

**CITY OF CAPE MAY  
REPORT OF AUDIT  
FOR THE YEAR ENDED  
DECEMBER 31, 2021**



**CITY OF CAPE MAY**  
**TABLE OF CONTENTS**

| <u>Exhibit</u> |   | <u>Page No.</u> |
|----------------|---|-----------------|
|                | <b><u>PART I</u></b>  |                 |
|                | Independent Auditor's Report  | 1 - 3           |
|                | <b><u>CURRENT FUND</u></b>  |                 |
| A              | Comparative Balance Sheet - Regulatory Basis  | 4 - 5           |
| A - 1          | Comparative Statement of Operations and Changes in Fund Balance -<br>Regulatory Basis | 6 - 7           |
| A - 2          | Statement of Revenues - Regulatory Basis  | 8 - 10          |
| A - 3          | Statement of Expenditures - Regulatory Basis  | 11 - 16         |
|                | <b><u>TRUST FUND</u></b>  |                 |
| B              | Comparative Balance Sheet - Regulatory Basis  | 17 - 18         |
|                | <b><u>GENERAL CAPITAL FUND</u></b>  |                 |
| C              | Comparative Balance Sheet - Regulatory Basis  | 19              |
| C - 1          | Statement of Fund Balance - Regulatory Basis  | 20              |
|                | <b><u>WATER AND SEWER UTILITY FUND</u></b>  |                 |
| D              | Comparative Balance Sheet - Regulatory Basis  | 21 - 22         |
| D - 1          | Comparative Statement of Operations and Changes in Fund Balance -<br>Regulatory Basis | 23              |
| D - 2          | Statement of Capital Fund Balance - Regulatory Basis                                  | 24              |
| D - 3          | Statement of Revenues - Regulatory Basis  | 25              |
| D - 4          | Statement of Expenditures - Regulatory Basis  | 26              |
|                | <b><u>BEACH UTILITY FUND</u></b>  |                 |
| E              | Comparative Balance Sheet - Regulatory Basis  | 27 - 28         |
| E - 1          | Comparative Statement of Operations and Changes in Fund Balance -<br>Regulatory Basis | 29              |
| E - 2          | Statement of Capital Fund Balance - Regulatory Basis                                  | 30              |
| E - 3          | Statement of Revenues - Regulatory Basis  | 31              |
| E - 4          | Statement of Expenditures - Regulatory Basis  | 32              |
|                | <b><u>TOURISM UTILITY FUND</u></b>  |                 |
| F              | Comparative Balance Sheet - Regulatory Basis  | 33              |
| F - 1          | Comparative Statement of Operations and Changes in Fund Balance -<br>Regulatory Basis | 34              |
| F - 3          | Statement of Revenues - Regulatory Basis  | 35              |
| F - 4          | Statement of Expenditures - Regulatory Basis  | 36              |

**CITY OF CAPE MAY**  
**TABLE OF CONTENTS**

| <u>Exhibit</u>                                  |   | <u>Page No.</u> |
|---|---|-----------------|
| <b><u>GENERAL FIXED ASSET ACCOUNT GROUP</u></b> |   |                 |
| G   | Comparative Balance Sheet - Regatory Basis                          | 37              |
|   | <b>NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS</b>             | 38 - 68         |
| <b><u>SUPPLEMENTARY INFORMATION</u></b>         |   |                 |
|   | Independent Auditor's Report - <i>Government Auditing Standards</i> | 69 - 70         |
|   | Schedule of Findings and Responses                                  | 71              |
|   | Schedule of Prior Year Findings                                     | 71              |
| <b><u>CURRENT FUND</u></b>                      |   |                 |
| A - 4   | Schedule of Cash - Treasurer  | 72 - 73         |
| A - 5   | Schedule of Cash - Collector  | 74              |
| A - 6   | Schedule of Taxes Receivable and Analysis of Property Tax Levy      | 75              |
| A - 7   | Schedule of Tax Title Liens   | 76              |
| A - 8   | Schedule of Revenue Accounts Receivable                             | 77              |
| A - 9   | Schedule of Appropriation Reserves - Prior Year                     | 78 - 79         |
| A - 10a   | Schedule of Local District School Tax                               | 80              |
| A - 10b   | Schedule of Regional District School Tax                            | 81              |
| A - 11  | Schedule of Federal and State Grants Receivable                     | 82 - 83         |
| A - 12  | Schedule of Appropriated Reserves for Federal and State Grants      | 84 - 85         |
| A - 13  | Schedule of Reserves for Federal and State Grants - Unappropriated  | 86              |
| <b><u>TRUST FUND</u></b>                        |   |                 |
| B - 1   | Schedule of Animal Control Cash - Treasurer                         | 87              |
| B - 2   | Schedule of Other Trust Cash - Treasurer                            | 88              |
| B - 3   | Schedule of Reserve for Animal Control Expenditures                 | 89              |
| B - 4   | Trust - Statement of Due to Current Fund                            | 90              |
| B - 5   | Trust - Statement of Due to (from) State of New Jersey              | 90              |

**CITY OF CAPE MAY**  
**TABLE OF CONTENTS**

Exhibit

Page No.

**GENERAL CAPITAL FUND**

|        |  |     |
|--------|--|-----|
| C - 2  | Schedule of Cash - Treasurer                                 | 91  |
| C - 3  | Analysis of Cash   | 92  |
| C - 4  | Schedule of Capital Improvement Fund                         | 93  |
| C - 5  | Schedule of Deferred Charges to Future Taxation - Funded     | 94  |
| C - 6  | Schedule of Deferred Charges to Future Taxation - Unfunded   | 95  |
| C - 7  | Schedule of Improvement Authorizations                       | 96  |
| C - 8a | Schedule of General Serial Bonds                             | 97  |
| C - 8b | Schedule of Green Trust Loans Payable                        | 98  |
| C - 8c | Schedule of Environmental Infrastructure Trust Loans Payable | 99  |
| C - 8c | Schedule of Capital Lease Payable                            | 100 |
| C - 9  | Schedule of Bond Anticipation Notes                          | N/A |
| C - 10 | Schedule of Bonds and Notes Authorized But Not Issued        | 101 |

**WATER AND SEWER UTILITY FUND**

|         |   |           |
|---------|---|-----------|
| D - 5   | Schedule of Cash - Treasurer  | 102       |
| D - 6   | Analysis of Cash  | 103       |
| D - 7   | Schedule of Cash - Collector  | N/A       |
| D - 8   | Schedule of Consumer Accounts Receivable  | 104       |
| D - 9   | Schedule of Water and Sewer Utility Liens   | 104       |
| D - 10  | Schedule of Appropriation Reserves - Prior Year                                   | 105       |
| D - 11  | Schedule of Accrued Interest on Bonds, Loans and Notes<br>and Analysis of Balance | 106       |
| D - 12  | Schedule of Improvement Authorizations  | 107       |
| D - 13  | Schedule of Serial Bonds  | 108 - 109 |
| D - 13a | Schedule of Water and Sewer Loans   | 110 - 112 |
| D - 14  | Schedule of Bond Anticipation Notes   | N/A       |
| D - 15  | Schedule of Bonds and Notes Authorized But Not Issued                             | 113       |

**BEACH UTILITY FUND**

|        |   |     |
|--------|---|-----|
| E - 5  | Schedule of Cash - Treasurer  | 114 |
| E - 6  | Analysis of Cash  | 115 |
| E - 7  | Schedule of Consumer Accounts Receivable  | N/A |
| E - 8  | Schedule of Beach Utility Liens   | N/A |
| E - 9  | Schedule of Capital Improvement Fund  | N/A |
| E - 10 | Schedule of Appropriation Reserves - Prior Year                                   | 116 |
| E - 11 | Schedule of Accrued Interest on Bonds, Loans and Notes<br>and Analysis of Balance | 117 |
| E - 12 | Schedule of Improvement Authorizations  | 118 |
| E - 13 | Schedule of Serial Bonds  | 119 |
| E - 14 | Schedule of Bond Anticipation Notes   | N/A |
| E - 15 | Schedule of Bonds and Notes Authorized But Not Issued                             | 120 |

**CITY OF CAPE MAY**  
**TABLE OF CONTENTS**

| <u>Exhibit</u>                     |   | <u>Page No.</u> |
|------------------------------------|---|-----------------|
| <b><u>TOURISM UTILITY FUND</u></b> |   |                 |
| F - 5                              | Schedule of Cash - Treasurer                    | 121             |
| F - 6                              | Analysis of Cash                                | N/A             |
| F - 7                              | Schedule of Consumer Accounts Receivable        | N/A             |
| F - 8                              | Schedule of Tourism Utility Liens               | N/A             |
| F - 9                              | Schedule of Appropriation Reserves - Prior Year | 122             |
| <b><u>PART II</u></b>              |   |                 |
|                                    | General Comments                                | 123 - 126       |
|                                    | Audit Findings and Recommendations              | 127             |

**CITY OF CAPE MAY**  
**PART I**  
**REPORT ON AUDIT OF**  
**FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2021**







# FORD - SCOTT

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

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

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

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

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

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the City of 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 the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2022, on our consideration of the City of 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**

**August 5, 2022**

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**EXHIBIT - A  
CURRENT FUND**



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

| <u>ASSETS</u>  | <u>2021</u>             | <u>2020</u>          |
|--|-------------------------|----------------------|
| Regular Fund:  |                         |                      |
| Cash:  |                         |                      |
| Treasurer  | \$ 14,744,058.74        | 10,437,902.11        |
| Petty Cash and Change Funds                            | 950.00                  | 950.00               |
| Total Cash   | <u>14,745,008.74</u>    | <u>10,438,852.11</u> |
| Receivables and Other Assets with Full Reserves:       |                         |                      |
| Delinquent Property Taxes Receivable                   | 182,848.63              | 151,549.36           |
| Tax Title and Other Liens                              | 10,780.76               | 10,106.84            |
| Property Acquired for Taxes -<br>at Assessed Valuation | 83,316.00               | 83,316.00            |
| Revenue Accounts Receivable                            | 8,858.52                | -                    |
| Due from State:  |                         |                      |
| Chapter 20 P.L. 1971                                   | 33,526.99               | 33,776.99            |
| Interfund Receivable:                                  |                         |                      |
| TTL Premium  | 10.47                   | 8.55                 |
| Animal Control   | 1,605.11                | 678.20               |
| Federal and State Grant Funds                          | -                       | 396,827.60           |
| Total Receivables and Other Assets                     | <u>320,946.48</u>       | <u>676,263.54</u>    |
| Total Regular Fund                                     | <u>15,065,955.22</u>    | <u>11,115,115.65</u> |
| Federal and State Grant Fund:                          |                         |                      |
| Cash   | 417,966.12              | 417,966.12           |
| Federal and State Grants Receivable                    | 4,152,725.31            | 4,312,365.31         |
| Due from Current Fund                                  | 154,562.97              | -                    |
| Revolving Loan Receivable                              | 600,000.00              | 600,000.00           |
| Total Federal and State Grant Fund                     | <u>5,325,254.40</u>     | <u>5,330,331.43</u>  |
| Total Current Fund                                     | <u>\$ 20,391,209.62</u> | <u>16,445,447.08</u> |

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

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | <u>2021</u>             | <u>2020</u>          |
|---|-------------------------|----------------------|
| Regular Fund:                                 |                         |                      |
| Liabilities:                                  |                         |                      |
| Appropriation Reserves                        | \$ 2,419,196.45         | 1,590,948.88         |
| Reserve for Encumbrances                      | 506,126.04              | 96,255.51            |
| Accounts Payable                              | 2,872.33                | 1,310.34             |
| Prepaid Taxes                                 | 917,673.12              | 689,517.94           |
| Overpaid Taxes                                | 1,829.80                | 17,142.19            |
| County Added Tax Payable                      | 48,692.86               | 44,185.61            |
| Regional School Tax (Overpaid)                | (0.07)                  | (0.07)               |
| Due to State:                                 |                         |                      |
| Marriage Licenses                             | 475.00                  | 325.00               |
| DCA Training Fees                             | 8,258.00                | 8,742.00             |
| Interfund Payable:                            |                         |                      |
| Grant Fund                                    | 154,562.97              | -                    |
| Other:  |                         |                      |
| Payroll Taxes Payable                         | 54,020.19               | 20,607.18            |
| Tax Title Lien Exchange                       | 1,482.58                | 1,482.58             |
| Reserve for Escrow Deposits                   | 309,191.14              | 207,395.20           |
| Reserve for Insurance                         | 490,983.59              | -                    |
|   | <u>4,915,364.00</u>     | <u>2,677,912.36</u>  |
| Reserve for Receivables and Other Assets      | 287,419.49              | 642,486.55           |
| Fund Balance                                  | <u>9,863,171.73</u>     | <u>7,794,716.74</u>  |
| Total Regular Fund                            | <u>15,065,955.22</u>    | <u>11,115,115.65</u> |
| Federal and State Grant Fund:                 |                         |                      |
| Unappropriated Reserves                       | 489,866.74              | 24,581.68            |
| Appropriated Reserves                         | 4,127,481.13            | 3,804,786.97         |
| Reserve for Encumbrances/Accounts Payable     | 107,906.53              | 504,135.18           |
| Due to Current Fund                           | -                       | 396,827.60           |
| Reserve for Revolving Loans Receivable        | <u>600,000.00</u>       | <u>600,000.00</u>    |
| Total Federal and State Grant Fund            | <u>5,325,254.40</u>     | <u>5,330,331.43</u>  |
| Total Current Fund                            | <u>\$ 20,391,209.62</u> | <u>16,445,447.08</u> |



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

|   | 2021            | 2020          |
|---|-----------------|---------------|
| Revenue and Other Income Realized         |                 |               |
| Fund Balance                              | \$ 3,360,000.00 | 3,315,000.00  |
| Miscellaneous Revenue Anticipated         | 9,252,887.86    | 8,395,393.10  |
| Receipts from Delinquent Taxes            | 151,549.36      | 206,178.69    |
| Receipts from Current Taxes               | 29,603,794.41   | 27,973,516.75 |
| Non Budget Revenue                        | 328,132.42      | 176,087.80    |
| Other Credits to Income:                  |                 |               |
| Unexpended Balance of Appropriation Res.  | 1,160,892.18    | 998,684.20    |
| Interfund Returned                        | 396,827.60      | 1,672.03      |
| Grants Cancelled                          | -               | 14,589.32     |
| Prior Year Reserves Cancelled             | -               | 112,746.79    |
| Prior Year Accounts Payable Cancelled     | 201.95          | 164,351.10    |
| Total Income                              | 44,254,285.78   | 41,358,219.78 |
| Expenditures                              |                 |               |
| Budget and Emergency Appropriations:      |                 |               |
| Appropriations Within "CAPS"              |                 |               |
| Operations:                               |                 |               |
| Salaries and Wages                        | 6,946,200.00    | 6,538,150.00  |
| Other Expenses                            | 5,948,965.00    | 5,187,850.00  |
| Deferred Charges & Statutory Expenditures | 1,968,083.00    | 1,772,263.00  |
| Appropriations Excluded from "CAPS"       |                 |               |
| Operations:                               |                 |               |
| Salaries and Wages                        | 827,814.00      | 811,583.00    |
| Other Expenses                            | 803,957.21      | 1,107,548.87  |
| Capital Improvements                      | 422,000.00      | 657,000.00    |
| Debt Service                              | 2,761,600.05    | 2,857,565.25  |
| Deferred Charges                          | 535,484.97      | 400,000.00    |
| Local District School Tax                 | 1,886,377.00    | 1,886,377.00  |
| Regional District School Tax              | 7,525,574.50    | 7,463,009.50  |
| County Tax                                | 9,150,148.37    | 8,504,855.72  |
| County Share of Added Tax                 | 48,692.86       | 44,185.61     |
| Refund of Prior Year Revenue              | 5.00            | -             |
| Interfund Created                         | 928.83          | 397,489.35    |
| Total Expenditures                        | 38,825,830.79   | 37,627,877.30 |
| Excess/(Deficit) in Revenue               | 5,428,454.99    | 3,730,342.48  |

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

|   | 2021            | 2020          |
|---|-----------------|---------------|
| Adjustments to Income before Fund Balance:  |                 |               |
| Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year | -               | -             |
| Total Adjustments   | -               | -             |
| Statutory Excess to Fund Balance  | 5,428,454.99    | 3,730,342.48  |
| Fund Balance January 1  | 7,794,716.74    | 7,379,374.26  |
|   | 13,223,171.73   | 11,109,716.74 |
| Decreased by:   |                 |               |
| Utilization as Anticipated Revenue  | 3,360,000.00    | 3,315,000.00  |
| Fund Balance December 31  | \$ 9,863,171.73 | 7,794,716.74  |

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

|  | Anticipated         |                 | Excess or<br>(Deficit) |
|--|---------------------|-----------------|------------------------|
|  | Budget              | N.J.S. 40A:4-87 |                        |
| Fund Balance Anticipated                                     | \$ 3,360,000.00     | -               | -                      |
| Total Fund Balance Anticipated                               | <u>3,360,000.00</u> | <u>-</u>        | <u>-</u>               |
| Miscellaneous Revenues:                                      |                     |                 |                        |
| Section A: Local Revenues                                    |                     |                 |                        |
| Licenses:  |                     |                 |                        |
| Alcoholic Beverages  | 55,000.00           |                 | 940.00                 |
| Other  | 303,000.00          |                 | 7,779.20               |
| Fees and Permits   | 186,000.00          |                 | 104,978.12             |
| Fines and Costs:   |                     |                 |                        |
| Municipal Court  | 193,000.00          |                 | 54,965.58              |
| Interest and Costs on Taxes                                  | 52,000.00           |                 | (6,753.51)             |
| Parking Meters   | 1,455,000.00        |                 | 767,111.23             |
| Interest Earned on Investments                               | 10,000.00           |                 | 5,583.47               |
| Hotel Room Tax   | 1,150,000.00        |                 | 500,000.00             |
| Lease and Rent Contracts                                     | 450,000.00          |                 | 92,679.93              |
| T.V. Cable Receipts  | 37,000.00           |                 | 2,971.61               |
| Victorian Towers - In Lieu of Taxes                          | 185,000.00          |                 | 25,517.33              |
| Emergency Medical Services                                   | 330,000.00          |                 | 76,385.44              |
| Total Section A: Local Revenues                              | <u>4,406,000.00</u> | <u>-</u>        | <u>1,632,158.40</u>    |
| Section B: State Aid Without Offsetting Appropriations       |                     |                 |                        |
| Energy Receipts Tax  | 337,632.00          |                 | -                      |
| Total Section B: State Aid Without Offsetting Appropriations | <u>337,632.00</u>   | <u>-</u>        | <u>-</u>               |
| Section C: Uniform Construction Code Fees                    |                     |                 |                        |
| Uniform Construction Code Fees                               | 625,000.00          |                 | 210,697.80             |
| Total Section C: Uniform Construction Code Fees              | <u>625,000.00</u>   | <u>-</u>        | <u>210,697.80</u>      |
| Section D: Interlocal Municipal Service Agreements           |                     |                 |                        |
| Interlocal Agreement with West Cape May (Police Protection)  | 515,992.00          |                 | 1.00                   |
| Interlocal Agreement with Cape May Point (Police Protection) | 311,822.00          |                 | -                      |
| Total Section D: Interlocal Municipal Service Agreements     | <u>827,814.00</u>   | <u>-</u>        | <u>1.00</u>            |

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

|   | Anticipated          |                   | Realized             | Excess or<br>(Deficit) |
|---|----------------------|-------------------|----------------------|------------------------|
|   | Budget               | N.J.S. 40A:4-87   |                      |                        |
| Section F: Special Items - Public and Private Programs                    |                      |                   |                      |                        |
| Off-Set with Appropriations   |                      |                   |                      |                        |
| Bureau of Housing Inspection  | 9,237.00             |                   | 9,237.00             | -                      |
| Body Armor Grant  | 2,094.76             |                   | 2,094.76             | -                      |
| NJLPS COPS in Shops - 2021  | 2,249.92             |                   | 2,249.92             | -                      |
| Emergency Management Grant  | 10,000.00            |                   | 10,000.00            | -                      |
| NJDCA-Neighborhood Preservation Program COVID-19 Relief                   | 1,000.00             |                   | 1,000.00             | -                      |
| NJ DEP - Historic Trust Grant   | 24,999.00            |                   | 24,999.00            | -                      |
| Recycling Tonnage Grant   |                      | 24,493.21         | 24,493.21            | -                      |
| Clean Communities   |                      | 19,469.66         | 19,469.66            | -                      |
| R. Kennedy - Law Enforcement Against Drugs Support                        |                      | 2,940.00          | 2,940.00             | -                      |
| USDA Rural Development - Predevelopment Planning Grant                    |                      | 29,000.00         | 29,000.00            | -                      |
| U.S. Small Business Administration-Shuttered Venue Grant                  |                      | 176,703.66        | 176,703.66           | -                      |
| 2021 WaWa Foundation Grant - Police Department Equipment                  |                      | 10,000.00         | 10,000.00            | -                      |
| Next Gen 30 - Purchase of Two Basketball Systems for Kiwanis Park         |                      | 4,596.00          | 4,596.00             | -                      |
| DCA-Small Cities Block Grant-Water Main from Well #8                      |                      | 400,000.00        | 400,000.00           | -                      |
| <b>Total Section F: Special Items - Public and Private Programs</b>       | <b>49,580.68</b>     | <b>667,202.53</b> | <b>716,783.21</b>    | <b>-</b>               |
| Off-Set with Appropriations   |                      |                   |                      |                        |
| Section G: Other Special Items  |                      |                   |                      |                        |
| Uniform Fire Safety Act   | 225,000.00           |                   | 246,801.45           | 21,801.45              |
| Water & Sewer Utility Contribution to Street Improvements                 | 50,000.00            |                   | 50,000.00            | -                      |
| Reserve to Pay Debt Service   | 200,000.00           |                   | 200,000.00           | -                      |
| <b>Total Section G: Other Special Items</b>                               | <b>475,000.00</b>    | <b>-</b>          | <b>496,801.45</b>    | <b>21,801.45</b>       |
| <b>Total Miscellaneous Revenues:</b>                                      | <b>6,721,026.68</b>  | <b>667,202.53</b> | <b>9,252,887.86</b>  | <b>1,864,658.65</b>    |
| <b>Receipts from Delinquent Taxes</b>                                     | <b>150,000.00</b>    |                   | <b>151,549.36</b>    | <b>1,549.36</b>        |
| <b>Amount to be Raised by Taxes for Support of Municipal Budget</b>       | <b>10,560,829.82</b> |                   | <b>11,797,224.03</b> | <b>1,236,394.21</b>    |
| <b>Local Tax for Municipal Purposes</b>                                   | <b>10,560,829.82</b> | <b>-</b>          | <b>11,797,224.03</b> | <b>1,236,394.21</b>    |
| <b>Total Amount to be Raised by Taxes for Support of Municipal Budget</b> | <b>20,791,856.50</b> | <b>667,202.53</b> | <b>24,561,661.25</b> | <b>3,102,602.22</b>    |
| <b>Budget Totals</b>  |                      |                   |                      |                        |
| <b>Non- Budget Revenues:</b>  |                      |                   | <b>328,132.42</b>    | <b>328,132.42</b>      |
| <b>Other Non- Budget Revenues:</b>  |                      |                   | <b>24,889,793.67</b> | <b>3,430,734.64</b>    |
| <b>\$</b>   | <b>20,791,856.50</b> | <b>667,202.53</b> | <b>24,889,793.67</b> | <b>3,430,734.64</b>    |

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, 2021**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

|                          |               |
|--------------------------|---------------|
| Revenue from Collections | 29,603,794.41 |
|--------------------------|---------------|

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

|                              |               |
|------------------------------|---------------|
| Net Revenue from Collections | 29,603,794.41 |
|------------------------------|---------------|

Allocated to:

|                                |               |
|--------------------------------|---------------|
| School, County and Other Taxes | 19,048,125.23 |
|--------------------------------|---------------|

|  |               |
|--|---------------|
| Balance for Support of Municipal Budget Appropriations | 10,555,669.18 |
|--|---------------|

Increased by:

|  |              |
|--|--------------|
| Appropriation "Reserved for Uncollected Taxes" | 1,241,554.85 |
|--|--------------|

|   |               |
|---|---------------|
| Amount for Support of Municipal Budget Appropriations | 11,797,224.03 |
|---|---------------|

Receipts from Delinquent Taxes:

|                           |            |
|---------------------------|------------|
| Tax Title Lien Collection | -          |
| Delinquent Tax Collection | 151,549.36 |

|                                      |            |
|--------------------------------------|------------|
| Total Receipts from Delinquent Taxes | 151,549.36 |
|--------------------------------------|------------|

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

|                          |           |
|--------------------------|-----------|
| Accident Report          | 5,492.00  |
| Clerk's office           | 92,603.80 |
| Liquor License Transfer  | 750.00    |
| Copy Machines            | 188.22    |
| Sale of Municipal Assets | 88,650.70 |
| GIS                      | 16,685.00 |
| Parking Fees             | 11,875.00 |
| Police Applications      | 3,275.00  |
| Housing Authority PILOT  | 13,698.60 |
| NSF Fees                 | 780.00    |
| Restitution              | 205.00    |
| Cancelled Checks         | 36,673.58 |
| Shade Tree               | 2,975.00  |
| Marriage Ceremony/Fees   | 20,997.00 |
| JIF                      | 2,750.00  |
| 2% Admin Fee             | 768.00    |
| Cape May Pt - Court      | 14,643.80 |
| Dog Excess Revenue       | 926.91    |
| FEMA                     | 5,008.46  |
| Miscellaneous            | 9,186.35  |

|  |            |
|--|------------|
| Total Miscellaneous Revenue Not Anticipated: | 328,132.42 |
|--|------------|

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

|   | Appropriations |                            | Paid or Charged | Expended   |            | (Over expended) Unexpended Balance Cancelled |
|---|----------------|----------------------------|-----------------|------------|------------|--|
|   | Budget         | Budget After Modifications |                 | Encumbered | Reserved   |  |
| <b>OPERATIONS WITHIN "CAPS"</b>         |                |                            |                 |            |            |  |
| <b>GENERAL GOVERNMENT:</b>              |                |                            |                 |            |            |  |
| General Administration                  |                |                            |                 |            |            |  |
| Salaries & Wages                        | \$ 152,500.00  | 152,500.00                 | 134,664.54      |            | 17,835.46  | -  |
| Other Expenses                          | 188,750.00     | 188,750.00                 | 129,565.19      | 4,908.00   | 54,276.81  | -  |
| Mayor and Council                       |                |                            |                 |            |            |  |
| Salaries & Wages                        | 66,500.00      | 66,500.00                  | 30,093.14       |            | 36,406.86  | -  |
| Other Expenses                          | 7,300.00       | 7,300.00                   | 6,079.20        |            | 1,220.80   | -  |
| City Clerk                              |                |                            |                 |            |            |  |
| Salaries & Wages                        | 204,350.00     | 204,350.00                 | 187,830.55      |            | 16,519.45  | -  |
| Other Expenses                          | 24,450.00      | 24,450.00                  | 20,081.71       | 1,306.00   | 3,062.29   | -  |
| Financial Administration                |                |                            |                 |            |            |  |
| Salaries & Wages                        | 177,350.00     | 177,350.00                 | 170,674.07      |            | 6,675.93   | -  |
| Other Expenses                          | 15,800.00      | 15,800.00                  | 11,700.89       | 1,163.29   | 2,935.82   | -  |
| Audit Services                          |                |                            |                 |            |            |  |
| Other Expenses                          | 28,000.00      | 28,000.00                  | 28,000.00       |            | -          | -  |
| Assessment of Taxes                     |                |                            |                 |            |            |  |
| Salaries & Wages                        | 118,000.00     | 118,000.00                 | 116,729.54      |            | 1,270.46   | -  |
| Other Expenses                          | 26,065.00      | 26,065.00                  | 7,383.42        | 3,736.45   | 14,945.13  | -  |
| Collection of Taxes                     |                |                            |                 |            |            |  |
| Salaries & Wages                        | 72,250.00      | 72,250.00                  | 55,497.01       |            | 16,752.99  | -  |
| Other Expenses                          | 11,000.00      | 11,000.00                  | 4,969.69        | 131.15     | 5,899.16   | -  |
| Legal Services                          |                |                            |                 |            |            |  |
| Other Expenses                          |                |                            |                 |            |            |  |
| Miscellaneous Other Expenses            | 500,000.00     | 350,000.00                 | 277,182.95      |            | 72,817.05  | -  |
| Engineering & Planning Services         |                |                            |                 |            |            |  |
| Other Expenses                          | 70,000.00      | 70,000.00                  | 26,197.50       |            | 43,802.50  | -  |
| Economic Development                    |                |                            |                 |            |            |  |
| Other Expenses                          | 15,000.00      | 15,000.00                  | 6,660.00        |            | 8,340.00   | -  |
| Emergency Medical Services - Collection |                |                            |                 |            |            |  |
| Contractual Expenses                    | 18,000.00      | 18,000.00                  | 17,065.20       |            | 934.80     | -  |
| <b>INSURANCE</b>                        |                |                            |                 |            |            |  |
| General Liability                       |                |                            |                 |            |            |  |
| Workers Compensation                    | 330,000.00     | 330,000.00                 | 222,809.57      |            | 107,190.43 | -  |
| Employee Group Health                   | 373,000.00     | 373,000.00                 | 315,898.63      |            | 57,101.37  | -  |
| Employee Group Health Waiver            | 2,310,000.00   | 2,155,000.00               | 1,707,909.06    |            | 447,090.94 | -  |
| Salaries & Wages                        | 45,000.00      | 45,000.00                  | 30,437.70       |            | 14,562.30  | -  |

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

|                                 | Appropriations |                            | Paid or Charged | Expended   |            | (Over expended) Unexpended Balance Cancelled |
|---------------------------------|----------------|----------------------------|-----------------|------------|------------|--|
|                                 | Budget         | Budget After Modifications |                 | Encumbered | Reserved   |  |
|                                 |                |                            |                 |            |            |  |
| <b>LAND USE ADMINISTRATION</b>  |                |                            |                 |            |            |  |
| Planning Board                  |                |                            |                 |            |            |  |
| Salaries & Wages                | 20,000.00      | 20,000.00                  | 15,285.50       |            | 4,714.50   | -  |
| Other Expenses                  | 25,350.00      | 25,350.00                  | 20,580.86       |            | 4,769.14   | -  |
| Zoning Board of Adjustment      |                |                            |                 |            |            |  |
| Salaries & Wages                | 55,000.00      | 55,000.00                  | 53,401.64       |            | 1,598.36   | -  |
| Other Expenses                  | 18,200.00      | 18,200.00                  | 9,826.10        |            | 8,373.90   | -  |
| <b>PUBLIC SAFETY</b>            |                |                            |                 |            |            |  |
| Fire                            |                |                            |                 |            |            |  |
| Salaries & Wages                | 1,593,450.00   | 1,593,450.00               | 1,418,699.40    |            | 174,750.60 | -  |
| Other Expenses                  | 87,750.00      | 87,750.00                  | 52,519.82       | 7,309.21   | 27,920.97  | -  |
| Aid to Volunteer Fire Company   |                |                            |                 |            |            |  |
| Other Expenses                  | 37,500.00      | 37,500.00                  | 37,500.00       |            | -          | -  |
| Police                          |                |                            |                 |            |            |  |
| Salaries & Wages                | 1,855,250.00   | 1,855,250.00               | 1,666,840.46    |            | 188,409.54 | -  |
| Other Expenses                  | 162,350.00     | 162,350.00                 | 112,770.77      | 341,952.28 | 7,626.95   | -  |
| Emergency Management Services   |                |                            |                 |            |            |  |
| Salaries & Wages                | 9,250.00       | 9,250.00                   | 4,132.99        | 1,795.63   | 9,250.00   | -  |
| Other Expenses                  | 6,500.00       | 6,500.00                   |                 |            | 571.38     | -  |
| Parking and Traffic Maintenance |                |                            |                 |            |            |  |
| Salaries & Wages                | 111,500.00     | 111,500.00                 | 105,623.44      |            | 5,876.56   | -  |
| Other Expenses                  | 115,000.00     | 115,000.00                 | 55,819.31       | 24,048.39  | 35,132.30  | -  |
| Public Safety                   |                |                            |                 |            |            |  |
| Other Expenses                  | 1,000.00       | 1,000.00                   | 1,000.00        |            | -          | -  |
| Municipal Court                 |                |                            |                 |            |            |  |
| Salaries & Wages                | 105,250.00     | 105,250.00                 | 100,374.04      |            | 4,875.96   | -  |
| Other Expenses                  | 85,000.00      | 85,000.00                  | 63,507.12       | 947.46     | 20,545.42  | -  |
| Public Defender                 |                |                            |                 |            |            |  |
| Other Expenses                  | 8,300.00       | 8,300.00                   | 7,500.00        |            | 800.00     | -  |
| <b>PUBLIC WORKS FUNCTION</b>    |                |                            |                 |            |            |  |
| Road Repairs and Maintenance    |                |                            |                 |            |            |  |
| Salaries & Wages                | 673,350.00     | 673,350.00                 | 568,644.46      |            | 104,705.54 | -  |
| Other Expenses                  | 260,250.00     | 260,250.00                 | 224,895.94      | 15,118.20  | 20,235.86  | -  |
| Sanitary Landfill Contractual   |                |                            |                 |            |            |  |
| Other Expenses                  | 27,000.00      | 27,000.00                  | 12,239.46       |            | 14,760.54  | -  |
| Recycling                       |                |                            |                 |            |            |  |
| Salaries & Wages                | 189,800.00     | 189,800.00                 | 74,099.80       |            | 115,700.20 | -  |
| Other Expenses                  | 130,200.00     | 130,200.00                 | 46,059.19       | 1,142.43   | 82,998.38  | -  |

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, 2021**

|  | Appropriations       |                            | Paid or Charged      | Expended          |                     | (Over expended) Unexpended Balance Cancelled |
|--|----------------------|----------------------------|----------------------|-------------------|---------------------|--|
|  | Budget               | Budget After Modifications |                      | Encumbered        | Reserved            |  |
| Public Buildings and Grounds                         |                      |                            |                      |                   |                     |  |
| Salaries & Wages                                     | 669,000.00           | 669,000.00                 | 546,087.20           |                   | 122,912.80          | -  |
| Other Expenses                                       | 416,400.00           | 416,400.00                 | 307,134.83           | 23,442.36         | 85,822.81           | -  |
| Shade Tree Commission                                |                      |                            |                      |                   |                     |  |
| Salaries & Wages                                     | 10,500.00            | 10,500.00                  | 6,923.16             |                   | 3,576.84            | -  |
| Other Expenses                                       | 45,000.00            | 45,000.00                  | 34,388.27            | 5,465.00          | 5,146.73            | -  |
| Property Maintenance Enforcement                     |                      |                            |                      |                   |                     |  |
| Other Expenses                                       | 2,500.00             | 2,500.00                   |                      |                   | 2,500.00            | -  |
| <b>HEALTH AND HUMAN SERVICES</b>                     |                      |                            |                      |                   |                     |  |
| Uniform Fire Safety                                  |                      |                            |                      |                   |                     |  |
| Salaries & Wages                                     | 170,500.00           | 165,500.00                 | 137,629.84           |                   | 27,870.16           | -  |
| Other Expenses                                       | 33,000.00            | 38,000.00                  | 16,495.52            | 19,015.81         | 2,488.67            | -  |
| Environmental Commission                             |                      |                            |                      |                   |                     |  |
| Salaries & Wages                                     | 2,400.00             | 2,400.00                   | 1,600.00             |                   | 800.00              | -  |
| Other Expenses                                       | 3,500.00             | 3,500.00                   |                      |                   | 3,500.00            | -  |
| <b>PARKS AND RECREATION FUNCTIONS</b>                |                      |                            |                      |                   |                     |  |
| Civic Affairs  |                      |                            |                      |                   |                     |  |
| Salaries & Wages                                     | 159,000.00           | 159,000.00                 | 39,771.78            |                   | 119,228.22          | -  |
| Other Expenses                                       | 55,000.00            | 55,000.00                  | 42,758.57            | 810.90            | 11,430.53           | -  |
| Historic Preservation Commission                     |                      |                            |                      |                   |                     |  |
| Salaries & Wages                                     | 55,000.00            | 55,000.00                  | 21,576.00            |                   | 33,424.00           | -  |
| Other Expenses                                       | 20,000.00            | 20,000.00                  | 10,279.05            | 75.00             | 9,645.95            | -  |
| Grants Coordinator                                   |                      |                            |                      |                   |                     |  |
| Other Expenses                                       | 42,000.00            | 42,000.00                  | 39,225.00            |                   | 2,775.00            | -  |
| <b>UNIFORM CONSTRUCTION CODE</b>                     |                      |                            |                      |                   |                     |  |
| State Uniform Construction Code                      |                      |                            |                      |                   |                     |  |
| Construction Official                                |                      |                            |                      |                   |                     |  |
| Salaries & Wages                                     | 436,000.00           | 436,000.00                 | 408,190.30           |                   | 27,809.70           | -  |
| Other Expenses                                       | 52,300.00            | 52,300.00                  | 11,482.67            | 30,665.12         | 10,152.21           | -  |
| <b>UNCLASSIFIED</b>                                  |                      |                            |                      |                   |                     |  |
| Celebration of Public Events, Anniversary or Holiday |                      |                            |                      |                   |                     |  |
| <b>UTILITY EXPENSES AND BULK PURCHASES</b>           |                      |                            |                      |                   |                     |  |
| General Office Operations                            |                      |                            |                      |                   |                     |  |
| Street Lighting                                      | 145,000.00           | 150,000.00                 | 139,187.33           | 10,074.08         | 738.59              | -  |
| Gas Lighting   | 150,000.00           | 150,000.00                 | 133,522.39           | 2,036.57          | 14,441.04           | -  |
| Gas Lighting - Parts                                 | 38,500.00            | 38,500.00                  | 30,407.66            | 331.12            | 7,761.22            | -  |
| Gas Lighting - Parts                                 | 18,000.00            | 18,000.00                  | 8,173.90             | 9,793.90          | 32.20               | -  |
| <b>TOTAL OPERATIONS WITHIN "CAPS"</b>                | <b>12,894,165.00</b> | <b>12,894,165.00</b>       | <b>10,128,314.87</b> | <b>505,688.35</b> | <b>2,260,161.78</b> | <b>-</b>                                     |

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, 2021**

|  | Appropriations       |                            | Paid or Charged      | Expended          |                     | (Over expended) Unexpended Balance Cancelled |
|--|----------------------|----------------------------|----------------------|-------------------|---------------------|--|
|  | Budget               | Budget After Modifications |                      | Encumbered        | Reserved            |  |
| Contingent   | 1,000.00             | 1,000.00                   |                      |                   | 1,000.00            | -  |
| <b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>               | <b>12,895,165.00</b> | <b>12,895,165.00</b>       | <b>10,128,314.87</b> | <b>505,688.35</b> | <b>2,261,161.78</b> | <b>-</b>                                     |
| Detail:  |                      |                            |                      |                   |                     |  |
| Salaries & Wages   | 6,951,200.00         | 6,946,200.00               | 5,890,673.57         | -                 | 1,055,526.43        | -  |
| Other Expenses   | 5,943,965.00         | 5,948,965.00               | 4,237,641.30         | 505,688.35        | 1,205,635.35        | -  |
| <b>DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>                      |                      |                            |                      |                   |                     |  |
| Deferred Charges:  |                      |                            |                      |                   |                     |  |
| None   | -                    | -                          | -                    | -                 | -                   | -  |
| Statutory Expenditures:  |                      |                            |                      |                   |                     |  |
| Contributions to:  |                      |                            |                      |                   |                     |  |
| Public Employees' Retirement System                                      | 488,484.00           | 488,484.00                 | 443,484.00           | 437.69            | 44,562.31           | -  |
| Social Security System (O.A.S.I.)  | 366,000.00           | 366,000.00                 | 301,437.61           |                   | 64,562.39           | -  |
| Police and Firemen's Retirement System                                   | 967,599.00           | 967,599.00                 | 967,599.00           |                   | -                   | -  |
| Unemployment Compensation Insurance                                      | 26,000.00            | 26,000.00                  | 26,000.00            |                   | -                   | -  |
| Reserve for Retirement Trust   | 115,000.00           | 115,000.00                 | 115,000.00           |                   | -                   | -  |
| Defined Contribution Retirement Program                                  | 5,000.00             | 5,000.00                   | 1,090.03             |                   | 3,909.97            | -  |
| <b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>                | <b>1,968,083.00</b>  | <b>1,968,083.00</b>        | <b>1,854,610.64</b>  | <b>437.69</b>     | <b>113,034.67</b>   | <b>-</b>                                     |
| <b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b> | <b>14,863,248.00</b> | <b>14,863,248.00</b>       | <b>11,982,925.51</b> | <b>506,126.04</b> | <b>2,374,196.45</b> | <b>-</b>                                     |
| <b>OPERATIONS - EXCLUDED FROM "CAPS"</b>                                 |                      |                            |                      |                   |                     |  |
| (A) Operations - Excluded from "CAPS"                                    |                      |                            |                      |                   |                     |  |
| Length of Service Award Program - Fire                                   | 20,000.00            | 20,000.00                  |                      |                   | 20,000.00           | -  |
| Interlocal Municipal Service Agreements                                  |                      |                            |                      |                   |                     |  |
| Police Protection West Cape May & Cape May Point                         |                      |                            |                      |                   |                     |  |
| Contractual - West Cape May - Salaries & Wages                           | 515,992.00           | 515,992.00                 | 515,992.00           |                   | -                   | -  |
| Contractual - Cape May Point - Salaries & Wages                          | 311,822.00           | 311,822.00                 | 311,822.00           |                   | -                   | -  |
| Rental of Borough Property - West Cape May                               | 42,174.00            | 42,174.00                  | 42,174.00            |                   | -                   | -  |
| <b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>                           | <b>889,988.00</b>    | <b>889,988.00</b>          | <b>869,988.00</b>    | <b>-</b>          | <b>20,000.00</b>    | <b>-</b>                                     |

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, 2021**

|   | Appropriations      |                            | Paid or Charged     | Expended   |                  | (Over expended) Unexpended Balance Cancelled |
|---|---------------------|----------------------------|---------------------|------------|------------------|--|
|   | Budget              | Budget After Modifications |                     | Encumbered | Reserved         |  |
| (A) Public and Private Programs Off-Set by Revenues               |                     |                            |                     |            |                  |  |
| Bureau of Housing Inspection                                      | 9,237.00            | 9,237.00                   | 9,237.00            | -          | -                | -  |
| Body Armor Grant  | 2,094.76            | 2,094.76                   | 2,094.76            | -          | -                | -  |
| NULPS COPS in Shops   | 2,249.92            | 2,249.92                   | 2,249.92            | -          | -                | -  |
| Emergency Management Grant  | 10,000.00           | 10,000.00                  | 10,000.00           | -          | -                | -  |
| NJDCA-Neighborhood Preservation Program COVID-19 Relief           | 1,000.00            | 1,000.00                   | 1,000.00            | -          | -                | -  |
| NJ DEP - Historic Trust Grant                                     | 24,999.00           | 24,999.00                  | 24,999.00           | -          | -                | -  |
| Recycling Tonnage Grant   | 24,493.21           | 24,493.21                  | 24,493.21           | -          | -                | -  |
| Clean Communities   | 19,469.66           | 19,469.66                  | 19,469.66           | -          | -                | -  |
| R. Kennedy - Law Enforcement Against Drugs Support                | 2,940.00            | 2,940.00                   | 2,940.00            | -          | -                | -  |
| USDA Rural Development - Predevelopment Planning Grant            | 29,000.00           | 29,000.00                  | 29,000.00           | -          | -                | -  |
| U.S. Small Business Administration-Shuttered Venue Grant          | 176,703.66          | 176,703.66                 | 176,703.66          | -          | -                | -  |
| 2021 WaWa Foundation Grant - Police Department Equipment          | 10,000.00           | 10,000.00                  | 10,000.00           | -          | -                | -  |
| Next Gen 30 - Purchase of Two Basketball Systems for Kivanas Park | 4,596.00            | 4,596.00                   | 4,596.00            | -          | -                | -  |
| DCA-Small Cities Block Grant-Water Main from Well #8              | 400,000.00          | 400,000.00                 | 400,000.00          | -          | -                | -  |
| Matching Funds for Grants   | 25,000.00           | 25,000.00                  |                     | 25,000.00  |                  |  |
| Total Public and Private Programs Off-Set by Revenues             | <u>74,580.68</u>    | <u>741,783.21</u>          | <u>716,783.21</u>   | <u>-</u>   | <u>25,000.00</u> | <u>-</u>                                     |
| Total Operations - Excluded from "CAPS"                           |                     |                            |                     |            |                  |  |
| Detail:   |                     |                            |                     |            |                  |  |
| Salaries & Wages  | 827,814.00          | 827,814.00                 | 827,814.00          | -          | -                | -  |
| Other Expenses  | 136,754.68          | 803,957.21                 | 758,957.21          | -          | 45,000.00        | -  |
| (C) Capital Improvements  |                     |                            |                     |            |                  |  |
| Capital Improvement Fund  | 200,000.00          | 200,000.00                 | 200,000.00          | -          | -                | -  |
| Reserve for Open Space Acquisitions                               | 222,000.00          | 222,000.00                 | 222,000.00          | -          | -                | -  |
| Total Capital Improvements  | <u>422,000.00</u>   | <u>422,000.00</u>          | <u>422,000.00</u>   | <u>-</u>   | <u>-</u>         | <u>-</u>                                     |
| (D) Debt Service  |                     |                            |                     |            |                  |  |
| Payment of Bond Principal   | 1,980,000.00        | 1,980,000.00               | 1,980,000.00        | -          | -                | 525.00                                       |
| Interest on Bonds   | 684,000.00          | 684,000.00                 | 683,475.00          | -          | -                | -  |
| Green Trust Loan Program:   |                     |                            |                     |            |                  |  |
| Loan Repayments for Principal and Interest                        | 20,200.00           | 20,200.00                  | 20,186.00           | -          | -                | 14.00  |
| NJEIT Loans & Bonds   | 14,500.00           | 14,500.00                  | 11,975.74           | -          | -                | 2,524.26                                     |
| Capital Lease Obligations:  |                     |                            |                     |            |                  |  |
| Principal   | 50,300.00           | 50,300.00                  | 50,277.79           | -          | -                | 22.21  |
| Interest  | 16,000.00           | 16,000.00                  | 15,685.52           | -          | -                | 314.48                                       |
| Total Debt Service  | <u>2,765,000.00</u> | <u>2,765,000.00</u>        | <u>2,761,600.05</u> | <u>-</u>   | <u>-</u>         | <u>3,399.95</u>                              |

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

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

|  | Appropriations          |                            | Paid or Charged      | Expended          |                     | (Over expended) Unexpended Balance Cancelled |
|--|-------------------------|----------------------------|----------------------|-------------------|---------------------|--|
|  | Budget                  | Budget After Modifications |                      | Encumbered        | Reserved            |  |
| (E) Deferred Charges   |                         |                            |                      |                   |                     |  |
| Deferred Charges - Future Taxation Unfunded                              | 535,484.97              | 535,484.97                 | 535,484.97           | -                 | -                   | -  |
| Total Deferred Charges   | <u>535,484.97</u>       | <u>535,484.97</u>          | <u>535,484.97</u>    | <u>-</u>          | <u>-</u>            | <u>-</u>                                     |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS" | 4,687,053.65            | 5,354,256.18               | 5,305,856.23         | -                 | 45,000.00           | 3,399.95                                     |
| SUBTOTAL GENERAL APPROPRIATIONS  | <u>19,550,301.65</u>    | <u>20,217,504.18</u>       | <u>17,288,781.74</u> | <u>506,126.04</u> | <u>2,419,196.45</u> | <u>3,399.95</u>                              |
| (M) Reserve for Uncollected Taxes  | 1,241,554.85            | 1,241,554.85               | 1,241,554.85         | -                 | -                   | -  |
| TOTAL GENERAL APPROPRIATIONS   | <u>\$ 20,791,856.50</u> | <u>21,459,059.03</u>       | <u>18,530,336.59</u> | <u>506,126.04</u> | <u>2,419,196.45</u> | <u>3,399.95</u>                              |
| Budget Appropriations by 40A-4-87  |                         | 20,791,856.50              |                      |                   | Cancelled           | 3,399.95                                     |
|  |                         | <u>687,202.53</u>          |                      |                   | Overexpended        | <u>-</u>                                     |
|  |                         | <u>21,459,059.03</u>       |                      |                   |                     | <u>3,399.95</u>                              |
| Reserve for Uncollected Taxes  |                         |                            | 1,241,554.85         |                   |                     |  |
| Federal and State Grants   |                         |                            | 716,783.21           |                   |                     |  |
| Rental of Borough Property - West Cape May                               |                         |                            | 42,174.00            |                   |                     |  |
| Disbursements  |                         |                            | 16,529,824.53        |                   |                     |  |
|  |                         |                            | <u>18,530,336.59</u> |                   |                     |  |

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

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**EXHIBIT - B  
TRUST FUND**



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

|  | <u>2021</u>            | <u>2020</u>         |
|--|------------------------|---------------------|
| <u>Assets</u>                                  |                        |                     |
| <u>Animal Control Fund</u>                     |                        |                     |
| Cash and Investments                           | \$ 4,237.18            | 3,350.27            |
|  | <u>4,237.18</u>        | <u>3,350.27</u>     |
| <u>Length of Service Award Program (LOSAP)</u> |                        |                     |
| Investments                                    |                        |                     |
| Mutual Funds                                   | 428,398.09             | 373,255.76          |
|  | <u>428,398.09</u>      | <u>373,255.76</u>   |
| <u>Other Funds</u>                             |                        |                     |
| Cash and Investments                           | 4,401,959.37           | 3,937,615.17        |
|  | <u>4,401,959.37</u>    | <u>3,937,615.17</u> |
|  | <u>\$ 4,834,594.64</u> | <u>4,314,221.20</u> |

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

|  | 2021            | 2020         |
|--|-----------------|--------------|
| <u>Liabilities, Reserves and Fund Balance</u>  |                 |              |
| <u>Animal Control Fund</u>                     |                 |              |
| Reserve for Animal Control Expenditures        | \$ 2,627.87     | 2,667.27     |
| Due to Current Fund                            | 1,605.11        | 678.20       |
| Due to State of New Jersey                     | 4.20            | 4.80         |
|  | 4,237.18        | 3,350.27     |
| <u>Length of Service Award Program (LOSAP)</u> |                 |              |
| Net Assets Available for Benefits              | 428,398.09      | 373,255.76   |
|  | 428,398.09      | 373,255.76   |
| <u>Other Funds</u>                             |                 |              |
| Reserve for:                                   |                 |              |
| Due to Current Fund                            | 10.47           | 8.55         |
| Unemployment Compensation                      | 62,756.02       | 44,015.32    |
| Retirement Fund                                | 62,029.71       | 102,504.47   |
| Parking Offense Adjudication Act               | 23,232.89       | 24,279.89    |
| Street Openings                                | 195,144.41      | 182,025.17   |
| Tax Lien Premiums                              | 2,070.26        | 2,070.26     |
| Parking Escrow                                 | 190,444.72      | 157,771.07   |
| Lifeguard Pension                              | 667,633.69      | 642,555.02   |
| Police Forfeiture                              | 1,622.89        | 1,621.39     |
| COAH   | 1,673,552.27    | 1,421,536.55 |
| Fire Safety                                    | 7,103.53        | 8,993.99     |
| Neighborhood Revitalization                    | 143,676.40      | 143,543.87   |
| Security Deposits                              | 26,774.42       | 26,749.73    |
| DARE   | 539.68          | 539.17       |
| Small Cities Block Grant                       | 752,201.37      | 751,516.58   |
| Public Assistance                              | 3,592.80        | 3,589.46     |
| Performance Bond                               | 467,522.53      | 362,053.54   |
| Police Off-Duty                                | 116,730.37      | 54,178.69    |
| Flexible Spending                              | 1,525.71        | 5,163.03     |
| Fishermen's Memorial                           | 3,100.38        | 2,205.21     |
| Dellas Field                                   | 694.85          | 694.21       |
|  | 4,401,959.37    | 3,937,615.17 |
|  | \$ 4,834,594.64 | 4,314,221.20 |



**EXHIBIT - C**  
**GENERAL CAPITAL FUND**



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

| <u>ASSETS</u>                                    | <u>2021</u>             | <u>2020</u>          |
|--|-------------------------|----------------------|
| Cash   | \$ 9,981,045.99         | 3,213,013.19         |
| Deferred Charges to Future Taxation -            |                         |                      |
| Funded   | 25,533,561.49           | 19,311,185.32        |
| Unfunded   | 8,368,406.00            | 25,426,994.97        |
| State Grant Receivable                           | 303,066.77              | 303,066.77           |
| NJEIT Loans Receivable                           | 35,670.53               | 35,670.53            |
|  | <u>44,221,750.78</u>    | <u>48,289,930.78</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u>    |                         |                      |
| Encumbrances Payable                             | 5,445,303.45            | 1,213,984.13         |
| Serial Bonds Payable                             | 24,885,000.00           | 19,195,000.00        |
| Green Trust Loan Payable                         | 77,228.34               | 95,593.83            |
| Capital Lease Payable                            | 571,333.15              | -                    |
| Environmental Infrastructure Trust Loans Payable | -                       | 20,591.49            |
| Improvement Authorizations:                      |                         |                      |
| Funded   | 1,866,956.25            | 1,365,442.38         |
| Unfunded   | 6,171,798.11            | 21,260,756.64        |
| Reserve to Pay Bonds or Notes                    | 924,658.87              | 1,072,204.96         |
| Reserve for Open Space                           | 3,052,569.00            | 2,830,569.00         |
| Reserves Other                                   | 26,575.60               | 26,575.60            |
| Capital Improvement Fund                         | 283,407.00              | 490,011.00           |
| Fund Balance                                     | 916,921.01              | 719,201.75           |
|  | <u>\$ 44,221,750.78</u> | <u>48,289,930.78</u> |

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

|      |               |
|------|---------------|
| 2020 | 25,426,994.97 |
| 2021 | 8,368,406.00  |

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

|  | <u>2021</u>          | <u>2020</u>       |
|--|----------------------|-------------------|
| Beginning Balance January 1                        | \$ 719,201.75        | 594,201.75        |
| Increased by:                                      |                      |                   |
| Pool Ordinance 2014-283                            | 100,000.00           | 125,000.00        |
| Close Improvement Authorizations                   | 202,719.26           | -                 |
| Decreased by:                                      |                      |                   |
| Appropriated to Finance Improvement Authorizations | 105,000.00           | -                 |
| Ending Balance December 31                         | <u>\$ 916,921.01</u> | <u>719,201.75</u> |

**EXHIBIT - D**  
**WATER AND SEWER UTILITY FUND**



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

|  | 2021             | 2020          |
|--|------------------|---------------|
| <b><u>ASSETS</u></b>                             |                  |               |
| Operating Fund:                                  |                  |               |
| Cash   | \$ 2,268,793.77  | 1,529,741.03  |
|  | 2,268,793.77     | 1,529,741.03  |
| Receivables and Other Assets with Full Reserves: |                  |               |
| Consumer Accounts Receivable                     | 414,047.96       | 202,901.59    |
|  | 414,047.96       | 202,901.59    |
| Total Operating Fund                             | 2,682,841.73     | 1,732,642.62  |
| Capital Fund:                                    |                  |               |
| Cash   | 389,786.27       | 1,269,527.15  |
| Loans Receivable                                 | 266,689.47       | 459,132.47    |
| Fixed Capital                                    | 18,975,433.85    | 18,975,433.85 |
| Fixed Capital - Authorized and Uncompleted       | 28,440,155.99    | 27,440,155.99 |
| Total Capital Fund                               | 48,072,065.58    | 48,144,249.46 |
|  | \$ 50,754,907.31 | 49,876,892.08 |

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

|   | 2021             | 2020          |
|---|------------------|---------------|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> |                  |               |
| Operating Fund:                               |                  |               |
| Appropriation Reserves                        | \$ 738,261.34    | 315,635.44    |
| Reserve for Encumbrances                      | 39,066.14        | 101,407.77    |
| Overpaid Rents                                | 47,722.08        | 33,729.01     |
| Sales Tax Payable                             | 190.71           | 190.71        |
| Accrued Interest on Bonds and Notes           | 104,669.98       | 164,562.50    |
| Reserve for Sewer Treatment Plant             | 809.71           | 809.71        |
|   | 930,719.96       | 616,335.14    |
| Reserve for Receivables                       | 414,047.96       | 202,901.59    |
| Fund Balance                                  | 1,338,073.81     | 913,405.89    |
|   | 2,682,841.73     | 1,732,642.62  |
| Total Operating Fund                          |                  |               |
| Capital Fund:                                 |                  |               |
| Encumbrances Payable                          | 39,941.93        | 844,287.57    |
| Serial Bonds Payable                          | 11,312,920.00    | 6,555,590.00  |
| Loans Payable                                 | 1,498,089.30     | 8,045,216.14  |
| Improvement Authorizations:                   |                  |               |
| Funded  | 610,269.26       | 638,635.50    |
| Unfunded                                      | 3,143,739.10     | 2,148,211.10  |
| Reserve for Amortization                      | 28,216,337.31    | 26,426,540.47 |
| Deferred Reserve for Amortization             | 1,789,655.23     | 1,789,655.23  |
| Reserve for Debt Service                      | 912,807.11       | 1,157,807.11  |
| Capital Improvement Fund                      | 170,000.00       | 160,000.00    |
| Fund Balance                                  | 378,306.34       | 378,306.34    |
|   | 48,072,065.58    | 48,144,249.46 |
|   | \$ 50,754,907.31 | 49,876,892.08 |

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

|      |              |
|------|--------------|
| 2020 | 3,598,588.00 |
| 2021 | 4,598,588.00 |



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

|   | <u>2021</u>            | <u>2020</u>         |
|---|------------------------|---------------------|
| Revenue and Other Income Realized   |                        |                     |
| Fund Balance Utilized   | \$ 518,000.00          | 675,000.00          |
| Water and Sewer Rents   | 6,853,780.08           | 6,439,189.16        |
| Reserve to Pay Bonds and Notes  | 245,000.00             | 200,000.00          |
| Miscellaneous   | 161,850.39             | 119,677.97          |
| Other Credits to Income:  |                        |                     |
| Unexpended Balance of Appropriation Res.  | 286,258.65             | 430,708.16          |
| Total Income  | <u>8,064,889.12</u>    | <u>7,864,575.29</u> |
| Expenditures  |                        |                     |
| Operations:   |                        |                     |
| Salaries and Wages  | 820,000.00             | 825,250.00          |
| Other Expenses  | 4,703,500.00           | 4,418,100.00        |
| Capital Improvements  | 60,000.00              | 60,000.00           |
| Debt Service  | 1,387,721.20           | 1,702,618.51        |
| Deferred Charges and Statutory Expenditures   | 151,000.00             | 168,115.72          |
| Refund of Prior Year Revenue  | -                      | 670.75              |
| Total Expenditures  | <u>7,122,221.20</u>    | <u>7,174,754.98</u> |
| Excess in Revenue   | <u>942,667.92</u>      | <u>689,820.31</u>   |
| Adjustments to Income before Fund Balance:  |                        |                     |
| Expenditures included above which are by<br>Statute Deferred Charges to Budgets of<br>Succeeding Year | -                      | -                   |
| Total Adjustments   | <u>-</u>               | <u>-</u>            |
| Excess in Operations  | <u>942,667.92</u>      | <u>689,820.31</u>   |
| Fund Balance January 1  | <u>913,405.89</u>      | <u>898,585.58</u>   |
|   | 1,856,073.81           | 1,588,405.89        |
| Decreased by:   |                        |                     |
| Utilization as Anticipated Revenue  | <u>518,000.00</u>      | <u>675,000.00</u>   |
| Fund Balance December 31  | <u>\$ 1,338,073.81</u> | <u>913,405.89</u>   |

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

|                                   | <u>2021</u>          | <u>2020</u>       |
|-----------------------------------|----------------------|-------------------|
| Beginning Balance January 1       | \$ 378,306.34        | 378,306.34        |
| Increased by:                     |                      |                   |
| Premiums on Sale of Bonds & Notes | -                    | -                 |
| 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, 2021**

|                               | Anticipated<br>Budget       | Realized                    | Excess or<br>(Deficit)      |
|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
|                               | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| Surplus Anticipated           | \$ 518,000.00               | 518,000.00                  | -                           |
| Anticipated Revenue:          |                             |                             |                             |
| Water and Sewer Rents         | 6,400,000.00                | 6,853,780.08                | 453,780.08                  |
| Miscellaneous                 | 55,000.00                   | 161,850.39                  | 106,850.39                  |
| Reserve to Pay Bond and Notes | 245,000.00                  | 245,000.00                  | -                           |
|                               | <u>\$ 7,218,000.00</u>      | <u>7,778,630.47</u>         | <u>560,630.47</u>           |

## Analysis of Realized Revenue:

|                           |              |                     |
|---------------------------|--------------|---------------------|
| Water and Sewer Rents     |              |                     |
| Accounts Receivable       | 6,853,780.08 |                     |
| Total Water & Sewer Rents |              | <u>6,853,780.08</u> |
| Miscellaneous Revenue     |              |                     |
| Interest on Investments   | 2,635.51     |                     |
| Penalties and Interest    | 6,144.12     |                     |
| Fire Sprinkler Fees       | 875.00       |                     |
| Sewer Connections         | 3,000.00     |                     |
| Meter Installations       | 22,313.00    |                     |
| Reconnection Fees         | 75.00        |                     |
| Special Reading Charge    | 13,300.00    |                     |
| Shut Off Notice Fee       | 7,415.00     |                     |
| Disconnection Fees        | 50.00        |                     |
| WCM Interlocal            | 1,425.00     |                     |
| FEMA Reimbursement        | 89,519.60    |                     |
| Miscellaneous             | 15,098.16    |                     |
| Total Miscellaneous       |              | <u>161,850.39</u>   |

**WATER AND SEWER UTILITY FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

|   | Appropriations         |                               | Expended            |                        | (Over expended)<br>Unexpended<br>Balance<br>Cancelled |
|---|------------------------|-------------------------------|---------------------|------------------------|---|
|   | Budget                 | Budget After<br>Modifications | Paid or<br>Charged  | Encumbered<br>Reserved |   |
| <b>Operations:</b>                                  |                        |                               |                     |                        |   |
| Salaries and Wages                                  | \$ 820,000.00          | 820,000.00                    | 799,647.56          | 20,352.44              | -   |
| Other Expenses                                      | 4,703,500.00           | 4,703,500.00                  | 3,948,191.55        | 39,066.14              | -   |
|   | <u>5,523,500.00</u>    | <u>5,523,500.00</u>           | <u>4,747,839.11</u> | <u>39,066.14</u>       | <u>-</u>  |
| <b>Capital Improvements:</b>                        |                        |                               |                     |                        |   |
| Capital Improvement Fund                            | 10,000.00              | 10,000.00                     | 10,000.00           | -                      | -   |
| Cape May City 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>  |
| <b>Debt Service:</b>                                |                        |                               |                     |                        |   |
| Payment of Bond Principal                           | 965,500.00             | 965,500.00                    | 944,083.45          | 0.00                   | 21,416.55   |
| Interest on Bonds                                   | 510,000.00             | 510,000.00                    | 443,637.75          | -                      | 66,362.25   |
| Interest on Notes                                   | 8,000.00               | 8,000.00                      | -                   | -                      | 8,000.00  |
|   | <u>1,483,500.00</u>    | <u>1,483,500.00</u>           | <u>1,387,721.20</u> | <u>-</u>               | <u>95,778.80</u>                                      |
| <b>Deferred Charges and Statutory Expenditures:</b> |                        |                               |                     |                        |   |
| PERS  | 60,000.00              | 60,000.00                     | 60,000.00           | -                      | -   |
| Social Security System (O.A.S.I.)                   | 67,000.00              | 67,000.00                     | 65,333.41           | 1,666.59               | -   |
| Unemployment Compensation Insurance                 | 4,000.00               | 4,000.00                      | 4,000.00            | -                      | -   |
| Retirement Trust                                    | 20,000.00              | 20,000.00                     | 20,000.00           | -                      | -   |
|   | <u>151,000.00</u>      | <u>151,000.00</u>             | <u>149,333.41</u>   | <u>1,666.59</u>        | <u>-</u>  |
|   | <u>\$ 7,218,000.00</u> | <u>7,218,000.00</u>           | <u>6,344,893.72</u> | <u>39,066.14</u>       | <u>95,778.80</u>                                      |
|   |                        |                               |                     |                        |   |
|   |                        | Cash Disbursed                | \$ 6,459,966.64     | Cancelled              | 21,416.55   |
|   |                        | Reimbursements                | (55,180.40)         | Overexpended           | -   |
|   |                        | Accrued Interest              | (59,892.52)         |                        | <u>21,416.55</u>                                      |
|   |                        |                               | <u>6,344,893.72</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,**

|  | 2021            | 2020         |
|--|-----------------|--------------|
| <u>ASSETS</u>                              |                 |              |
| Operating Fund:                            |                 |              |
| Cash                                       | \$ 2,616,822.19 | 2,186,130.98 |
|  | 2,616,822.19    | 2,186,130.98 |
| Total Operating Fund                       | 2,616,822.19    | 2,186,130.98 |
| Capital Fund:                              |                 |              |
| Cash                                       | 845,229.59      | 869,610.59   |
| Fixed Capital - Authorized and Uncompleted | 5,899,900.00    | 5,489,900.00 |
|  | 6,745,129.59    | 6,359,510.59 |
| Total Capital Fund                         | 6,745,129.59    | 6,359,510.59 |
|  | \$ 9,361,951.78 | 8,545,641.57 |

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

|   | 2021            | 2020         |
|---|-----------------|--------------|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> |                 |              |
| Operating Fund:                               |                 |              |
| Appropriation Reserves                        | \$ 318,625.59   | 364,729.55   |
| Encumbrances Payable                          | 36,034.00       | 41,665.44    |
| Accounts Payable                              | -               | 1,600.00     |
| Accrued Interest on Bonds and Notes           | 21,762.50       | 24,975.00    |
|   | 376,422.09      | 432,969.99   |
| Fund Balance                                  | 2,240,400.10    | 1,753,160.99 |
| Total Operating Fund                          | 2,616,822.19    | 2,186,130.98 |
| Capital Fund:                                 |                 |              |
| Encumbrances Payable                          | -               | 31,976.00    |
| General Serial Bonds Payable                  | 1,640,000.00    | 1,880,000.00 |
| Reserve for Amortization                      | 2,305,000.00    | 2,065,000.00 |
| Improvement Authorizations                    |                 |              |
| Funded  | 355,781.65      | 368,186.65   |
| Unfunded                                      | 1,524,518.94    | 1,114,518.94 |
| Reserve to Pay Bonds                          | 73,904.38       | 73,904.38    |
| Capital Improvement Fund                      | 724,000.00      | 704,000.00   |
| Fund Balance                                  | 121,924.62      | 121,924.62   |
| Total Capital Fund                            | 6,745,129.59    | 6,359,510.59 |
|   | \$ 9,361,951.78 | 8,545,641.57 |

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

|      |              |
|------|--------------|
| 2020 | 1,544,900.00 |
| 2021 | 1,954,900.00 |



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

|  | <u>2021</u>            | <u>2020</u>         |
|--|------------------------|---------------------|
| Revenue and Other Income Realized            |                        |                     |
| Fund Balance Utilized                        | \$ 400,000.00          | 360,000.00          |
| Beach Fees                                   | 2,951,964.00           | 2,680,652.00        |
| Miscellaneous Revenue                        | 3,275.01               | 11,088.59           |
| Miscellaneous Not Anticipated Revenue        | 563.59                 | 264.00              |
| Other Credits to Income:                     |                        |                     |
| Unexpended Balance of Appropriation Reserves | 356,624.01             | 175,314.00          |
| Prior Year Accounts Payable Cancelled        | 1,600.00               | -                   |
| Total Income                                 | <u>3,714,026.61</u>    | <u>3,227,318.59</u> |
| Expenditures                                 |                        |                     |
| Operations:                                  |                        |                     |
| Salaries and Wages                           | 1,687,000.00           | 1,583,000.00        |
| Other Expenses                               | 620,550.00             | 564,000.00          |
| Capital Improvements                         | 20,000.00              | 10,000.00           |
| Debt Service                                 | 304,237.50             | 287,057.41          |
| Deferred Charges and Statutory Expenditures  | 195,000.00             | 174,674.53          |
| Total Expenditures                           | <u>2,826,787.50</u>    | <u>2,618,731.94</u> |
| Excess/(Deficit) in Revenue                  | <u>887,239.11</u>      | <u>608,586.65</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>887,239.11</u>      | <u>608,586.65</u>   |
| Fund Balance January 1                       | <u>1,753,160.99</u>    | <u>1,504,574.34</u> |
|  | 2,640,400.10           | 2,113,160.99        |
| Decreased by:                                |                        |                     |
| Utilization as Anticipated Revenue           | <u>400,000.00</u>      | <u>360,000.00</u>   |
| Fund Balance December 31                     | <u>\$ 2,240,400.10</u> | <u>1,753,160.99</u> |

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

|                             | 2021          | 2020       |
|-----------------------------|---------------|------------|
| Beginning Balance January 1 | \$ 121,924.62 | 121,924.62 |
| Increased by:               |               |            |
| None                        | -             | -          |
| Decreased by:               |               |            |
| None                        | -             | -          |
| Ending Balance December 31  | \$ 121,924.62 | 121,924.62 |

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

|                                       | <u>Anticipated<br/>Budget</u> | <u>Realized</u>     | <u>Excess or<br/>(Deficit)</u> |
|---------------------------------------|-------------------------------|---------------------|--------------------------------|
| Surplus Anticipated                   | \$ 400,000.00                 | 400,000.00          | -                              |
| Anticipated Revenue:                  |                               |                     |                                |
| Beach Fees                            | 2,433,000.00                  | 2,951,964.00        | 518,964.00                     |
| Miscellaneous Revenue                 | 2,000.00                      | 3,275.01            | 1,275.01                       |
| Miscellaneous Not Anticipated Revenue |                               | 563.59              | 563.59                         |
|                                       | <u>\$ 2,835,000.00</u>        | <u>3,355,802.60</u> | <u>520,802.60</u>              |
| Analysis of Realized Revenue:         |                               |                     |                                |
| Beach Fees                            |                               |                     |                                |
| Collections                           | <u>2,951,964.00</u>           |                     |                                |
| Total Beach Fees                      |                               | <u>2,951,964.00</u> |                                |
| Miscellaneous Revenue                 |                               |                     |                                |
| Miscellaneous                         | 563.59                        |                     |                                |
| Interest on Investments               | <u>3,275.01</u>               |                     |                                |
| Total Miscellaneous                   |                               | <u>3,838.60</u>     |                                |

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

|   | Appropriations         |                                | Paid or Charged     | Expended         |                   | (Over expended) Unexpended Balance Cancelled |
|---|------------------------|--------------------------------|---------------------|------------------|-------------------|--|
|   | Budget                 | Budget After Modifications     |                     | Encumbered       | Reserved          |  |
| <b>Operations:</b>                                  |                        |                                |                     |                  |                   |  |
| Salaries and Wages                                  | \$ 1,687,000.00        | 1,687,000.00                   | 1,527,618.81        |                  | 159,381.19        | -  |
| Other Expenses                                      | 620,550.00             | 620,550.00                     | 438,408.75          | 36,034.00        | 146,107.25        | -  |
|   | <u>2,307,550.00</u>    | <u>2,307,550.00</u>            | <u>1,966,027.56</u> | <u>36,034.00</u> | <u>305,488.44</u> | <u>-</u>                                     |
| <b>Capital Improvements:</b>                        |                        |                                |                     |                  |                   |  |
| Capital Improvement Fund                            | 20,000.00              | 20,000.00                      | 20,000.00           | -                | -                 | -  |
|   | <u>20,000.00</u>       | <u>20,000.00</u>               | <u>20,000.00</u>    | <u>-</u>         | <u>-</u>          | <u>-</u>                                     |
| <b>Debt Service:</b>                                |                        |                                |                     |                  |                   |  |
| Bond Principal                                      | 240,000.00             | 240,000.00                     | 240,000.00          |                  |                   | -  |
| Interest on Bonds                                   | 67,450.00              | 67,450.00                      | 64,237.50           |                  |                   | 3,212.50                                     |
| Interest on Notes                                   | 5,000.00               | 5,000.00                       |                     |                  |                   | 5,000.00                                     |
|   | <u>312,450.00</u>      | <u>312,450.00</u>              | <u>304,237.50</u>   | <u>-</u>         | <u>-</u>          | <u>8,212.50</u>                              |
| <b>Deferred Charges and Statutory Expenditures:</b> |                        |                                |                     |                  |                   |  |
| Social Security System                              | 130,000.00             | 130,000.00                     | 116,862.85          |                  | 13,137.15         |  |
| Unemployment  | 25,000.00              | 25,000.00                      | 25,000.00           |                  | -                 |  |
| Lifeguard Pension                                   | 40,000.00              | 40,000.00                      | 40,000.00           |                  | -                 |  |
|   | <u>195,000.00</u>      | <u>195,000.00</u>              | <u>181,862.85</u>   | <u>-</u>         | <u>13,137.15</u>  | <u>-</u>                                     |
|   | <u>\$ 2,835,000.00</u> | <u>2,835,000.00</u>            | <u>2,472,127.91</u> | <u>36,034.00</u> | <u>318,625.59</u> | <u>8,212.50</u>                              |
|   |                        | Cash Disbursed \$ 2,475,340.41 |                     |                  | Cancelled         | 8,212.50                                     |
|   |                        | Accrued Interest (3,212.50)    |                     |                  | Overexpended      | -  |
|   |                        | <u>\$ 2,472,127.91</u>         |                     |                  | <u>8,212.50</u>   | <u>-</u>                                     |

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

**EXHIBIT - F**  
**TOURISM UTILITY FUND**



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

|   | 2021            | 2020         |
|---|-----------------|--------------|
| <u>ASSETS</u>                                 |                 |              |
| Operating Fund:                               |                 |              |
| Cash  | \$ 1,719,972.99 | 1,179,404.27 |
| Change Fund                                   | 500.00          | 500.00       |
|   | 1,720,472.99    | 1,179,904.27 |
| Total Operating Fund                          | 1,720,472.99    | 1,179,904.27 |
|   | 1,720,472.99    | 1,179,904.27 |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> |                 |              |
| Operating Fund:                               |                 |              |
| Appropriation Reserves                        | 668,861.03      | 220,832.37   |
| Encumbrances Payable                          | 26,822.22       | 14,657.59    |
| Sales Tax Payable                             | 630.89          | 630.89       |
| Due to Security Deposit                       | 38,817.50       | 41,217.50    |
|   | 735,131.64      | 277,338.35   |
| Fund Balance                                  | 985,341.35      | 902,565.92   |
| Total Operating Fund                          | 1,720,472.99    | 1,179,904.27 |
|   | \$ 1,720,472.99 | 1,179,904.27 |

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

|   | 2021          | 2020         |
|---|---------------|--------------|
| Revenue and Other Income Realized   |               |              |
| Fund Balance Utilized   | \$ 175,000.00 | 178,000.00   |
| Tourism Fees  | 990,873.61    | 640,991.30   |
| Other Credits to Income:  |               |              |
| Miscellaneous Revenue not Anticipated   | 18,942.68     | 3,790.85     |
| Unexpended Balance of Appropriation Reserves  | 207,959.14    | 125,406.53   |
| Prior Year Accounts Payable Cancelled   | -             | 200.00       |
| Total Income  | 1,392,775.43  | 948,388.68   |
| Expenditures  |               |              |
| Operations:   |               |              |
| Salaries and Wages  | 385,000.00    | 230,000.00   |
| Other Expenses  | 720,000.00    | 453,600.00   |
| Statutory Expenditures  | 30,000.00     | 40,000.00    |
| Total Expenditures  | 1,135,000.00  | 723,600.00   |
| Excess/(Deficit) in Revenue   | 257,775.43    | 224,788.68   |
| Adjustments to Income before Fund Balance:  |               |              |
| Expenditures included above which are by<br>Statute Deferred Charges to Budgets of<br>Succeeding Year | -             | -            |
| Total Adjustments   | -             | -            |
| Excess in Operations  | 257,775.43    | 224,788.68   |
| Fund Balance January 1  | 902,565.92    | 855,777.24   |
|   | 1,160,341.35  | 1,080,565.92 |
| Decreased by:   |               |              |
| Utilization as Anticipated Revenue  | 175,000.00    | 178,000.00   |
| Fund Balance December 31  | \$ 985,341.35 | 902,565.92   |



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

|                          | Anticipated<br>Budget  | Realized            | Excess or<br>(Deficit) |
|--------------------------|------------------------|---------------------|------------------------|
| Anticipated Revenue:     |                        |                     |                        |
| Surplus Anticipated      | \$ 175,000.00          | 175,000.00          | -                      |
| Tourism Fees & Events    | 400,000.00             | 96,552.66           | (303,447.34)           |
| Hotel Room Tax           | 300,000.00             | 559,779.94          | 259,779.94             |
| Lease and Rent Contracts | 200,000.00             | 271,291.01          | 71,291.01              |
| Mercantile License Fee   | 60,000.00              | 63,250.00           | 3,250.00               |
| Miscellaneous            |                        | 18,942.68           | 18,942.68              |
|                          | <u>\$ 1,135,000.00</u> | <u>1,184,816.29</u> | <u>49,816.29</u>       |

## Analysis of Realized Revenue:

|  |                  |
|--|------------------|
| Tourism Fees<br>Collections            | 96,552.66        |
|  | <u>96,552.66</u> |
| Miscellaneous Revenue Not Anticipated: |                  |
| Miscellaneous                          | 18,017.25        |
| Interest                               | 925.43           |
|  | <u>18,942.68</u> |

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

|                         | Appropriations         |                               | Expended                     |                        | (Over expended)<br>Unexpended<br>Balance<br>Cancelled |
|-------------------------|------------------------|-------------------------------|------------------------------|------------------------|---|
|                         | Budget                 | Budget After<br>Modifications | Paid or<br>Charged           | Encumbered<br>Reserved |   |
| Operations:             |                        |                               |                              |                        |   |
| Salaries and Wages      | \$ 385,000.00          | 385,000.00                    | 171,076.26                   | 213,923.74             | -   |
| Other Expenses          | 720,000.00             | 720,000.00                    | 255,670.66                   | 437,507.12             | -   |
|                         | <u>1,135,000.00</u>    | <u>1,135,000.00</u>           | <u>439,316.75</u>            | <u>668,861.03</u>      | <u>-</u>  |
| Statutory Expenditures: |                        |                               |                              |                        |   |
| Social Security System  | 30,000.00              | 30,000.00                     | 12,569.83                    | 17,430.17              | -   |
|                         | <u>1,135,000.00</u>    | <u>1,135,000.00</u>           | <u>439,316.75</u>            | <u>686,291.20</u>      | <u>-</u>  |
|                         | \$ <u>1,135,000.00</u> | \$ <u>1,135,000.00</u>        | \$ <u>439,316.75</u>         | \$ <u>686,291.20</u>   | \$ <u>-</u>   |
|                         |                        |                               | Cash Disbursed \$ 462,003.27 |                        |   |
|                         |                        |                               | Reimbursements (22,686.52)   |                        |   |
|                         |                        |                               | \$ <u>439,316.75</u>         |                        |   |

**EXHIBIT - G**  
**GENERAL FIXED ASSET ACCOUNT GROUP**



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

|   | <u>2021</u>             | <u>2020</u>          |
|---|-------------------------|----------------------|
| <u>General Fixed Assets</u>               |                         |                      |
| Land, Buildings and Improvements          | \$ 27,124,397.09        | 26,950,561.09        |
| Machinery and Equipment                   | 10,116,082.90           | 10,456,795.46        |
|   | <u>37,240,479.99</u>    | <u>37,407,356.55</u> |
| <u>Investment in General Fixed Assets</u> |                         |                      |
| Investment in General Fixed Assets        | 37,240,479.99           | 37,407,356.55        |
|   | <u>\$ 37,240,479.99</u> | <u>37,407,356.55</u> |

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

**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 the 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, 2021 AND 2020**  
**(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, 2021 AND 2020  
(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 municipality 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 on February 1, April 28, August 8 and October 26.

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, 2021 AND 2020**  
**(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. Recent Accounting Pronouncements Not Yet Effective**

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for fiscal periods beginning after June 15, 2021, may have an effect on the City's financial reporting. The effective date of this pronouncement has been postponed 18 months.

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92 "Omnibus 2020". This statement, which is effective for fiscal periods beginning after June 15, 2021, will not have any an effect on the City's financial reporting.

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

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

In May 2020, the Government Accounting Standards Board (GASB) issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, which provides temporary relief from certain newer accounting and financial reporting requirements to governments due to the COVID-19 pandemic. The effective date of certain Statements and Implementation Guides – through GASB Statement No. 93 and Implementation Guide No. 2019-03 – that first became effective or were scheduled to become effective for periods beginning after June 15, 2018, are not deferred by either one year or eighteen months.

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

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97 "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". This statement is partially effective immediately and also for fiscal years beginning after June 15, 2021. This statement will not have any an effect on the City's financial reporting.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 99 “Omnibus 2022”. This statement, which is effective for fiscal periods beginning after June 15, 2022, and all reporting periods thereafter, will not have any an effect on the City’s financial reporting.

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 periods beginning after June 15, 2023, and all reporting periods thereafter, will not have any an effect on the City’s financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101 “Compensated Absences”. This statement, which is effective for fiscal periods beginning after December 15, 2023, and all reporting periods thereafter, may have an effect on the City’s financial reporting.

**NOTE 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the City is required to establish a reserve for uncollected taxes. The 2021 and 2020 statutory budgets included a reserve for uncollected taxes in the amount of \$1,241,554.85 and \$1,208,625.85. To balance the budget, the City is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2021 and 2020 statutory budgets was \$3,360,000.00 and \$3,315,000.00. 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 2021 and 2020 statutory budgets was \$518,000.00 and \$675,000.00. The amount of fund balance budgeted to balance the beach utility budget in 2021 and 2020 statutory budgets was \$400,000.00 and \$360,000.00. The amount of fund balance budgeted to balance to tourism utility budget in 2021 and 2020 was \$175,000.00 and \$178,000.00.

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

| <u>Budget Category</u>           | <u>2021</u>     | <u>2020</u> |
|----------------------------------|-----------------|-------------|
| <u>Current Fund:</u>             |                 |             |
| Legal Services                   |                 |             |
| Other Expenses                   | \$ (150,000.00) | (66,000.00) |
| Insurance                        |                 |             |
| Employee Group Health            | (155,000.00)    | -           |
| Police                           |                 |             |
| Other Expenses                   | 300,000.00      | -           |
| <u>Water/Sewer Utility Fund:</u> | None            | None        |
| <u>Tourism Utility Fund:</u>     | None            | None        |
| <u>Beach Utility Fund:</u>       | None            | None        |

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(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 2021 and 2020, the following budget insertions were approved:

| <u>Budget Category</u>  | <u>2021</u>  | <u>2020</u> |
|---|--------------|-------------|
| Clean Communities Program   | \$ 19,469.66 | 18,289.93   |
| NJDCA Neighborhood Preservation Program COVID-19 Relief           | -            | 105,000.00  |
| U.S. Small Business Administration-Shuttered Venue Grant          | 176,703.66   | -           |
| US Dept of Homeland Security-Flood Mitigation                     | -            | 18,750.00   |
| Sustainable Jersey 2020   | -            | 10,000.00   |
| NJ Transportation Trust Fund Authority                            | -            | 190,000.00  |
| R. Kennedy - Law Enforcement Against Drugs Support                | 2,940.00     | -           |
| Recycling Tonnage Grant   | 24,493.21    | -           |
| US Dept of Interior-Civil Rights-Library Project                  | -            | 500,000.00  |
| USDA Rural Development - Predevelopment Planning Grant            | 29,000.00    | -           |
| 2021 WaWa Foundation Grant - Police Department Equipment          | 10,000.00    | -           |
| Next Gen 30 - Purchase of Two Basketball Systems for Kiwanis Park | 4,596.00     | -           |
| DCA-Small Cities Block Grant-Water Main from Well #8              | 400,000.00   | -           |

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 the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. There were no Emergency or Special Emergency appropriations in 2021.

**NOTE 3: INVESTMENTS**

As of December 31, 2021 and 2020, 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, 2021 AND 2020**  
**(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 municipality relative to the happening of a future condition. As of December 31, 2021, \$4,157,203.71 of the City's bank balance of \$37,598,310.92 was exposed to custodial credit risk. As of December 31, 2020, \$4,077,812.25 of the City's bank balance of \$25,081,935.81 was exposed to custodial credit risk.

**NOTE 5: FIXED ASSETS**

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

|                                 | Balance<br>12/31/2019 | Additions         | Retirements/<br>Adjustments | Balance<br>12/31/2020 |
|---------------------------------|-----------------------|-------------------|-----------------------------|-----------------------|
| Land, Building and Improvements | \$ 26,950,561.09      | -                 | -                           | 26,950,561.09         |
| Equipment and Machinery         | 10,357,038.63         | 110,583.24        | (10,826.41)                 | 10,456,795.46         |
|                                 | <u>37,307,599.72</u>  | <u>110,583.24</u> | <u>(10,826.41)</u>          | <u>37,407,356.55</u>  |

|                                 | Balance<br>12/31/2020 | Additions         | Retirements           | Balance<br>12/31/2021 |
|---------------------------------|-----------------------|-------------------|-----------------------|-----------------------|
| Land, Building and Improvements | \$ 26,950,561.09      | 412,336.00        | (238,500.00)          | 27,124,397.09         |
| Equipment and Machinery         | 10,456,795.46         | 542,214.84        | (882,927.40)          | 10,116,082.90         |
|                                 | <u>37,407,356.55</u>  | <u>954,550.84</u> | <u>(1,121,427.40)</u> | <u>37,240,479.99</u>  |

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**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 6: LONG TERM DEBT**

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

|                                    | Balance<br>12/31/19     | Issued               | Retired             | Balance<br>12/31/20   | Amounts<br>Due Within<br>One Year |
|------------------------------------|-------------------------|----------------------|---------------------|-----------------------|-----------------------------------|
| <b>Bonds payable:</b>              |                         |                      |                     |                       |                                   |
| General                            | \$ 21,177,080.55        |                      | 1,982,080.55        | 19,195,000.00         | 1,980,000.00                      |
| Water Sewer Utility                | 7,519,211.14            |                      | 963,621.14          | 6,555,590.00          | 747,670.00                        |
| Beach Utility                      | 2,100,000.00            |                      | 220,000.00          | 1,880,000.00          | 240,000.00                        |
| <b>Total</b>                       | <b>30,796,291.69</b>    | <b>-</b>             | <b>3,165,701.69</b> | <b>27,630,590.00</b>  | <b>2,967,670.00</b>               |
| <b>Other liabilities:</b>          |                         |                      |                     |                       |                                   |
| <b>Loans Payable:</b>              |                         |                      |                     |                       |                                   |
| General                            | 155,158.59              |                      | 38,973.27           | 116,185.32            | 38,956.98                         |
| Water Sewer Utility                | 8,257,346.52            |                      | 212,130.38          | 8,045,216.14          | 217,564.30                        |
| <b>Compensated</b>                 |                         |                      |                     |                       |                                   |
| Absences Payable                   | 1,298,239.68            |                      | 47,947.85           | 1,250,291.83          |                                   |
| <b>Total long-term liabilities</b> | <b>\$ 40,507,036.48</b> | <b>-</b>             | <b>3,464,753.19</b> | <b>37,042,283.29</b>  | <b>3,224,191.28</b>               |
| <br>                               |                         |                      |                     |                       |                                   |
|                                    | Balance<br>12/31/2020   | Issued               | Retired             | Balance<br>12/31/2021 | Due Within<br>One Year            |
| <b>Bonds payable:</b>              |                         |                      |                     |                       |                                   |
| General                            | \$ 19,195,000.00        | 7,670,000.00         | 1,980,000.00        | 24,885,000.00         | 2,470,000.00                      |
| Water Sewer Utility                | 6,555,590.00            | 5,505,000.00         | 747,670.00          | 11,312,920.00         | 967,920.00                        |
| Beach Utility                      | 1,880,000.00            |                      | 240,000.00          | 1,640,000.00          | 260,000.00                        |
| <b>Total</b>                       | <b>27,630,590.00</b>    | <b>13,175,000.00</b> | <b>2,967,670.00</b> | <b>37,837,920.00</b>  | <b>3,697,920.00</b>               |
| <b>Other liabilities:</b>          |                         |                      |                     |                       |                                   |
| <b>Loans Payable:</b>              |                         |                      |                     |                       |                                   |
| General                            | 116,185.32              |                      | 38,956.98           | 77,228.34             | 18,734.63                         |
| Water Sewer Utility                | 8,045,216.14            |                      | 6,547,126.84        | 1,498,089.30          | 52,234.19                         |
| <b>Compensated</b>                 |                         |                      |                     |                       |                                   |
| Absences Payable                   | 1,250,291.83            |                      | 32,427.16           | 1,217,864.67          |                                   |
| <b>Total long-term liabilities</b> | <b>\$ 37,042,283.29</b> | <b>13,175,000.00</b> | <b>9,586,180.98</b> | <b>40,631,102.31</b>  | <b>3,768,888.82</b>               |

**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, 2021 is \$5,490,000.00.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

\$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, 2021 is \$2,735,000.00.

\$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, 2021 is \$8,990,000.00.

\$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, 2021 is \$7,670,000.00.

\$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, 2021 is \$77,228.34.

\$61,250 Environmental Infrastructure Trust Bond dated October 17, 2001, due in annual installments through October 17, 2021, bearing interest at various rates. There is no balance remaining as of December 31, 2021.

\$63,932.75 Environmental Infrastructure Trust Loan dated October 17, 2001, due in annual installments through October 17, 2021, bearing interest at 0.00% per annum. There is no balance remaining as of December 31, 2021.

\$115,970.26 Environmental Infrastructure Trust Loan dated October 17, 2001, due in annual installments through October 17, 2021, bearing interest at 0.00% per annum. There is no balance remaining as of December 31, 2021.

\$110,250 Environmental Infrastructure Trust Bond dated October 17, 2001, due in annual installments through October 17, 2021, bearing interest at various rates. There is no balance remaining as of December 31, 2021.

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

\$142,500 Water and Sewer Utility Bonds dated June 24, 1983, due in annual installments through June 24, 2022, bearing interest at 5.00% per annum. The balance remaining as of December 31, 2021 is \$7,920.00.

\$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, 2021 is \$930,000.00.

\$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, 2021 is \$1,120,000.00.

\$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, 2021 is \$3,750,000.00.

\$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, 2021 is \$5,505,000.00.

\$63,750 Environmental Infrastructure Trust Bond dated October 17, 2001, due in annual installments through October 17, 2021, bearing interest at various rates. There is no balance remaining as of December 31, 2021.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

\$66,542.25 Environmental Infrastructure Trust Loan dated October 17, 2001, due in annual installments through October 17, 2021, bearing interest at 0.00% per annum. There is no balance remaining as of December 31, 2021.

\$120,703.74 Environmental Infrastructure Trust Loan dated October 17, 2001, due in annual installments through October 17, 2021, bearing interest at 0.00% per annum. There is no balance remaining as of December 31, 2021.

\$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, 2021 is \$1,098,089.30.

\$114,750 Environmental Infrastructure Trust Bond dated October 17, 2001, due in annual installments through October 17, 2021, bearing interest at various rates. There is no balance remaining as of December 31, 2021.

\$1,200,000 Environmental Infrastructure Trust Bond dated October 12, 2007, due in semi annual installments through October 12, 2047, bearing interest at various rates. There is no balance remaining as of December 31, 2021.

\$2,500,000 FmHA Loan dated December 15, 1998, due in annual installments through December 15, 2038, bearing interest at 4.50% per annum. There is no balance remaining as of December 31, 2021.

\$1,250,000 Environmental Infrastructure Trust Bond dated October 27, 2011, due in annual installments through April 27, 2052, bearing interest at 3.75% per annum. There is no balance remaining as of December 31, 2021.

\$1,400,000 Environmental Infrastructure Trust Bond dated October 27, 2011, due in annual installments through April 27, 2052, bearing interest at 3.75% per annum. There is no balance remaining as of December 31, 2021.

\$1,585,000 Environmental Infrastructure Trust Bond dated July 18, 2014, due in semiannual installments through July 18, 2054, bearing interest at 4.50% per annum. There is no balance remaining as of December 31, 2021.

\$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, 2021 is \$400,000.00.

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

\$2,700,000 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, 2021 is \$1,010,000.00.

\$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, 2021 is \$630,000.00.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

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

| Year Ending<br>December 31, | General Capital Fund    |                     |
|-----------------------------|-------------------------|---------------------|
|                             | Principal               | Interest            |
| 2022                        | \$ 2,470,000.00         | 781,731.67          |
| 2023                        | 2,660,000.00            | 702,675.00          |
| 2024                        | 2,790,000.00            | 609,125.00          |
| 2025                        | 2,955,000.00            | 508,775.00          |
| 2026                        | 2,230,000.00            | 393,675.00          |
| 2027-2031                   | 8,670,000.00            | 922,662.50          |
| 2032-2036                   | 3,110,000.00            | 192,100.00          |
|                             | <u>\$ 24,885,000.00</u> | <u>4,110,744.17</u> |

| Year Ending<br>December 31, | Utility Capital Fund    |                     | Beach Utility Capital Fund |                   |
|-----------------------------|-------------------------|---------------------|----------------------------|-------------------|
|                             | Principal               | Interest            | Principal                  | Interest          |
| 2022                        | \$ 967,920.00           | 411,554.11          | 260,000.00                 | 58,600.00         |
| 2023                        | 995,000.00              | 383,650.00          | 280,000.00                 | 48,950.00         |
| 2024                        | 1,040,000.00            | 345,000.00          | 300,000.00                 | 38,500.00         |
| 2025                        | 940,000.00              | 303,700.00          | 320,000.00                 | 27,000.00         |
| 2026                        | 535,000.00              | 264,900.00          | 360,000.00                 | 15,000.00         |
| 2027-2031                   | 3,140,000.00            | 1,003,800.00        | 120,000.00                 | 2,400.00          |
| 2032-2036                   | 1,215,000.00            | 621,500.00          |                            |                   |
| 2037-2041                   | 1,125,000.00            | 373,300.00          |                            |                   |
| 2042-2046                   | 1,105,000.00            | 164,100.00          |                            |                   |
| 2047                        | 250,000.00              | 5,000.00            |                            |                   |
|                             | <u>\$ 11,312,920.00</u> | <u>3,876,504.11</u> | <u>1,640,000.00</u>        | <u>190,450.00</u> |

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

| Year Ending<br>December 31, | General Capital Fund |                 | Utility Capital Fund |                   |
|-----------------------------|----------------------|-----------------|----------------------|-------------------|
|                             | Principal            | Interest        | Principal            | Interest          |
| 2022                        | \$ 18,734.63         | 1,451.37        | 52,234.19            | 14,362.50         |
| 2023                        | 19,111.20            | 1,074.80        | 52,234.19            | 13,862.50         |
| 2024                        | 19,495.33            | 690.67          | 52,234.19            | 13,362.50         |
| 2025                        | 19,887.18            | 298.82          | 52,234.19            | 12,862.50         |
| 2026                        |                      |                 | 52,234.19            | 12,362.50         |
| 2027-2031                   |                      |                 | 276,170.95           | 55,062.50         |
| 2032-2036                   |                      |                 | 286,170.95           | 43,818.74         |
| 2037-2041                   |                      |                 | 296,170.95           | 31,212.50         |
| 2042-2046                   |                      |                 | 311,170.95           | 14,875.00         |
| 2047                        |                      |                 | 67,234.55            | 875.00            |
|                             | <u>\$ 77,228.34</u>  | <u>3,515.66</u> | <u>1,498,089.30</u>  | <u>212,656.24</u> |

As of December 31, 2021, the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$685,877.38. \$443,637.75 was charged to the water and sewer utility budget and \$64,237.50 to the beach utility budget.



**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

| <u>Summary of Municipal Debt</u>                         | <u>Year 2021</u>        | <u>Year 2020</u>        | <u>Year 2019</u>     |
|--|-------------------------|-------------------------|----------------------|
| <u>Issued:</u>   |                         |                         |                      |
| General - Bonds and Notes                                | \$ 24,962,228.34        | \$ 19,311,185.32        | \$ 21,332,239.14     |
| Water/Sewer Utility - Bonds and Notes                    | 12,811,009.30           | 14,600,806.14           | 15,776,559.66        |
| Beach Utility - Bonds and Notes                          | 1,640,000.00            | 1,880,000.00            | 2,100,000.00         |
| Total Issued   | <u>39,413,237.64</u>    | <u>35,791,991.46</u>    | <u>39,208,798.80</u> |
| <u>Authorized but not issued:</u>                        |                         |                         |                      |
| General - Bonds and Notes                                | 8,368,406.00            | 25,426,994.97           | 23,940,484.97        |
| Water/Sewer Utility - Bonds and Notes                    | 4,598,588.00            | 3,598,588.00            | 2,328,588.00         |
| Beach Utility - Bonds and Notes                          | 1,954,900.00            | 1,544,900.00            | 1,544,900.00         |
| Total Authorized But Not Issued                          | <u>14,921,894.00</u>    | <u>30,570,482.97</u>    | <u>27,813,972.97</u> |
| Total Bonds & Notes Issued and Authorized But Not Issued | <u>\$ 54,335,131.64</u> | <u>\$ 66,362,474.43</u> | <u>67,022,771.77</u> |

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.978%.

|                               | <u>Gross Debt</u>       | <u>Deductions</u>    | <u>Net Debt</u>      |
|-------------------------------|-------------------------|----------------------|----------------------|
| Regional School District Debt | \$ 2,493,078.47         | 2,493,078.47         | -                    |
| Water and Sewer Utility Debt  | 17,409,597.30           | 17,409,597.30        | -                    |
| Beach Utility                 | 3,594,900.00            | 3,594,900.00         | -                    |
| General Debt                  | 33,330,634.34           | 924,658.87           | 32,405,975.47        |
|                               | <u>\$ 56,828,210.11</u> | <u>24,422,234.64</u> | <u>32,405,975.47</u> |

Net Debt \$32,405,975.47 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,313,535,648.00 = 0.978%.

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

|   |                      |
|---|----------------------|
| 3 1/2 % of Equalized Valuation Basis ( Municipal) | \$ 115,973,748       |
| Net Debt  | 32,405,975           |
| Remaining Borrowing Power                         | <u>\$ 83,567,773</u> |

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 7: FUND BALANCES APPROPRIATED**

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

|                     | <u>2022</u>     | <u>2021</u>  |
|---------------------|-----------------|--------------|
| Current Fund        | \$ 3,400,000.00 | 3,360,000.00 |
| Water/Sewer Utility | 534,305.00      | 518,000.00   |
| Beach Utility       | 450,000.00      | 400,000.00   |
| Tourism Utility     | 225,000.00      | 175,000.00   |

**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:

|                | <u>12/31/2021</u> | <u>12/31/2020</u> |
|----------------|-------------------|-------------------|
| Balance of Tax | \$ 928,346.80     | \$ 928,346.80     |
| Deferred       | 928,346.80        | 928,346.80        |
| 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:

|                | <u>12/31/2021</u> | <u>12/31/2020</u> |
|----------------|-------------------|-------------------|
| Balance of Tax | \$ 3,981,453.43   | \$ 3,544,120.93   |
| Deferred       | 3,981,453.50      | 3,544,121.00      |
| 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. Following is a comparison of the liability for the previous two years:

|   | <u>Balance<br/>12/31/21</u> | <u>Balance<br/>12/31/20</u> |
|---|-----------------------------|-----------------------------|
| Prepaid Taxes                                 | \$ 917,673.12               | 689,517.94                  |
| Cash Liability for Taxes Collected in Advance | <u>\$ 917,673.12</u>        | <u>689,517.94</u>           |

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**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**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/annrpts.shtml>.

Public Employees' Retirement System

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

Defined Contribution Retirement Program (DCRP)

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

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**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 7.50% of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 15.98% of covered payroll. The City's contributions to PERS for the years ended December 31, 2021, 2020, and 2019 were \$503,484.00, \$413,205.00 and \$432,545.00.

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, 2021, 2020, and 2019 were \$967,599.00, \$913,390.00 and \$868,003.32

The total payroll for the year ended December 31, 2021, 2020 and 2019 was \$8,830,807.41, \$8,824,328.65, and \$8,929,755.70. Payroll covered by PFRS was \$2,807,422.00, \$3,0044,006.00, and \$3,000,302.00. Payroll covered by PERS was \$3,145,562.00, \$3,340,526.00, and \$3,193,362.00.

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, 2021 was \$667,633.69. Currently there are thirteen individuals receiving benefits. The benefits paid by the trust for the year ended December 31, 2021, 2020 and 2019 were \$73,293.00, \$56,703.00 and \$52,008.00

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 ¼ 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.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

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

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

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

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

**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, 2020:

**Public Employees' Retirement System**

The City has a liability of \$7,344,281.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 that was rolled forward to June 30, 2020. The 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, 2020, the City's proportion would be 0.04503653700%, which would be an increase of 9.27% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the City would have recognized pension expense of \$187,064.00. At December 31, 2020, the City would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected & actual experience                                    | \$ 133,727                        | \$ (25,973)                      |
| Changes of assumptions  | 238,257                           | (3,075,120)                      |
| Changes in proportion   | 745,747                           |                                  |
| Net difference between projected and actual earnings<br>on pension plan investments | 251,033                           | (606,755)                        |
| Total   | <u>\$ 1,368,764</u>               | <u>\$ (3,707,848)</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<br>June 30, |                       |
|------------------------|-----------------------|
| 2021                   | \$ (869,884)          |
| 2022                   | (793,069)             |
| 2023                   | (453,219)             |
| 2024                   | (183,274)             |
| 2025                   | (39,638)              |
| Total                  | <u>\$ (2,339,084)</u> |

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**Actuarial Assumptions**

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

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disable retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2019.

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

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

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

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

*Discount Rate*

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

*Sensitivity of the 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 of 7.00%, 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 (6.00%) or 1-percentage point higher (8.00%) than the current rate:

|   | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|---------------------|-------------------------------|---------------------|
| City's proportionate share of the net pension liability | \$ 8,747,018        | \$ 7,344,281                  | \$ 6,155,551        |

*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, 2021 AND 2020  
(CONTINUED)**

**Police and Firemen’s Retirement System**

The City has a liability of \$11,191,355.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2019 that was rolled forward to June 30, 2020. The 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, 2020, the City’s proportion would be 0.08661155060%, which would be a decrease of 4.22% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the City would have recognized pension expense of \$461,735.00. At December 31, 2020, the City would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected & actual experience                                    | \$ 112,828                        | \$ (40,164)                      |
| Changes of assumptions  | 28,163                            | (3,000,335)                      |
| Changes in proportion   | 656,201                           | (752,617)                        |
| Net difference between projected and actual earnings<br>on pension plan investments | 266,355                           |                                  |
| Total   | <u>\$ 1,063,547</u>               | <u>\$ (3,793,116)</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<br>June 30, |                       |
|------------------------|-----------------------|
| 2021                   | \$ (1,273,796)        |
| 2022                   | (859,658)             |
| 2023                   | (349,973)             |
| 2024                   | (132,207)             |
| 2025                   | (113,935)             |
| Total                  | <u>\$ (2,729,569)</u> |

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**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**Actuarial Assumptions**

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

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

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

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

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

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

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

*Discount Rate*

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

*Sensitivity of the 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, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|   | 1%<br>Decrease<br>(6.00) | Current Discount<br>Rate<br>(7.00%) | 1%<br>Increase<br>(8.00%) |
|---|--------------------------|-------------------------------------|---------------------------|
| City's proportionate share of the net pension liability | 14,464,285.85            | 11,191,355.00                       | 8,473,008.45              |

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

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

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Municipality was 0.08661155060% for 2020. The net pension liability amount allocated to the City was \$1,736,847.00. For the fiscal year ending June 30, 2020 State special funding situation pension expense of \$196,837.00 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.

**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) Comprehensive Annual Financial Report (CAFR), which can be found at:

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

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

1) retired on a disability pension;

or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer;

or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer;

or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

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

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

*Allocation Methodology:*

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense, however under the Regulatory Basis of Accounting followed by the Borough 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, 2020 were \$5,512,481,278 and \$12,598,993,950, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's non special funding situation during the measurement period July 1, 2019 through June 30, 2020. Employer and non-employer allocation percentages have been rounded for presentation purposes.

*Special Funding Situation:*

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

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

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**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

*Net OPEB Liability:*

*Components of Net OPEB Liability*

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

|   | <b>June 30, 2020</b>        |                                |
|---|-----------------------------|--------------------------------|
|   | <b>Collective<br/>Total</b> | <b>Proportionate<br/>Share</b> |
| Total OPEB Liability  | \$ 18,111,485,228           | \$ 20,336,289                  |
| Plan Fiduciary Net Position   | 164,862,282                 | 185,114                        |
| Net OPEB Liability  | <u>\$ 17,946,622,946</u>    | <u>\$ 20,151,175</u>           |
| Plan Fiduciary Net Position<br>as a Percentage of the<br>Total OPEB Liability | 0.91%                       | 0.91%                          |

At June 30, 2020 the City's proportionate share of the Collective Net OPEB Liability was \$20,151,175.00. The State's proportionate share for the Special Funding Situation that is associated with the City is \$8,993,682.00. The City's proportion of the Collective Net OPEB Liability was 0.112284% which was an increase from the prior year of 8.25%. The State's proportionate share attributable to the City of the Collective Net OPEB Liability for the Special Funding Situation was 0.164650% which was an increase from the prior year of 29.17%.

|  |                      |
|--|----------------------|
| City's Proportionate Share of Collective Net OPEB Liability  | \$ 20,151,175        |
| State's proportionate share that is associated with the City | 8,993,682            |
| Total  | <u>\$ 29,144,857</u> |

For the Year ended June 30, 2020 the City's Total OPEB Expense was \$161,743.00 and the State of New Jersey realized Total OPEB Expense in the amount of \$447,708.00 for its proportionate share of Total OPEB Expense that is associated with the City.

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

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

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

Mortality:

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

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

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

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

*Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

*Discount Rate*

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

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

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

|                     | 1% Decrease<br>(1.21%) | Discount Rate<br>(2.21%) | 1% Increase<br>(3.21%) |
|---------------------|------------------------|--------------------------|------------------------|
| Collective          |                        |                          |                        |
| Net OPEB Liability  | \$ 21,216,688,254      | \$ 17,946,612,946        | \$ 15,358,051,000      |
| Proportionate Share |                        |                          |                        |
| Net OPEB Liability  | \$ 23,822,946          | \$ 20,151,175            | \$ 17,244,634          |

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

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

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

|                     | <u>1% Decrease</u> | <u>Healthcare Cost<br/>Trend Rate</u> | <u>1% Increase</u> |
|---------------------|--------------------|---------------------------------------|--------------------|
| Collective          |                    |                                       |                    |
| Net OPEB Liability  | \$ 14,850,840,718  | \$ 17,946,612,946                     | \$ 22,000,569,109  |
| Proportionate Share |                    |                                       |                    |
| Net OPEB Liability  | \$ 16,675,118      | \$ 20,151,175                         | \$ 24,703,119      |

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

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

|   | <u>Collective Totals</u>                  |  | <u>Proportionate Share</u>                |  |
|---|---|--|---|--|
|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
| Differences between expected and actual experience  | \$ 472,699,992                            | \$ (3,341,994,109)                       | \$ 12,797                                 | \$ (3,752,525)                           |
| Changes of assumptions  | 2,684,248,513                             | (3,991,049,511)                          | 3,013,982                                 | (4,481,310)                              |
| Net difference between projected and actual earnings<br>on OPEB plan investments                        | 11,397,084                                |  | 530,766                                   |  |
| Changes in proportion and differences between<br>contributions and proportionate share of contributions |   |  | 2,405,803                                 | (1,638,687)                              |
| Total   | <u>\$ 3,168,345,589</u>                   | <u>\$ (7,333,043,620)</u>                | <u>\$ 5,963,348</u>                       | <u>\$ (9,872,522)</u>                    |

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

| <u>Year ended<br/>June 30,</u> | <u>Collective Totals</u>  | <u>Proportionate<br/>Share</u> |
|--------------------------------|---------------------------|--------------------------------|
| 2021                           | \$ (964,720,007)          | \$ (905,530)                   |
| 2022                           | (965,594,678)             | (906,351)                      |
| 2023                           | (967,008,484)             | (907,678)                      |
| 2024                           | (968,300,349)             | (908,891)                      |
| 2025                           | (660,258,014)             | (619,748)                      |
| Thereafter                     | 361,183,501               | 339,023                        |
| Total                          | <u>\$ (4,164,698,031)</u> | <u>\$ (3,909,174)</u>          |

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



**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

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

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

|  |                       |
|--|-----------------------|
| Service cost   | \$ 605,949,339        |
| Interest on Total OPEB Liability   | 497,444,533           |
| Expected Investment Return   | (7,632,336)           |
| Administrative Expenses  | 9,913,267             |
| Changes of Benefit Terms   | 1,034,142             |
| Current Period Recognition (Amortization) of Deferred Inflow s/<br>Outflow s of Resources: |                       |
| Differences between Expected and Actual Experience   | (550,598,668)         |
| Changes in Assumptions   | (418,656,482)         |
| Differences between Projected and Actual Investment<br>Earnings on OPEB Plan Investments   | 4,535,144             |
| Total Collective OPEB Expense  | <u>\$ 141,988,939</u> |

*Schedule of City's Share of Net OPEB Liability*

|   | <u>2020</u>      | <u>2019</u>   | <u>2018</u>   |
|---|------------------|---------------|---------------|
| City's Proportionate Share of Net OPEB Liability  | 0.112284%        | 0.10373%      | 0.10525%      |
| City's Share of Net OPEB Liability  | \$ 20,151,175.00 | 14,051,069.00 | 16,489,116.00 |
| City's Covered Payroll  | 3,340,526.00     | 3,193,362.00  | 2,944,262.00  |
| City's Proportionate Share of the Net OPEB Liability<br>as a Percentage of its Covered-Employee Payroll | 603.23%          | 440.01%       | 560.04%       |
| Plan Fiduciary Net Position as a Percentage of the<br>Total OPEB Liability                              | 0.91%            | 1.97%         | 1.98%         |

**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, 2021, the City estimates this liability to approximate \$1,217,864.67 based on 2021 pay rates and compensated absence balances.

**NOTE 14: 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.

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**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**NOTE 15: 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, 2021 and 2020 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 16: 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 17: 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.

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**(CONTINUED)**

**NOTE 18: INTERFUND BALANCES**

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

|                               | <u>Due<br/>From</u>  | <u>Due<br/>To</u> |
|-------------------------------|----------------------|-------------------|
| Current Fund:                 |                      |                   |
| Animal Control Fund           | \$ 1,605.11          |                   |
| Federal and State Grant Funds |                      | 154,562.97        |
| Trusts Other                  | 10.47                |                   |
| Federal and State Grant Fund: |                      |                   |
| Current Fund                  | 154,562.97           |                   |
| Other Trusts:                 |                      |                   |
| Current Fund                  |                      | 10.47             |
| Animal Control Fund:          |                      |                   |
| Current Fund                  |                      | 1,605.11          |
|                               | <u>\$ 156,178.55</u> | <u>156,178.55</u> |

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

**NOTE 19: CAPITAL LEASE OBLIGATIONS**

During the year ended December 31, 2021, 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 1<sup>st</sup> 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.

| <u>Year Ending<br/>December 31,</u> | <u>Principal</u>  | <u>Interest</u>  |
|-------------------------------------|-------------------|------------------|
| 2022                                | \$ 44,448.60      | 14,428.61        |
| 2023                                | 47,118.91         | 13,267.44        |
| 2024                                | 49,902.01         | 12,036.82        |
| 2025                                | 52,799.30         | 10,733.84        |
| 2026                                | 55,816.22         | 9,355.52         |
| 2027-2031                           | <u>321,248.11</u> | <u>22,713.11</u> |
|                                     | <u>571,333.15</u> | <u>82,535.34</u> |

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**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(CONTINUED)**

**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. The 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.

**NOTE 21: SUBSEQUENT EVENTS**

The City has evaluated subsequent events through August 5, 2022, the date which the financial statements were available to be issued. The following events were identified:

Subsequent to December 31, the City of Cape May authorized additional Bonds and Notes as follows:

| <u>Purpose</u>   | <u>Date</u>   | <u>Amount</u>   |
|--|---|-----------------|
| Bonds and Notes:   |   |                 |
| Construction of Police Station<br>and Related Improvements | Introduced:<br>March 15, 2022<br>Adopted:<br>April 19, 2022 | \$ 5,000,000.00 |
| Providing for Various Beach<br>Utility Improvements        | Introduced:<br>May 17, 2022<br>Adopted:<br>June 21, 2022    | 445,000.00      |
| Providing for Various Water-Sewer<br>Utility Improvements  | Introduced:<br>May 17, 2022<br>Adopted:<br>June 21, 2022    | 1,364,000.00    |
| Providing for Various 2022<br>Capital Improvements         | Introduced:<br>May 17, 2022<br>Adopted:<br>June 21, 2022    | 2,484,500.00    |
|  |   | \$ 9,293,500.00 |

## **SUPPLEMENTARY INFORMATION**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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**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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 5, 2022, which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, the City of 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

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

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

August 5, 2022



**CITY OF CAPE MAY  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDING DECEMBER 31, 2021**

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: **Unmodified Opinion issued on the Financial Statements – Regulatory Basis.**

Internal control over financial reporting:

- 1) Material Weakness identified? **No**
- 2) Significant Deficiencies? **None Reported**

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

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

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

**MANAGEMENT RESPONSES**

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

A corrective action plan is not required for 2021.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding No. 2020-1:** During 2020, six City employees were paid stipends from the City's Council on Affordable Housing Trust Fund. Personnel action forms were completed and approved for these employees however when the stipends were paid, they were not in accordance with the forms.

**Current Year Status:** The situation did not reoccur in 2021.

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

|   | Current Fund     | Grant Fund   |
|---|------------------|--------------|
| Balance December 31, 2020                 | \$ 10,437,902.11 | 417,966.12   |
| Increased by Receipts:                    |                  |              |
| Tax Collector                             | 29,981,983.00    |              |
| Revenue Accounts Receivable               | 8,448,704.24     |              |
| Miscellaneous Revenue                     | 327,166.51       |              |
| Due from State - Seniors and Veterans     | 33,000.00        |              |
| Due from Grant Fund                       | 1,342,109.41     | 790,718.84   |
| Payroll & Payroll Taxes Payable           | 11,898,965.48    |              |
| Reserve for Escow Trust                   | 209,997.15       |              |
| Reserve for Insurance                     | 490,983.59       |              |
| Federal and State Unappropriated Reserves |                  | 489,866.74   |
| Federal and State Receivables             |                  | 851,841.53   |
| Due to the State of New Jersey:           |                  |              |
| DCA Training Fees                         | 33,609.00        |              |
| Marriage Licenses                         | 3,700.00         |              |
|   | 52,770,218.38    | 2,132,427.11 |
|   | 63,208,120.49    | 2,550,393.23 |

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

|                                 | Current Fund     | Grant Fund   |
|---------------------------------|------------------|--------------|
| Decreased by Disbursements:     |                  |              |
| Current Year Appropriation      | 16,529,824.53    |              |
| Prior Year Appropriations       | 525,066.88       |              |
| County Taxes                    | 9,194,333.98     |              |
| Local District School Taxes     | 1,886,377.00     |              |
| Regional School Taxes           | 7,525,574.50     |              |
| Accounts Payable                | 1,108.39         |              |
| Tax Overpayments                | 1,299.95         |              |
| Due to Grant Fund               | 790,718.84       | 1,342,109.41 |
| Reserve for Escrow Trust        | 106,596.21       |              |
| Payroll & Payroll Taxes Payable | 11,865,552.47    |              |
| Refund of Prior Year Revenue    | 5.00             |              |
| Federal and State Disbursements |                  | 790,317.70   |
| Due to the State of New Jersey: |                  |              |
| DCA Training Fees               | 34,054.00        |              |
| Marriage Licenses               | 3,550.00         |              |
|                                 | 48,464,061.75    | 2,132,427.11 |
| Balance December 31, 2021       | \$ 14,744,058.74 | 417,966.12   |

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

|                             |               |    |               |
|-----------------------------|---------------|----|---------------|
| Balance December 31, 2020   |               | \$ | -             |
| Increased by Receipts:      |               |    |               |
| Prepaid Taxes               | 917,673.12    |    |               |
| Taxes Receivable            | 29,019,063.39 |    |               |
| Revenue Accounts Receivable | 45,246.49     |    |               |
|                             |               |    | 29,981,983.00 |
|                             |               |    | 29,981,983.00 |
| Payments to Treasurer       |               |    | 29,981,983.00 |
| Balance December 31, 2021   |               | \$ | -             |

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

| Year       | Balance<br>Dec. 31, 2020 | Current<br>Year Levy | Added Taxes | Collections by Cash |               | Adjustments | Transferred<br>To Tax<br>Title Lien | Arrears | Balance<br>Dec. 31, 2021 |
|------------|--------------------------|----------------------|-------------|---------------------|---------------|-------------|-------------------------------------|---------|--------------------------|
|            |                          |                      |             | 2020                | 2021          |             |                                     |         |                          |
| Arrears \$ | -                        |                      |             |                     |               |             |                                     |         |                          |
| 2019       | -                        |                      |             |                     |               |             |                                     |         |                          |
| 2020       | 151,549.36               |                      |             |                     | 151,549.36    |             |                                     |         |                          |
|            | 151,549.36               |                      |             |                     | 151,549.36    |             |                                     |         |                          |
| 2021       | -                        | 29,809,009.92        | 2,307.41    | 689,517.94          | 28,914,276.47 | 24,000.37   | 673.92                              |         | 182,848.63               |
|            | 151,549.36               | 29,809,009.92        | 2,307.41    | 689,517.94          | 29,065,825.83 | 24,000.37   | 673.92                              |         | 182,848.63               |

Cash Receipts  
Senior Citizens and Veterans  
Overpayments Applied (Created)

**Analysis of Current Year Tax Levy**

|                                      |                      |
|--------------------------------------|----------------------|
| Tax Yield:                           |                      |
| General Property Tax                 | 29,809,009.92        |
| Added Taxes (54:4-63.1 et. Seq.)     | 2,307.41             |
|                                      | <u>29,811,317.33</u> |
| Tax Levy:                            |                      |
| General County Taxes                 | 7,705,073.32         |
| County Library Taxes                 | 1,116,696.89         |
| County Health Taxes                  | -                    |
| County Open Space Taxes              | 328,378.16           |
| County Added and Omitted Taxes       | 48,692.86            |
| Total County Taxes                   | <u>9,198,841.23</u>  |
| Local School District Tax            | 1,886,377.00         |
| Additional Local School District Tax | 7,962,907.00         |
| Regional School District Tax         |                      |
| Local Tax for Municipal Purposes     | 10,560,829.82        |
| Add: Additional Tax Levied           | 202,362.28           |
|                                      | <u>10,763,192.10</u> |
|                                      | <u>29,811,317.33</u> |

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

|                                 |        |                            |
|---------------------------------|--------|----------------------------|
| Balance December 31, 2020       |        | \$ 10,106.84               |
| Increased by:                   |        |                            |
| Transfers from Taxes Receivable | 673.92 |                            |
|                                 |        | 673.92                     |
|                                 |        | 10,780.76                  |
| Decreased by:                   |        |                            |
| None                            | -      |                            |
|                                 |        | -                          |
| Balance December 31, 2021       |        | \$ <u><u>10,780.76</u></u> |

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

|  | Balance<br>Dec. 31, 2020 | Accrued<br>in 2021 | Collected by |              | Balance<br>Dec. 31, 2021 |
|--|--------------------------|--------------------|--------------|--------------|--------------------------|
|  |                          |                    | Collector    | Treasurer    |                          |
| Licenses:  |                          |                    |              |              |                          |
| Alcoholic Beverages  | \$ -                     | 55,940.00          |              | 55,940.00    | -                        |
| Other  | -                        | 310,779.20         |              | 310,779.20   | -                        |
| Fees and Permits   | -                        | 290,978.12         |              | 290,978.12   | -                        |
| Fines and Costs:   |                          |                    |              |              |                          |
| Municipal Court  | -                        | 256,824.10         | 45,246.49    | 247,965.58   | 8,858.52                 |
| Interest and Costs on Taxes  | -                        | 45,246.49          |              |              | -                        |
| Interest Earned on Investments                                       | -                        | 15,583.47          |              | 15,583.47    | -                        |
| Parking Meters   | -                        | 2,222,111.23       |              | 2,222,111.23 | -                        |
| Hotel Room Tax   | -                        | 1,650,000.00       |              | 1,650,000.00 | -                        |
| Lease and Rental Contracts   | -                        | 542,679.93         |              | 542,679.93   | -                        |
| TV Cable Receipts  | -                        | 39,971.61          |              | 39,971.61    | -                        |
| Victorian Towers - In Lieu of Taxes                                  | -                        | 210,517.33         |              | 210,517.33   | -                        |
| Emergency Medical Services   | -                        | 406,385.44         |              | 406,385.44   | -                        |
| Energy Receipts Tax  | -                        | 337,632.00         |              | 337,632.00   | -                        |
| Uniform Construction Code Fees                                       | -                        | 835,697.80         |              | 835,697.80   | -                        |
| Interlocal Services Agreement -<br>West Cape May - Police Protection | -                        | 515,993.00         |              | 515,993.00   | -                        |
| Cape May Point - Police Protection                                   | -                        | 311,822.00         |              | 311,822.00   | -                        |
| Uniform Fire Safety Act  | -                        | 246,801.45         |              | 246,801.45   | -                        |
| Utility Street Improvements  | -                        | 50,000.00          |              | 50,000.00    | -                        |
| Reserve to Pay Debt Service  | -                        | 200,000.00         |              | 200,000.00   | -                        |
| Miscellaneous Revenue Not Anticipated                                | -                        | 328,132.42         |              | 328,132.42   | -                        |
|  | \$ -                     | 8,873,095.59       | 45,246.49    | 8,818,990.58 | 8,858.52                 |

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

|   | Balance<br>Dec. 31, 2020 | Balance<br>After<br>Transfers | Paid or<br>Charges | Balance<br>Lapsed | Over-<br>Expended |
|---|--------------------------|-------------------------------|--------------------|-------------------|-------------------|
| OPERATIONS WITHIN "CAPS"                |                          |                               |                    |                   |                   |
| GENERAL GOVERNMENT:                     |                          |                               |                    |                   |                   |
| General Administration                  |                          |                               |                    |                   |                   |
| Other Expenses                          | \$ 20,368.68             | 20,368.68                     | 8,340.50           | 12,028.18         | -                 |
| Mayor and Council                       |                          |                               |                    |                   |                   |
| Other Expenses                          | 2,753.91                 | 2,753.91                      | 320.00             | 2,433.91          | -                 |
| City Clerk                              |                          |                               |                    |                   |                   |
| Other Expenses                          | 1,007.16                 | 1,007.16                      | 924.26             | 82.90             | -                 |
| Financial Administration                |                          |                               |                    |                   |                   |
| Other Expenses                          | 2,298.31                 | 2,298.31                      | 1,963.79           | 334.52            | -                 |
| Assessment of Taxes                     |                          |                               |                    |                   |                   |
| Other Expenses                          | 4,259.54                 | 4,259.54                      | 2,666.40           | 1,593.14          | -                 |
| Collection of Taxes                     |                          |                               |                    |                   |                   |
| Other Expenses                          | 2,923.78                 | 2,923.78                      | 155.00             | 2,768.78          | -                 |
| Legal Services                          |                          |                               |                    |                   |                   |
| Other Expenses                          |                          |                               |                    |                   |                   |
| Miscellaneous Other Expenses            | 70,049.35                | 70,049.35                     | 30,997.13          | 39,052.22         | -                 |
| Engineering & Planning Services         |                          |                               |                    |                   |                   |
| Other Expenses                          | 4,496.45                 | 4,496.45                      | 3,333.86           | 1,162.59          | -                 |
| Emergency Medical Services - Collection |                          |                               |                    |                   |                   |
| Contractual Expenses                    | 4,706.49                 | 4,706.49                      | 1,088.41           | 3,618.08          | -                 |
| INSURANCE                               |                          |                               |                    |                   |                   |
| Employee Group Health                   | 467,808.62               | 467,808.62                    | 299,058.59         | 168,750.03        | -                 |
| LAND USE ADMINISTRATION                 |                          |                               |                    |                   |                   |
| Planning Board                          |                          |                               |                    |                   |                   |
| Other Expenses                          | 21,712.20                | 21,712.20                     | 3,518.25           | 18,193.95         | -                 |
| Zoning Board of Adjustment              |                          |                               |                    |                   |                   |
| Other Expenses                          | 6,916.09                 | 6,916.09                      | 2,021.76           | 4,894.33          | -                 |
| PUBLIC SAFETY                           |                          |                               |                    |                   |                   |
| Fire                                    |                          |                               |                    |                   |                   |
| Other Expenses                          | 23,903.54                | 23,903.54                     | 10,959.52          | 12,944.02         | -                 |
| Aid to Volunteer Fire Company           |                          |                               |                    |                   |                   |
| Other Expenses                          |                          |                               |                    |                   |                   |
| Police                                  |                          |                               |                    |                   |                   |
| Other Expenses                          | 59,488.65                | 59,488.65                     | 34,889.24          | 24,599.41         | -                 |
| Emergency Management Services           |                          |                               |                    |                   |                   |
| Other Expenses                          | 2,305.62                 | 2,305.62                      | 79.17              | 2,226.45          | -                 |
| Parking and Traffic Maintenance         |                          |                               |                    |                   |                   |
| Other Expenses                          | 55,394.78                | 55,394.78                     | 9,005.36           | 46,389.42         | -                 |
| Municipal Court                         |                          |                               |                    |                   |                   |
| Other Expenses                          | 18,725.67                | 18,725.67                     | 2,547.85           | 16,177.82         | -                 |
| PUBLIC WORKS FUNCTION                   |                          |                               |                    |                   |                   |
| Road Repair and Maintenance             |                          |                               |                    |                   |                   |
| Other Expenses                          | 75,923.07                | 75,923.07                     | 17,051.53          | 58,871.54         | -                 |

See Accompanying Auditor's Report



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

|                                       | Balance<br>Dec. 31, 2020 | Balance<br>After<br>Transfers | Paid or<br>Charges | Balance<br>Lapsed   | Over-<br>Expended |
|---------------------------------------|--------------------------|-------------------------------|--------------------|---------------------|-------------------|
| Sanitary Landfill - Contractual       |                          |                               |                    |                     |                   |
| Other Expenses                        | 11,363.20                | 11,363.20                     | 3,395.89           | 7,967.31            | -                 |
| Recycling                             |                          |                               |                    |                     |                   |
| Other Expenses                        | 39,123.01                | 39,123.01                     | 4,172.82           | 34,950.19           | -                 |
| Public Buildings and Grounds          |                          |                               |                    |                     |                   |
| Other Expenses                        | 102,206.25               | 102,206.25                    | 43,101.53          | 59,104.72           | -                 |
| Shade Tree Commission                 |                          |                               |                    |                     |                   |
| Other Expenses                        | 4,101.80                 | 4,101.80                      | 1,990.00           | 2,111.80            | -                 |
| HEALTH AND HUMAN SERVICES             |                          |                               |                    |                     |                   |
| Uniform Fire Safety                   |                          |                               |                    |                     |                   |
| Other Expenses                        | 3,310.05                 | 3,310.05                      | 2,032.88           | 1,277.17            | -                 |
| Environmental Commission              |                          |                               |                    |                     |                   |
| Other Expenses                        | 3,100.00                 | 3,100.00                      | 400.00             | 2,700.00            | -                 |
| PARKS AND RECREATION                  |                          |                               |                    |                     |                   |
| Civic Affairs                         |                          |                               |                    |                     |                   |
| Other Expenses                        | 28,231.17                | 28,231.17                     | 13.19              | 28,217.98           | -                 |
| Historic Preservation Commission      |                          |                               |                    |                     |                   |
| Other Expenses                        | 9,877.54                 | 9,877.54                      | 1,426.35           | 8,451.19            | -                 |
| Grants Coordinator                    |                          |                               |                    |                     |                   |
| Other Expenses                        | 4,817.50                 | 4,817.50                      | 4,620.00           | 197.50              | -                 |
| UNIFORM CONSTRUCTION CODE             |                          |                               |                    |                     |                   |
| State Uniform Construction Code       |                          |                               |                    |                     |                   |
| Construction Official                 |                          |                               |                    |                     |                   |
| Other Expenses                        | 14,597.13                | 14,597.13                     | 6,912.37           | 7,684.76            | -                 |
| UTILITY EXPENSES AND BULK PURCHASES   |                          |                               |                    |                     |                   |
| General Office Operations             | 16,417.28                | 16,417.28                     | 7,224.68           | 9,192.60            | -                 |
| Street Lighting                       | 14,399.85                | 14,399.85                     | 13,439.44          | 960.41              | -                 |
| Gas Lighting                          | 11,216.14                | 11,216.14                     | 2,946.44           | 8,269.70            | -                 |
| (A) Operations- Excluded from "CAPS"  |                          |                               |                    |                     |                   |
| Length of Service Award Program- Fire | 14,284.00                | 14,284.00                     | 5,716.00           | 8,568.00            | -                 |
| All Other Accounts - No Change        | 565,117.56               | 565,117.56                    |                    | 565,117.56          | -                 |
|                                       | <u>\$ 1,687,204.39</u>   | <u>1,687,204.39</u>           | <u>526,312.21</u>  | <u>1,160,892.18</u> | <u>-</u>          |

See Accompanying Auditor's Report

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

|  |    |                             |                             |
|--|----|-----------------------------|-----------------------------|
| Balance December 31, 2020                                    |    |                             |                             |
| School Tax Payable   | \$ | (928,346.80)                |                             |
| School Tax Deferred  |    | 928,346.80                  |                             |
|  |    | <u>                    </u> | \$ -                        |
| Increased by:  |    |                             |                             |
| Levy - School Year July 1, 2020 to June 30, 2021             |    |                             | <u>1,886,377.00</u>         |
|  |    |                             | 1,886,377.00                |
| Decreased by:  |    |                             |                             |
| Payments   |    |                             | <u>1,886,377.00</u>         |
| Balance December 31, 2021                                    |    |                             |                             |
| School Tax Payable   |    | (928,346.80)                |                             |
| School Tax Deferred  |    | 928,346.80                  |                             |
|  |    | <u>                    </u> | <u>                    </u> |
|  |    |                             | -                           |
| Current Year Liability for Local School District School Tax: |    |                             |                             |
| Tax Paid   |    |                             | 1,886,377.00                |
| Tax Payable Ending   |    |                             | <u>(928,346.80)</u>         |
|  |    |                             | 958,030.20                  |
| Less: Deferred   |    |                             | -                           |
| Less: Tax Payable Beginning                                  |    |                             | <u>(928,346.80)</u>         |
| Amount charged to Current Year Operations                    |    |                             | <u>\$ 1,886,377.00</u>      |

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

|   |    |                     |                        |
|---|----|---------------------|------------------------|
| Balance December 31, 2020                                       |    |                     |                        |
| School Tax Payable  | \$ | (0.07)              |                        |
| School Tax Deferred   |    | <u>3,544,121.00</u> |                        |
|   |    |                     | \$ 3,544,120.93        |
| Increased by:   |    |                     |                        |
| Levy - School Year July 1, 2020 to June 30, 2021                |    |                     | <u>7,962,907.00</u>    |
|   |    |                     | 11,507,027.93          |
| Decreased by:   |    |                     |                        |
| Payments  |    |                     | <u>7,525,574.50</u>    |
| Balance December 31, 2021                                       |    |                     |                        |
| School Tax Payable  |    | (0.07)              |                        |
| School Tax Deferred   |    | <u>3,981,453.50</u> |                        |
|   |    |                     | <u>3,981,453.43</u>    |
| Current Year Liability for Regional School District School Tax: |    |                     |                        |
| Tax Paid  |    |                     | 7,525,574.50           |
| Tax Payable Ending  |    |                     | <u>(0.07)</u>          |
|   |    |                     | 7,525,574.43           |
| Less: Deferred  |    |                     |                        |
| Less: Tax Payable Beginning                                     |    |                     | <u>(0.07)</u>          |
| Amount charged to Current Year Operations                       |    |                     | <u>\$ 7,525,574.50</u> |

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

| Purpose   | Balance             | Transferred       | Received          | Cancelled | Balance             |
|---|---------------------|-------------------|-------------------|-----------|---------------------|
|   | Dec. 31, 2020       | From 2021         |                   |           | Revenues            |
| <b>FEDERAL GRANTS:</b>  |                     |                   |                   |           |                     |
| USDA-Rural Development  | \$ 35,600.00        |                   | 35,600.00         |           | -                   |
| 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                           | 400,000.00          |                   |                   |           | 400,000.00          |
| DCA-Small Cities Block Grant-Water Main from Well #8            | -                   | 400,000.00        | 400,000.00        |           | -                   |
| US Dept of Interior-Civil Rights-Library Project                | 470,000.00          |                   |                   |           | 470,000.00          |
| U.S. Small Business Administration-Shuttered Venue Grant        | -                   | 176,703.66        | 176,703.66        |           | -                   |
| USDA Rural Development - Predevelopment Planning Grant          | -                   | 29,000.00         |                   |           | 29,000.00           |
| <b>Total Federal</b>  | <b>955,672.64</b>   | <b>605,703.66</b> | <b>612,303.66</b> | <b>-</b>  | <b>949,072.64</b>   |
| <b>STATE GRANTS:</b>  |                     |                   |                   |           |                     |
| 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           |
| Clean Communities - 2021  | -                   | 19,469.66         | 19,469.66         |           | -                   |
| NJDOT - 2015 Muni Aid CM Ave South Side                         | 22,184.46           |                   |                   |           | 22,184.46           |
| NJDOT - Bikeway Expansion Project                               | 350,000.00          |                   |                   |           | 350,000.00          |
| Recycling Tonnage - 2021  | -                   | 24,493.21         | 24,493.21         |           | -                   |
| 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          |
| DCA Neighborhood Preservation Program                           | 100,000.00          |                   |                   |           | 30,000.00           |
| 2019 NJDEP-Green Acres-Lafayette Street Park Nature Trail       | 500,000.00          |                   | 70,000.00         |           | 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           |
| Sustainable Jersey 2020   | 5,000.00            |                   |                   |           | 5,000.00            |
| NJDOT FY2021 Transportation Trust Fund                          | 190,000.00          |                   |                   |           | 190,000.00          |
| NJ DEP - Historic Trust Grant                                   | -                   | 24,999.00         | 24,999.00         |           | -                   |
| <b>Total State</b>  | <b>1,900,484.67</b> | <b>68,961.87</b>  | <b>138,961.87</b> | <b>-</b>  | <b>1,830,484.67</b> |
| <b>OTHER GRANTS:</b>  |                     |                   |                   |           |                     |
| County of Cape May Open Space-Lafayette Street Park             | 1,177,000.00        |                   |                   |           | 1,177,000.00        |

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

| <u>Purpose</u>  | Balance<br>Dec. 31, 2020 | Transferred<br>From 2021<br>Revenues | Received          | Cancelled | Balance<br>Dec. 31, 2021 |
|---|--------------------------|--------------------------------------|-------------------|-----------|--------------------------|
| County Open Space - Columbia Ave Park                             | 189,208.00               |                                      |                   |           | 189,208.00               |
| County Open Space - CM Stage                                      | 90,000.00                |                                      | 83,040.00         |           | 6,960.00                 |
| Next Gen 30 - Purchase of Two Basketball Systems for Kiwanis Park | -                        | 4,596.00                             | 4,596.00          |           | -                        |
| R. Kennedy - Law Enforcement Against Drugs Support                | -                        | 2,940.00                             | 2,940.00          |           | -                        |
| 2021 WaWa Foundation Grant - Police Department Equipment          | -                        | 10,000.00                            | 10,000.00         |           | -                        |
| <b>Total Other</b>  | <u>1,456,208.00</u>      | <u>17,536.00</u>                     | <u>100,576.00</u> | <u>-</u>  | <u>1,373,168.00</u>      |
|   | <u>\$ 4,312,365.31</u>   | <u>692,201.53</u>                    | <u>851,841.53</u> | <u>-</u>  | <u>4,152,725.31</u>      |

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

|  | Balance December 31, 2020 |                             | 2021              | Disbursed         | Encumbrances | Cancelled | Balance<br>Dec. 31, 2021 |
|--|---------------------------|-----------------------------|-------------------|-------------------|--------------|-----------|--------------------------|
|  | Appropriated              | Reserve for<br>Encumbrances |                   |                   |              |           |                          |
| <b>FEDERAL GRANTS:</b>                                   | \$                        |                             |                   |                   |              |           |                          |
| USHUD - CDBG - Lafayette Street Park                     | 15,437.83                 |                             |                   |                   |              |           | 15,437.83                |
| Small Cities Grant - Housing Rehab                       | 42,695.00                 |                             |                   |                   |              |           | 42,695.00                |
| Small Cities Grant - ADA Compliance Grant                | 72.80                     |                             |                   |                   |              |           | 72.80                    |
| US Dept of Interior-Civil Rights-Library Project         | 488,000.00                | 12,000.00                   |                   | 11,362.50         |              |           | 488,637.50               |
| NJDCA-Neighborhood Preservation Program COVID-19 Relief  | 17,460.86                 | 1,295.00                    | 1,000.00          | 19,755.86         |              |           |                          |
| DCA-Small Cities Block Grant-Water Main from Well #8     | -                         |                             | 400,000.00        |                   |              |           | 400,000.00               |
| USDA Rural Development - Predevelopment Planning Grant   | -                         |                             | 29,000.00         | 15,895.50         |              |           | 13,104.50                |
| U.S. Small Business Administration-Shuttered Venue Grant | -                         |                             | 176,703.66        | 156,702.66        |              |           | 20,001.00                |
| <b>Total Federal</b>                                     | <b>563,666.49</b>         | <b>13,295.00</b>            | <b>606,703.66</b> | <b>203,716.52</b> | <b>-</b>     | <b>-</b>  | <b>979,948.63</b>        |
| <b>STATE GRANTS:</b>                                     |                           |                             |                   |                   |              |           |                          |
| Clean Communities - 2019                                 | 15,203.50                 | 2,151.68                    |                   | 17,355.18         |              |           | -                        |
| Clean Communities - 2020                                 | 18,289.93                 |                             |                   | 14,755.50         |              |           | 3,534.43                 |
| Clean Communities - 2021                                 | -                         |                             | 19,469.66         |                   |              |           | 19,469.66                |
| 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                                 | 12,680.79                 | 1,665.00                    |                   | 9,725.12          |              |           | 4,620.67                 |
| Recycling Tonnage - 2020                                 | 19,442.88                 |                             |                   | 290.67            |              |           | 18,900.71                |
| Recycling Tonnage - 2021                                 | -                         |                             | 24,493.21         |                   | 251.50       |           | 24,493.21                |
| Body Armor Grant   | 1,055.12                  |                             |                   |                   | 1,055.12     |           | -                        |
| Body Armor Grant   | 2,501.97                  |                             |                   |                   | 2,501.97     |           | -                        |
| Body Armor Grant   | -                         |                             | 2,094.76          |                   | 2,094.76     |           | -                        |
| Bulletproof Vest Grant - 2016                            | 2,397.50                  |                             |                   |                   | 438.15       |           | 1,959.35                 |
| 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                               | 19,087.36                 |                             |                   | 10,000.00         |              |           | 9,087.36                 |
| Housing Inspections - 2020                               | -                         |                             | 9,237.00          |                   |              |           | 9,237.00                 |
| 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                | 41,751.50                   |                   |                   |              |           | 100,000.00               |
| Hazard Mitigation Grant - Seawall Development Assistance | -                         |                             |                   | 8,018.50          |              |           | 33,733.00                |
| Hazard Mitigation Grant - Watershed Mgmt Plan            | 14,962.07                 |                             |                   | 735.00            |              |           | 14,227.07                |
| 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                 |
| 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                 |
| 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                |

See Accompanying Auditor's Report

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

|   | Balance December 31, 2020 |                             | 2021              |                   | Encumbrances      | Cancelled | Balance<br>Dec. 31, 2021 |
|---|---------------------------|-----------------------------|-------------------|-------------------|-------------------|-----------|--------------------------|
|   | Appropriated              | Reserve for<br>Encumbrances | Appropriations    | Disbursed         |                   |           |                          |
| NJ Transportation Trust - FY 2018                                 | 2,433.82                  | -                           | -                 | 17,812.57         | 62,187.43         | -         | 2,433.82                 |
| NJ Transportation Trust - FY 2019                                 | -                         | 80,000.00                   | -                 | 185,000.00        | -                 | -         | -                        |
| NJ Transportation Trust - FY 2020                                 | -                         | 185,000.00                  | -                 | -                 | -                 | -         | -                        |
| NJDOT FY2021 Transportation Trust Fund                            | 190,000.00                | -                           | -                 | 14,755.78         | 20,305.37         | -         | 190,000.00               |
| 2019 NJ Transportation Trust Fund Authority-Reconstruc of PA Ave  | -                         | 35,061.15                   | -                 | 6,087.71          | -                 | -         | 0.00                     |
| 2015 Emergency Management-EMAA Grant                              | 7,000.00                  | -                           | -                 | -                 | -                 | -         | 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                |
| DCA Neighborhood Preservation Program                             | 80,000.00                 | 30,000.00                   | -                 | 92,571.75         | 16,267.25         | -         | 1,161.00                 |
| 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   | 18,750.00                 | -                           | -                 | 18,750.00         | -                 | -         | 6,000.00                 |
| US Dept. of Homeland Security-Flood Mitigation                    | 10,000.00                 | -                           | -                 | -                 | -                 | -         | 10,000.00                |
| Sustainable Jersey 2020   | -                         | -                           | 24,999.00         | 24,999.00         | -                 | -         | -                        |
| NJ DEP - Historic Trust Grant                                     | -                         | -                           | -                 | -                 | -                 | -         | 10,000.00                |
| <b>Total State</b>  | <b>1,930,995.78</b>       | <b>375,629.33</b>           | <b>92,543.55</b>  | <b>420,856.78</b> | <b>105,101.55</b> | <b>-</b>  | <b>1,873,210.33</b>      |
| <b>OTHER GRANTS:</b>  |                           |                             |                   |                   |                   |           |                          |
| Geraldine R. Dodge Foundation                                     | 1,913.04                  | -                           | -                 | 25.00             | -                 | -         | 1,888.04                 |
| Estate of Edward Ross   | 25,148.92                 | -                           | -                 | 25,148.92         | -                 | -         | -                        |
| Estate of Edward Ross - 2016 Educational Purposes                 | 60,000.00                 | -                           | -                 | 16,294.08         | -                 | -         | 43,705.92                |
| 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 - Columbia Ave Park                             | -                         | 60,038.25                   | -                 | 60,038.25         | -                 | -         | -                        |
| County Open Space - CM Stage                                      | 6,960.00                  | -                           | -                 | -                 | -                 | -         | 6,960.00                 |
| WaWa Foundation-Police Vest Grant 2019                            | 5.89                      | -                           | -                 | -                 | -                 | -         | 5.89                     |
| Cape May-Soldiers and Sailors Park Improvements                   | -                         | 55,172.60                   | -                 | 55,172.60         | -                 | -         | -                        |
| Next Gen 30 - Purchase of Two Basketball Systems for Kiwanis Park | -                         | -                           | 4,596.00          | 4,596.00          | -                 | -         | -                        |
| R. Kennedy - Law Enforcement Against Drugs Support                | -                         | 2,940.00                    | -                 | 2,940.00          | -                 | -         | -                        |
| 2021 WaWa Foundation Grant - Police Department Equipment          | -                         | -                           | 10,000.00         | 1,529.55          | 2,804.98          | -         | 5,665.47                 |
| <b>Total Other</b>  | <b>1,310,124.70</b>       | <b>115,210.85</b>           | <b>17,536.00</b>  | <b>165,744.40</b> | <b>2,804.98</b>   | <b>-</b>  | <b>1,274,322.17</b>      |
| <b>\$</b>   | <b>3,804,786.97</b>       | <b>504,135.18</b>           | <b>716,783.21</b> | <b>790,317.70</b> | <b>107,906.53</b> | <b>-</b>  | <b>4,127,481.13</b>      |

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

| <u>Purpose</u>   | <u>Balance<br/>Dec. 31, 2020</u> | <u>Transferred<br/>To 2021<br/>Appropriations</u> | <u>Received</u>   | <u>Balance<br/>Dec. 31, 2021</u> |
|--|----------------------------------|---|-------------------|----------------------------------|
| <b>FEDERAL GRANTS:</b>                                   |                                  |   |                   |                                  |
| NJDCA-Neighborhood Preservation Program COVID-19 Relief  | \$ 1,000.00                      | 1,000.00  | 179,087.89        | -                                |
| American Rescue Plan                                     | -                                |   | 88,351.83         | 179,087.89                       |
| U.S. Small Business Administration-Shuttered Venue Grant | -                                |   |                   | 88,351.83                        |
| <b>Total Federal</b>                                     | <u>1,000.00</u>                  | <u>1,000.00</u>                                   | <u>267,439.72</u> | <u>267,439.72</u>                |
| <b>STATE GRANTS:</b>                                     |                                  |   |                   |                                  |
| Body Armor-2019  | 2,094.76                         | 2,094.76  |                   | -                                |
| Body Armor-2020  | -                                |   | 1,850.42          | 1,850.42                         |
| Housing Inspections                                      | 9,237.00                         | 9,237.00  |                   | -                                |
| Housing Inspections                                      | -                                |   | 12,703.00         | 12,703.00                        |
| 2019 Emergency Management-EMAA Grant                     | 10,000.00                        | 10,000.00   |                   | -                                |
| 2020 Emergency Management-EMAA Grant                     | -                                |   | 10,000.00         | 10,000.00                        |
| Cops in Shops - 2020                                     | 2,249.92                         | 2,249.92  |                   | -                                |
| Cops in Shops - 2021                                     | -                                |   | 2,834.60          | 2,834.60                         |
| NJ Body Cameras  | -                                |   | 82,539.00         | 82,539.00                        |
| DCA Neighborhood Preservation Program-Phase 2            | -                                |   | 112,500.00        | 112,500.00                       |
| <b>Total State</b>                                       | <u>23,581.68</u>                 | <u>23,581.68</u>                                  | <u>222,427.02</u> | <u>222,427.02</u>                |
| <b>\$</b>  | <u>\$ 24,581.68</u>              | <u>24,581.68</u>                                  | <u>489,866.74</u> | <u>489,866.74</u>                |



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

|                             |        |    |          |
|-----------------------------|--------|----|----------|
| Balance December 31, 2020   |        | \$ | 3,350.27 |
| Increased By Receipts:      |        |    |          |
| Dog License Fees            | 985.80 |    |          |
| Late Fees                   | 178.00 |    |          |
| State License Fees          | 232.80 |    |          |
| Interest Earned             | 3.71   |    |          |
|                             |        |    | 1,400.31 |
|                             |        |    | 4,750.58 |
| Decreased By Disbursements: |        |    |          |
| Paid to State of NJ         | 233.40 |    |          |
| Dog Fund Expenditures       | 280.00 |    |          |
|                             |        |    | 513.40   |
| Balance December 31, 2021   |        | \$ | 4,237.18 |

**TRUST FUND  
SCHEDULE OF OTHER TRUST CASH - TREASURER**

|                              |            |                          |
|------------------------------|------------|--------------------------|
| Balance December 31, 2020    | \$         | 3,937,615.17             |
| Increased By Receipts:       |            |                          |
| Due to Current Fund          | 1.92       |                          |
| Fire Safety                  | 7.54       |                          |
| Unemployment Contributions   | 55,028.11  |                          |
| Retirement Contributions     | 135,055.10 |                          |
| Lifeguard Pensions           | 98,371.67  |                          |
| Police Forfeiture Account    | 1.50       |                          |
| POAA Receipts                | 3,649.00   |                          |
| Parking Escrow               | 32,673.65  |                          |
| Fishermen's Memorial Account | 1,347.17   |                          |
| Police Off-Duty Account      | 153,884.90 |                          |
| Neighborhood Revitalization  | 132.53     |                          |
| Security Deposits            | 24.69      |                          |
| DARE Receipts                | 0.51       |                          |
| SCBG Loan                    | 684.79     |                          |
| Public Assistance            | 3.34       |                          |
| Performance Bond             | 105,468.99 |                          |
| Street Opening               | 13,119.24  |                          |
| Flexible Spending            | 17,270.00  |                          |
| Dellas Field                 | 0.64       |                          |
| COAH                         | 252,015.72 |                          |
|                              | <hr/>      | 868,741.01               |
|                              |            | <hr/> 4,806,356.18       |
| Decreased By Disbursements:  |            |                          |
| Unemployment                 | 36,287.41  |                          |
| Lifeguard Pensions           | 73,293.00  |                          |
| Retirement Fund              | 175,529.86 |                          |
| POAA                         | 4,696.00   |                          |
| Fishermen's Memorial Account | 452.00     |                          |
| Police Off-Duty Account      | 91,333.22  |                          |
| Fire Safety                  | 1,898.00   |                          |
| Flexible Spending            | 20,907.32  |                          |
|                              | <hr/>      | 404,396.81               |
| Balance December 31, 2021    | \$         | <hr/> <hr/> 4,401,959.37 |

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

|                                      |    |        |          |
|--------------------------------------|----|--------|----------|
| Balance December 31, 2020            |    | \$     | 2,667.27 |
| Increased By:                        |    |        |          |
| Dog Licenses Fees Collected          | \$ | 985.80 |          |
| Late Fees Collected                  |    | 178.00 |          |
| Interest Received                    |    | 3.71   |          |
|                                      |    |        | 1,167.51 |
|                                      |    |        | 3,834.78 |
| Decreased By:                        |    |        |          |
| Animal Control Expenditures          |    | 280.00 |          |
| Statutory Excess due to Current Fund |    | 926.91 |          |
|                                      |    |        | 1,206.91 |
| Balance December 31, 2021            |    | \$     | 2,627.87 |

| License Fees Collected | <u>Year</u> |          |
|------------------------|-------------|----------|
|                        | 2019        | 1,391.57 |
|                        | 2020        | 1,236.30 |
|                        |             |          |
|                        | \$          | 2,627.87 |

**TRUST - OTHER FUND**  
**STATEMENT OF DUE TO CURRENT FUND**

|                                      |    |                        |
|--------------------------------------|----|------------------------|
| Balance December 31, 2020            | \$ | 678.20                 |
| Increased By:                        |    |                        |
| Statutory Excess due to Current Fund |    | <u>926.91</u>          |
|                                      |    | 1,605.11               |
| Decreased By:                        |    |                        |
| None                                 |    | <u>-</u>               |
| Balance December 31, 2021            | \$ | <u><u>1,605.11</u></u> |

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

|                             |    |                      |
|-----------------------------|----|----------------------|
| Balance December 31, 2020   | \$ | (4.80)               |
| Increased by:               |    |                      |
| Paid to State of New Jersey |    | <u>233.40</u>        |
|                             |    | 228.60               |
| Decreased by:               |    |                      |
| Licenses Issued in 2021     |    | <u>232.80</u>        |
|                             |    | 232.80               |
| Balance December 31, 2021   | \$ | <u><u>(4.20)</u></u> |

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

|   |              |                               |
|---|--------------|-------------------------------|
| Balance December 31, 2020                     |              | \$ 3,213,013.19               |
| Increased by:                                 |              |                               |
| Reserve for Open Space                        | 222,000.00   |                               |
| Capital Improvement Fund                      | 200,000.00   |                               |
| Budget Appropriation-Deferred Charge Unfunded | 535,484.97   |                               |
| Pool Ordinance 2014-283                       | 100,000.00   |                               |
| Bond Premium                                  | 382,453.91   |                               |
| General Serial Bond Issued                    | 7,670,000.00 |                               |
|   | 9,109,938.88 |                               |
|   |              | 12,322,952.07                 |
| Decreased by:                                 |              |                               |
| Improvement Authorizations                    | 2,141,906.08 |                               |
| Reserve for Payment of Bonds                  | 200,000.00   |                               |
|   | 2,341,906.08 |                               |
| Balance December 31, 2021                     |              | \$ <u><u>9,981,045.99</u></u> |

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

|  | Balance       |                | Receipts      |              | Disbursements              |            | Transfers     |               | Balance<br>Dec. 31, 2021 |
|--|---------------|----------------|---------------|--------------|----------------------------|------------|---------------|---------------|--------------------------|
|  | Dec. 31, 2020 |                | Debt Issued   |              | Improvement Authorizations |            | Miscellaneous |               |                          |
|  |               |                | Miscellaneous |              |                            |            | From          | To            |                          |
| Fund Balance   | \$            | 719,201.75     |               |              |                            |            |               |               | 916,921.01               |
| Capital Improvement Fund   |               | 490,011.00     | 100,000.00    |              |                            |            | 105,000.00    | 202,719.26    | 283,407.00               |
| Encumbrances Payable   |               | 1,213,984.13   | 200,000.00    |              |                            |            | 406,604.00    |               | 5,445,303.45             |
| Reserve for Payment of Bonds   |               | 1,072,204.96   | 52,453.91     |              |                            |            | 1,213,984.13  | 5,445,303.45  | 924,658.87               |
| Reserve for Open Space   |               | 2,830,569.00   | 222,000.00    | 200,000.00   |                            |            |               |               | 3,052,569.00             |
| Reserve Other - Mail Improvements  |               | 26,575.60      |               |              |                            |            |               |               | 26,575.60                |
| NJEIT Loan Receivable  |               | (35,670.53)    |               |              |                            |            |               |               | (35,670.53)              |
| Slate Grant Receivable   |               | (303,066.77)   |               |              |                            |            |               |               | (303,066.77)             |
| <b>Improvement Authorizations:</b>   |               |                |               |              |                            |            |               |               |                          |
| 1122 Various Capital Improvements  |               | 2,705.80       |               |              |                            |            | 2,705.80      |               | -                        |
| 1153 Rehabilitation to Bus/Train Station   |               | 30,051.05      |               |              |                            |            | 30,051.05     |               | -                        |
| 1261 Property Acquisition  |               | 2,890.28       |               |              |                            |            | 302,890.28    | 300,000.00    | -                        |
| 1264 Property Acquisition  |               | 3,897.98       |               |              |                            |            | 15,973,897.98 | 15,970,000.00 | -                        |
| 1324 Property Acquisition  |               | 61,332.52      |               |              |                            |            | 61,332.52     |               | -                        |
| 28-2005 Various Capital Improvements   |               | 3,735.25       |               |              |                            |            | 3,735.25      |               | -                        |
| 72-2006 Entrance Way Improvements  |               | 1,070.94       |               |              |                            |            | 1,070.94      |               | -                        |
| 79-2006 Various Improvements   |               | 48,346.80      |               |              |                            |            | 48,346.80     |               | -                        |
| 104-2007 Washington Street Mail  |               | 18.96          |               |              |                            |            | 18.96         |               | (0.00)                   |
| 110-2007 Various Improvements  |               | 515.85         |               |              |                            |            | 515.85        |               | -                        |
| 113-2007 Harborview Park   |               | 694.80         |               |              |                            |            | 694.80        |               | -                        |
| 151-2008 Various Improvements  |               | 1,129.80       |               |              |                            |            | 1,129.80      |               | 0.00                     |
| 161-2008 Convention Hall   |               | 1,342.50       |               |              |                            |            | 1,342.50      |               | -                        |
| 180-2009 Various Improvements  |               | 475.16         |               |              |                            |            | 475.16        |               | -                        |
| 205-2010 Storm Water Collection  |               | 33,118.35      |               |              |                            |            | 33,118.35     |               | 0.00                     |
| 206-2010 Various Improvements  |               | 11,393.22      |               |              |                            |            | 11,393.22     |               | -                        |
| 232-2011 Various Improvements  |               | 62,476.42      | 25,000.00     |              |                            |            |               |               | 87,476.42                |
| 235-2011 ADA Improvements  |               | 1,586.84       |               |              |                            |            |               |               | 1,586.84                 |
| 252-2012 Various Improvements  |               | 36,403.62      |               |              |                            |            |               |               | 36,403.62                |
| 263-2013 Acquisition of Open Space   |               | (1,490,305.79) | 35,484.97     |              | 8,650.00                   |            |               |               | (1,463,470.82)           |
| 269-2013 Various Improvements  |               | 304,935.11     |               |              |                            |            |               |               | 304,935.11               |
| 270-2013 Various Improvements  |               | 529.80         |               |              |                            |            |               |               | 529.80                   |
| 279-2014 Various Improvements  |               | 281,644.57     | 75,000.00     |              | 7,707.50                   |            | 1,412.50      | 9,120.00      | 356,644.57               |
| 283-2014 Pool Improvements   |               | 38,452.03      |               |              |                            |            |               |               | 38,452.03                |
| 289-2015 Seawall Feasibility   |               | 22,243.23      | 185,000.00    |              |                            |            |               |               | 207,243.23               |
| 292-2015 Various Improvements  |               | 20,076.72      |               |              |                            |            |               |               | 21,826.55                |
| 302-2016 Various Improvements  |               | 14,056.62      |               |              | 30,867.95                  |            | 48,227.17     | 80,844.95     | 14,056.62                |
| 306-2016 Various Improvements  |               | (103,193.44)   | 205,000.00    |              |                            |            | 126,974.46    | 126,974.46    | 42,304.65                |
| 311-2016 Improvements to Lafayette Street Park                                     |               | 292,337.31     |               |              | 59,501.91                  |            | 94,330.68     | 94,330.68     | 491,490.13               |
| 315-2017 Various Improvements  |               | (500,834.14)   | 10,000.00     |              | 44,471.46                  |            | 14,670.00     | 15,410.00     | (19,895.60)              |
| 343-2018 Preliminary Expenses for the Construction of a new Public Safety Building |               | (4,018.79)     |               |              | 72,500.00                  |            |               |               | (76,518.79)              |
| 352-2018 Various Improvements  |               | (1,384,505.17) |               |              | 97,739.21                  |            |               | 31,416.00     | 49,171.62                |
| 384-2019 Franklin Street School Library  |               | 87,980.85      |               |              | 126,684.19                 |            |               |               | (36,903.34)              |
| 399-2020 Various Improvements  |               | (683,381.00)   |               |              | 900,000.00                 |            | 17,285.00     | 603,979.04    | 75,519.06                |
| 402-2020 Construction of New Fire Station  |               | -              |               |              | 4,750,000.00               |            | 4,420,408.80  | 250,000.00    | 138,836.00               |
| 413-2021 Acquisition of Real Property  |               | -              |               |              | 350,000.00                 |            | 382,428.50    | 21,429.00     | (10,999.50)              |
| 418-2021 Acquisition of Body Cameras   |               | -              |               |              | 104,520.00                 |            |               | 105,000.00    | 480.00                   |
| 437-2021 Various Improvements  |               | -              |               |              | 2,141,906.08               |            | 721,994.84    | 135,175.00    | (586,819.84)             |
|  | \$            | 3,213,013.19   | 1,109,938.88  | 8,000,000.00 | 2,141,906.08               | 200,000.00 | 23,643,610.84 | 23,643,610.84 | 9,981,045.99             |

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

|                                   |            |                             |
|-----------------------------------|------------|-----------------------------|
| Balance December 31, 2020         |            | \$ 490,011.00               |
| Increased by:                     |            |                             |
| Budget Appropriation              | 200,000.00 |                             |
|                                   | 200,000.00 | 200,000.00                  |
|                                   |            | 690,011.00                  |
| Decreased by:                     |            |                             |
| Improvement Authorizations Funded | 406,604.00 |                             |
|                                   | 406,604.00 | 406,604.00                  |
| Balance December 31, 2021         |            | \$ <u><u>283,407.00</u></u> |

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

|                                 |              |                                |
|---------------------------------|--------------|--------------------------------|
| Balance December 31, 2020       |              | \$ 19,311,185.32               |
| Increased by:                   |              |                                |
| Serial Bond Issued              | 7,670,000.00 |                                |
| Capital Lease Payable           | 571,333.15   |                                |
|                                 | <hr/>        | <hr/>                          |
|                                 |              | 8,241,333.15                   |
|                                 |              | 27,552,518.47                  |
| Decreased by:                   |              |                                |
| Serial Bonds Paid               | 1,980,000.00 |                                |
| Green Trust Loan Principal Paid | 18,365.49    |                                |
| NJEIT Bonds & Loans             | 20,591.49    |                                |
|                                 | <hr/>        | <hr/>                          |
|                                 |              | 2,018,956.98                   |
| Balance December 31, 2021       |              | \$ <u><u>25,533,561.49</u></u> |



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

| Ord #    | Improvement Description   | Balance<br>Dec. 31, 2020 | 2021<br>Authorizations | Other        | Cancelled     | Budget<br>Appropriation | Balance<br>Dec. 31, 2021 | Bond<br>Anticipation<br>Notes | Analysis of Balance |   |
|----------|---|--------------------------|------------------------|--------------|---------------|-------------------------|--------------------------|-------------------------------|---------------------|---|
|          |   |                          |                        |              |               |                         |                          |                               | Expenditures        | Unexpended<br>Improvement<br>Authorizations |
| 1261     | Property Acquisition  | \$ 300,000.00            |                        |              | 300,000.00    |                         | -                        |                               |                     | -   |
| 1264     | Property Acquisition  | 15,970,000.00            |                        |              | 15,970,000.00 |                         | -                        |                               |                     | -   |
| 232-2011 | Various Improvements  | 25,000.00                |                        |              |               | 25,000.00               | -                        |                               |                     | -   |
| 263-2013 | Acquisition of Open Space   | 2,055,484.97             |                        |              |               | 35,484.97               | 2,020,000.00             |                               |                     | 556,529.18                                  |
| 279-2014 | Various Improvements  | 75,000.00                |                        |              |               | 75,000.00               | -                        |                               | 1,463,470.82        | -   |
| 289-2015 | Seawall Feasibility   | 185,000.00               |                        |              |               | 185,000.00              | -                        |                               |                     | -   |
| 306-2016 | Various Improvements  | 205,000.00               |                        |              |               | 205,000.00              | -                        |                               |                     | -   |
| 311-2016 | Improvements to Lafayette Street Park                                     | 500,000.00               |                        |              |               |                         | 500,000.00               |                               |                     | 500,000.00                                  |
| 315-2017 | Various Improvements  | 625,000.00               |                        | 500,000.00   |               | 10,000.00               | 115,000.00               |                               | 19,895.60           | 95,104.40                                   |
| 343-2018 | Preliminary Expenses for the Construction of a new Public Safety Building | 85,000.00                |                        |              |               |                         | 85,000.00                |                               | 76,518.79           | 8,481.21                                    |
| 352-2018 | Various Improvements  | 1,615,000.00             |                        | 1,500,000.00 |               |                         | 115,000.00               |                               |                     | 115,000.00                                  |
| 384-2019 | Franklin Street School Library  | 1,900,000.00             |                        |              |               |                         | 1,900,000.00             |                               | 38,903.34           | 1,861,096.66                                |
| 399-2020 | Various Improvements  | 1,886,510.00             |                        |              |               |                         | 986,510.00               |                               |                     | 986,510.00                                  |
| 402-2020 | Construction of New Fire Station  |                          | 4,750,000.00           |              |               |                         | -                        |                               |                     | -   |
| 413-2021 | Acquisition of Real Property  |                          | 428,571.00             |              |               |                         | 78,571.00                |                               | 10,999.50           | 67,571.50                                   |
| 437-2021 | Various Improvements  |                          | 2,568,325.00           |              |               |                         | 2,568,325.00             |                               | 586,819.84          | 1,981,505.16                                |
|          |   | \$ 25,426,984.97         | 7,746,896.00           | 8,000,000.00 | 16,270,000.00 | 535,484.97              | 8,368,406.00             | -                             | 2,196,607.89        | 6,171,798.11                                |

**GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

| Ord #    | Improvement Description   | Ord. Date  | Amount     | Balance December 31, 2020 |               | Other Funding | Authorizations                      |              | Paid or Charged | Balance December 31, 2021 |              |
|----------|---|------------|------------|---------------------------|---------------|---------------|-------------------------------------|--------------|-----------------|---------------------------|--------------|
|          |   |            |            | Funded                    | Unfunded      |               | Deferred Charges to Future Taxation | Canceled     |                 | Funded                    | Unfunded     |
| 1122     | Various Improvements  | 4/1/1991   | 392,450    | 2,705.80                  | \$            |               | 2,705.80                            | -            |                 |                           |              |
| 1153     | Bus/Train Station   | 6/22/1998  | 600,000    | 30,051.05                 |               |               | 30,051.05                           | -            |                 |                           |              |
| 1261     | Property Acquisition  | 5/21/2002  | 475,000    | 2,890.28                  |               |               | 302,890.28                          | -            |                 |                           |              |
| 1264     | Property Acquisition  | 6/18/2002  | 16,000,000 | 3,897.98                  | 300,000.00    |               | 15,973,897.98                       | -            |                 |                           |              |
| 1324     | Property Acquisition  | 2/17/2005  | 1,100,000  | 61,332.52                 |               |               | 61,332.52                           | -            |                 |                           |              |
| 28-2005  | Various Improvements  | 5/17/2005  | 2,050,000  | 3,735.25                  |               |               | 3,735.25                            | -            |                 |                           |              |
| 72-2006  | Entrance Way Improvements   | 8/15/2006  | 280,000    | 1,070.94                  |               |               | 1,070.94                            | -            |                 |                           |              |
| 79-2006  | Various Improvements  | 10/17/2006 | 1,500,000  | 48,346.80                 |               |               | 48,346.80                           | -            |                 |                           |              |
| 104-2007 | Washington Street Mall  | 5/15/2007  | 3,500,000  | 18.96                     |               |               | 18.96                               | -            |                 |                           |              |
| 110-2007 | Various Improvements  | 6/19/2007  | 1,200,000  | 515.85                    |               |               | 515.85                              | -            |                 |                           |              |
| 113-2007 | Harborview Park   | 7/17/2007  | 102,109    | 694.80                    |               |               | 694.80                              | -            |                 |                           |              |
| 151-2008 | Various Improvements  | 5/20/2008  | 1,400,000  | 1,129.80                  |               |               | 1,129.80                            | -            |                 |                           |              |
| 161-2008 | Construction of a New Convention Hall                                     | 8/19/2008  | 10,500,000 | 1,342.50                  |               |               | 1,342.50                            | -            |                 |                           |              |
| 180-2009 | Various Improvements  | 5/19/2009  | 1,000,000  | 475.16                    |               |               | 475.16                              | -            |                 |                           |              |
| 205-2010 | Storm Water Collection  | 5/18/2010  | 275,000    | 33,118.35                 |               |               | 33,118.35                           | -            |                 |                           |              |
| 206-2010 | Various Improvements  | 6/15/2010  | 1,500,000  | 11,393.22                 |               |               | 11,393.22                           | -            |                 |                           |              |
| 232-2011 | Various Improvements  | 3/22/2011  | 1,500,000  | 62,476.42                 | 25,000.00     |               | 11,393.22                           | -            |                 |                           |              |
| 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  | 36,403.62                 |               |               | 36,403.62                           | -            |                 |                           |              |
| 263-2013 | Acquisition of Open Space   | 3/19/2013  | 3,400,000  |                           | 565,179.18    |               |                                     | 8,650.00     |                 |                           | 556,529.18   |
| 269-2013 | Various Improvements  | 5/21/2013  | 1,900,000  | 304,935.11                |               |               | 304,935.11                          | -            |                 |                           |              |
| 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  | 281,644.57                |               |               | 281,644.57                          | -            |                 |                           |              |
| 283-2014 | Pool Improvements   | 9/2/2014   | 1,000,000  | 38,452.03                 | 75,000.00     |               | 38,452.03                           | -            |                 |                           |              |
| 289-2015 | Seawall Feasibility   | 2/17/2015  | 500,000    | 22,243.23                 | 185,000.00    |               | 207,243.23                          | -            |                 |                           |              |
| 292-2015 | Various Improvements  | 5/19/2015  | 1,499,675  | 20,076.72                 |               |               | 20,076.72                           | (1,749.83)   |                 |                           |              |
| 302-2016 | Various Improvements  | 3/15/2016  | 375,000    | 14,056.62                 |               |               | 14,056.62                           | -            |                 |                           |              |
| 306-2016 | Various Improvements  | 5/17/2016  | 3,000,000  |                           | 101,806.56    |               |                                     | 59,501.91    |                 |                           | 500,000.00   |
| 311-2016 | Improvements to Lafayette Street Park                                     | 11/14/2016 | 1,500,000  | 292,337.31                |               |               |                                     | (199,152.82) |                 |                           | 95,104.40    |
| 315-2017 | Various Improvements  | 5/16/2017  | 3,000,000  |                           | 124,165.86    |               |                                     | 29,061.46    |                 |                           |              |
| 343-2018 | Preliminary Expenses for the Construction of a new Public Safety Building | 3/20/2018  | 300,000    | 80,981.21                 |               |               |                                     | 72,500.00    |                 |                           | 8,481.21     |
| 352-2018 | Various Improvements  | 6/19/2018  | 1,700,000  | 230,494.83                |               |               |                                     | 66,323.21    |                 |                           | 115,000.00   |
| 384-2019 | Franklin Street School Library  | 11/18/2019 | 2,000,000  | 87,980.85                 |               |               |                                     | 126,884.19   |                 |                           | 1,861,096.66 |
| 399-2020 | Various Improvements  | 6/16/2020  | 1,985,800  |                           | 1,203,129.00  |               |                                     | 141,099.94   |                 |                           | 986,510.00   |
| 402-2020 | Construction of New Fire Station  | 2/16/2021  | 5,000,000  |                           |               | 250,000.00    |                                     | 4,861,164.00 |                 |                           | 67,571.50    |
| 413-2021 | Acquisition of Real Property  | 3/2/2021   | 450,000    |                           |               | 21,429.00     |                                     | 382,428.50   |                 |                           |              |
| 418-2021 | Acquisition of Body Cameras   | 4/6/2021   | 105,000    |                           |               | 105,000.00    |                                     | 104,520.00   |                 |                           |              |
| 437-2021 | Various Improvements  | 8/17/2021  | 2,703,500  |                           |               | 135,175.00    |                                     | 721,994.84   |                 |                           | 1,981,505.16 |
|          |   |            | \$         | 1,365,442.38              | 21,260,756.64 | 5,111,604.00  | 7,746,896.00                        | 6,373,225.40 | 16,472,719.26   | 1,866,956.25              | 6,171,798.11 |

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

| Purpose                          | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding December 31, 2021 |              |               |                       | Balance Dec. 31, 2020 | Increased           | Decreased            | Balance Dec. 31, 2021 |
|----------------------------------|---------------|--------------------------|---|--------------|---------------|-----------------------|-----------------------|---------------------|----------------------|-----------------------|
|                                  |               |                          | Date  | Amount       | Interest Rate | Balance Dec. 31, 2020 |                       |                     |                      |                       |
| General Obligation Bonds of 2013 | 7/15/2013     | 10,700,000               | 7/15/2022   | 920,000.00   | 3.000%        | \$                    | 6,340,000.00          |                     | 850,000.00           | 5,490,000.00          |
|                                  |               |                          | 7/15/2023   | 920,000.00   | 3.250%        |                       |                       |                     |                      |                       |
|                                  |               |                          | 7/15/2024   | 920,000.00   | 3.500%        |                       |                       |                     |                      |                       |
|                                  |               |                          | 7/15/2025   | 920,000.00   | 4.000%        |                       |                       |                     |                      |                       |
|                                  |               |                          | 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                | 7/15/2022   | 560,000.00   | 3.000%        |                       | 3,265,000.00          |                     | 530,000.00           | 2,735,000.00          |
|                                  |               |                          | 7/15/2023   | 660,000.00   | 3.000%        |                       |                       |                     |                      |                       |
|                                  |               |                          | 7/15/2024   | 700,000.00   | 3.000%        |                       |                       |                     |                      |                       |
|                                  |               |                          | 7/15/2025   | 815,000.00   | 3.000%        |                       |                       |                     |                      |                       |
| General Obligation Bonds of 2019 | 7/11/2019     | 10,155,000               | 2/1/2022  | 650,000.00   | 5.000%        |                       | 9,590,000.00          |                     | 600,000.00           | 8,990,000.00          |
|                                  |               |                          | 2/1/2023  | 700,000.00   | 5.000%        |                       |                       |                     |                      |                       |
|                                  |               |                          | 2/1/2024  | 750,000.00   | 5.000%        |                       |                       |                     |                      |                       |
|                                  |               |                          | 2/1/2025  | 800,000.00   | 5.000%        |                       |                       |                     |                      |                       |
|                                  |               |                          | 2/1/2026  | 850,000.00   | 5.000%        |                       |                       |                     |                      |                       |
|                                  |               |                          | 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                | 10/15/2022  | 340,000.00   | 2.000%        |                       | -                     | 7,670,000.00        |                      | 7,670,000.00          |
|                                  |               |                          | 10/15/2023  | 380,000.00   | 2.000%        |                       |                       |                     |                      |                       |
|                                  |               |                          | 10/15/2024  | 420,000.00   | 2.000%        |                       |                       |                     |                      |                       |
|                                  |               |                          | 10/15/2025  | 420,000.00   | 3.000%        |                       |                       |                     |                      |                       |
|                                  |               |                          | 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%                   |   |              |               |                       |                       |                     |                      |                       |
|                                  |               |                          |   |              |               | \$                    |                       |                     |                      |                       |
|                                  |               |                          |   |              |               | <u>19,185,000.00</u>  | <u>7,670,000.00</u>   | <u>1,980,000.00</u> | <u>24,885,000.00</u> |                       |

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<br>December 31, 2021 | Date | Amount | Interest Rate | Balance Dec. 31, 2020 | Increased | Decreased | Balance Dec. 31, 2021 |
|-----------------|---------------|--------------------------|--|------|--------|---------------|-----------------------|-----------|-----------|-----------------------|
|                 |               |                          |  |      |        |               |                       |           |           |                       |
| Harborview Park | 11/3/2005     | 324,621                  |  |      |        | 2.000%        | \$ 95,593.83          |           | 18,365.49 | 77,228.34             |
|                 |               |                          |  |      |        |               |                       |           |           |                       |
|                 |               |                          |  |      |        |               | \$ 95,593.83          | -         | 18,365.49 | 77,228.34             |

This loan is paid semi annually. The amount for principal and interest is \$10,093.00. The loan ends on August 9, 2025.

**GENERAL CAPITAL FUND  
SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE**

| Purpose                             | Date of Issue | Amount of Original Issue | Maturities of Bonds |        | Interest Rate | Balance Dec. 31, 2020 | Increased        | Decreased | Balance Dec. 31, 2021 |
|-------------------------------------|---------------|--------------------------|---------------------|--------|---------------|-----------------------|------------------|-----------|-----------------------|
|                                     |               |                          | Date                | Amount |               |                       |                  |           |                       |
| Various Capital Improvements NJ-EIT | 10/17/2001    | 61,250                   |                     |        | \$            | 4,900.00              | 4,900.00         | -         | -                     |
| Various Capital Improvements NJ-EIT | 10/17/2001    | 63,933                   |                     |        |               | 3,300.93              | 3,300.93         | -         | -                     |
| Various Capital Improvements NJ-EIT | 10/17/2001    | 115,970                  |                     |        |               | 5,040.56              | 5,040.56         | -         | -                     |
| Various Capital Improvements NJ-EIT | 10/17/2001    | 110,250                  |                     |        |               | 7,350.00              | 7,350.00         | -         | -                     |
|                                     |               |                          |                     |        | \$            | <u>20,591.49</u>      | <u>20,591.49</u> | <u>-</u>  | <u>-</u>              |

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

| Purpose    | Date of Loan | Amount of Original Issue | Maturities of Capital Lease Outstanding December 31, 2021 |              |        |               | Interest Rate | Balance Dec. 31, 2020 | Increased  | Decreased | Balance Dec. 31, 2021 |
|------------|--------------|--------------------------|---|--------------|--------|---------------|---------------|-----------------------|------------|-----------|-----------------------|
|            |              |                          | Date  | Amount       | Amount | Rate          |               |                       |            |           |                       |
| ESIP Lease | 5/1/2017     | \$ 825,000               | 5/1/2022  | \$ 21,562.58 | 2.574% | \$ 621,610.94 |               | 50,277.79             | 571,333.15 |           |                       |
|            |              |                          | 11/1/2022   | 22,886.02    | 2.574% |               |               |                       |            |           |                       |
|            |              |                          | 5/1/2023  | 22,887.80    | 2.574% |               |               |                       |            |           |                       |
|            |              |                          | 11/1/2023   | 24,231.11    | 2.574% |               |               |                       |            |           |                       |
|            |              |                          | 5/1/2024  | 24,268.99    | 2.574% |               |               |                       |            |           |                       |
|            |              |                          | 11/1/2024   | 25,633.02    | 2.574% |               |               |                       |            |           |                       |
|            |              |                          | 5/1/2025  | 25,706.85    | 2.574% |               |               |                       |            |           |                       |
|            |              |                          | 11/1/2025   | 27,092.45    | 2.574% |               |               |                       |            |           |                       |
|            |              |                          | 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%       |        |               |               |                       |            |           |                       |
|            |              |                          |   |              |        | \$ 621,610.94 | -             | 50,277.79             | 571,333.15 |           |                       |

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

| Ordinance Number | Improvement Description   | Balance<br>Dec. 31, 2020 | 2021<br>Authorizations | Debt<br>Issued      | Cancelled            | Budget<br>Appropriation | Balance<br>Dec. 31, 2021 |
|------------------|---|--------------------------|------------------------|---------------------|----------------------|-------------------------|--------------------------|
| 1261             | Property Acquisition  | \$ 300,000.00            |                        |                     | 300,000.00           |                         | -                        |
| 1264             | Property Acquisition  | 15,970,000.00            |                        |                     | 15,970,000.00        |                         | -                        |
| 232-2011         | Various Improvements  | 25,000.00                |                        |                     |                      | 25,000.00               | -                        |
| 263-2013         | Acquisition of Open Space   | 2,055,484.97             |                        |                     |                      | 35,484.97               | 2,020,000.00             |
| 279-2014         | Various Improvements  | 75,000.00                |                        |                     |                      | 75,000.00               | -                        |
| 289-2015         | Seawall Feasibility   | 185,000.00               |                        |                     |                      | 185,000.00              | -                        |
| 306-2016         | Various Improvements  | 205,000.00               |                        |                     |                      | 205,000.00              | -                        |
| 311-2016         | Improvements to Lafayette Street Park                                     | 500,000.00               |                        | 500,000.00          |                      | 10,000.00               | 500,000.00               |
| 315-2017         | Various Improvements  | 625,000.00               |                        |                     |                      |                         | 115,000.00               |
| 343-2018         | Preliminary Expenses for the Construction of a new Public Safety Building | 85,000.00                |                        |                     |                      |                         | 85,000.00                |
| 352-2018         | Various Improvements  | 1,615,000.00             |                        | 1,500,000.00        |                      |                         | 115,000.00               |
| 384-2019         | Franklin Street School Library  | 1,900,000.00             |                        |                     |                      |                         | 1,900,000.00             |
| 399-2020         | Various Improvements  | 1,886,510.00             |                        | 900,000.00          |                      |                         | 986,510.00               |
| 402-2020         | Construction of New Fire Station  | -                        | 4,750,000.00           | 4,750,000.00        |                      |                         | -                        |
| 413-2021         | Acquisition of Real Property  | -                        | 428,571.00             | 350,000.00          |                      |                         | 78,571.00                |
| 437-2021         | Various Improvements  | -                        | 2,568,325.00           |                     |                      |                         | 2,568,325.00             |
|                  |   | <u>\$ 25,426,994.97</u>  | <u>7,746,896.00</u>    | <u>8,000,000.00</u> | <u>16,270,000.00</u> | <u>535,484.97</u>       | <u>8,368,406.00</u>      |

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

|                                   | Operating Fund         | Capital Fund        |
|-----------------------------------|------------------------|---------------------|
| Balance December 31, 2020         | \$ 1,529,741.03        | 1,269,527.15        |
| Increased by Receipts:            |                        |                     |
| Water and Sewer Rent Collected    | 6,869,236.28           |                     |
| Reimbursements                    | 55,180.40              |                     |
| Capital Improvement Fund          |                        | 10,000.00           |
| NJEIT Loans Receivable - 2018 A-1 |                        | 192,443.00          |
| Due from Current Fund             | 13,743.42              |                     |
| Reserve for Debt Service          | 245,000.00             |                     |
| Miscellaneous Revenue             | 161,850.39             |                     |
|                                   | <u>7,345,010.49</u>    | <u>202,443.00</u>   |
|                                   | 8,874,751.52           | 1,471,970.15        |
| Decreased by Disbursements:       |                        |                     |
| Current Appropriations            | 6,459,966.64           |                     |
| Appropriation Reserves            | 130,784.56             |                     |
| Refund of Overpayments            | 1,463.13               |                     |
| Improvement Authorizations        |                        | 837,183.88          |
| Reserve for Debt Service          |                        | 245,000.00          |
| Due to Current Fund               | 13,743.42              |                     |
|                                   | <u>6,605,957.75</u>    | <u>1,082,183.88</u> |
| Balance December 31, 2021         | \$ <u>2,268,793.77</u> | <u>389,786.27</u>   |



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

|                                      | Balance<br>Dec. 31, 2020 | Receipts      |             | Disbursements                 |               | Transfers  |            | Balance<br>Dec. 31, 2021 |
|--------------------------------------|--------------------------|---------------|-------------|-------------------------------|---------------|------------|------------|--------------------------|
|                                      |                          | Miscellaneous | Debt Issued | Improvement<br>Authorizations | Miscellaneous | From       | To         |                          |
| Fund Balance                         | \$ 378,306.34            |               |             |                               |               |            |            | 378,306.34               |
| Capital Improvement Fund             | 160,000.00               | 10,000.00     |             |                               |               |            |            | 170,000.00               |
| Reserve for Debt Service             | 1,157,807.11             |               |             |                               | 245,000.00    |            |            | 912,807.11               |
| NJEIT Loans Receivable               | (37,126.47)              |               |             |                               |               |            |            | (37,126.47)              |
| NJEIT Loans Receivable - 2018 A-1    | (407,006.00)             | 192,443.00    |             |                               |               |            |            | (214,563.00)             |
| NJEIT Loans Receivable - 1998        | (15,000.00)              |               |             |                               |               |            |            | (15,000.00)              |
| Encumbrances Payable                 | 844,287.57               |               |             |                               | 844,287.57    | 39,941.93  |            | 39,941.93                |
| <u>Improvement Authorizations:</u>   |                          |               |             |                               |               |            |            |                          |
| 1291 Various Utility Improvements    | 3,085.29                 |               |             |                               |               |            |            | 3,085.29                 |
| 36-2005 Various Utility Improvements | (41,070.74)              |               |             |                               |               |            |            | (41,070.74)              |
| 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         | (312,395.11)             |               |             |                               |               |            |            | (312,395.11)             |
| 179-2009 System Improvements         | 98,907.16                |               |             |                               |               |            |            | 98,907.16                |
| 207-2010 System Improvements         | (21,041.87)              |               |             |                               |               |            |            | (21,041.87)              |
| 230-2011 System Improvements         | 372,287.84               |               |             |                               |               |            |            | 372,287.84               |
| 250-2012 System Improvements         | (71,566.66)              |               |             |                               |               |            |            | (71,566.66)              |
| 268-2013 System Improvements         | (3,620.53)               |               |             |                               |               |            |            | (3,620.53)               |
| 281-2014 System Improvements         | (57,512.82)              |               |             |                               |               |            |            | (57,512.82)              |
| 293-2015 System Improvements         | (168,366.85)             |               |             |                               |               |            |            | (168,366.85)             |
| 298-2015 System Improvements         | 54,557.62                |               |             | 14,719.24                     |               |            | 422.57     | 39,838.38                |
| 307-2016 System Improvements         | 68,930.09                |               |             | 15,000.00                     |               |            | 1,353.00   | 55,283.09                |
| 316-2017 System Improvements         | (65,950.40)              |               |             | 17,698.00                     |               |            | 21,628.00  | (62,020.40)              |
| 353-2018 System Improvements         | (308,883.92)             |               |             | 422,618.00                    |               |            | 421,516.00 | (309,985.92)             |
| 398-2020 System Improvements         | (399,968.00)             |               |             | 367,148.64                    |               |            | 32,219.36  | (399,968.00)             |
| 436-2021 System Improvements         | -                        |               |             |                               |               |            | 7,300.00   | (7,300.00)               |
|                                      | \$ 1,269,527.15          | 202,443.00    | -           | 837,183.88                    | 245,000.00    | 884,229.50 | 884,229.50 | 389,786.27               |

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

|                                      |              |    |                          |
|--------------------------------------|--------------|----|--------------------------|
| Balance December 31, 2020            |              | \$ | 202,901.59               |
| Increased by Receipts:               |              |    |                          |
| Consumer Accounts Charges and Levies | 7,104,275.14 |    |                          |
| Adjustments                          | 1,463.13     |    |                          |
| Overpayments Created                 | 49,185.21    |    |                          |
|                                      | <hr/>        |    | <hr/>                    |
|                                      |              |    | 7,154,923.48             |
|                                      |              |    | 7,357,825.07             |
| Decreased by Disbursements:          |              |    |                          |
| Collections                          | 6,869,236.28 |    |                          |
| Adjustments                          | 40,811.82    |    |                          |
| Overpayments Applied                 | 33,729.01    |    |                          |
|                                      | <hr/>        |    | <hr/>                    |
|                                      |              |    | 6,943,777.11             |
| Balance December 31, 2021            |              | \$ | <u><u>414,047.96</u></u> |

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

|                             |       |    |                 |
|-----------------------------|-------|----|-----------------|
| Balance December 31, 2020   |       | \$ | -               |
| Increased by Receipts:      |       |    |                 |
| None                        | -     |    |                 |
|                             | <hr/> |    | <hr/>           |
|                             |       |    | -               |
| Decreased by Disbursements: |       |    |                 |
| None                        | -     |    |                 |
|                             | <hr/> |    | <hr/>           |
|                             |       |    | -               |
| Balance December 31, 2021   |       | \$ | <u><u>-</u></u> |

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

|  | Balance<br>Dec. 31, 2020 | Balance<br>After<br>Transfers | Paid or<br>Charges | Balance<br>Lapsed | Over-<br>Expended |
|--|--------------------------|-------------------------------|--------------------|-------------------|-------------------|
| Operating:                                   |                          |                               |                    |                   |                   |
| Salaries and Wages                           | \$ 43,856.63             | 43,856.63                     | 18,293.99          | 25,562.64         | -                 |
| Other Expenses                               | 366,696.51               | 366,696.51                    | 112,490.57         | 254,205.94        | -                 |
| Deferred Charges and Statutory Expenditures: |                          |                               |                    |                   |                   |
| Social Security System (O.A.S.I.)            | 2,590.07                 | 2,590.07                      |                    | 2,590.07          | -                 |
| Unemployment Compensation Insurance          | 3,900.00                 | 3,900.00                      |                    | 3,900.00          | -                 |
|  | <u>\$ 417,043.21</u>     | <u>417,043.21</u>             | <u>130,784.56</u>  | <u>286,258.65</u> | <u>-</u>          |

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

|                                   |            |    |            |
|-----------------------------------|------------|----|------------|
| Balance December 31, 2020         |            | \$ | 164,562.50 |
| Increased by:                     |            |    |            |
| Budget Appropriations             | 104,669.98 |    |            |
|                                   | 104,669.98 |    | 269,232.48 |
| Decreased By:                     |            |    |            |
| Payments of Debt Service Interest | 164,562.50 |    |            |
|                                   | 164,562.50 |    | 104,669.98 |
| Balance December 31, 2021         |            | \$ | 104,669.98 |

Analysis of Accrued Interest December 31, 2021

| Principal<br>Outstanding<br>December 31, 2021 | Interest<br>Rate | From       | To         | Days | Amount            |
|---|------------------|------------|------------|------|-------------------|
| 7,920.00                                      | 5.00%            | 12/24/2021 | 12/31/2021 | 7    | 3.85              |
| 930,000.00                                    | Var.             | 7/15/2021  | 12/31/2021 | 165  | 14,414.58         |
| 1,120,000.00                                  | 3.00%            | 7/15/2021  | 12/31/2021 | 165  | 15,400.00         |
| 400,000.00                                    | Var.             | 8/1/2021   | 12/31/2021 | 150  | 5,984.37          |
| 3,750,000.00                                  | Var.             | 8/1/2021   | 12/31/2021 | 150  | 60,416.67         |
| 5,505,000.00                                  | Var.             | 12/15/2021 | 12/31/2021 | 15   | 8,450.51          |
| <u>11,712,920.00</u>                          |                  |            |            |      | <u>104,669.98</u> |

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

| Ord #    | Improvement Description      | Ord. Date  | Amount    | Balance December 31, 2020 |              | Authorizations |                                     | Paid or Charged | Balance December 31, 2021 |              |
|----------|------------------------------|------------|-----------|---------------------------|--------------|----------------|-------------------------------------|-----------------|---------------------------|--------------|
|          |                              |            |           | Funded                    | Unfunded     | Other Funding  | Deferred Charges to Future Taxation |                 | Funded                    | Unfunded     |
| 1291     | Various Utility Improvements | 4/14/2003  | 550,000   | \$ 3,085.29               |              |                |                                     |                 | 3,085.29                  |              |
| 36-2005  | Various Utility Improvements | 6/21/2005  | 2,000,000 |                           | 75,465.26    |                |                                     |                 |                           | 75,465.26    |
| 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   | 98,907.16                 | 200,000.00   |                |                                     |                 | 98,907.16                 | 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 | 372,287.84                | 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 | 46,379.47                 |              |                |                                     |                 | 46,379.47                 |              |
| 281-2014 | System Improvements          | 6/2/2014   | 1,150,000 |                           | 95,439.08    |                |                                     |                 |                           | 95,439.08    |
| 293-2015 | System Improvements          | 5/19/2015  | 994,000   |                           | 235,978.04   |                |                                     |                 |                           | 235,978.04   |
| 298-2015 | System Improvements          | 12/15/2015 | 500,000   | 54,557.62                 | 302,155.21   |                |                                     | 14,719.24       | 39,838.38                 | 302,155.21   |
| 307-2016 | System Improvements          | 5/17/2016  | 1,200,000 | 68,930.09                 |              |                |                                     | 13,647.00       | 55,283.09                 |              |
| 316-2017 | System Improvements          | 5/16/2017  | 769,000   | -                         | 3,049.60     |                |                                     | (3,930.00)      |                           | 6,979.60     |
| 353-2018 | System Improvements          | 6/19/2018  | 1,019,000 | -                         | 95,116.08    |                |                                     | 1,102.00        |                           | 94,014.08    |
| 398-2020 | System Improvements          | 6/16/2020  | 1,270,000 | -                         | 870,032.00   |                |                                     | -               |                           | 870,032.00   |
| 436-2021 | System Improvements          | 8/17/2021  | 1,000,000 | -                         | -            |                | 1,000,000.00                        | 7,300.00        |                           | 992,700.00   |
|          |                              |            |           | \$ 638,635.50             | 2,148,211.10 | -              | 1,000,000.00                        | 32,838.24       | 610,269.26                | 3,143,739.10 |

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 Outstanding |            | Interest Rate | Balance Dec. 31, 2020 | Increased | Decreased  | Balance Dec. 31, 2021 |
|------------------------------|---------------|--------------------------|---------------------------------|------------|---------------|-----------------------|-----------|------------|-----------------------|
|                              |               |                          | Date                            | Amount     |               |                       |           |            |                       |
| Improvement to Water Tower   | 6/24/1983     | 142,500                  | 6/24/2022                       | 7,920.00   | 5.000%        | 15,590.00             |           | 7,670.00   | 7,920.00              |
|                              |               |                          |                                 |            |               |                       |           |            |                       |
| Various Capital Improvements | 7/15/2013     | 2,335,000                | 7/15/2022                       | 240,000.00 | 3.00%         | 1,140,000.00          |           | 210,000.00 | 930,000.00            |
|                              |               |                          | 7/15/2023                       | 260,000.00 | 3.25%         |                       |           |            |                       |
|                              |               |                          | 7/15/2024                       | 280,000.00 | 3.50%         |                       |           |            |                       |
|                              |               |                          | 7/15/2025                       | 150,000.00 | 4.00%         |                       |           |            |                       |
| Various Capital Improvements | 7/15/2014     | 2,700,000                | 7/15/2022                       | 280,000.00 | 3.00%         | 1,390,000.00          |           | 270,000.00 | 1,120,000.00          |
|                              |               |                          | 7/15/2023                       | 280,000.00 | 3.00%         |                       |           |            |                       |
|                              |               |                          | 7/15/2024                       | 280,000.00 | 3.00%         |                       |           |            |                       |
| Various Capital Improvements | 7/1/2019      | 4,250,000                | 2/1/2022                        | 280,000.00 | 5.00%         | 4,010,000.00          |           | 260,000.00 | 3,750,000.00          |
|                              |               |                          | 2/1/2023                        | 300,000.00 | 5.00%         |                       |           |            |                       |
|                              |               |                          | 2/1/2024                        | 320,000.00 | 5.00%         |                       |           |            |                       |
|                              |               |                          | 2/1/2025                        | 340,000.00 | 5.00%         |                       |           |            |                       |
|                              |               |                          | 2/1/2026                        | 360,000.00 | 5.00%         |                       |           |            |                       |
|                              |               |                          | 2/1/2027                        | 380,000.00 | 4.00%         |                       |           |            |                       |
|                              |               |                          | 2/1/2028                        | 400,000.00 | 3.00%         |                       |           |            |                       |
| 2/1/2029                     | 440,000.00    | 2.25%                    |                                 |            |               |                       |           |            |                       |
| 2/1/2030                     | 450,000.00    | 3.00%                    |                                 |            |               |                       |           |            |                       |
| 2/1/2031                     | 480,000.00    | 3.00%                    |                                 |            |               |                       |           |            |                       |

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 Outstanding |            | Interest Rate | Balance Dec. 31, 2020 | Increased           | Decreased         | Balance Dec. 31, 2021 |
|--------------------------------------|---------------|--------------------------|---------------------------------|------------|---------------|-----------------------|---------------------|-------------------|-----------------------|
|                                      |               |                          | Date                            | Amount     |               |                       |                     |                   |                       |
| Utility Refunding Bonds, Series 2021 | 12/15/2021    | 5,505,000                | 6/15/2022                       | 160,000.00 | 3.00%         | -                     | 5,505,000.00        |                   | 5,505,000.00          |
|                                      |               |                          | 6/15/2023                       | 155,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2024                       | 160,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2025                       | 170,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2026                       | 175,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2027                       | 180,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2028                       | 190,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2029                       | 200,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2030                       | 205,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2031                       | 215,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2032                       | 220,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2033                       | 235,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2034                       | 245,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2035                       | 255,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2036                       | 260,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2037                       | 275,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2038                       | 285,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2039                       | 180,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2040                       | 190,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               |                          | 6/15/2041                       | 195,000.00 | 4.00%         |                       |                     |                   |                       |
|                                      |               | 6/15/2042                | 205,000.00                      | 4.00%      |               |                       |                     |                   |                       |
|                                      |               | 6/15/2043                | 210,000.00                      | 4.00%      |               |                       |                     |                   |                       |
|                                      |               | 6/15/2044                | 220,000.00                      | 4.00%      |               |                       |                     |                   |                       |
|                                      |               | 6/15/2045                | 230,000.00                      | 4.00%      |               |                       |                     |                   |                       |
|                                      |               | 6/15/2046                | 240,000.00                      | 4.00%      |               |                       |                     |                   |                       |
|                                      |               | 6/15/2047                | 250,000.00                      | 4.00%      |               |                       |                     |                   |                       |
|                                      |               |                          |                                 |            |               | <u>6,555,590.00</u>   | <u>5,505,000.00</u> | <u>747,670.00</u> | <u>11,312,920.00</u>  |

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, 2020 | Increased | Decreased    | Balance Dec. 31, 2021 |
|---------------------------------|---------------|--------------------------|---------------------------------|--------|---------------|-----------------------|-----------|--------------|-----------------------|
|                                 |               |                          | Date                            | Amount |               |                       |           |              |                       |
| Water Desalination<br>USDA-FmHA | 12/15/1998    | 2,500,000                |                                 |        | \$            | 1,656,142.31          |           | 1,656,142.31 | -                     |
| System Improvements<br>NJ-EIT   | 10/17/2001    | 63,750                   |                                 |        |               | 5,100.00              |           | 5,100.00     | -                     |
| System Improvements<br>NJ-EIT   | 10/17/2001    | 66,542                   |                                 |        |               | 3,435.66              |           | 3,435.66     | -                     |
| System Improvements<br>NJ-EIT   | 10/17/2001    | 114,750                  |                                 |        |               | 7,650.00              |           | 7,650.00     | -                     |
| System Improvements<br>NJ-EIT   | 10/17/2001    | 120,704                  |                                 |        |               | 5,246.30              |           | 5,246.30     | -                     |
| System Improvements<br>USDA     | 10/12/2007    | 1,200,000                |                                 |        |               | 1,000,322.57          |           | 1,000,322.57 | -                     |
| System Improvements<br>USDA     | 10/27/2011    | 1,250,000                |                                 |        |               | 1,104,673.53          |           | 1,104,673.53 | -                     |
| System Improvements<br>USDA     | 10/27/2011    | 1,400,000                |                                 |        |               | 1,237,234.35          |           | 1,237,234.35 | -                     |
| System Improvements<br>USDA     | 7/18/2014     | 1,585,000                |                                 |        |               | 1,475,087.93          |           | 1,475,087.93 | -                     |

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, 2020 | Increased | Decreased | Balance Dec. 31, 2021 |
|-------------------------------|---------------|--------------------------|---------------------------------|-----------|---------------|-----------------------|-----------|-----------|-----------------------|
|                               |               |                          | December 31, 2021               |           |               |                       |           |           |                       |
|                               |               |                          | Date                            | Amount    |               |                       |           |           |                       |
| System Improvements<br>NJ-EIT | 5/22/2018     | 430,000                  | 8/1/2022                        | 10,000.00 | 5.000%        | 410,000.00            |           | 10,000.00 | 400,000.00            |
|                               |               |                          | 8/1/2023                        | 10,000.00 | 5.000%        |                       |           |           |                       |
|                               |               |                          | 8/1/2024                        | 10,000.00 | 5.000%        |                       |           |           |                       |
|                               |               |                          | 8/1/2025                        | 10,000.00 | 5.000%        |                       |           |           |                       |
|                               |               |                          | 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%    |               |                       |           |           |                       |
| System Improvements<br>NJ-EIT | 5/22/2018     | 1,252,948                | 2/1/2022                        | 14,078.06 |               | 1,140,323.49          |           | 42,234.19 | 1,098,089.30          |
|                               |               |                          | 8/1/2022                        | 28,156.13 |               |                       |           |           |                       |
|                               |               |                          | 2/1/2023                        | 14,078.06 |               |                       |           |           |                       |
|                               |               |                          | 8/1/2023                        | 28,156.13 |               |                       |           |           |                       |
|                               |               |                          | 2/1/2024                        | 14,078.06 |               |                       |           |           |                       |
|                               |               |                          | 8/1/2024                        | 28,156.13 |               |                       |           |           |                       |
|                               |               |                          | 2/1/2025                        | 14,078.06 |               |                       |           |           |                       |
|                               |               |                          | 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                       |           |               |                       |           |           |                       |

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, 2020 | Increased | Decreased    | Balance Dec. 31, 2021 |
|---------|---------------|--------------------------|---------------------------------|--------|---------------|-----------------------|-----------|--------------|-----------------------|
|         |               |                          | Date                            | Amount |               |                       |           |              |                       |
|         | 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      |                          | 28,156.13                       |        |               |                       |           |              |                       |
|         | 2/1/2045      |                          | 14,078.06                       |        |               |                       |           |              |                       |
|         | 8/1/2045      |                          | 28,156.13                       |        |               |                       |           |              |                       |
|         | 2/1/2046      |                          | 14,078.06                       |        |               |                       |           |              |                       |
|         | 8/1/2046      |                          | 28,156.13                       |        |               |                       |           |              |                       |
|         | 2/1/2047      |                          | 14,078.06                       |        |               |                       |           |              |                       |
|         | 8/1/2047      |                          | 28,156.49                       |        |               |                       |           |              |                       |
|         |               |                          |                                 |        |               | \$ 8,045,216.14       | -         | 6,547,126.84 | 1,498,089.30          |

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

| Ordinance Number |                              | Balance<br>Dec. 31, 2020 | 2021<br>Authorizations | Debt<br>Issued | Balance<br>Dec. 31, 2021 |
|------------------|------------------------------|--------------------------|------------------------|----------------|--------------------------|
| 36-2005          | Various Utility Improvements | \$ 116,536.00            |                        |                | 116,536.00               |
| 155-2008         | System Improvements          | 315,000.00               |                        |                | 315,000.00               |
| 179-2009         | System Improvements          | 200,000.00               |                        |                | 200,000.00               |
| 207-2010         | System Improvements          | 50,000.00                |                        |                | 50,000.00                |
| 230-2011         | System Improvements          | 101,600.00               |                        |                | 101,600.00               |
| 250-2012         | System Improvements          | 163,000.00               |                        |                | 163,000.00               |
| 268-2013         | System Improvements          | 50,000.00                |                        |                | 50,000.00                |
| 281-2014         | System Improvements          | 152,951.90               |                        |                | 152,951.90               |
| 293-2015         | System Improvements          | 404,344.89               |                        |                | 404,344.89               |
| 298-2015         | System Improvements          | 302,155.21               |                        |                | 302,155.21               |
| 316-2017         | System Improvements          | 69,000.00                |                        |                | 69,000.00                |
| 353-2018         | System Improvements          | 404,000.00               |                        |                | 404,000.00               |
| 398-2020         | System Improvements          | 1,270,000.00             |                        |                | 1,270,000.00             |
| 436-2021         | System Improvements          | -                        | 1,000,000.00           |                | 1,000,000.00             |
|                  |                              | <u>\$ 3,598,588.00</u>   | <u>1,000,000.00</u>    | <u>-</u>       | <u>4,598,588.00</u>      |

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

|                                       | Operating Fund  | Capital Fund |
|---------------------------------------|-----------------|--------------|
| Balance December 31, 2020             | \$ 2,186,130.98 | 869,610.59   |
| Increased by Receipts:                |                 |              |
| Beach Rent Collected                  | 2,951,964.00    |              |
| Miscellaneous Anticipated Revenue     | 3,275.01        |              |
| Miscellaneous Not Anticipated Revenue | 563.59          |              |
| Capital Improvement Fund              |                 | 20,000.00    |
|                                       | 2,955,802.60    | 20,000.00    |
| Decreased by Disbursements:           |                 |              |
| Current Appropriations                | 2,475,340.41    |              |
| Appropriation Reserves                | 49,770.98       |              |
| Improvement Authorizations            |                 | 44,381.00    |
|                                       | 2,525,111.39    | 44,381.00    |
| Balance December 31, 2021             | \$ 2,616,822.19 | 845,229.59   |

**BEACH UTILITY CAPITAL FUND  
ANALYSIS OF CASH**

|   | Balance       |           | Receipts      |             | Disbursements                 |               | Transfers |           | Balance<br>Dec. 31, 2021 |
|---|---------------|-----------|---------------|-------------|-------------------------------|---------------|-----------|-----------|--------------------------|
|   | Dec. 31, 2020 |           | Miscellaneous | Debt Issued | Improvement<br>Authorizations | Miscellaneous | From      | To        |                          |
| Fund Balance                                | \$ 121,924.62 |           |               |             |                               |               |           |           | 121,924.62               |
| Capital Improvement Fund                    | 704,000.00    | 20,000.00 |               |             |                               |               |           |           | 724,000.00               |
| Reserve to Pay Bonds                        | 73,904.38     |           |               |             |                               |               |           |           | 73,904.38                |
| Encumbrances Payable                        | 31,976.00     |           |               |             |                               |               | 31,976.00 |           | -                        |
| <u>Improvement Authorizations:</u>          |               |           |               |             |                               |               |           |           |                          |
| Ord. Number                                 |               |           |               |             |                               |               |           |           |                          |
| 29-2005 Various Utility Improvements        | (3,531.41)    |           |               |             |                               |               |           |           | (3,531.41)               |
| 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 | (37,446.50)   |           |               |             |                               |               |           |           | (37,446.50)              |
| 188-2009 ADA Phase II                       | 10,606.90     |           |               |             |                               |               |           |           | 10,606.90                |
| 208-2010 Various Utility Improvements       | 35,720.26     |           |               |             |                               |               |           |           | 35,720.26                |
| 231-2011 Various Utility Improvements       | 86,466.97     |           |               |             |                               |               |           |           | 86,466.97                |
| 236-2011 Beach Replenishment                | 129,973.72    |           |               |             |                               |               |           |           | 129,973.72               |
| 251-2012 Various Utility Improvements       | (119,020.83)  |           |               |             |                               |               |           |           | (119,020.83)             |
| 267-2013 Various Beach Utility Improvements | (18,376.25)   |           |               |             |                               |               |           |           | (18,376.25)              |
| 280-2014 Various Beach Utility Improvements | (49,980.07)   |           |               |             |                               |               |           |           | (49,980.07)              |
| 294-2015 Various Beach Utility Improvements | 78,471.17     |           |               |             | 9,381.00                      |               |           |           | 87,852.17                |
| 310-2016 Various Beach Utility Improvements | (171,517.00)  |           |               |             |                               |               |           |           | (171,517.00)             |
| 314-2017 Various Beach Utility Improvements | 22,261.63     |           |               |             |                               |               |           |           | 22,261.63                |
| 354-2018 Various Beach Utility Improvements | (30,509.00)   |           |               |             | 35,000.00                     |               |           |           | (30,509.00)              |
| 397-2020 Beach Patrol 4WD Truck             | 3,024.00      |           |               |             |                               |               |           | 31,976.00 | 35,024.00                |
| 435-2021 Various Beach Utility Improvements | -             |           |               |             |                               |               |           |           | -                        |
|   | \$ 869,610.59 | 20,000.00 |               |             | 44,381.00                     |               | 31,976.00 |           | 845,229.59               |

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

|  | Balance<br>Dec. 31, 2020 | Balance<br>After<br>Transfers | Paid or<br>Charges | Balance<br>Lapsed | Over-<br>Expended |
|--|--------------------------|-------------------------------|--------------------|-------------------|-------------------|
| Operating:                                   |                          |                               |                    |                   |                   |
| Salaries and Wages                           | \$ 154,313.39            | 154,313.39                    |                    | 154,313.39        | -                 |
| Other Expenses                               | 232,549.72               | 232,549.72                    | 49,770.98          | 182,778.74        | -                 |
| Deferred Charges and Statutory Expenditures: |                          |                               |                    |                   |                   |
| Social Security System                       | 19,531.88                | 19,531.88                     |                    | 19,531.88         | -                 |
|  | <u>\$ 406,394.99</u>     | <u>406,394.99</u>             | <u>49,770.98</u>   | <u>356,624.01</u> | <u>-</u>          |

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

|                                   |           |    |           |
|-----------------------------------|-----------|----|-----------|
| Balance December 31, 2020         |           | \$ | 24,975.00 |
| Increased by:                     |           |    |           |
| Budget Appropriations             | 21,762.50 |    |           |
|                                   | 21,762.50 |    | 21,762.50 |
|                                   |           |    | 46,737.50 |
| Decreased By:                     |           |    |           |
| Payments of Debt Service Interest | 24,975.00 |    |           |
|                                   | 24,975.00 |    | 24,975.00 |
| Balance December 31, 2021         |           | \$ | 21,762.50 |

Analysis of Accrued Interest December 31, 2021

| Principal<br>Outstanding<br>December 31, 2021 | Interest<br>Rate | From      | To         | Days | Amount           |
|---|------------------|-----------|------------|------|------------------|
| 1,010,000.00                                  | 3.00%            | 7/15/2021 | 12/31/2021 | 165  | 13,887.50        |
| 630,000.00                                    | 3.00%            | 8/1/2021  | 12/31/2021 | 150  | 7,875.00         |
| <u>1,640,000.00</u>                           |                  |           |            |      | <u>21,762.50</u> |





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

| Purpose                      | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding December 31, 2021 |            |               |                       | Interest Rate | Balance Dec. 31, 2020 | Increased  | Decreased    | Balance Dec. 31, 2021 |
|------------------------------|---------------|--------------------------|---|------------|---------------|-----------------------|---------------|-----------------------|------------|--------------|-----------------------|
|                              |               |                          | Date  | Amount     | Interest Rate | Balance Dec. 31, 2020 |               |                       |            |              |                       |
| Various Capital Improvements | 7/15/2014     | 2,005,000                | 7/15/2022   | 180,000.00 | 3.00%         | 1,180,000.00          |               |                       | 170,000.00 | 1,010,000.00 |                       |
|                              |               |                          | 7/15/2023   | 190,000.00 | 3.00%         |                       |               |                       |            |              |                       |
|                              |               |                          | 7/15/2024   | 200,000.00 | 3.00%         |                       |               |                       |            |              |                       |
|                              |               |                          | 7/15/2025   | 200,000.00 | 3.00%         |                       |               |                       |            |              |                       |
|                              |               |                          | 7/15/2026   | 240,000.00 | 3.00%         |                       |               |                       |            |              |                       |
| Various Capital Improvements | 7/11/2019     | 760,000                  | 2/1/2022  | 80,000.00  | 5.00%         | 700,000.00            |               |                       | 70,000.00  | 630,000.00   |                       |
|                              |               |                          | 2/1/2023  | 90,000.00  | 5.00%         |                       |               |                       |            |              |                       |
|                              |               |                          | 2/1/2024  | 100,000.00 | 5.00%         |                       |               |                       |            |              |                       |
|                              |               |                          | 2/1/2025  | 120,000.00 | 5.00%         |                       |               |                       |            |              |                       |
|                              |               |                          | 2/1/2026  | 120,000.00 | 5.00%         |                       |               |                       |            |              |                       |
|                              |               |                          | 2/1/2027  | 120,000.00 | 4.00%         |                       |               |                       |            |              |                       |
|                              |               |                          |   |            |               | \$                    | 1,880,000.00  | -                     | 240,000.00 | 1,640,000.00 |                       |

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

| Ordinance Number |                                    | Balance                | 2021              | Debt Issued | Balance             |
|------------------|------------------------------------|------------------------|-------------------|-------------|---------------------|
|                  |                                    | Dec. 31, 2020          | Authorizations    |             | Dec. 31, 2021       |
| 29-2005          | Various Beach Utility Improvements | \$ 12,800.00           |                   |             | 12,800.00           |
| 178-2009         | Various Beach Utility Improvements | 55,000.00              |                   |             | 55,000.00           |
| 208-2010         | Various Utility Improvements       | 55,000.00              |                   |             | 55,000.00           |
| 231-2011         | Various Utility Improvements       | 50,000.00              |                   |             | 50,000.00           |
| 236-2011         | Beach Replenishment                | 50,000.00              |                   |             | 50,000.00           |
| 251-2012         | Various Utility Improvements       | 150,000.00             |                   |             | 150,000.00          |
| 267-2013         | Various Beach Utility Improvements | 350,000.00             |                   |             | 350,000.00          |
| 280-2014         | Various Beach Utility Improvements | 65,000.00              |                   |             | 65,000.00           |
| 294-2015         | Various Beach Utility Improvements | 3,100.00               |                   |             | 3,100.00            |
| 310-2016         | Various Beach Utility Improvements | 300,000.00             |                   |             | 300,000.00          |
| 314-2017         | Various Beach Utility Improvements | 61,000.00              |                   |             | 61,000.00           |
| 354-2018         | Various Beach Utility Improvements | 393,000.00             |                   |             | 393,000.00          |
| 435-2021         | Various Beach Utility Improvements | -                      | 410,000.00        |             | 410,000.00          |
|                  |                                    | <u>\$ 1,544,900.00</u> | <u>410,000.00</u> | <u>-</u>    | <u>1,954,900.00</u> |

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

|                                       |    | <u>Operating Fund</u>      |
|---------------------------------------|----|----------------------------|
| Balance December 31, 2020             | \$ | 1,179,404.27               |
| Increased by Receipts:                |    |                            |
| Tourism Fees                          |    | 990,873.61                 |
| Reimbursements                        |    | 22,686.52                  |
| Miscellaneous Revenue Not Anticipated |    | 18,942.68                  |
|                                       |    | <u>1,032,502.81</u>        |
|                                       |    | 2,211,907.08               |
| Decreased by Disbursements:           |    |                            |
| Current Appropriations                |    | 462,003.27                 |
| Appropriation Reserves                |    | 27,530.82                  |
| Due to Security Deposit               |    | 2,400.00                   |
|                                       |    | <u>491,934.09</u>          |
| Balance December 31, 2021             | \$ | <u><u>1,719,972.99</u></u> |

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

|                         | Balance<br>Dec. 31, 2020 | Balance<br>After<br>Transfers | Paid or<br>Charges | Balance<br>Lapsed | Over-<br>Expended |
|-------------------------|--------------------------|-------------------------------|--------------------|-------------------|-------------------|
| Operating:              |                          |                               |                    |                   |                   |
| Salaries and Wages      | \$ 21,412.11             | 21,412.11                     |                    | 21,412.11         | -                 |
| Other Expenses          | 190,034.80               | 190,034.80                    | 27,530.82          | 162,503.98        | -                 |
| Statutory Expenditures: |                          |                               |                    |                   |                   |
| Social Security System  | 24,043.05                | 24,043.05                     |                    | 24,043.05         | -                 |
|                         | <u>\$ 235,489.96</u>     | <u>235,489.96</u>             | <u>27,530.82</u>   | <u>207,959.14</u> | <u>-</u>          |

**CITY OF CAPE MAY**  
**PART II**  
**GENERAL COMMENTS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2021**



## **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:

- Supply, Delivery, and Installation of Steel Building
- Electrical Maintenance Services and Repairs
- HVAC Maintenance Service and Repairs
- Construction of Fire Station (re-bid)
- Supply and Delivery of Removable Containers
- Repaving and Improving the Promenade between Gurney and Decatur
- Supply and Delivery of Removable Containers (re-bid)
- Phase I of the Allen AME Church Restoration Project including Stabilization and Weatherization
- Reconstruction of NJ Avenue from Baltimore Avenue to Brooklyn Avenue

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 31<sup>st</sup> of the last three years:

| <u>Year</u> | <u>Number</u> |
|-------------|---------------|
| 2021        | 1             |
| 2020        | 1             |
| 2019        | 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 2021 and 2022 Taxes  | 25                   |
| Delinquent Taxes                 | 10                   |
| Payment of Water and Sewer Rents | 25                   |
| Delinquent Water and Sewer Rents | 5                    |
| Total                            | <u>65</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.

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### 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 |
| 2021 | \$ 29,809,009.92 | 29,603,794.41    | 99.31%                    |
| 2020 | 28,151,862.51    | 27,973,516.75    | 99.37%                    |
| 2019 | 28,399,579.72    | 28,136,087.69    | 99.07%                    |
| 2018 | 26,603,119.07    | 26,262,619.77    | 98.72%                    |
| 2017 | 25,053,918.34    | 24,706,266.43    | 98.61%                    |

### Comparative Schedule of Tax Rate Information

|                            | 2021          | 2020          | 2019          | 2018          | 2017          |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Tax Rate                   | \$ 1.018      | 0.970         | 0.987         | 0.931         | 0.884         |
| Apportionment of Tax Rate: |               |               |               |               |               |
| Municipal                  | 0.363         | 0.363         | 0.363         | 0.350         | 0.340         |
| County                     | 0.316         | 0.295         | 0.283         | 0.272         | 0.268         |
| Local School               | 0.065         | 0.066         | 0.066         | 0.066         | 0.066         |
| Regional School            | 0.274         | 0.246         | 0.275         | 0.243         | 0.210         |
| Assessed Valuation         | 2,912,777,800 | 2,886,887,700 | 2,859,963,500 | 2,843,406,631 | 2,814,237,746 |

### 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 |
|------|---------------------------|----------------------------|------------------|------------------------|
| 2021 | \$ 10,780.76              | 182,848.63                 | 193,629.39       | 0.65%                  |
| 2020 | 10,106.84                 | 151,549.36                 | 161,656.20       | 0.57%                  |
| 2019 | 9,464.70                  | 206,158.69                 | 215,623.39       | 0.76%                  |
| 2018 | 196,305.21                | 247,879.00                 | 444,184.21       | 1.67%                  |
| 2017 | 8,194.99                  | 314,118.19                 | 322,313.18       | 1.29%                  |

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### **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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**FINDINGS AND RECOMMENDATIONS**

None

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, if any.

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**

**August 5, 2022**

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