fund	100,630.30	
Beach Operating Fund		1,399.00
Tourism Operating Fund		241,529.95
Trusts Other	140.50	419,641.92
Federal and State Grant Fund:		
Current Fund	305,907.28	
General Capital Fund		191,317.50
Other Trusts:		
Current Fund	419,641.92	140.50
Water Sewer Operating Fund	22,500.00	
Animal Control Fund:		
Current Fund		4,291.64
General Capital Fund:		
Current Fund	3,069,812.30	
Grant Fund	191,317.50	
Water Sewer Operating Fund:		
Water Sewer Capital Fund	417,412.00	
Current Fund		100,630.30
Trusts Other		22,500.00
Water Sewer Capital Fund:		
Water Sewer Operating Fund		417,412.00
Beach Operating Fund:		
Current Fund	1,399.00	
Beach Capital Fund		159,900.00
Beach Capital Fund:		
Beach Operating Fund	159,900.00	
Tourism Operating Fund:		
Current Fund	241,529.95	
	\$ <u>4,934,482.39</u>	<u>4,934,482.39</u>

The balances are primarily the result of disbursements made from the various funds which were not reimbursed prior to year end.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

NOTE 18: ECONOMIC DEPENDENCY

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

NOTE 19: CAPITAL LEASE OBLIGATIONS

During the year ended December 31, 2024, the city had capital lease agreements in effect for the following:

The city has a capital lease with U.S. Bancorp Government Leasing and Finance, Inc. for Energy Conservation Measures in the amount of \$825,000.00. Semi-annual payments are made on the 1st of May and November through 2031. Interest on the lease is 2.574% per annum.

The following is a schedule of the future capital lease payments.

Year Ending December 31,	Principal	Interest
2025	\$ 52,799.30	10,733.84
2026	55,816.22	9,355.52
2027	64,704.47	7,862.04
2028	56,653.28	6,247.97
2029	65,634.97	4,732.35
2030-2031	134,255.39	3,870.75
	<u>429,863.63</u>	<u>42,802.47</u>

NOTE 20: LENGTH OF SERVICE AWARD PROGRAM

The City's Length of Service Awards Program (LOSAP) was created by a City Ordinance adopted on January 20, 2004 pursuant to Section 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the City of Cape May approved the adoption of the LOSAP at the general election held on January 20, 2004, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was fiscal year 2004. LOSAP provides tax-deferred income benefits to active volunteer firefighters and emergency medical personnel.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the City or its creditors. Since the City does not have a fiduciary relationship with the LOSAP, the balances and activities of the LOSAP are not reported in the City's financial statements.

As required by N.J.A.C. 5:30-14.49, the City must have an annual review of its LOSAP performed in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

NOTE 21: OPERATING LEASE OBLIGATIONS

Operating Leases

In November 2022, the City entered into an agreement to lease a postage machine for City Hall under an operating lease. The term of the lease is 60 months, and it will expire in October 2027. The total monthly payment for the lease is \$567.06. The City has the option to purchase the equipment at the termination of the lease for the fair market value.

In June 2019, the City entered into an agreement to lease copy machines for City Hall under an operating lease. The term for the lease is 60 months, and it expired in May 2024. The total monthly payment for the lease is \$491.12. The City did not purchase this equipment at the termination of the lease.

In March 2020, the City entered into an agreement to lease copy machines for City Hall under an operating lease. The term for the lease was 48 months, and it expired in February 2024. The total monthly payment for the lease was \$139.50. The City did not purchase this equipment at the termination of the lease.

In December 2020, the City entered into an agreement to lease copy machines for City Hall under an operating lease. The term for the lease is 48 months, and it expired in November 2024. The total monthly payment for the lease is \$54.96. The City has the option to purchase this equipment at the termination of the lease for the fair market value. The City did not purchase this equipment at the termination of the lease.

In June 2021, the City entered into an agreement to lease copy machines for City Hall under an operating lease. The term for the lease is 48 months, and it expired in May 2025. The total monthly payment for the lease was \$583.82. The City did not purchase this equipment at the termination of the lease.

In September 2021, the City entered into an agreement to lease copy machines for City Hall under an operating lease. The term for the lease is 48 months, and it will expire in August 2025. The total monthly payment for the lease is \$115.13. The City has the option to purchase this equipment at the termination of the lease for the fair market value.

In October 2022, the City entered into an agreement to lease copy machines for City Hall under an operating lease. The term for the lease is 48 months, and it will expire in September 2026. The total monthly payment for the lease is \$904.27. The City has the option to purchase this equipment at the termination of the lease for the fair market value.

In November 2023, the City entered into an agreement to lease copy machines for City Hall under an operating lease. The term for the lease is 48 months, and it will expire in October 2027. The total monthly payment for the lease is \$350.04. The City has the option to purchase this equipment at the termination of the lease for the fair market value.

In August 2023, the City entered into an agreement to lease vehicles for the City under an operating lease. The term for the lease is 60 months, and it will expire in July 2028. The total monthly payment for the lease is \$32,770.00. The City has the option to purchase this equipment at the termination of the lease for the fair market value.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(CONTINUED)

The total operating lease payments in 2024 and 2023 were \$394,698.33 and \$164,891.67 respectively.

The following is a schedule of the future minimum lease payments under these leases and the net minimum lease payments at December 31, 2024.

Year	Operating
2025	\$ 393,240.00
2026	393,240.00
2027	393,240.00
2028	229,390.00
Total minimum lease payments	1,409,110.00
Less amount representing interest	-
Present value of minimum lease payments	\$ 1,409,110.00

NOTE 22: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2024, and June 30, 2025, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. No items have come to the attention of the City that would require disclosure.

Capital Ordinances

On March 18, 2025, the city adopted the following capital ordinance which authorized the following projects to be completed.

Project	Appropriation and Estimated Cost	Estimated Maximum Amount of Bonds & Notes
553-2025 Various Capital Improvements	\$ 2,200,000.00	\$ 2,095,238.00
Total	\$ 2,200,000.00	\$ 2,095,238.00

On June 3, 2025, the city introduced the following capital ordinances which authorized the following projects to be completed.

Project	Appropriation and Estimated Cost	Estimated Maximum Amount of Bonds & Notes
564-2025 Various Water-Sewer Utility Improvements	\$ 2,355,000.00	\$ 2,355,000.00
565-2025 Various Beach Utility Improvements	2,000,000.00	2,000,000.00
566-2025 Various Capital Improvements	4,620,000.00	4,400,000.00
Total	\$ 8,975,000.00	\$ 8,755,000.00

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SUPPLEMENTARY INFORMATION



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements – regulatory basis, as listed in the accompanying table of contents, of the City of Cape May, State of New Jersey, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2025, which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, the City of Cape May prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. During our audit we did identify the following deficiencies in internal control that we consider to be material weaknesses, Finding 2024-2, 2024-3, 2024-4 and 2024-6. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, Finding 2024-1, 2024-5 and 2024-7.

City of Cape May's Responses to Findings

The City of Cape May's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Question Costs. The City of Cape May's responses were not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the responses.

Purpose of this Report

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

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

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

June 30, 2025



FORD - SCOTT

& ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE & NJ OMB 15-08

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal Program

We have audited the City of Cape May's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and NJ OMB 15-08 that could have a direct and material effect on each of the City of Cape May's major federal and state programs for the year ended December 31, 2024. The City of Cape May's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Cape May complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and NJ OMB 15-08. Our responsibilities under those standards, OMB Circular Uniform Guidance and NJ OMB 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of this report.

We are required to be independent of City of Cape May and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the City of Cape May's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to its Federal and State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Cape May's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Cape May's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Cape May's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Cape May's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of City of Cape May's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

June 30, 2025

**SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Federal or State Grantor/Pass-Through Grantor/Program Title	AL Number	Federal FAIN Number	Grant Period		Program or Award Amount	Receipts or Revenue Recognized	Budgetary Expenditures			(MEMO) Passed Through to Sub-Recipients
			From	To			Pass Through	Source	Total	
FEDERAL:										
U.S. Department of Treasury Passed Through State of New Jersey Department of Community Affairs Coronavirus State and Local Fiscal Recovery Funds - 2024 Boardwalk Preservation Fund	21,019		1/31/2024	12/31/2026	6,722,552.00	1,680,638.00	469,750.00		469,750.00	-
Total U.S. Department of Treasury						1,680,638.00	469,750.00	-	469,750.00	-
Housing and Urban Development Passed through State of New Jersey Department of Community Affairs Small Cities Program CDBG 2023 Small Cities Program CDBG 2024	14,228 14,228	B23DC340001 B23DC340001	1/1/2023 1/1/2024	6/30/2025 6/30/2026	400,000.00 270,672.00	310,341.25	360,914.25 18,000.00		360,914.25 18,000.00	- -
Total Housing and Urban Development						310,341.25	378,914.25	-	378,914.25	-
Total Federal Assistance						\$ 1,990,979.25	848,664.25	-	848,664.25	-

See Accompanying Notes to Schedule of Federal Awards

**NOTES TO SCHEDULE EXPENDITURES OF
FEDERAL AWARDS FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2024**

Note 1: General

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

Note 2: Relationship to General Purpose Financial Statements

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

Expenditures - Schedule of Federal Awards	\$	848,664.25
Plus: State Grants		71,251.13
Plus: Local Grants		62.34
Expenditures reported on Schedule A-12	<u>\$</u>	<u>919,977.72</u>

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Part I -- Summary of Auditor's Results

A) Type of auditor's report issued:		Adverse - GAAP Basis, Unmodified Regulatory Basis			
B) Internal control over financial reporting:					
1) Material weakness(es) identified?		<u> X </u>	yes	<u> </u>	no
2) Were significant deficiencies identified that were not considered to be material weaknesses?		<u> </u>	yes	<u> X </u>	no
C) Noncompliance material to general-purpose financial statements noted?					
		<u> X </u>	yes	<u> </u>	no

D)	Dollar threshold used to determine Type A programs:	\$	750,000.00	
E)	Auditee qualified as low-risk auditee?	_____	yes	_____ X _____ no
F)	Type of auditor's report on compliance for major programs	Unmodified		
G)	Internal Control over compliance:			
	1) Material weakness(es) identified?	_____	yes	_____ X _____ no
	2) Were significant deficiencies identified that were not considered to be material weaknesses?	_____	yes	_____ X _____ no
H)	Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	_____	yes	_____ X _____ no
I)	Identification of major programs:			

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**CITY OF CAPE MAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

Part I -- Summary of Auditor's Results

State Awards Section -

Not Applicable

- J) Dollar threshold used to determine Type A programs: _____
- K) Auditee qualified as low-risk auditee? _____ yes _____ no
- L) Type of auditor's report on compliance for major programs _____
- M) Internal Control over compliance:
- 1) Material weakness(es) identified? _____ yes _____ no
- 2) Were reportable condition(s) identified that were not considered to be material weaknesses? _____ yes _____ no
- N) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08? _____ yes _____ no
- O) Identification of major programs:

GMIS Number(s)

Name of State Program

**CITY OF CAPE MAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING DECEMBER 31, 2024**

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 the following findings relating to the financial statements – regulatory basis that are required to be reported. We have also issued an accompanying Management Letter.

Finding 2024-1:

Criteria or Specific Requirement:

The General Capital Improvement Fund was overspent by \$99,728.00. Local Budget Law and Local Finance Board Regulations do not permit over expenditures of individual budget lines or accounts.

Condition:

Ordinance #538-2024 included a down payment from the Capital Improvement Fund of \$467,620. The City's Capital Improvement Fund did not have adequate funds for this down payment.

Context:

We made the city aware of this over-expenditure. The city raised a deferred charge in the 2025 City budget.

Effect:

The Capital Improvement Fund was overspent, and a deferred charge is required to be raised in the City's budget.

Cause:

The balance in the capital improvement fund was not properly monitored.

Recommendation:

We recommend that no down payment be approved unless there is sufficient balance available to be used.

Views of Responsible Officials and Planned Corrective Actions:

The CFO is aware of the requirements. Corrective Action will be implemented.

Finding 2024-2:

Criteria or Specific Requirement:

The City is not properly maintaining a General Ledger. NJAC 5:30-5.7 requires that all local units maintain a General Ledger Accounting System.

Condition:

The General Ledger has not been accurately maintained; many entries were incomplete or incorrect and several unrecorded items were noted.

Context:

Many adjusting and correcting entries were required.

Effect:

The balances in the General Ledger could not be relied upon. The City is not complying with the provisions of the Administrative Code NJAC 5:30-5.7.

**CITY OF CAPE MAY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2024
(CONTINUED)**

Cause:

Proper procedures for maintaining the General Ledger have not been implemented. Full utilization of the general ledger has not been a priority.

Recommendation:

We recommend that the General Ledger be maintained in an accurate and timely manner for all funds of the City.

Views of Responsible Officials and Planned Corrective Actions:

The CFO is aware of the requirements regarding the maintenance of the General Ledger. Corrective Action has not yet been implemented.

Finding 2024-3:

Criteria or Specific Requirement:

The City's bank accounts were not reconciled in a timely manner. All bank accounts must be reconciled on a monthly basis.

Condition:

Bank reconciliations are not being completed within a reasonable amount of time after bank statements are received.

Context:

The City's Current Account, Clearing Account and Payroll bank accounts were not reconciled at all in 2024. Several expenses and receipts were unrecorded at year end as well as unresolved bank charges, interfunds and invalid encumbrances recorded.

Effect:

Financial records are not accurately maintained. When bank accounts are not timely reconciled there is an increased risk for undetected bank errors or unauthorized activity.

Cause:

The CFO did not reconcile bank accounts to the bank balances within a reasonable time period and in some cases at all.

Recommendation:

We recommend that bank accounts be reconciled within a reasonable time after bank statements are received and that records be maintained accurately. We also recommend that records be reviewed more thoroughly to help prevent invalid entries into the City's accounting software.

Views of Responsible Officials and Planned Corrective Actions:

The CFO is aware of the requirements regarding bank reconciliations. Corrective Action has not yet been implemented.

**CITY OF CAPE MAY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2024
(CONTINUED)**

Finding 2024-4:

Criteria or Specific Requirement:

Improper amounts are being transferred to the City's payroll bank account to cover bi-weekly payroll expenses, the payroll account has not been reconciled in eighteen months, and an analysis of payroll liabilities is not being completed. Transfers to fund the City's payroll must be made prior to each payroll date and from each applicable fund, the payroll bank account must be reconciled on a monthly basis, an analysis of the payroll account balance must be maintained.

Condition:

We noted several instances in which the amounts transferred to the payroll account were funded entirely by the current fund and not reimbursed by each applicable utility and trust funds. We also noted that in some cases blanket amounts were transferred to the payroll bank account to prevent the account from being over withdrawn, bank reconciliations were not completed and an analysis of the balance in the payroll account was not prepared.

Context:

The City changed payroll systems in July 2024, payroll staff resigned, and bank reconciliations were not prioritized.

Effect:

When bank accounts are not timely reconciled there is an increased risk for undetected bank errors or unauthorized activity. Several reconciling bank items remain on the City's other bank accounts. Payroll liability balances cannot be relied upon.

Cause:

Procedures are not in place to accurately fund the payroll account. The CFO did not reconcile the payroll account or analyze its balance.

Recommendation:

We recommend that procedures be implemented to ensure that proper amounts are transferred to the payroll account to fund the City's bi-weekly payroll. We also recommend that the payroll account be reconciled timely and an analysis of its balance be maintained.

Views of Responsible Officials and Planned Corrective Actions:

The CFO is aware of the requirements. Corrective Action will be implemented with new staff.

Finding 2024-5:

Criteria or Specific Requirement:

The 2024 Annual Financial Statement was not filed timely with the State. Required documents for chapter 159's and budget emergencies were not submitted to the State. All New Jersey municipalities are required to file by February 10th an Annual Financial Statement under New Jersey Statutes annotated 40A: 5-12, as amended. For the calendar year 2024, Local Finance Notice 2024-20 revised this date to March 7th. Municipal governments must submit the Chapter 159 certification form prepared by the Division. Two (2) certified copies of a budget emergency resolution must be filed with the Director of the Division of Local Government Services.

Condition:

Bank reconciliations were not completed within a reasonable time. Resolutions were approved by the governing body but not submitted to the Division of Local Government Services.

**CITY OF CAPE MAY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2024
(CONTINUED)**

Context:

Several year-end adjustments were necessary to properly reflect revenues, expenditures and account balances in the City's financial statements at year-end.

Effect:

The 2024 Annual Financial Statement (AFS) was not filed timely with the State. The city submitted the AFS on April 16, 2025. Required documents for chapter 159's and budget emergencies were not submitted to the State.

Cause:

Year-end close out procedures are not in place. Procedures are not in place for chapter 159 and budget emergency submissions to the State.

Recommendation:

We recommend that year-end close-out procedures be implemented to ensure that the City's Annual Financial Statement is filed timely. We also recommend that procedures be implemented for the submission of chapter 159's and budget emergencies to the State.

Views of Responsible Officials and Planned Corrective Actions:

The CFO is aware of the requirements. Corrective Action will be implemented.

Finding 2024-6:

Criteria or Specific Requirement:

The City failed to make multiple active and retiree health insurance payments.

Condition:

The City was billed monthly for active and retiree health insurance; multiple months were not paid.

Context:

Payment has been subsequently made in 2025.

Effect:

Multiple payments of active and retiree health insurance bills remained unpaid at year end.

Cause:

The CFO failed to remit the required health insurance amounts to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits.

Recommendation:

We recommend that health insurance payments be remitted to the proper agencies promptly and accurately.

Views of Responsible Officials and Planned Corrective Actions:

The CFO is aware of the requirements. Corrective Action will be implemented.

**CITY OF CAPE MAY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2024
(CONTINUED)**

Finding 2024-7:

Criteria or Specific Requirement:

Local Budget Law and Local Finance Board Regulations do not permit over expenditures of individual budget line items.

Condition:

The City approved \$86,592.95 of health insurance expenses in the Current Fund and \$68,378.99 of health insurance expenses in the Water Sewer Utility Operating Fund before verifying that there were sufficient funds available in the budget lines.

Context:

Budget lines were overspent, and a deferred charge is required to be raised in the City's budget.

Cause:

Expenditures were not properly monitored during 2024.

Effect:

The overexpenditures must be raised in the budget as deferred charges.

Recommendation:

That no commitment be made, or expenditure approved for payment unless there is a sufficient balance in the proper budget line item.

Views of Responsible Officials and Planned Corrective Actions:

The CFO is aware of the requirements regarding appropriation budget transfers. Corrective Action will be implemented.

**CITY OF CAPE MAY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2024
(CONTINUED)**

III. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

Federal:

None

State:

Not applicable

STATUS OF PRIOR YEAR FINDINGS

Finding 2023-1:

Recommendation:

That no commitment be made, or expenditure approved for payment unless there is a sufficient balance in the proper budget line item.

Current Status:

The City over expended the General Capital Improvement Fund in 2024. Corrective action has not been implemented.

Finding 2023-2:

Recommendation:

We recommend that the General Ledger be maintained in an accurate and timely manner for all funds of the City.

Current Status:

Corrective action has not been implemented.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Current Fund	Grant Fund
Balance December 31, 2023	\$ 18,508,391.42	26,618.74
Increased by Receipts:		
Tax Collector	32,121,243.16	
Revenue Accounts Receivable	11,471,477.76	
Miscellaneous Revenue	160,005.71	
Due from State - Seniors and Veterans	27,500.00	
Payroll & Payroll Taxes Payable	136,279.85	
Due to Lifeguard Trust	24,682.44	
Reserve for Escow Trust	123,320.63	
Federal and State Unappropriated Reserves		140,345.14
Federal and State Receivables		2,358,352.81
Due to the State of New Jersey:		
DCA Training Fees	33,093.00	
Marriage Licenses	2,250.00	
	<u>44,099,852.55</u>	<u>2,498,697.95</u>
	62,608,243.97	2,525,316.69

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Current Fund	Grant Fund
Decreased by Disbursements:		
Current Year Appropriation	20,737,777.93	
Prior Year Appropriations	194,356.47	
County Taxes	11,027,456.23	
Local District School Taxes	1,962,587.00	
Regional School Taxes	7,974,327.50	
Accounts Payable	3,017.20	
Tax Overpayments	4,472.59	
Reserve for Escrow Trust	145,382.33	
Federal and State Disbursements		617,513.97
Due to the State of New Jersey:		
DCA Training Fees	28,396.00	
Marriage Licenses	475.00	
	<u>42,078,248.25</u>	<u>617,513.97</u>
Balance December 31, 2024	\$ <u><u>20,529,995.72</u></u>	<u><u>1,907,802.72</u></u>

CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR

Balance December 31, 2023		\$	-
Increased by Receipts:			
Prepaid Taxes	806,371.51		
Taxes Receivable	31,258,717.50		
Revenue Accounts Receivable	56,154.15		
			<u>32,121,243.16</u>
			32,121,243.16
Payments to Treasurer			<u>32,121,243.16</u>
Balance December 31, 2024		\$	<u><u>-</u></u>

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

Year	Balance Dec. 31, 2023	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Balance Dec. 31, 2024
				2023	2024			
Arrears	\$ -							-
2023	288,675.28				278,523.02	10,152.26		0.00
	288,675.28	-	-	-	278,523.02	10,152.26	-	0.00
2024	-	31,913,915.99	4,229.43	719,020.64	30,991,399.87	2,686.88	699.73	204,338.30
	288,675.28	31,913,915.99	4,229.43	719,020.64	31,269,922.89	12,839.14	699.73	204,338.30
					31,258,717.50	Cash Receipts		
					26,750.00	Senior Citizens and Veterans		
					(15,544.61)	Overpayments Applied (Created)		
					31,269,922.89			
Analysis of Current Year Tax Levy								
Tax Yield:								
General Property Tax								
Added Taxes (54.4-63.1 et. Seq.)								
					31,913,915.99			
					4,229.43			
						31,918,145.42		
Tax Levy:								
General County Taxes								
County Library Taxes								
County Health Taxes								
County Open Space Taxes								
County Added and Omitted Taxes								
Total County Taxes								
					11,001,987.02			
Local School District Tax								
Additional Local School District Tax								
Regional School District Tax								
Local Tax for Municipal Purposes								
Add: Additional Tax Levied								
					10,857,708.16			
					112,468.24			
						10,970,176.40		
						31,918,145.42		

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

Balance December 31, 2023		\$	12,174.93
Increased by:			
Transfers from Taxes Receivable	699.73		
			699.73
			12,874.66
Decreased by:			
None	-		
			-
Balance December 31, 2024		\$	<u><u>12,874.66</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2023	Accrued in 2024	Collected by		Balance Dec. 31, 2024
			Collector	Treasurer	
Licenses:					
Alcoholic Beverages	\$ -	57,946.00		57,946.00	-
Other	-	364,576.30		364,576.30	-
Fees and Permits	-	405,412.70		405,412.70	-
Fines and Costs:					
Municipal Court	31,723.48	347,265.33		341,661.49	37,327.32
Interest and Costs on Taxes	-	56,154.15	56,154.15		-
Interest Earned on Investments	-	792,892.66		792,892.66	-
Parking Meters	-	2,628,697.19		2,628,697.19	-
Hotel Room Tax	-	3,408,901.48		3,408,901.48	-
Lease and Rental Contracts	-	548,220.68		548,220.68	-
TV Cable Receipts	-	45,836.76		45,836.76	-
Victorian Towers - In Lieu of Taxes	-	221,936.92		221,936.92	-
Emergency Medical Services	-	412,645.83		412,645.83	-
Energy Receipts Tax	-	341,658.22		341,658.22	-
Municipal Relief Fund	-	35,216.53		35,216.53	-
Uniform Construction Code Fees	-	825,356.00		825,356.00	-
Interlocal Services Agreement -					
West Cape May - Police Protection	-	330,910.00		330,910.00	-
Cape May Point - Police Protection	-	542,120.00		542,120.00	-
Uniform Fire Safety Act	-	242,073.37		242,073.37	-
Utility Street Improvements	-	50,000.00		50,000.00	-
Reserve to Pay Debt Service	-	300,000.00		300,000.00	-
Miscellaneous Revenue Not Anticipated	-	160,569.13		160,569.13	-
	<u>\$ 31,723.48</u>	<u>12,118,389.25</u>	<u>56,154.15</u>	<u>12,056,631.26</u>	<u>37,327.32</u>
			<u>-</u>		

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2023	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT:					
General Administration					-
Other Expenses	\$ 1,046.32	1,046.32	1,046.32	0.00	-
Mayor and Council					-
Salaries & Wages	8,324.97	8,324.97		8,324.97	-
Other Expenses	1,101.91	1,101.91	980.20	121.71	-
City Clerk					-
Salaries & Wages	38,581.64	38,581.64		38,581.64	-
Other Expenses	7,994.65	7,994.65	1,816.22	6,178.43	-
Financial Administration					-
Salaries & Wages	5,128.11	5,128.11		5,128.11	-
Other Expenses	993.94	993.94	919.37	74.57	-
Audit Services					-
Other Expenses	165.00	165.00		165.00	-
Assessment of Taxes					-
Salaries & Wages	2,641.45	2,641.45		2,641.45	-
Other Expenses	13,903.27	13,903.27	5,895.18	8,008.09	-
Collection of Taxes					-
Other Expenses	2,379.72	2,379.72	1,127.55	1,252.17	-
Legal Services					-
Other Expenses					-
Miscellaneous Other Expenses	70,356.50	70,356.50	67,744.44	2,612.06	-
Engineering & Planning Services					-
Other Expenses	14,907.42	14,907.42	11,618.50	3,288.92	-
Economic Development					-
Other Expenses	15,000.00	15,000.00		15,000.00	-
Emergency Medical Services - Collection					-
Contractual Expenses	2,713.40	2,713.40	2,141.51	571.89	-
INSURANCE					
General Liability	121,536.86	121,536.86		121,536.86	-
Workers Compensation Insurance	211,691.40	211,691.40		211,691.40	-
Employee Group Health	346,199.59	346,199.59	395,453.35	-	49,253.76
Employee Group Health Waiver					-
Salaries & Wages	25,300.95	25,300.95		25,300.95	-
LAND USE ADMINISTRATION					
Planning Board					-
Other Expenses	2,793.29	2,793.29	2,306.54	486.75	-
Zoning Board of Adjustment					-
Other Expenses	1,515.34	1,515.34	1,477.84	37.50	-
PUBLIC SAFETY					
Fire					-
Other Expenses	13,696.72	13,696.72	9,562.28	4,134.44	-
Police					-
Salaries & Wages	189,346.75	189,346.75		189,346.75	-
Other Expenses	30,739.96	30,739.96	22,545.93	8,194.03	-

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2023	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Emergency Management Services					
Salaries & Wages	1,715.48	1,715.48		1,715.48	-
Other Expenses	2,516.68	2,516.68	292.19	2,224.49	-
Parking and Traffic Maintenance					
Other Expenses	54,303.21	54,303.21	26,034.30	28,268.91	-
Public Safety					
Other Expenses	1,000.00	1,000.00		1,000.00	-
Municipal Court					
Salaries & Wages	36,374.95	36,374.95		36,374.95	-
Other Expenses	1,677.20	1,677.20	1,541.32	135.88	-
Public Defender					
Other Expenses	6,425.00	6,425.00		6,425.00	-
PUBLIC WORKS FUNCTION					
Road Repairs and Maintenance					
Other Expenses	27,246.12	27,246.12	24,869.71	2,376.41	-
Sanitary Landfill Contractual					
Other Expenses	234.46	234.46		234.46	-
Recycling					
Salaries & Wages	74,279.07	74,279.07		74,279.07	-
Other Expenses	43,335.10	43,335.10	2,986.50	40,348.60	-
Public Buildings and Grounds					
Other Expenses	46,246.15	46,246.15	37,636.34	8,609.81	-
Shade Tree Commission					
Other Expenses	24,239.10	24,239.10	2,155.00	22,084.10	-
Property Maintenance Enforcement					
Other Expenses	2,500.00	2,500.00		2,500.00	-
HEALTH AND HUMAN SERVICES					
Uniform Fire Safety					
Other Expenses	14,640.10	14,640.10	1,457.19	13,182.91	-
Environmental Commission					
Salaries & Wages	200.00	200.00		200.00	-
Other Expenses	2,058.70	2,058.70		2,058.70	-
PARKS AND RECREATION FUNCTIONS					
Civic Affairs					
Salaries & Wages	98,443.28	98,443.28		98,443.28	-
Other Expenses	2,743.24	2,743.24	2,700.00	43.24	-
Historic Preservation Commission					
Other Expenses	32,374.64	32,374.64	31,309.65	1,064.99	-
Grants Coordinator					
Other Expenses	2,013.75	2,013.75	1,760.00	253.75	-
UNIFORM CONSTRUCTION CODE					
State Uniform Construction Code					
Construction Official					
Other Expenses	11,394.65	11,394.65	3,523.98	7,870.67	-
UNCLASSIFIED					
Celebration of Public Events, Anniversary or Holiday	161.20	161.20	145.60	15.60	-

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2023	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
UTILITY EXPENSES AND BULK PURCHASES					
General Office Operations	4,171.08	4,171.08	4,171.08	-	0.00
Street Lighting	28,620.01	28,620.01	2,090.00	26,530.01	-
Gas Lighting	3,801.59	3,801.59	2,538.09	1,263.50	-
Gas Lighting - Parts	2,992.00	2,992.00		2,992.00	-
Contingent	1,000.00	1,000.00		1,000.00	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES:					
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	2,580.29	2,580.29		2,580.29	-
Social Security System (O.A.S.I.)	1,354.70	1,354.70		1,354.70	-
Police and Firemen's Retirement System of NJ	1,639.72	1,639.72		1,639.72	-
Defined Contribution Retirement Program (DCRP)	9,000.00	9,000.00		9,000.00	-
OPERATIONS - EXCLUDED FROM "CAPS"					
(A) Operations - Excluded from "CAPS"					
Length of Service Award Program - Fire	17,142.00	17,142.00		17,142.00	-
(A) Public and Private Programs Off-Set by Revenues					
Matching Funds for Grants	25,000.00	25,000.00		25,000.00	-
	<u>\$ 1,711,482.63</u>	<u>1,711,482.63</u>	<u>669,846.18</u>	<u>1,090,890.21</u>	<u>49,253.76</u>
		cash	194,356.47		
		accounts payable	475,489.71		
			<u>669,846.18</u>		

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

Balance December 31, 2023		
School Tax Payable	\$ -	
School Tax Deferred	<u>966,451.80</u>	\$ 966,451.80
Increased by:		
Levy - School Year July 1, 2023 to June 30, 2024		<u>1,962,587.00</u>
		2,929,038.80
Decreased by:		
Payments		<u>1,962,587.00</u>
Balance December 31, 2024		
School Tax Payable	-	
School Tax Deferred	<u>966,451.80</u>	<u><u>966,451.80</u></u>
Current Year Liability for Local School District School Tax:		
Tax Paid		1,962,587.00
Tax Payable Ending		<u>-</u>
		1,962,587.00
Less: Deferred		-
Less: Tax Payable Beginning		<u>-</u>
Amount charged to Current Year Operations		<u><u>\$ 1,962,587.00</u></u>

CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX

Balance December 31, 2023			
School Tax Payable	\$	(0.07)	
School Tax Deferred		<u>3,982,630.00</u>	
			\$ 3,982,629.93
Increased by:			
Levy - School Year July 1, 2023 to June 30, 2024			<u>7,983,395.00</u>
			11,966,024.93
Decreased by:			
Payments			<u>7,974,327.50</u>
Balance December 31, 2024			
School Tax Payable		(0.07)	
School Tax Deferred		<u>3,991,697.50</u>	
			<u>3,991,697.43</u>
Current Year Liability for Regional School District School Tax:			
Tax Paid			7,974,327.50
Tax Payable Ending			<u>(0.07)</u>
			7,974,327.43
Less: Deferred			-
Less: Tax Payable Beginning			<u>(0.07)</u>
Amount charged to Current Year Operations			<u>\$ 7,974,327.50</u>

CURRENT FUND SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

<u>Purpose</u>	<u>Balance Dec. 31, 2023</u>	<u>Transferred From 2024 Revenues</u>	<u>Received</u>	<u>Balance Dec. 31, 2024</u>
FEDERAL GRANTS:				
American Rescue Plan - Firefighter Grant	\$ 36,000.00		36,000.00	-
Small Cities Grant - Housing Rehab	50,000.00			50,000.00
Small Cities Grant - ADA Compliance Grant	72.64			72.64
Small Cities Grant - Water Trans Main	287,669.21		91,013.56	196,655.65
2023 Small Cities CDBG	400,000.00		310,341.25	89,658.75
2022 Small Cities-CDBG-Kiwanis Community Park	29,985.35			29,985.35
DCA Neighborhood Preservation Program-Phase 2	12,500.00		12,500.00	-
US Dept of Interior-Civil Rights-Library Project	470,000.00			470,000.00
FEMA - Flood Mitigation Assistance - Seawall	185,124.65			185,124.65
2024 Small Cities CDBG - Tennis Club	-	270,672.00		270,672.00
2024 Boardwalk Preservation Fund	-	6,722,552.00	1,680,638.00	5,041,914.00
Total Federal	1,471,351.85	6,993,224.00	2,130,492.81	6,334,083.04

STATE GRANTS:

Smart Growth Planning	2,000.00			2,000.00
DOT FY2013 Transportation Trust Fund	34,450.45			34,450.45
Hazard Mitigation Grant - Seawall Development Assistance	87,097.50		87,097.50	-
Hazard Mitigation Grant - Watershed Mgmt Plan	14,962.07			14,962.07
NJDOT - 2015 Muni Aid CM Ave South Side	22,184.46			22,184.46
NJDOT - Bikeway Expansion Project	350,000.00			350,000.00
Cops in Shops - 2019	880.00			880.00
2016 NJ Dept. of Transportation-FY 2016 Bikeway Program	250,000.00			250,000.00
NJ Trans Trust - 2008	35,000.00			35,000.00
NJ Transportation Trust - FY 2016	27,910.19			27,910.19
NJ Transportation Trust - FY 2019	71,250.00			71,250.00
NJ Transportation Trust - FY 2020	185,000.00			185,000.00
NJ Transportation Trust Authority - Pennsylvania Avenue	46,250.00		46,250.00	-
DCA Neighborhood Preservation Program	30,000.00			30,000.00
2019 NJDEP-Green Acres-Lafayette Street Park Nature Trail	500,000.00			500,000.00
NJ Department of Environmental Protection - EV Charging Station	6,000.00			6,000.00
US Dept. of Homeland Security-Flood Mitigation	18,750.00			18,750.00

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

<u>Purpose</u>	Balance Dec. 31, 2023	Transferred From 2024 Revenues	Received	Balance Dec. 31, 2024
Sustainable Jersey 2020	5,000.00			5,000.00
NJDOT FY2021 Transportation Trust Fund	190,000.00			190,000.00
NJBPU Clean Energy Electric Vehicle Tourism Grant	157,000.00			157,000.00
NJPBU Clean Fleet Electric Vehicle Incentive	3,500.00			3,500.00
2022 NJDEP-Electric Vehicle DC Fast Charger Community Grant	75,000.00			75,000.00
2023 Local Recreational Improvement	70,000.00		70,000.00	-
Total State	2,182,234.67	-	203,347.50	1,978,887.17
OTHER GRANTS:				
County of Cape May Open Space-Lafayette Street Park	1,177,000.00			1,177,000.00
County Open Space - CM Stage	6,960.00			6,960.00
Cape May County Open Space - AME Church	240,000.00		14,512.50	225,487.50
R. Kennedy - Law Enforcement Against Drugs Support	2,940.00			2,940.00
2024 WaWa Foundation Grant	-	10,000.00	10,000.00	-
Total Other	1,426,900.00	10,000.00	24,512.50	1,412,387.50
	<u>\$ 5,080,486.52</u>	<u>7,003,224.00</u>	<u>2,358,352.81</u>	<u>9,725,357.71</u>

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance December 31, 2023		2024	Disbursed	Encumbrances	Balance Dec. 31, 2024
	Appropriated	Reserve for Encumbrances	Appropriations			
FEDERAL GRANTS:						
USHUD - CDBG - Lafayette Street Park	\$ 15,437.83					15,437.83
Small Cities Grant - Housing Rehab	9,666.00					9,666.00
Small Cities Grant - ADA Compliance Grant	72.80					72.80
US Dept of Interior-Civil Rights-Library Project	488,637.50					488,637.50
DCA-Small Cities Block Grant-Water Main from Well #8	400,000.00					400,000.00
U.S. Small Business Administration-Shuttered Venue Grant	97,102.83					97,102.83
FEMA - Flood Mitigation Assistance - Seawall	195,536.25					195,536.25
American Rescue Plan - Firefighter Grant	-	36,000.00		36,000.00		-
2023 Small Cities CDBG	400,000.00			360,914.25		39,085.75
2024 Small Cities CDBG - Tennis Club	-		270,672.00	18,000.00	-	252,672.00
2024 Boardwalk Preservation Fund	-		6,722,552.00	138,453.75	331,296.25	6,252,802.00
Total Federal	1,606,453.21	36,000.00	6,993,224.00	553,368.00	331,296.25	7,751,012.96
STATE GRANTS:						
Clean Communities - 2020	(3.00)					(3.00)
Clean Communities - 2021	14,602.66			204.49		14,398.17
Clean Communities - 2022	16,518.80			4,152.63		12,366.17
Clean Communities - 2023	-		21,777.09			21,777.09
Solid Waste Management Grant - Prior	6,549.13					6,549.13
Solid Waste Management Grant - 2014	2,121.17					2,121.17
Recycling Tonnage - 2019		4,178.23			4,178.23	-
Recycling Tonnage - 2020		1,466.78			1,466.78	-
Recycling Tonnage - 2021	11,199.69			11,081.40		118.29
Recycling Tonnage - 2022	19,091.89					19,091.89
Recycling Tonnage - 2023	-		14,585.62			14,585.62
Body Armor Grant - 2021	9.75					9.75
Body Armor Grant - 2022	3,178.13					3,178.13
Body Armor Grant - 2023	-		2,163.69			2,163.69
Bulletproof Vest Grant - 2016	10.32					10.32
State of NJ - Body Camera Grant	30,230.00			18,412.00		11,818.00
Housing Inspections	26,031.00					26,031.00
Housing Inspections - 2014	20,934.00					20,934.00
Housing Inspections - 2015	16,658.00					16,658.00
Housing Inspections - 2016	15,141.00					15,141.00
Housing Inspections - 2017	9,341.00					9,341.00
Housing Inspections - 2019	9,087.36					9,087.36
Housing Inspections - 2020	9,237.00					9,237.00
Housing Inspections - 2021	2,703.00					2,703.00
Housing Inspections - 2022	6,877.00					6,877.00
Housing Inspections - 2023	-		8,407.00			8,407.00
Alcohol Education and Rehabilitation	1,555.88					1,555.88
NJLPS COPS in Shops - 2015	1,200.00					1,200.00
Sustainable Jersey Small Cities	1,117.00					1,117.00
DOT FY2013 Transportation Trust Fund - CM Ave	52,783.00					52,783.00
2015 Hazard Mitigation Grant -Energy Allocation	100,000.00	14.28			14.28	100,000.00
Hazard Mitigation Grant - Seawall Development Assistance	-					-
Hazard Mitigation Grant - Watershed Mgmt Plan	2,609.94					2,609.94
NJDOT - 2015 Muni Aid CM Ave South Side	40,034.46					40,034.46
Transportation Trust Fund - CM Ave Phase III	31,248.11					31,248.11
Cops in Shops - 2016	1,800.00					1,800.00

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance December 31, 2023		2024		Disbursed	Encumbrances	Balance Dec. 31, 2024
	Appropriated	Reserve for Encumbrances	Appropriations				
Cops in Shops - 2017	1,800.00						1,800.00
Cops in Shops - 2018	3,960.00						3,960.00
Cops in Shops - 2019	3,960.00						3,960.00
Cops in Shops - 2020	2,249.92						2,249.92
Cops in Shops - 2021	2,834.60						2,834.60
Cops in Shops - 2022	554.96						554.96
Cops in Shops - 2023	-		960.00				960.00
NJDOT - Bikeway Expansion Project	350,000.00						350,000.00
2016 NJ Dept. of Transportation-FY 2016 Bikeway Program	250,000.00						250,000.00
NJ Transportation Trust - FY 2016	43,210.19						43,210.19
NJ Transportation Trust - FY 2018	2,433.82						2,433.82
2019 NJ Transportation Trust Fund Authority-Reconstruc of PA Ave	(0.00)	383.94				383.94	(0.00)
2015 Emergency Management-EMAA Grant	912.29						912.29
2016 Emergency Management-EMAA Grant	9,400.00						9,400.00
2017 Emergency Management-EMAA Grant	10,000.00						10,000.00
2018 Emergency Management-EMAA Grant	10,000.00						10,000.00
2019 Emergency Management-EMAA Grant	10,000.00						10,000.00
2020 Emergency Management-EMAA Grant	10,000.00						10,000.00
2021 Emergency Management-EMAA Grant	10,000.00						10,000.00
2023 Emergency Management-EMAA Grant	-		10,000.00		8,091.61		1,908.39
DCA Neighborhood Preservation Program	911.00	117.50					1,028.50
2019 NJDEP-Green Acres-Lafayette Street Park Nature Trail	500,000.00						500,000.00
New Jersey Department of Environmental Protection	2,346.90						2,346.90
NJ Department of Environmental Protection - EV Charging Station	6,000.00						6,000.00
2022 NJDEP-Electric Vehicle DC Fast Charger Community Grant	75,000.00						75,000.00
Sustainable Jersey 2020	10,000.00						10,000.00
NJDCA Neighborhood Preservation Program	61,198.00	4,010.00			4,010.00		31,771.50
NJBPU Clean Energy Electric Vehicle Tourism Grant	-	8,530.00				29,426.50	-
Total State	1,828,637.97	18,700.73	57,893.40	45,952.13	43,999.73		1,815,280.24
OTHER GRANTS:							
Geraldine R. Dodge Foundation	1,888.04						1,888.04
Estate of Edward Ross - 2016 Educational Purposes	27,870.92						27,870.92
Estate of Edward Ross - 2016 Educational Purposes	24,000.00						24,000.00
Estate of Edward Ross - 2016 Educational Purposes	15,096.85						15,096.85
County of Cape May Open Space-Lafayette St. Park	1,177,000.00						1,177,000.00
County Open Space - CM Stage	6,960.00						6,960.00
R. Kennedy - Law Enforcement Against Drugs Support	218.62			62.34			156.28
Robert Kennedy Donation to CMPD Mission Lead Cap	2,940.00						2,940.00
R. Kennedy Lead Supplies 2023	3,000.00						3,000.00
BOE Gazebo	7,917.50						7,917.50
2023 Local Recreational Improvement	-	18,131.50		18,131.50			-
2023 Next Gen 30, INC Donation -Kiwanis Park Benches	5,000.00						5,000.00
WaWa Foundation-Police Vest Grant 2019	5.89						5.89
2021 WaWa Foundation Grant - Police Department Equipment	204.62						204.62
2023 WaWa Foundation Grant	10,000.00						10,000.00
2024 WaWa Foundation Grant	-		10,000.00				10,000.00
Total Other	1,282,102.44	18,131.50	10,000.00	18,193.84	-		1,292,040.10
\$	4,717,193.62	72,832.23	7,061,117.40	617,513.97	375,295.98		10,858,333.30

See Accompanying Auditor's Report

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

<u>Purpose</u>	<u>Balance Dec. 31, 2023</u>	<u>Transferred To 2024 Appropriations</u>	<u>Received</u>	<u>Balance Dec. 31, 2024</u>
FEDERAL GRANTS:				
American Rescue Plan	\$ 358,175.79			358,175.79
Total Federal	<u>358,175.79</u>	<u>-</u>	<u>-</u>	<u>358,175.79</u>
STATE GRANTS:				
Body Armor-2024			2,379.41	2,379.41
Body Armor-2023	2,163.69	2,163.69		-
Housing Inspections			13,783.00	13,783.00
Housing Inspections	8,407.00	8,407.00		-
2024 Emergency Management-EMAA Grant			10,000.00	10,000.00
2023 Emergency Management-EMAA Grant	10,000.00	10,000.00		-
Cops in Shops - 2024			960.00	960.00
Cops in Shops - 2023	960.00	960.00		-
Recycling Tonnage Grant-2024			17,374.78	17,374.78
Recycling Tonnage Grant	-			-
Clean Communities-2024	14,585.62	14,585.62		-
Clean Communities-2023	-		24,735.03	24,735.03
Comm Cap Needs Grant	21,777.09	21,777.09		-
Predevelopment Planning Grant - Wastewater	15,600.00			15,600.00
State of NJ - Water Resource Mgmt Grant	-		18,000.00	18,000.00
Alcohol Education & Rehab	-		15,000.00	15,000.00
2025 Safe Neighborhood	-		612.92	612.92
			37,500.00	37,500.00
Total State	<u>73,493.40</u>	<u>57,893.40</u>	<u>140,345.14</u>	<u>155,945.14</u>
OTHER GRANTS:				
None	-			-
Total Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 431,669.19</u>	<u>57,893.40</u>	<u>140,345.14</u>	<u>514,120.93</u>

TRUST FUND
SCHEDULE OF ANIMAL CONTROL CASH - TREASURER

Balance December 31, 2023		\$	5,931.57
Increased By Receipts:			
Dog License Fees	1,085.00		
Late Fees	196.00		
State License Fees	258.00		
Interest Earned	192.38		
			<u>1,731.38</u>
			7,662.95
Decreased By Disbursements:			
Paid to State of NJ	270.00		
Dog Fund Expenditures	554.72		
			<u>824.72</u>
Balance December 31, 2024		\$	<u><u>6,838.23</u></u>

TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER

Balance December 31, 2023		\$	5,076,807.92
Increased By Receipts:			
Fire Safety	1,035.90		
Unemployment Contributions	60,029.13		
Retirement Contributions	43,954.29		
Lifeguard Pensions	57,467.82		
Police Forfeiture Account	33.97		
POAA Receipts	2,864.05		
Parking Escrow	42,995.88		
Fishermen's Memorial Account	454.42		
Police Off-Duty Account	51,023.61		
Neighborhood Revitalization	4,708.76		
Security Deposits	877.48		
Due Current Fund - TTL	67.84		
DARE Receipts	17.71		
SCBG Loan	24,652.17		
Public Assistance	117.75		
Performance Bond	15,841.27		
Street Opening	20,810.88		
Flexible Spending	6,690.09		
Dellas Field	22.78		
COAH	342,041.13		
			<u>675,706.93</u>
			5,752,514.85
Decreased By Disbursements:			
Unemployment	50,137.92		
Parking Escrow	27,075.00		
Lifeguard Pensions	92,789.00		
Police Forfeiture Account	2,138.12		
Performance Bond	71,406.48		
Police Off-Duty Account	2,987.08		
Flexible Spending	8,081.09		
COAH	18,303.90		
			<u>272,918.59</u>
Balance December 31, 2024		\$	<u><u>5,479,596.26</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance December 31, 2023		\$ 2,184.75
Increased By:		
Dog Licenses Fees Collected	\$ 1,085.00	
Late Fees Collected	196.00	
Interest Received	192.38	
		1,473.38
		3,658.13
Decreased By:		
Animal Control Expenditures	554.72	
Statutory Excess due to Current Fund	563.42	
		1,118.14
Balance December 31, 2024		\$ <u><u>2,539.99</u></u>

License Fees Collected	<u>Year</u>	
	2022	1,017.24
	2023	<u>1,522.75</u>
	\$	<u><u>2,539.99</u></u>

TRUST - OTHER FUND
STATEMENT OF DUE TO CURRENT FUND

Balance December 31, 2023	\$ 3,728.22
Increased By:	
Statutory Excess due to Current Fund	<u>563.42</u>
	4,291.64
Decreased By:	
None	<u>-</u>
Balance December 31, 2024	\$ <u><u>4,291.64</u></u>

TRUST - OTHER FUND
STATEMENT OF DUE (TO)FROM STATE OF NEW JERSEY

Balance December 31, 2023	\$ (18.60)
Increased by:	
Paid to State of New Jersey	<u>270.00</u>
	251.40
Decreased by:	
Licenses Issued in 2024	<u>258.00</u>
	258.00
Balance December 31, 2024	\$ <u><u>(6.60)</u></u>

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

Balance December 31, 2023		\$	8,922,363.81
Increased by:			
Bond Anticipation Note	8,200,000.00		
Reserve for Payment of Bonds	51,332.00		
			8,251,332.00
			17,173,695.81
Decreased by:			
Improvement Authorizations	7,613,603.02		
			7,613,603.02
Balance December 31, 2024		\$	<u>9,560,092.79</u>

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2023	Receipts		Disbursements		Transfers		Balance Dec. 31, 2024
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 1,416,921.01							1,416,921.01
Due from Current Fund	(1,825,731.30)							(3,069,812.30)
Due from Grant Fund	(191,317.50)					1,544,081.00	300,000.00	(191,317.50)
Capital Improvement Fund	67,892.00					467,620.00	399,728.00	-
Encumbrances Payable	5,893,003.69					5,893,003.69	7,401,764.45	7,401,764.45
Deferred Charge - Overexpenditure of Capital Improvement Fund	-					99,728.00	(99,728.00)	(99,728.00)
Reserve for Payment of Bonds	653,280.97	51,332.00				300,000.00	222,000.00	404,612.97
Reserve for Open Space	3,496,569.00							3,718,569.00
Reserve Other - Mail Improvements	26,575.60							26,575.60
NJEIT Loan Receivable	(35,670.53)							(35,670.53)
State Grant Receivable	(303,066.77)							(303,066.77)
Improvement Authorizations:								
232-2011 Various Improvements	7,969.77			25,461.65		7,969.77	25,461.65	-
235-2011 ADA Improvements	1,586.84							1,586.84
252-2012 Various Improvements	27,478.62					5,627.03		21,851.59
263-2013 Acquisition of Open Space	(1,102,495.01)					115,473.99	718,000.00	(499,969.00)
269-2013 Various Improvements	247,239.67			6,312.29		9,450.04	7,695.44	239,172.78
270-2013 Various Improvements	529.80					529.80		-
279-2014 Various Improvements	355,914.27					6,292.21	2,142.80	351,764.86
283-2014 Pool Improvements	38,452.03					38,452.03		-
289-2015 Seawall Feasibility	207,243.23					207,243.23		-
292-2015 Various Improvements	866.42			1,349.96		7,521.59	8,005.13	-
302-2016 Various Improvements	3,453.61							3,453.61
306-2016 Various Improvements	16,916.32			10,173.08		18,146.57	11,403.33	-
311-2016 Improvements to Lafayette Street Park	421,465.16			66,962.55		854,502.61	300,000.00	(200,000.00)
315-2017 Various Improvements	11,308.12			17,717.46		34,794.66	41,204.00	-
343-2018 Preliminary Expenses for the Construction of a new Public Safety Building	8,211.21					2,074.90		6,136.31
352-2018 Various Improvements	39,820.15			27,986.84		1,382.27	29,369.11	39,820.15
384-2019 Franklin Street School Library	846,756.67			841,483.96		5,272.71		0.00
399-2020 Various Improvements	136,938.47			21,677.06		183,324.56	195,103.16	127,040.01
402-2020 Construction of New Fire Station	4,842.45			105,708.30		33,926.08	135,833.88	1,041.95
413-2021 Acquisition of Real Property	8,104.29					190.88	5,690.88	13,604.29
418-2021 Acquisition of Body Cameras	480.00							480.00
437-2021 Various Improvements	5,390.86			289,168.32		9,765.92	294,469.24	925.86
459-2022 Construction of Police Station	170,000.00			46,900.00		262,000.00	10,000.00	(128,900.00)
470-2022 Various Improvements	7,924.59		60,000.00	170,332.10		54,645.99	348,853.82	191,800.32
501-2023 Various Improvements	(814,046.12)		2,190,000.00	3,505,775.20		677,711.16	3,803,408.47	995,875.99
511-2023 Fire Truck & Apparatus	(928,443.78)		950,000.00			976,062.78	978,443.78	23,937.22
538-2024 Various Improvements	-		5,000,000.00	2,476,594.25		4,450,292.75	467,620.00	(1,459,267.00)
547-2024 Various Improvements	-						560,889.08	560,889.08
	\$ 8,922,363.81	51,332.00	8,200,000.00	7,613,603.02	-	16,267,086.22	16,267,086.22	9,560,092.79

See Accompanying Auditor's Report

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

Balance December 31, 2023		\$	67,892.00
Increased by:			
Budget Appropriation	300,000.00		
Deferred Charge -			
Overexpenditure of Capital Improvement Fund	99,728.00		
			399,728.00
			467,620.00
Decreased by:			
Improvement Authorizations Funded	467,620.00		
			467,620.00
Balance December 31, 2024		\$	-

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

Balance December 31, 2023		\$	30,449,148.15
Increased by:			
None			
			-
			30,449,148.15
Decreased by:			
Serial Bonds Paid	3,355,000.00		
Green Trust Loan Principal Paid	19,495.33		
Capital Lease Payable	49,902.01		
			3,424,397.34
Balance December 31, 2024		\$	27,024,750.81

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

Ord #	Improvement Description	Balance Dec. 31, 2023	2024 Authorizations	Budget Appropriation	Balance Dec. 31, 2024	Bond Anticipation Notes	Analysis of Balance	
							Expenditures	Unexpended Improvement Authorizations
263-2013	Acquisition of Open Space	\$ 1,218,000.00		718,000.00	500,000.00		499,969.00	31.00
311-2016	Improvements to Lafayette Street Park	500,000.00		300,000.00	200,000.00		200,000.00	-
399-2020	Various Improvements	100,000.00			100,000.00			100,000.00
459-2022	Construction of Police Station	4,750,000.00			4,750,000.00		128,900.00	4,621,100.00
470-2022	Various Improvements	60,000.00			60,000.00	60,000.00		
501-2023	Various Improvements	2,191,700.00		1,700.00	2,190,000.00	2,190,000.00		
511-2023	Fire Truck & Apparatus	952,381.00		2,381.00	950,000.00	950,000.00		
538-2024	Various Improvements	-	9,352,380.00		9,352,380.00	5,000,000.00	1,459,267.00	2,893,113.00
		<u>\$ 9,772,081.00</u>	<u>9,352,380.00</u>	<u>1,022,081.00</u>	<u>18,102,380.00</u>	<u>8,200,000.00</u>	<u>2,288,136.00</u>	<u>7,614,244.00</u>
Improvement Authorizations Unfunded							8,825,857.53	
Less:								
Unexpended Proceeds of Bond								
Anticipation Notes Issued:								
Ord. Number								
470-2022							(191,800.32)	
501-2023							(995,875.99)	
511-2023							(23,937.22)	
								(1,211,613.53)
								<u>7,614,244.00</u>

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Authorizations				Paid or Charged	Balance December 31, 2024	
				Balance December 31, 2023	Other Funding	Deferred Charges to Future Taxation	Re-Appropriated		Funded	Unfunded
				Funded	Unfunded					
232-2011	Various Improvements	3/22/2011	\$ 1,500,000	7,969,777			(7,969,777)	-	-	
235-2011	ADA Improvements	6/8/2011	500,000	1,586,84				-	1,586,84	
252-2012	Various Improvements	5/15/2012	2,080,000	27,478,62			(5,627,03)	-	21,851,59	
263-2013	Acquisition of Open Space	3/19/2013	3,400,000		115,504,99		(115,473,99)	-	239,172,78	31,00
269-2013	Various Improvements	5/21/2013	1,900,000	247,239,67			(8,066,89)	-	-	
270-2013	Storm Water Collection System	6/3/2013	275,000	529,80			(529,80)	-	-	
279-2014	Various Improvements	6/2/2014	1,900,000	355,914,27			(4,149,41)	-	351,764,86	
283-2014	Pool Improvements	9/2/2014	1,000,000	38,452,03			(38,452,03)	-	-	
289-2015	Seawall Feasibility	2/17/2015	500,000	207,243,23			(207,243,23)	-	-	
292-2015	Various Improvements	5/19/2015	1,499,675	866,42			(866,42)	-	-	
302-2016	Various Improvements	3/15/2016	375,000	3,453,61			(16,916,32)	-	3,453,61	
306-2016	Various Improvements	5/17/2016	3,000,000	16,916,32			-	921,465,16	-	-
311-2016	Improvements to Lafayette Street Park	11/14/2016	1,500,000	421,465,16	500,000.00		(11,308,12)	-	-	
315-2017	Various Improvements	5/16/2017	3,000,000	11,308,12				-	-	
343-2018	Preliminary Expenses for the Construction of a new Public Safety Building	3/20/2018	300,000	8,211,21			(2,074,90)	-	6,136,31	
352-2018	Various Improvements	6/19/2018	1,700,000	39,820,15				-	39,820,15	
384-2019	Franklin Street School Library	11/18/2019	2,000,000	846,756,67			(5,272,71)	841,483,96	0,00	
399-2020	Various Improvements	6/16/2020	1,985,800	136,938,47	100,000.00		(136,938,46)	(127,040,00)	127,040,01	100,000.00
402-2020	Construction of New Fire Station	2/16/2021	5,000,000	4,842,45				3,800,50	1,041,95	
413-2021	Acquisition of Real Property	3/2/2021	450,000	8,104,29				(5,500,00)	13,604,29	
418-2021	Acquisition of Body Cameras	4/6/2021	105,000	480,00					480,00	
437-2021	Various Improvements	8/17/2021	2,703,500	5,390,86				4,465,00	925,86	
459-2022	Construction of Police Station	4/19/2022	5,000,000	170,000,00	4,750,000.00			298,900,00	4,621,100.00	
470-2022	Various Improvements	6/21/2022	2,484,500	7,924,59	60,000.00			(123,875,73)	191,800,32	
501-2023	Various Improvements	6/7/2023	5,556,285		1,377,653,88			381,777,89	995,875,99	
511-2023	Fire Truck & Apparatus	7/18/2023	1,000,000		23,937,22			-	23,937,22	
538-2024	Various Improvements	7/2/2024	9,820,000					6,926,887,00	2,893,113,00	
547-2024	Various Improvements	11/18/2024	560,889				560,889,08		560,889,08	
				<u>\$ 2,568,892,55</u>	<u>6,927,096,09</u>		<u>-</u>	<u>9,122,363,78</u>	<u>1,367,767,33</u>	<u>8,825,857,53</u>

See Accompanying Auditor's Report

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2024		Interest Rate	Balance Dec. 31, 2023	Increased	Decreased	Balance Dec. 31, 2024
			Date	Amount					
General Obligation Bonds of 2013	7/15/2013	10,700,000	7/15/2025	920,000.00	4.000% \$	3,650,000.00		920,000.00	2,730,000.00
			7/15/2026	920,000.00	4.000%				
			7/15/2027	890,000.00	4.000%				
General Obligation Bonds of 2014	6/17/2014	6,035,000	7/15/2025	815,000.00	3.000%	1,515,000.00		700,000.00	815,000.00
			2/1/2025	800,000.00	5.000%	7,640,000.00		750,000.00	6,890,000.00
			2/1/2026	850,000.00	5.000%				
General Obligation Bonds of 2019	7/11/2019	10,155,000	2/1/2027	930,000.00	4.000%				
			2/1/2028	980,000.00	3.000%				
			2/1/2029	1,050,000.00	2.250%				
			2/1/2030	1,150,000.00	3.000%				
			2/1/2031	1,130,000.00	3.000%				
General Obligation Bonds of 2021	10/13/2021	7,670,000	10/15/2025	420,000.00	3.000%	6,950,000.00		420,000.00	6,530,000.00
			10/15/2026	460,000.00	3.000%				
			10/15/2027	460,000.00	3.000%				
			10/15/2028	500,000.00	4.000%				
			10/15/2029	500,000.00	2.000%				
			10/15/2030	540,000.00	2.000%				
			10/15/2031	540,000.00	2.000%				
			10/15/2032	580,000.00	2.000%				
			10/15/2033	580,000.00	2.000%				
			10/15/2034	615,000.00	2.000%				
			10/15/2035	655,000.00	2.000%				
			10/15/2036	680,000.00	2.000%				
General Obligation Bonds of 2023	9/14/2023	10,840,000	9/1/2025	565,000.00	5.000%	10,175,000.00		565,000.00	9,610,000.00
			9/1/2026	570,000.00	5.000%				
			9/1/2027	610,000.00	5.000%				
			9/1/2028	655,000.00	5.000%				
			9/1/2029	715,000.00	5.000%				
			9/1/2030	760,000.00	5.000%				
			9/1/2031	815,000.00	4.000%				
			9/1/2032	835,000.00	4.000%				
			9/1/2033	930,000.00	4.000%				
			9/1/2034	1,015,000.00	4.000%				
			9/1/2035	1,050,000.00	4.000%				
			9/1/2036	1,090,000.00	4.000%				
						\$ 29,930,000.00	-	3,355,000.00	26,575,000.00

See Accompanying Auditor's Report

**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, 2023	Increased	Decreased	Balance Dec. 31, 2024
			Date	December 31, 2024					
Harborview Park	11/3/2005	324,621			2.000%	\$ 39,382.51		19,495.33	19,887.18
This loan is paid semi annually. The amount for principal and interest is \$10,093.00. The loan ends on August 9, 2025.									
						\$ 39,382.51	-	19,495.33	19,887.18

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL LEASE PAYABLE**

Purpose	Date of Loan	Amount of Original Issue	Maturities of Capital Lease Outstanding		Interest Rate	Balance Dec. 31, 2023	Increased	Decreased	Balance Dec. 31, 2024
			December 31, 2024						
			Date	Amount					
ESIP Lease	5/1/2017	\$ 825,000	5/1/2025	\$ 25,706.85	2.574%	\$ 479,765.64			429,863.63
			11/1/2025	27,092.45	2.574%			49,902.01	
			5/1/2026	27,204.08	2.574%				
			11/1/2026	28,612.14	2.574%				
			5/1/2027	31,615.12	2.574%				
			11/1/2027	33,089.35	2.574%				
			5/1/2028	27,619.49	2.574%				
			11/1/2028	29,033.79	2.574%				
			5/1/2029	32,076.91	2.574%				
			11/1/2029	33,558.06	2.574%				
			5/1/2030	33,833.83	2.574%				
			11/1/2030	34,341.34	2.574%				
			5/1/2031	66,080.22	2.574%				
						\$ 479,765.64	-	49,902.01	429,863.63

See Accompanying Auditor's Report

**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, 2023	Increased	Decreased	Balance Dec. 31, 2024
Various Improvements	470-2022	9/12/2024	9/12/2024	9/11/2025	3.750%	\$ -	60,000.00		60,000.00
Various Improvements	501-2023	9/12/2024	9/12/2024	9/11/2025	3.750%	-	2,190,000.00		2,190,000.00
Fire Truck & Apparatus	511-2023	9/12/2024	9/12/2024	9/11/2025	3.750%	-	950,000.00		950,000.00
Various Improvements	538-2024	9/12/2024	9/12/2024	9/11/2025	3.750%	-	5,000,000.00		5,000,000.00
						\$ -	8,200,000.00	-	8,200,000.00

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2023	2024 Authorizations	Debt Issued	Budget Appropriation	Balance Dec. 31, 2024
263-2013	Acquisition of Open Space	\$ 1,218,000.00			718,000.00	500,000.00
311-2016	Improvements to Lafayette Street Park	500,000.00			300,000.00	200,000.00
399-2020	Various Improvements	100,000.00				100,000.00
459-2022	Construction of Police Station	4,750,000.00				4,750,000.00
470-2022	Various Improvements	60,000.00		60,000.00		-
501-2023	Various Improvements	2,191,700.00		2,190,000.00	1,700.00	-
511-2023	Fire Truck & Apparatus	952,381.00		950,000.00	2,381.00	-
538-2024	Various Improvements	-	9,352,380.00	5,000,000.00		4,352,380.00
		<u>\$ 9,772,081.00</u>	<u>9,352,380.00</u>	<u>8,200,000.00</u>	<u>1,022,081.00</u>	<u>9,902,380.00</u>

WATER AND SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	Operating Fund	Capital Fund
Balance December 31, 2023	2,253,306.33	1,825,980.36
Increased by Receipts:		
Water and Sewer Rent Collected	6,912,404.33	
Reserve for Debt Service		43,907.64
Bond Anticipation Note		5,045,000.00
Miscellaneous Revenue	277,915.08	
	<u>7,190,319.41</u>	<u>5,088,907.64</u>
	9,443,625.74	6,914,888.00
Decreased by Disbursements:		
Current Appropriations	7,039,676.83	
Appropriation Reserves	191,015.04	
Accounts Payable	92,915.89	
Improvement Authorizations		2,681,056.23
	<u>7,323,607.76</u>	<u>2,681,056.23</u>
Balance December 31, 2024	<u><u>2,120,017.98</u></u>	<u><u>4,233,831.77</u></u>

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

	Balance Dec. 31, 2023	Receipts		Improvement Authorizations	Disbursements		Transfers		Balance Dec. 31, 2024
		Miscellaneous	Debt Issued		Miscellaneous	From	To		
\$									
Fund Balance	378,306.34								378,306.34
Capital Improvement Fund	190,000.00							10,000.00	200,000.00
Due to WS Utility Operating Fund	202,412.00							225,000.00	417,412.00
Reserve for Debt Service	499,073.71	43,907.64					10,000.00		317,981.35
NJEIT Loans Receivable	(37,126.47)						225,000.00		(37,126.47)
NJEIT Loans Receivable - 2018 A-1	(214,563.00)								(214,563.00)
NJEIT Loans Receivable - 1998	(15,000.00)								(15,000.00)
Encumbrances Payable	2,357,995.66						2,357,995.66	1,877,903.77	1,877,903.77
Improvement Authorizations:									
1291 Various Utility Improvements	3,085.29								3,085.29
36-2006 Various Utility Improvements	75,465.26								75,465.26
61-2006 System Improvements	6,984.19								6,984.19
62-2006 System Improvements (USDA)	7,636.84								7,636.84
109-2007 System Improvements	7,007.17								7,007.17
149-2008 System Improvements	6,214.64								6,214.64
154-2008 System Improvements	13,024.66								13,024.66
155-2008 System Improvements	2,604.89								2,604.89
179-2009 System Improvements	269,781.62			29,125.54				29,125.54	269,781.62
207-2010 System Improvements	28,958.13								28,958.13
230-2011 System Improvements	473,887.84								473,887.84
250-2012 System Improvements	91,433.34								91,433.34
268-2013 System Improvements	4,157.16								4,157.16
281-2014 System Improvements	4,116.93								4,116.93
293-2015 System Improvements	175,425.75								175,425.75
298-2015 System Improvements	-						444.98		-
307-2016 System Improvements	1,996.96						1,924.16		1,996.96
316-2017 System Improvements	6,979.60								6,979.60
353-2018 System Improvements	3,684.96								3,684.96
398-2020 System Improvements	239,175.25								239,175.25
436-2021 System Improvements	(34,322.88)						441.00		(34,322.88)
469-2022 System Improvements	(946,333.75)						215,524.98		(34,322.88)
500-2023 System Improvements	(1,960,079.23)						5,182.65		(1,960,079.23)
521-2023 System Improvements	(16,002.50)								(16,002.50)
537-2024 System Improvements	-						519,489.75	1,100,000.00	-
							1,134,896.25		(1,249,285.04)
\$	1,825,980.36	43,907.64	5,045,000.00	2,681,056.23	-		4,470,899.43	4,470,899.43	4,233,831.77

See Accompanying Auditor's Report

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

Balance December 31, 2023		\$ 172,472.65
Increased by Receipts:		
Consumer Accounts Charges and Levies	7,012,718.77	
Overpayments Created	27,389.65	
		7,040,108.42
		7,212,581.07
Decreased by Disbursements:		
Collections	6,912,404.33	
Adjustments	17,950.43	
Overpayments Applied	31,007.48	
		6,961,362.24
Balance December 31, 2024		\$ <u><u>251,218.83</u></u>

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF UTILITY LIENS**

Balance December 31, 2023		\$ -
Increased by Receipts:		
None	-	
		-
Decreased by Disbursements:		
None	-	
		-
Balance December 31, 2024		\$ <u><u>-</u></u>

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

	Balance Dec. 31, 2023	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Operating:					
Salaries and Wages	\$ 6,247.47	6,247.47		6,247.47	-
Other Expenses	598,465.45	598,465.45	300,834.88	297,630.57	-
Deferred Charges and Statutory Expenditures:					
Social Security System (O.A.S.I.)	7,947.58	7,947.58		7,947.58	-
	<u>\$ 612,660.50</u>	<u>612,660.50</u>	<u>300,834.88</u>	<u>311,825.62</u>	<u>-</u>

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

Balance December 31, 2023	\$	106,754.24
Increased by:		
Budget Appropriations	141,647.51	
		141,647.51
		248,401.75
Decreased By:		
Payments of Debt Service Interest	106,754.24	
		106,754.24
Balance December 31, 2024	\$	<u><u>141,647.51</u></u>

Analysis of Accrued Interest December 31, 2024

Principal Outstanding December 31, 2024	Interest Rate	From	To	Days	Amount
150,000.00	Var.	7/15/2024	12/31/2024	165	2,750.00
280,000.00	3.00%	7/15/2024	12/31/2024	165	3,850.00
370,000.00	Var.	8/1/2024	12/31/2024	150	5,359.38
2,850,000.00	Var.	8/1/2024	12/31/2024	150	41,666.67
5,030,000.00	Var.	12/15/2024	12/31/2024	15	8,383.33
7,014,000.00	3.75%	9/14/2024	12/31/2024	106	79,638.13
15,694,000.00					<u><u>141,647.51</u></u>

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

Ord #	Improvement Description	Ord. Date	Amount	Authorizations				Deferred Charges to Future Taxation	Paid or Charged	Balance December 31, 2024	
				Balance December 31, 2023	Other Funding	Unfunded	Funded			Funded	Unfunded
1291	Various Utility Improvements	4/14/2003	550,000	\$		3,085.29				3,085.29	75,465.26
36-2005	Various Utility Improvements	6/21/2005	2,000,000								
61-2006	Various Utility Improvements	5/16/2006	1,000,000			6,984.19				6,984.19	
62-2006	Various Utility Improvements	5/16/2006	1,500,000			7,636.84				7,636.84	
109-2007	System Improvements	6/19/2007	1,000,000			7,007.17				7,007.17	
149-2008	System Improvements	5/20/2008	1,000,000			6,214.64				6,214.64	
154-2008	System Improvements	6/17/2008	2,000,000			13,024.66				13,024.66	
155-2008	System Improvements	6/17/2008	2,100,000			2,604.89					2,604.89
179-2009	System Improvements	5/19/2009	900,000			69,781.62			-	69,781.62	200,000.00
207-2010	System Improvements	6/15/2010	1,000,000			28,958.13					28,958.13
230-2011	System Improvements	3/22/2011	1,350,000			101,600.00				372,287.84	101,600.00
250-2012	System Improvements	5/15/2012	1,263,000			91,433.34					91,433.34
268-2013	System Improvements	5/21/2013	1,050,000			4,157.16			797.57		3,359.59
281-2014	System Improvements	6/2/2014	1,150,000			4,116.93			-		4,116.93
293-2015	System Improvements	5/19/2015	994,000			175,425.75			-		175,425.75
298-2015	System Improvements	12/15/2015	500,000						-		-
307-2016	System Improvements	5/17/2016	1,200,000			1,996.96			0.00	1,996.96	
316-2017	System Improvements	5/16/2017	769,000			6,979.60			4,345.60		2,634.00
353-2018	System Improvements	6/19/2018	1,019,000			3,684.96			-		3,684.96
398-2020	System Improvements	6/16/2020	1,270,000			239,175.25			13,836.50		225,338.75
436-2021	System Improvements	8/17/2021	1,000,000			677.12			-		677.12
469-2022	System Improvements	6/21/2022	1,364,000			98,666.25			78,059.61		20,606.64
500-2023	System Improvements	6/7/2023	2,000,000			39,920.77			39,920.77		(0.00)
521-2023	System Improvements	10/17/2023	2,000,000			1,983,997.50			814,719.25		1,169,278.25
537-2024	System Improvements	7/2/2024	1,800,000					1,800,000.00	1,249,285.04		550,714.96
				\$		488,019.21		1,800,000.00	2,200,964.34	488,019.21	2,655,898.57
						3,056,862.91		1,800,000.00			

See Accompanying Auditor's Report

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2023	Increased	Decreased	Balance Dec. 31, 2024
			Date	Outstanding December 31, 2024 Amount					
Various Capital Improvements	7/15/2013	2,335,000	7/15/2025	150,000.00	4.00% \$	430,000.00		280,000.00	150,000.00
Various Capital Improvements	7/15/2014	2,700,000	7/15/2025	280,000.00	3.00%	560,000.00		280,000.00	280,000.00
Various Capital Improvements	7/11/2019	4,250,000	2/1/2025 2/1/2026 2/1/2027 2/1/2028 2/1/2029 2/1/2030 2/1/2031	340,000.00 360,000.00 380,000.00 400,000.00 440,000.00 450,000.00 480,000.00	5.00% 5.00% 4.00% 3.00% 2.25% 3.00% 3.00%	3,170,000.00		320,000.00	2,850,000.00
Utility Refunding Bonds, Series 2021	12/15/2021	5,505,000	6/15/2025 6/15/2026 6/15/2027 6/15/2028 6/15/2029 6/15/2030 6/15/2031 6/15/2032 6/15/2033 6/15/2034 6/15/2035 6/15/2036 6/15/2037 6/15/2038 6/15/2039 6/15/2040 6/15/2041 6/15/2042 6/15/2043 6/15/2044 6/15/2045 6/15/2046 6/15/2047	170,000.00 175,000.00 180,000.00 190,000.00 200,000.00 205,000.00 215,000.00 220,000.00 235,000.00 245,000.00 255,000.00 260,000.00 275,000.00 285,000.00 180,000.00 190,000.00 195,000.00 205,000.00 210,000.00 220,000.00 230,000.00 240,000.00 250,000.00	4.00% 4.00%	5,190,000.00		160,000.00	5,030,000.00
						\$ 9,350,000.00	-	1,040,000.00	8,310,000.00

See Accompanying Auditor's Report

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2024				Interest Rate	Balance Dec. 31, 2023	Increased	Decreased	Balance Dec. 31, 2024
			December 31, 2024								
			Date	Amount							
System Improvements NJ-EIT	5/22/2018	430,000	8/1/2025	10,000.00	5.000%	\$	380,000.00			10,000.00	370,000.00
			8/1/2026	10,000.00	5.000%						
			8/1/2027	10,000.00	5.000%						
			8/1/2028	10,000.00	3.000%						
			8/1/2029	15,000.00	3.000%						
			8/1/2030	15,000.00	3.000%						
			8/1/2031	15,000.00	3.000%						
			8/1/2032	15,000.00	3.125%						
			8/1/2033	15,000.00	3.125%						
			8/1/2034	15,000.00	3.250%						
			8/1/2035	15,000.00	3.250%						
			8/1/2036	15,000.00	3.375%						
			8/1/2037	15,000.00	3.375%						
			8/1/2038	15,000.00	3.375%						
			8/1/2039	15,000.00	3.375%						
			8/1/2040	20,000.00	3.500%						
			8/1/2041	20,000.00	3.500%						
			8/1/2042	20,000.00	3.500%						
			8/1/2043	20,000.00	3.500%						
			8/1/2044	20,000.00	3.500%						
			8/1/2045	20,000.00	3.500%						
			8/1/2046	20,000.00	3.500%						
			8/1/2047	25,000.00	3.500%						

See Accompanying Auditor's Report

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding				Interest Rate	Balance Dec. 31, 2023	Increased	Decreased	Balance Dec. 31, 2024
			December 31, 2024								
			Date	Amount							
System Improvements NJ-EIT	5/22/2018	1,252,948	2/1/2025	14,078.06				861,961.92		42,234.19	819,727.73
			8/1/2025	28,156.13							
			2/1/2026	14,078.06							
			8/1/2026	28,156.13							
			2/1/2027	14,078.06							
			8/1/2027	28,156.13							
			2/1/2028	14,078.06							
			8/1/2028	28,156.13							
			2/1/2029	14,078.06							
			8/1/2029	28,156.13							
			2/1/2030	14,078.06							
			8/1/2030	28,156.13							
			2/1/2031	14,078.06							
			8/1/2031	28,156.13							
			2/1/2032	14,078.06							
			8/1/2032	28,156.13							
			2/1/2033	14,078.06							
			8/1/2033	28,156.13							
			2/1/2034	14,078.06							
			8/1/2034	28,156.13							
			2/1/2035	14,078.06							
			8/1/2035	28,156.13							
			2/1/2036	14,078.06							
			8/1/2036	28,156.13							
			2/1/2037	14,078.06							
		8/1/2037	28,156.13								
		2/1/2038	14,078.06								
		8/1/2038	28,156.13								
		2/1/2039	14,078.06								
		8/1/2039	28,156.13								
		2/1/2040	14,078.06								
		8/1/2040	28,156.13								
		2/1/2041	14,078.06								
		8/1/2041	28,156.13								
		2/1/2042	14,078.06								
		8/1/2042	28,156.13								
		2/1/2043	14,078.06								
		8/1/2043	28,156.13								
		2/1/2044	14,078.06								
		8/1/2044	3,200.06								
								1,241,961.92	-	52,234.19	1,189,727.73

**WATER AND SEWER UTILITY 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, 2023	Increased	Decreased	Balance Dec. 31, 2024
Various Utility Improvements	36-2005	12/23/2022	*	*	*	116,500.00	116,500.00	116,500.00	116,500.00
System Improvements	179-2009	12/23/2022	*	*	*	100,000.00	100,000.00	100,000.00	100,000.00
System Improvements	250-2012	8/24/2023	*	*	*	163,000.00	163,000.00	163,000.00	163,000.00
System Improvements	281-2014	8/24/2023	*	*	*	152,500.00	152,500.00	152,500.00	152,500.00
System Improvements	293-2015	8/24/2023	*	*	*	200,000.00	200,000.00	200,000.00	200,000.00
System Improvements	298-2015	8/24/2023	*	*	*	100,000.00	100,000.00	100,000.00	100,000.00
System Improvements	316-2017	8/24/2023	*	*	*	69,000.00	69,000.00	69,000.00	69,000.00
System Improvements	353-2018	12/23/2022	9/14/2023 9/12/2024	9/13/2024 9/11/2025	5.000% 3.750%	354,000.00	354,000.00	354,000.00	-
System Improvements	398-2020	12/23/2022	9/14/2023 9/12/2024	9/13/2024 9/11/2025	5.000% 3.750%	500,000.00	500,000.00	500,000.00	-
System Improvements	436-2021	12/23/2022	9/14/2023 9/12/2024	9/13/2024 9/11/2025	5.000% 3.750%	800,000.00	800,000.00	800,000.00	-
System Improvements	469-2022	12/23/2022	9/14/2023 9/12/2024	9/13/2024 9/11/2025	5.000% 3.750%	315,000.00	1,360,000.00	315,000.00	-
System Improvements	155-2008	12/30/2023	**	**	**	315,000.00	315,000.00	315,000.00	315,000.00
System Improvements	179-2009	12/30/2023	**	**	**	100,000.00	100,000.00	100,000.00	100,000.00
System Improvements	207-2010	12/30/2023	**	**	**	50,000.00	50,000.00	50,000.00	50,000.00
System Improvements	230-2011	12/30/2023	**	**	**	100,000.00	100,000.00	100,000.00	100,000.00
System Improvements	268-2013	12/30/2023	**	**	**	50,000.00	50,000.00	50,000.00	50,000.00
System Improvements	293-2015	12/30/2023	**	**	**	200,000.00	200,000.00	200,000.00	200,000.00
System Improvements	298-2015	12/30/2023	**	**	**	200,000.00	200,000.00	200,000.00	200,000.00
System Improvements	353-2018	12/30/2023	**	**	**	50,000.00	50,000.00	50,000.00	50,000.00
System Improvements	398-2020	12/30/2023	**	**	**	770,000.00	770,000.00	770,000.00	770,000.00
System Improvements	436-2021	12/30/2023	**	**	**	165,000.00	165,000.00	165,000.00	165,000.00
System Improvements	500-2023	9/12/2024	9/12/2024	9/11/2025	3.750%	-	2,000,000.00	-	2,000,000.00
System Improvements	521-2023	9/12/2024	9/12/2024	9/11/2025	3.750%	-	2,000,000.00	-	2,000,000.00
						<u>\$ 4,870,000.00</u>	<u>9,915,000.00</u>	<u>4,870,000.00</u>	<u>9,915,000.00</u>

* Note held by the Water and Sewer Operating Fund
** Note held by the Current Fund

See Accompanying Auditor's Report

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

Ordinance Number		Balance Dec. 31, 2023	2024 Authorizations	Debt Issued	Balance Dec. 31, 2024
436-2021	System Improvements	\$ 35,000.00			35,000.00
469-2022	System Improvements	1,045,000.00		1,045,000.00	-
500-2023	System Improvements	2,000,000.00		2,000,000.00	-
521-2023	System Improvements	2,000,000.00		2,000,000.00	-
537-2024	System Improvements	-	1,800,000.00		1,800,000.00
		<u>\$ 5,080,000.00</u>	<u>1,800,000.00</u>	<u>5,045,000.00</u>	<u>1,835,000.00</u>

**BEACH UTILITY FUND
SCHEDULE OF CASH - TREASURER**

	Operating Fund	Capital Fund
Balance December 31, 2023	2,615,079.05	1,302,575.42
Increased by Receipts:		
Beach Rent Collected	3,714,630.50	
Miscellaneous Anticipated Revenue	130,875.24	
Miscellaneous Not Anticipated Revenue	226.00	
	<u>3,845,731.74</u>	<u>-</u>
	6,460,810.79	1,302,575.42
Decreased by Disbursements:		
Current Appropriations	3,621,712.23	
Appropriation Reserves	46,260.97	
Improvement Authorizations		617,868.75
	<u>3,667,973.20</u>	<u>617,868.75</u>
Balance December 31, 2024	<u><u>2,792,837.59</u></u>	<u><u>684,706.67</u></u>

**BEACH UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2023	Receipts		Improvement Authorizations	Disbursements		Transfers	Balance Dec. 31, 2024
		Miscellaneous	Debt Issued		Miscellaneous	From	To	
\$								
Fund Balance	121,924.62							121,924.62
Capital Improvement Fund	464,000.00						20,000.00	484,000.00
Reserve to Pay Bonds	77,353.96					95,000.00		77,353.96
Due from Beach Operating	(64,900.00)					419,663.95	149,063.80	(159,900.00)
Encumbrances Payable	419,663.95							149,063.80
Improvement Authorizations:								
Ord.								
Number								
29-2005 Various Utility Improvements	(731.41)						10,000.00	9,268.59
63-2006 Various Utility Improvements	818.12							818.12
108-2007 Various Utility Improvements	128.24							128.24
150-2008 Various Utility Improvements	715.64							715.64
178-2009 Various Beach Utility Improvements	(2,446.50)						20,000.00	17,553.50
188-2009 ADA Phase II	10,606.90							10,606.90
208-2010 Various Utility Improvements	18,767.49							33,767.49
231-2011 Various Utility Improvements	(29,207.75)							(19,187.96)
236-2011 Beach Replenishment	21,385.35							(16,925.25)
251-2012 Various Utility Improvements	-							4.09
267-2013 Various Beach Utility Improvements	555.28							555.28
280-2014 Various Beach Utility Improvements	(2,586.42)							2,417.52
294-2015 Various Beach Utility Improvements	2,696.19							2,696.19
310-2016 Various Beach Utility Improvements	-							15.07
314-2017 Various Beach Utility Improvements	3,276.74							3,276.74
354-2018 Various Beach Utility Improvements	1,272.25							1,272.25
435-2021 Various Beach Utility Improvements	1,841.87							1,874.98
468-2022 Various Beach Utility Improvements	257,440.90							356.90
536-2024 Various Beach Utility Improvements	-							(36,950.00)
\$	1,302,575.42	-	-	617,868.75	-	663,727.75	663,727.75	684,706.67

See Accompanying Auditor's Report

BEACH UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2023	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Operations:					
Beach Front (Lifeguards)					
Salaries & Wages	10,547.20	10,547.20		10,547.20	-
Other Expenses	5,069.66	5,069.66	4,155.93	913.73	-
Beach Tag Program					
Salaries & Wages	3,567.58	3,567.58		3,567.58	-
Other Expenses	52,374.79	52,374.79	17,913.03	34,461.76	-
Insurance					
Liability Insurance	7,250.00	7,250.00		7,250.00	-
Workers Compensation	1,375.00	1,375.00		1,375.00	-
Employee Group Insurance	14,804.00	14,804.00		14,804.00	-
Legal					
Other Expenses	3,000.00	3,000.00		3,000.00	-
Road Repairs & Maintenance					
Other Expenses	29,119.31	29,119.31	19,119.31	10,000.00	-
Public Buildings & Grounds					
Other Expenses	6,849.37	6,849.37	6,841.64	7.73	-
General Administration					
Other Expenses	5,000.00	5,000.00		5,000.00	-
Sanitary Landfill					
Other Expenses	6,282.93	6,282.93	3,225.33	3,057.60	-
Recycling					
Other Expenses	4,791.75	4,791.75		4,791.75	-
Engineering & Planning					
Other Expenses	6,000.00	6,000.00		6,000.00	-
Deferred Charges and Statutory Expenditures:					
Social Security System	553.47	553.47		553.47	-
	<u>156,585.06</u>	<u>156,585.06</u>	<u>51,255.24</u>	<u>105,329.82</u>	<u>-</u>

See Accompanying Auditor's Report

**BEACH UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS, LOANS
AND NOTES AND ANALYSIS OF BALANCE**

Balance December 31, 2023		\$ 39,593.33
Increased by:		
Budget Appropriations	34,866.67	
		34,866.67
		74,460.00
Decreased By:		
Payments of Debt Service Interest	39,593.33	
		39,593.33
Balance December 31, 2024		\$ <u><u>34,866.67</u></u>

Analysis of Accrued Interest December 31, 2024

Principal Outstanding December 31, 2024	Interest Rate	From	To	Days	Amount
440,000.00	3.00%	7/15/2024	12/31/2024	165	6,050.00
360,000.00	5.00%	8/1/2024	12/31/2024	150	7,000.00
1,455,000.00	5.00%	9/1/2024	12/31/2024	120	21,816.67
<u>2,255,000.00</u>					<u>34,866.67</u>

**BEACH UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Authorizations			Paid or Charged	Balance December 31, 2024	
				Balance December 31, 2023	Other Funding	Deferred Charges to Future Taxation		Funded	Unfunded
29-2005	Various Utility Improvements	5/17/2005	724,000	9,268.59				9,268.59	
63-2006	Various Utility Improvements	5/16/2006	510,000	818.12				818.12	
108-2007	Various Utility Improvements	6/19/2007	180,000	128.24				128.24	
150-2008	Various Utility Improvements	5/20/2008	630,000	715.64				715.64	
178-2009	Various Beach Utility Improvements	5/19/2009	175,000	17,553.50				17,553.50	
188-2009	ADA Phase II	9/15/2009	400,000	10,606.90				10,606.90	
208-2010	Various Utility Improvements	6/15/2010	215,000	55,000.00					40,000.00
231-2011	Various Utility Improvements	3/22/2011	200,000	20,792.25					20,812.04
236-2011	Beach Replenishment	7/5/2011	300,000	50,000.00			(19.79)		23,074.75
251-2012	Various Utility Improvements	5/15/2012	300,000				(4.09)	4.09	
267-2013	Various Beach Utility Improvements	5/21/2013	475,000	555.28			-	555.28	
280-2014	Various Beach Utility Improvements	6/2/2014	165,000				(3.94)	2,417.52	
294-2015	Various Beach Utility Improvements	5/19/2015	198,100	2,696.19				2,696.19	
310-2016	Various Beach Utility Improvements	10/18/2016	300,000				(15.07)	15.07	
314-2017	Various Beach Utility Improvements	5/16/2017	411,000	3,276.74			-	3,276.74	
354-2018	Various Beach Utility Improvements	6/19/2018	393,000	1,272.25			-	1,272.25	
435-2021	Various Beach Utility Improvements	8/17/2021	410,000	1,841.87			(33.11)	1,874.98	
468-2022	Various Beach Utility Improvements	6/21/2022	445,000	257,440.90			262,084.00	356.90	
536-2024	Various Beach Utility Improvements	7/2/2024	1,400,000	5,000.00		1,400,000.00	36,950.00		1,363,050.00
				<u>\$ 319,504.97</u>	<u>-</u>	<u>1,400,000.00</u>	<u>347,268.60</u>	<u>85,327.50</u>	<u>1,446,936.79</u>
						Cash Disbursed	\$ 617,868.75		
						Encumbered	(270,600.15)		
							<u>\$ 347,268.60</u>		

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2024		Interest Rate	Balance Dec. 31, 2023	Increased	Decreased	Balance Dec. 31, 2024
			Date	Amount					
Various Capital Improvements	7/15/2014	2,005,000	7/15/2025	200,000.00	3.00%	640,000.00		200,000.00	440,000.00
			7/15/2026	240,000.00	3.00%				
Various Capital Improvements	7/11/2019	760,000	2/1/2025	120,000.00	5.00%	460,000.00		100,000.00	360,000.00
			2/1/2026	120,000.00	5.00%				
			2/1/2027	120,000.00	4.00%				
Various Capital Improvements	9/14/2023	1,650,000	9/1/2025	95,000.00	5.00%	1,550,000.00		95,000.00	1,455,000.00
			9/1/2026	100,000.00	5.00%				
			9/1/2027	110,000.00	5.00%				
			9/1/2028	120,000.00	5.00%				
			9/1/2029	140,000.00	5.00%				
			9/1/2030	160,000.00	5.00%				
			9/1/2031	170,000.00	4.00%				
			9/1/2032	180,000.00	4.00%				
			9/1/2033	190,000.00	4.00%				
			9/1/2034	190,000.00	4.00%				
						\$ 2,650,000.00	-	395,000.00	2,255,000.00

See Accompanying Auditor's Report

**BEACH UTILITY 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, 2023	Increased	Decreased	Balance Dec. 31, 2024
Various Beach Utility Improvements	251-2012	8/24/2023	*	*	*	\$ 150,000.00		150,000.00	-
Various Beach Utility Improvements	314-2017	8/24/2023	*	*	*	60,000.00		60,000.00	-
* Note held by the Beach Utility Operating Fund						\$ 210,000.00	-	210,000.00	-

BEACH UTILITY CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number		Balance Dec. 31, 2023	2024 Authorizations	Budget Appropriation	Balance Dec. 31, 2024
29-2005	Various Beach Utility Improvements	\$ 10,000.00		10,000.00	-
178-2009	Various Beach Utility Improvements	20,000.00		20,000.00	-
208-2010	Various Utility Improvements	55,000.00		15,000.00	40,000.00
231-2011	Various Utility Improvements	50,000.00		10,000.00	40,000.00
236-2011	Beach Replenishment	50,000.00		10,000.00	40,000.00
280-2014	Various Beach Utility Improvements	5,000.00		5,000.00	-
468-2022	Various Beach Utility Improvements	5,000.00		5,000.00	-
536-2024	Various Beach Utility Improvements	-	1,400,000.00		1,400,000.00
		<u>\$ 195,000.00</u>	<u>1,400,000.00</u>	<u>75,000.00</u>	<u>1,520,000.00</u>

**TOURISM UTILITY FUND
SCHEDULE OF CASH - TREASURER**

		<u>Operating Fund</u>
Balance December 31, 2023	\$	2,299,252.21
Increased by Receipts:		
Tourism Fees		1,492,415.86
Miscellaneous Revenue Not Anticipated		<u>74,500.01</u>
		<u>1,566,915.87</u>
		3,866,168.08
Decreased by Disbursements:		
Current Appropriations		1,137,525.25
Appropriation Reserves		<u>62,545.71</u>
		<u>1,200,070.96</u>
Balance December 31, 2024	\$	<u><u>2,666,097.12</u></u>

**TOURISM UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2023	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Operating:					
Salaries and Wages	\$ 50,388.96	50,388.96		50,388.96	-
Other Expenses	237,824.00	237,824.00	66,578.67	171,245.33	-
Statutory Expenditures:					
Social Security System	16,779.72	16,779.72		16,779.72	-
	<u>304,992.68</u>	<u>304,992.68</u>	<u>66,578.67</u>	<u>238,414.01</u>	<u>-</u>

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CITY OF CAPE MAY

PART II

GENERAL COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2024

GENERAL COMMENTS

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

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. Effective July 1, 2020, pursuant to subsection b. of section 9 of P.L. 1971, c. 198 (C.40A:11-9), the governing body can establish the bid threshold at \$44,000 with the appointment of a qualified purchasing agent. The City adopted the bid threshold of \$44,000.

The governing body of the City of Cape May 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 Council's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the 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.

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

- Emergency and Non-Emergency Tree Removal and Trimming Services
- Installation of Water Transmission Line
- Lease of a Portion of City Property known as The Welcome Center, 609 Lafayette Street
- Franklin Street Streetscape Neighborhood Preservation Program – County Open Space
- Reconstruction of Beach Avenue – Broadway to the Cove
- Security Cameras
- City of Cape May Promenade Restrooms Project
- Kiwanis Community Park Restrooms Project
- Restoration of AME Church Phase II Project
- Container Hauling Service at Department of Public Works
- Chemical Supply Services
- Alcohol Beverage Concession Vendor – City of Cape May Convention Hall Summer 2024
- HVAC Maintenance and Repair Services
- Audio Upgrade Convention Hall
- Antiscalent Chemical Supply – Water and Sewer Utility
- Hardware and Building Supply Services
- City Hall Parking Lot & Claghorn Place Reconstruction
- Boat Recovery and Disposal Services
- Lafayette Street Park – Phase I
- Lafayette Street Park – Nature Trails
- Lighting Upgrade and Replacement – Cape May Convention Hall
- NJDOT Reconstruction of Ohio Avenue
- Boardwalk Preservation Fund Program – Cape May Promenade Improvements – Phase I

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

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 authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the City Council of the City of Cape May, in accordance with Chapter 75, New Jersey Laws of 1991, and N.J.S.A. 54:4-67, 54:5-32, 54:5-34 and 54:5-35, which authorizes the Governing Body inter alia to fix the rate of interest to be charged, in the City of Cape May, for the nonpayment of taxes, assessments and municipal charges, said rate of interest shall be and is hereby fixed at 8 per cent per annum on the first \$1,500 of delinquency and 18 per cent per annum on any amount in excess of \$1,500 to be calculated from the date when the taxes, assessments and charges become delinquent.

BE IT FURTHER RESOLVED by the City Council of the City of Cape May, in accordance with N.J.S.A. 54:4-67, Chapter 75, New Jersey Laws of 1991, and Chapter 32, New Jersey Laws of 1994, which permits a 6 per cent penalty on taxes and municipal charges greater than \$10,000 as of the close of the fiscal year, that said end-of-year penalty shall be fixed for the Year.

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

Delinquent Taxes and Tax Title Liens

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

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

<u>Year</u>	<u>Number</u>
2024	1
2023	1
2022	1

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 2024 and 2025 Taxes	25
Delinquent Taxes	25
Payment of Water and Sewer Rents	25
Delinquent Water and Sewer Rents	25
Total	<u>100</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.

Year	Tax Levy	Currently	
		Cash Collections	Percentage of Collections
2024 \$	31,918,145.42	31,710,420.51	99.35%
2023	32,113,420.01	31,908,339.87	99.36%
2022	30,627,744.76	30,371,673.78	99.16%
2021	29,809,009.92	29,603,794.41	99.31%
2020	28,151,862.51	27,973,516.75	99.37%

Comparative Schedule of Tax Rate Information

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	\$ 1.057	1.074	1.032	1.018	0.970
Apportionment of Tax Rate:					
Municipal	0.361	0.361	0.361	0.363	0.363
County	0.365	0.377	0.348	0.316	0.295
Local School	0.065	0.067	0.066	0.065	0.066
Regional School	0.266	0.269	0.257	0.274	0.246
Assessed Valuation	3,007,475,900	2,972,014,100	2,948,578,600	2,912,777,800	2,886,887,700

Delinquent Taxes and Tax Title Liens

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

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2024 \$	12,874.66	204,338.30	217,212.96	0.68%
2023	12,174.93	288,675.28	300,850.21	0.94%
2022	11,463.94	254,484.56	265,948.50	0.87%
2021	10,780.76	182,848.63	193,629.39	0.65%
2020	10,106.84	151,549.36	161,656.20	0.57%

Uniform Construction Code

The City of Cape May's 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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RECOMMENDATIONS

1. We recommend that down payment be approved unless there is sufficient balance available to be used.
2. We recommend that the General Ledger be maintained in an accurate and timely manner for all funds of the City.
3. We recommend that bank accounts be reconciled within a reasonable time after bank statements are received and that records be maintained accurately. We also recommend that records be reviewed more thoroughly to help prevent invalid entries into the City's accounting software.
4. Procedures are not in place to accurately fund the payroll account. The CFO did not reconcile the payroll account or analyze its balance.
5. We recommend that year-end close-out procedures be implemented to ensure that the City's Annual Financial Statement is filed timely. We also recommend that procedures be implemented for the submission of chapter 159's and budget emergencies to the State.
6. We recommend that health insurance payments be remitted to the proper agencies promptly and accurately.
7. That no commitment be made, or expenditure approved for payment unless there is a sufficient balance in the proper budget line item.

In accordance with the Division of Local Government Services Regulations, a corrective action plan must be prepared and filed by the City Council in response to comments.

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

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

Leon P. Costello

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

June 30, 2025

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CITY OF CAPE MAY, COUNTY OF CAPE MAY, STATE OF NEW JERSEY

RESOLUTION NO. 243-08-2025

**RESOLUTION OF THE CITY OF CAPE MAY APPROVING
THE CORRECTIVE ACTION PLAN FOR THE YEAR 2024**

WHEREAS, the City Council of the City of Cape May has reviewed the year 2024 audit including the recommendations by the Municipal Auditor; and

WHEREAS, the CFO has developed a Corrective Action Plan for the City Council approval which is attached hereto as EXHIBIT A and incorporated herein by reference;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Cape May as follows:

1. The Corrective Action Plan for the 2024 Audit as presented and attached hereto as EXHIBIT A is approved and made part of this Resolution.
2. This Resolution shall take effect immediately upon passage, according to law.

I, Erin C. Burke, City Clerk of the City of Cape May, County of Cape May, State of New Jersey, do hereby certify the foregoing is a correct and true original Resolution adopted by the City Council of the City of Cape May at a meeting held on August 5, 2025


Erin C. Burke, City Clerk

Roll Call	Ayes	Nays	Absent	Abstain	Motion	Second
Meier			X			
McDade	X				X	
Bodnar	X					
Baldwin	X					X
Mullock	X					

cc: Director, Division of Local Government Services – Certified Copy
CFO
Leon P. Costello, CPA
Audit file

CITY OF CAPE MAY, COUNTY OF CAPE MAY, STATE OF NEW JERSEY

2024 AUDIT

CORRECTIVE ACTION REPORT ITEM

A. Description of Finding:

Pursuant to the 2024 Audit Report prepared by Ford, Scott & Associates, L.L.C. dated June 30, 2025, the Auditor made the following recommendations:

1. We recommend that no down payment be approved unless there is sufficient balance available to be used.
2. We recommend that the General Ledger be maintained in an accurate and timely manner for all funds of the City.
3. We recommend that bank accounts be reconciled within a reasonable time after bank statements are received and that records be maintained accurately. We also recommend that records be reviewed more thoroughly to help prevent invalid entries into the City's accounting software.
4. Procedures are not in place to accurately fund the payroll account. The CFO did not reconcile the payroll account or analyze its balance.
5. We recommend that year-end close-out procedures be implemented to ensure that the City's Annual Financial Statement is filed timely. We also recommend that procedures be implemented for the submission of chapter 159's and budget emergencies to the State.
6. We recommend that health insurance payments be remitted to the proper agencies promptly and accurately.
7. That no commitment be made, or expenditure approved for payment unless there is a sufficient balance in the proper budget line item.

B. Analysis:

1. The Auditors determined that the General Capital Improvement Fund was overspent. The City's Capital Improvement Fund did not have adequate funds for required down payment. The City raised a deferred charge in the 2025 budget to address the over expenditure.
2. The Auditors determined that a General Leger has not been accurately maintained; several incomplete, incorrect, or unrecorded items were noted.
3. The Auditors determined that some accounts were not reconciled in 2024, leaving several expenses and receipts unrecorded at year end.

4. The Auditors determined that blanket amounts were transferred to the City's payroll bank account to cover bi-weekly payroll expenses without reimbursement from the appropriate funds.
5. The Auditors determined that several adjusting entries were required at year-end to properly reflect revenues, expenditures, and account balances, leading to a delay in the filing of the Annual Financial Statements.
6. The Auditors determined that several health insurance payments were due at year end and were subsequently made in 2025.
7. The Auditors determined that the health insurance lines in the Current Fund and Water Sewer Fund were overspent, requiring a deferred charge to be raised in the budget.

C. Corrective Action:

1. The Capital Improvement Fund is monitored for availability of funds prior to the introduction of bond ordinances and adjusted as needed by the CFO. Corrective action has already been implemented.
2. The CFO is aware of the requirements regarding the maintenance of a General Ledger. The initial implementation of the General Ledger will be discussed with the Auditors.
3. The CFO and Auditors are working to ensure that all accounts are reconciled prior to year end. Corrective action has already been implemented.
4. The CFO and new payroll staff are aware of the requirements to accurately fund and reconcile the payroll account. Corrective action has been implemented.
5. Closing procedures will be developed and implemented prior to 2025 year-end.
6. Health insurance payments are remitted to the proper agencies on a monthly basis or as otherwise billed. Corrective action has already been implemented.
7. The CFO is aware of the requirements regarding account funding and transfers. Accounts are monitored for availability of funds prior to encumbrance. Corrective action has already been implemented.

D. Implementation Date:

1. January 2025
2. Q3 & Q4 2025

3. January 2025, ongoing
4. January 2025
5. Q3 & Q4 2025
6. January 2025
7. January 2025

