

**CITY OF CAPE MAY
REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2023**

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CITY OF CAPE MAY
PART I
REPORT ON AUDIT OF
FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED
DECEMBER 31, 2023



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, 2023 and 2022, 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, 2023 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, 2023, and 2022, 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, 2023 and 2022, 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, 2023 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 July 26, 2024, 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

July 26, 2024

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**EXHIBIT - A
CURRENT FUND**

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

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Regular Fund:		
Cash:		
Treasurer	\$ 18,508,391.42	17,857,399.80
Investment in BAN	2,000,000.00	-
Petty Cash and Change Funds	950.00	950.00
Total Cash	<u>20,509,341.42</u>	<u>17,858,349.80</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	288,675.28	254,484.56
Tax Title and Other Liens	12,174.93	11,463.94
Property Acquired for Taxes - at Assessed Valuation	83,316.00	83,316.00
Revenue Accounts Receivable	31,723.48	19,627.74
Due from State:		
Chapter 20 P.L. 1971	33,776.45	33,276.99
Interfund Receivable:		
TTL Premium	72.65	16.04
Animal Control	3,728.22	2,385.21
COAH	0.01	-
Utility Operating	50,630.30	-
Total Receivables and Other Assets	<u>504,097.32</u>	<u>404,570.48</u>
Deferred Charges:		
Overexpenditure of Appropriations	198,840.88	-
Total Deferred Charges	<u>198,840.88</u>	<u>-</u>
Total Regular Fund	<u>21,212,279.62</u>	<u>18,262,920.28</u>
Federal and State Grant Fund:		
Cash	26,618.74	417,966.12
Federal and State Grants Receivable	5,080,486.52	5,018,043.56
Due from Current Fund	305,907.28	300,307.28
Revolving Loan Receivable	600,000.00	600,000.00
Total Federal and State Grant Fund	<u>6,013,012.54</u>	<u>6,336,316.96</u>
Total Current Fund	<u>\$ 27,225,292.16</u>	<u>24,599,237.24</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2023</u>	<u>2022</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,470,941.60	1,756,571.05
Reserve for Encumbrances	240,541.03	180,208.28
Accounts Payable	24,486.50	17,652.36
Prepaid Taxes	719,020.64	821,020.13
Overpaid Taxes	-	496.91
County Added Tax Payable	68,598.18	65,460.69
Regional School Tax (Overpaid)	(0.07)	(0.07)
Due to State:		
Marriage Licenses	475.00	-
DCA Training Fees	16,852.00	11,523.00
Interfund Payable:		
Grant Fund	305,907.28	300,307.28
POAA Trust	3,106.00	3,106.00
Street Opening Trust	11,550.00	11,550.00
Beach Utility Operating	1,399.00	1,399.00
General Capital	1,825,731.30	547,136.30
COAH Trust	-	258,013.68
Tourism Operating	241,529.95	2,200.00
Performance Bond Trust	10,000.00	10,000.00
Police Off Duty Trust	241,630.00	241,630.00
Fire Safety Trust	4,600.00	2,500.00
Lifeguard Pension Trust	21,593.91	21,593.91
Parking Trust	36,600.00	36,600.00
Retirement Trust	115,000.00	-
Other:		
Payroll Taxes Payable	96,046.88	37,732.91
Tax Title Lien Exchange	1,482.58	1,482.58
Reserve for Municipal Relief Fund	35,216.53	17,612.20
Reserve for Escrow Deposits	331,177.37	330,419.76
Reserve for Insurance	490,983.59	490,983.59
	6,314,469.27	5,167,199.56
Reserve for Receivables and Other Assets	470,320.87	371,293.49
Fund Balance	14,427,489.48	12,724,427.23
Total Regular Fund	21,212,279.62	18,262,920.28
Federal and State Grant Fund:		
Unappropriated Reserves	431,669.19	389,643.38
Appropriated Reserves	4,717,193.62	5,238,626.22
Due to General Capital Fund	191,317.50	-
Reserve for Encumbrances	72,832.23	108,047.36
Reserve for Revolving Loans Receivable	600,000.00	600,000.00
Total Federal and State Grant Fund	6,013,012.54	6,336,316.96
Total Current Fund	\$ 27,225,292.16	24,599,237.24

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

	2023	2022
Revenue and Other Income Realized		
Fund Balance	\$ 4,140,163.00	3,400,000.00
Miscellaneous Revenue Anticipated	11,890,021.64	12,102,413.03
Receipts from Delinquent Taxes	252,127.70	183,348.63
Receipts from Current Taxes	31,908,339.87	30,371,673.78
Non Budget Revenue	250,953.96	220,307.80
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	1,370,587.92	1,846,950.71
Interfund Returned	2,401.25	-
Total Income	49,814,595.34	48,124,693.95
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	7,752,440.88	7,138,295.23
Other Expenses	6,577,548.00	6,267,485.00
Deferred Charges & Statutory Expenditures	2,076,829.00	2,027,366.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	861,256.00	844,369.77
Other Expenses	791,555.59	1,864,150.65
Capital Improvements	462,000.00	447,000.00
Debt Service	3,753,713.60	3,330,794.86
Deferred Charges	901,595.00	-
Local District School Tax	1,943,346.00	1,905,241.00
Regional District School Tax	7,764,030.00	7,762,853.50
County Tax	11,162,036.72	10,209,134.88
County Share of Added Tax	68,598.18	65,460.69
Refund of Prior Year Revenue	830.82	500.00
Interfund Created	54,431.18	786.87
Total Expenditures	44,170,210.97	41,863,438.45
Excess/(Deficit) in Revenue	5,644,384.37	6,261,255.50

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

	2023	2022
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	198,840.88	-
Total Adjustments	198,840.88	-
Statutory Excess to Fund Balance	5,843,225.25	6,261,255.50
Fund Balance January 1	12,724,427.23	9,863,171.73
	18,567,652.48	16,124,427.23
Decreased by:		
Utilization as Anticipated Revenue	4,140,163.00	3,400,000.00
Fund Balance December 31	\$ 14,427,489.48	12,724,427.23

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Anticipated Budget	N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 4,140,163.00		4,140,163.00	-
Total Fund Balance Anticipated	<u>4,140,163.00</u>	<u>-</u>	<u>4,140,163.00</u>	<u>-</u>
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	55,000.00		56,128.00	1,128.00
Other	320,000.00		376,293.70	56,293.70
Fees and Permits	240,000.00		429,509.02	189,509.02
Fines and Costs:				
Municipal Court	200,000.00		289,586.57	89,586.57
Interest and Costs on Taxes	40,000.00		58,732.35	18,732.35
Parking Meters	1,825,000.00		2,320,555.87	495,555.87
Interest on Investments and Deposits	60,000.00		702,713.98	642,713.98
Hotel Room Tax	2,600,000.00		3,314,528.11	714,528.11
Lease and Rent Contracts	450,000.00		470,951.49	20,951.49
T.V. Cable Receipts	40,000.00		45,513.58	5,513.58
Victorian Towers - In Lieu of Taxes	190,000.00		216,480.36	26,480.36
Emergency Medical Services	340,000.00		422,637.56	82,637.56
Total Section A: Local Revenues	<u>6,360,000.00</u>	<u>-</u>	<u>8,703,630.59</u>	<u>2,343,630.59</u>
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	339,966.00		339,965.82	(0.18)
Municipal Relief Fund	17,612.20		17,612.20	-
Total Section B: State Aid Without Offsetting Appropriations	<u>357,578.20</u>	<u>-</u>	<u>357,578.02</u>	<u>(0.18)</u>
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	700,000.00		854,071.00	154,071.00
Total Section C: Uniform Construction Code Fees	<u>700,000.00</u>	<u>-</u>	<u>854,071.00</u>	<u>154,071.00</u>
Section D: Interlocal Municipal Service Agreements				
Interlocal Agreement (Police Protection) with West Cape May	536,837.00		540,288.00	3,451.00
Interlocal Agreement (Police Protection) with Cape May Point	324,419.00		324,419.00	-
Total Section D: Interlocal Municipal Service Agreements	<u>861,256.00</u>	<u>-</u>	<u>864,707.00</u>	<u>3,451.00</u>

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
Bureau of Housing Inspection	6,877.00		6,877.00	-
Body Armor Grant	3,178.13		3,178.13	-
NJ Emergency Management Grant	10,000.00		10,000.00	-
COPS in Shops	554.96		554.96	-
BOE Gazebo	7,917.50		7,917.50	-
Robert Kennedy Donation to CMPD	2,940.00		2,940.00	-
2023 WaWa Foundation Grant		10,000.00	10,000.00	-
R. Kennedy Lead Supplies 2023		3,000.00	3,000.00	-
2023 Local Recreational Improvement		70,000.00	70,000.00	-
2023 Small Cities CDBG		400,000.00	400,000.00	-
2023 Next Gen 30, INC Donation -Kiwanis Park Benches		5,000.00	5,000.00	-
Total Section F: Special Items - Public and Private Programs	31,467.59	488,000.00	519,467.59	-
Off-Set with Appropriations				
Section G: Other Special Items				
Uniform Fire Safety Act	225,000.00		240,567.44	15,567.44
Water & Sewer Utility Contribution to Street Improvements	50,000.00		50,000.00	-
Reserve to Pay Debt Service	300,000.00		300,000.00	-
Total Section G: Other Special Items	575,000.00	-	590,567.44	15,567.44
Total Miscellaneous Revenues:	8,885,301.79	488,000.00	11,890,021.64	2,516,719.85
Receipts from Delinquent Taxes	100,000.00		252,127.70	152,127.70
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	10,726,011.27		12,069,750.44	1,343,739.17
Total Amount to be Raised by Taxes for Support of Municipal Budget	10,726,011.27	-	12,069,750.44	1,343,739.17
Budget Totals	23,851,476.06	488,000.00	28,352,062.78	4,012,586.72
Non- Budget Revenues:			250,953.96	250,953.96
Other Non- Budget Revenues:			28,603,016.74	4,263,540.68
\$	23,851,476.06	488,000.00	28,603,016.74	4,263,540.68

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections 31,908,339.87

Less: Reserve for Tax Appeals Pending -

Net Revenue from Collections 31,908,339.87

Allocated to:

School, County and Other Taxes 21,158,481.90

Balance for Support of Municipal Budget Appropriations 10,749,857.97

Increased by:

Appropriation "Reserved for Uncollected Taxes" 1,319,892.47

Amount for Support of Municipal Budget Appropriations 12,069,750.44

Receipts from Delinquent Taxes:

Tax Title Lien Collection -

Delinquent Tax Collection 252,127.70

Total Receipts from Delinquent Taxes 252,127.70

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Accident Report 1,140.00

Clerk's office 8,469.45

SRECS 73,876.00

Copy Machines 77.82

Sale of Municipal Assets 421.00

Special Event Application Fees 400.00

GIS 880.00

Parking Fees 7,700.00

Police Applications 2,050.00

Housing Authority PILOT 29,764.30

NSF Fees 140.00

Settlement 17,414.03

Shade Tree 3,750.00

Marriage Ceremony/Fees 19,418.00

Recycling Rebate 50,017.74

2% Admin Fee 543.39

Cape May Pt - Court 15,235.40

Dog Excess Revenue 1,343.01

Fire Violation Fine 1,000.00

Miscellaneous 17,313.82

Total Miscellaneous Revenue Not Anticipated: 250,953.96

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
General Administration						
Salaries & Wages	\$ 152,000.00	152,000.00	189,883.61		-	(37,883.61)
Other Expenses	190,000.00	190,000.00	188,953.68	350.00	696.32	-
Mayor and Council						
Salaries & Wages	42,200.00	42,200.00	33,875.03	980.20	8,324.97	-
Other Expenses	7,300.00	7,300.00	6,198.09		121.71	-
City Clerk						
Salaries & Wages	206,000.00	206,000.00	167,418.36		38,581.64	-
Other Expenses	40,000.00	40,000.00	32,005.35	1,466.18	6,528.47	-
Financial Administration						
Salaries & Wages	191,000.00	191,000.00	185,871.89	919.37	5,128.11	-
Other Expenses	16,500.00	16,500.00	15,506.06		74.57	-
Audit Services						
Other Expenses	30,000.00	30,000.00	29,835.00		165.00	-
Assessment of Taxes						
Salaries & Wages	140,000.00	140,000.00	137,358.55		2,641.45	-
Other Expenses	25,000.00	25,000.00	11,096.73	820.00	13,083.27	-
Collection of Taxes						
Salaries & Wages	101,500.00	101,500.00	109,259.05		-	(7,759.05)
Other Expenses	15,100.00	15,100.00	12,720.28	1,127.55	1,252.17	-
Legal Services						
Other Expenses						
Miscellaneous Other Expenses	500,000.00	500,000.00	429,643.50	56,069.44	14,287.06	-
Engineering & Planning Services						
Other Expenses	70,000.00	70,000.00	55,092.58	11,618.50	3,288.92	-
Economic Development						
Other Expenses	15,000.00	15,000.00			15,000.00	-
Emergency Medical Services - Collection						
Contractual Expenses	19,500.00	19,500.00	16,786.60		2,713.40	-
INSURANCE						
General Liability						
Workers Compensation Insurance	382,823.00	382,823.00	261,286.14		121,536.86	-
Employee Group Health	564,285.00	563,285.00	351,593.60		211,691.40	-
Employee Group Health Waiver	2,320,240.00	2,320,240.00	1,974,040.41	5,231.95	340,967.64	-
Salaries & Wages						
Salaries & Wages	95,000.00	95,000.00	69,699.05		25,300.95	-
LAND USE ADMINISTRATION						
Planning Board						
Salaries & Wages	14,400.00	14,400.00	22,994.86		-	(8,594.86)
Other Expenses	27,200.00	27,200.00	24,406.71	345.61	2,447.68	-
Zoning Board of Adjustment						
Salaries & Wages	44,800.00	44,800.00	55,825.95		-	(11,025.95)
Other Expenses	19,000.00	19,000.00	17,484.66	247.84	1,267.50	-

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, 2023**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
PUBLIC SAFETY						
Fire						
Salaries & Wages	1,860,000.00	1,860,000.00	1,881,694.04	-	-	(21,694.04)
Other Expenses	110,000.00	110,000.00	96,303.28	6,492.04	7,204.68	-
Aid to Volunteer Fire Company						
Other Expenses	37,500.00	37,500.00	37,500.00	-	-	-
Police						
Salaries & Wages	1,950,000.00	1,950,000.00	1,760,653.25	189,346.75	-	-
Other Expenses	209,000.00	209,000.00	178,260.04	12,479.53	-	-
County Dispatch Service						
Other Expenses	195,000.00	195,000.00	195,000.00	-	-	-
Emergency Management Services						
Salaries & Wages	10,000.00	10,000.00	8,284.52	1,715.48	-	-
Other Expenses	8,000.00	8,000.00	5,483.32	12.18	2,504.50	-
Parking and Traffic Maintenance						
Salaries & Wages	127,000.00	127,000.00	129,119.48	-	-	(2,119.48)
Other Expenses	75,000.00	75,000.00	20,696.79	26,034.30	28,268.91	-
Public Safety						
Other Expenses	1,000.00	1,000.00	-	1,000.00	-	-
Municipal Court						
Salaries & Wages	144,000.00	144,000.00	107,625.05	36,374.95	-	-
Other Expenses	85,000.00	85,000.00	83,322.80	765.34	911.86	-
Public Defender						
Other Expenses	8,300.00	8,300.00	1,875.00	6,425.00	-	-
PUBLIC WORKS FUNCTION						
Road Repairs and Maintenance						
Salaries & Wages	801,000.00	801,000.00	852,329.04	-	-	(51,329.04)
Other Expenses	300,000.00	300,000.00	272,753.88	24,668.66	2,577.46	-
Sanitary Landfill Contractual						
Other Expenses	27,000.00	27,000.00	26,765.54	234.46	-	-
Recycling						
Salaries & Wages	185,000.00	185,000.00	110,720.93	74,279.07	-	-
Other Expenses	85,000.00	85,000.00	41,664.90	665.10	42,670.00	-
Public Buildings and Grounds						
Salaries & Wages	726,000.00	726,000.00	767,399.20	-	-	(41,399.20)
Other Expenses	485,000.00	485,000.00	438,753.85	38,039.18	8,206.97	-
Shade Tree Commission						
Salaries & Wages	10,000.00	10,000.00	10,000.12	-	-	(0.12)
Other Expenses	55,000.00	55,000.00	30,760.90	2,155.00	22,084.10	-
Property Maintenance Enforcement						
Other Expenses	2,500.00	2,500.00	-	2,500.00	-	-

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

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
HEALTH AND HUMAN SERVICES						
Uniform Fire Safety	160,000.00	160,000.00	164,650.73	-	-	(4,650.73)
Salaries & Wages	27,000.00	27,000.00	12,359.90	1,252.33	13,387.77	-
Other Expenses						
Environmental Commission	1,200.00	1,200.00	1,000.00		200.00	-
Salaries & Wages	6,000.00	6,000.00	3,941.30		2,058.70	-
Other Expenses						
PARKS AND RECREATION FUNCTIONS						
Civic Affairs						
Salaries & Wages	144,000.00	144,000.00	45,556.72		98,443.28	-
Other Expenses	60,000.00	60,000.00	57,256.76	2,700.00	43.24	-
Historic Preservation Commission						
Salaries & Wages	57,000.00	57,000.00	57,211.64		-	(211.64)
Other Expenses	54,000.00	54,000.00	21,625.36	30,913.56	1,461.08	-
Grants Coordinator						
Other Expenses	42,000.00	42,000.00	39,986.25	1,856.25	157.50	-
UNIFORM CONSTRUCTION CODE						
State Uniform Construction Code						
Construction Official						
Salaries & Wages	391,500.00	391,500.00	403,673.16		-	(12,173.16)
Other Expenses	52,300.00	52,300.00	40,905.35	2,802.15	8,592.50	-
UNCLASSIFIED						
Celebration of Public Events, Anniversary or Holiday	45,000.00	45,000.00	44,838.80	145.60	15.60	-
UTILITY EXPENSES AND BULK PURCHASES						
General Office Operations	140,500.00	140,500.00	136,328.92	1,897.89	2,273.19	-
Street Lighting	165,000.00	165,000.00	136,379.99	2,090.00	26,530.01	-
Gas Lighting	38,500.00	38,500.00	34,698.41	467.86	3,333.73	-
Gas Lighting - Parts	22,000.00	22,000.00	19,008.00		2,992.00	-
TOTAL OPERATIONS WITHIN "CAPS"	<u>14,131,148.00</u>	<u>14,130,148.00</u>	<u>12,675,222.96</u>	<u>240,541.03</u>	<u>1,413,224.89</u>	<u>(198,840.88)</u>
Contingent	1,000.00	1,000.00			1,000.00	-
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	<u>14,132,148.00</u>	<u>14,131,148.00</u>	<u>12,675,222.96</u>	<u>240,541.03</u>	<u>1,414,224.89</u>	<u>(198,840.88)</u>
Detail:						
Salaries & Wages	7,553,600.00	7,553,600.00	7,272,104.23	-	480,336.65	(198,840.88)
Other Expenses	6,578,548.00	6,577,548.00	5,403,118.73	240,541.03	933,888.24	-

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, 2023**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Deferred Charges:						
None						
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	468,525.00	469,525.00	466,944.71		2,580.29	-
Social Security System (O.A.S.I.)	405,000.00	405,000.00	403,645.30		1,354.70	-
Police and Firemen's Retirement System of NJ	1,051,304.00	1,051,304.00	1,049,664.28		1,639.72	-
Unemployment Compensation Insurance	27,000.00	27,000.00	27,000.00		-	-
Reserve for Retirement Trust	115,000.00	115,000.00	115,000.00		-	-
Defined Contribution Retirement Program (DCRP)	9,000.00	9,000.00			9,000.00	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	<u>2,075,829.00</u>	<u>2,076,829.00</u>	<u>2,062,254.29</u>	<u>-</u>	<u>14,574.71</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>16,207,977.00</u>	<u>16,207,977.00</u>	<u>14,737,477.25</u>	<u>240,541.03</u>	<u>1,428,799.60</u>	<u>(198,840.88)</u>
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Length of Service Award Program - Fire	20,000.00	20,000.00	2,858.00		17,142.00	-
Employee Group Health	179,760.00	179,760.00	179,760.00		-	-
Interlocal Municipal Service Agreements						
Police Protection West Cape May & Cape May Point						
Contractual - West Cape May - Salaries & Wages	536,837.00	536,837.00	536,837.00		-	-
Contractual - Cape May Point - Salaries & Wages	324,419.00	324,419.00	324,419.00		-	-
Rental of Borough Property - West Cape May	47,328.00	47,328.00	47,328.00		-	-
	<u>1,108,344.00</u>	<u>1,108,344.00</u>	<u>1,091,202.00</u>	<u>-</u>	<u>17,142.00</u>	<u>-</u>

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	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						
Matching Funds for Grants	25,000.00	25,000.00			25,000.00	-
Body Armor Grant	3,178.13	3,178.13	3,178.13			-
Bureau of Housing Inspection	6,877.00	6,877.00	6,877.00			-
NJLPS COPS in Shops	554.96	554.96	554.96			-
Emergency Management Grant	10,000.00	10,000.00	10,000.00			-
BOE Gazebo	7,917.50	7,917.50	7,917.50			-
Robert Kennedy Donation to CMPD	2,940.00	2,940.00	2,940.00			-
2023 WaWa Foundation Grant	10,000.00	10,000.00	10,000.00			-
R. Kennedy Lead Supplies 2023	3,000.00	3,000.00	3,000.00			-
2023 Local Recreational Improvement	70,000.00	70,000.00	70,000.00			-
2023 Small Cities CDBG	400,000.00	400,000.00	400,000.00			-
2023 Next Gen 30, INC Donation -Kiwanis Park Benches	5,000.00	5,000.00	5,000.00			-
Total Public and Private Programs Off-Set by Revenues	<u>56,467.59</u>	<u>544,467.59</u>	<u>519,467.59</u>	<u>-</u>	<u>25,000.00</u>	<u>-</u>
Total Operations - Excluded from "CAPS"	1,164,811.59	1,652,811.59	1,610,669.59	-	42,142.00	-
Detail:						
Salaries & Wages	861,256.00	861,256.00	861,256.00			-
Other Expenses	303,555.59	791,555.59	749,413.59		42,142.00	-
(C) Capital Improvements						
Capital Improvement Fund	240,000.00	240,000.00	240,000.00			-
Reserve for Open Space Acquisitions	222,000.00	222,000.00	222,000.00			-
Total Capital Improvements	<u>462,000.00</u>	<u>462,000.00</u>	<u>462,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
(D) Debt Service						
Payment of Bond Principal	2,660,000.00	2,660,000.00	2,660,000.00			-
Interest on Bonds	705,000.00	705,000.00	702,675.00			2,325.00
Payment of Bond Anticipation Notes and Capital Notes	215,000.00	215,000.00	215,000.00			-
Interest on Notes	132,000.00	132,000.00	95,466.25			36,533.75
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	20,200.00	20,200.00	20,186.00			14.00
Capital Lease Obligations:						
Principal	48,000.00	48,000.00	47,118.91			881.09
Interest	15,000.00	15,000.00	13,267.44			1,732.56
Total Debt Service	<u>3,795,200.00</u>	<u>3,795,200.00</u>	<u>3,753,713.60</u>	<u>-</u>	<u>-</u>	<u>41,486.40</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, 2023**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(E) Deferred Charges						
Ordinance # 263-2013	802,000.00	802,000.00	802,000.00	-	-	-
Ordinance # 399-2020	6,510.00	6,510.00	6,510.00	-	-	-
Ordinance # 413-2021	78,571.00	78,571.00	78,571.00	-	-	-
Ordinance # 437-2021	8,325.00	8,325.00	8,325.00	-	-	-
Ordinance # 470-2022	6,189.00	6,189.00	6,189.00	-	-	-
Total Deferred Charges	<u>901,595.00</u>	<u>901,595.00</u>	<u>901,595.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	6,323,606.59	6,811,606.59	6,727,978.19	-	42,142.00	41,486.40
SUBTOTAL GENERAL APPROPRIATIONS	<u>22,531,583.59</u>	<u>23,019,583.59</u>	<u>21,465,455.44</u>	<u>240,541.03</u>	<u>1,470,941.60</u>	<u>(157,354.48)</u>
(M) Reserve for Uncollected Taxes	<u>1,319,892.47</u>	<u>1,319,892.47</u>	<u>1,319,892.47</u>	-	-	-
TOTAL GENERAL APPROPRIATIONS	<u>\$ 23,851,476.06</u>	<u>24,339,476.06</u>	<u>22,785,347.91</u>	<u>240,541.03</u>	<u>1,470,941.60</u>	<u>(157,354.48)</u>
Budget		23,851,476.06			Cancelled	41,486.40
Appropriations by 40A-4-87		<u>488,000.00</u>			Overexpended	<u>(198,840.88)</u>
		<u>24,339,476.06</u>				<u>(157,354.48)</u>
Reserve for Uncollected Taxes		1,319,892.47				
Federal and State Grants		519,467.59				
Rental of Borough Property - West Cape May		47,328.00				
Due to General Capital		1,578,595.00				
Due to Retirement Trust		115,000.00				
Disbursements		19,205,064.85				
		<u>22,785,347.91</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>2023</u>	<u>2022</u>
<u>Assets</u>		
<u>Animal Control Fund</u>		
Cash and Investments	\$ 5,931.57	4,812.42
	<u>5,931.57</u>	<u>4,812.42</u>
<u>Length of Service Award Program (LOSAP) - Unaudited</u>		
Investments		
Mutual Funds	339,406.91	339,407.06
	<u>339,406.91</u>	<u>339,407.06</u>
<u>Other Funds</u>		
Cash and Investments	5,076,807.92	4,327,526.65
Due from Other Funds	466,579.91	584,993.59
Revenue Receivable	408.00	314.00
	<u>5,543,795.83</u>	<u>4,912,834.24</u>
	<u>\$ 5,889,134.31</u>	<u>5,257,053.72</u>

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

	2023	2022
<u>Liabilities, Reserves and Fund Balance</u>		
<u>Animal Control Fund</u>		
Reserve for Animal Control Expenditures	\$ 2,184.75	2,403.81
Due to Current Fund	3,728.22	2,386.41
Due to State of New Jersey	18.60	22.20
	5,931.57	4,812.42
<u>Length of Service Award Program (LOSAP) - Unaudited</u>		
Net Assets Available for Benefits	339,406.91	339,407.06
	339,406.91	339,407.06
<u>Other Funds</u>		
Reserve for:		
Due to Current Fund	72.66	16.04
Unemployment Compensation	90,629.93	78,610.49
Retirement Fund	337,536.01	194,726.31
Parking Offense Adjudication Act	29,074.40	25,667.77
Street Openings	223,769.37	206,867.95
Tax Lien Premiums	2,070.26	2,070.26
Parking Escrow	269,945.50	227,556.51
Lifeguard Pension	625,021.60	651,982.88
Police Forfeiture	2,127.13	1,627.24
COAH	2,284,231.43	1,936,438.21
Fire Safety	13,879.33	11,523.76
Neighborhood Revitalization	147,990.72	144,062.51
Security Deposits	27,578.41	26,846.38
DARE	555.87	541.11
Small Cities Block Grant	774,788.52	754,222.74
Public Assistance	3,700.67	3,602.45
Performance Bond	397,888.72	423,445.30
Police Off-Duty	307,374.82	213,932.06
Flexible Spending	1,499.00	5,213.79
Fishermen's Memorial	3,345.76	3,183.75
Dellas Field	715.72	696.73
	5,543,795.83	4,912,834.24
	\$ 5,889,134.31	5,257,053.72

EXHIBIT - C
GENERAL CAPITAL FUND

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

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Cash	\$ 8,922,363.81	8,023,460.55
Deferred Charges to Future Taxation -		
Funded	30,449,148.15	23,000,378.26
Unfunded	9,772,081.00	15,484,595.00
State Grant Receivable	303,066.77	303,066.77
NJEIT Loans Receivable	35,670.53	35,670.53
Due from Current Fund	1,825,731.30	547,136.30
Due from Grant Fund	191,317.50	-
	<u>51,499,379.06</u>	<u>47,394,307.41</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	5,893,003.69	4,568,776.18
Bond Anticipation Notes Payable	-	2,915,000.00
Serial Bonds Payable	29,930,000.00	22,415,000.00
Green Trust Loan Payable	39,382.51	58,493.71
Capital Lease Payable	479,765.64	526,884.55
Improvement Authorizations:		
Funded	2,568,892.55	1,746,876.29
Unfunded	6,927,096.09	9,557,248.05
Reserve to Pay Bonds or Notes	653,280.97	747,867.02
Reserve for Open Space	3,496,569.00	3,274,569.00
Reserves for Mall Improvements	26,575.60	26,575.60
Capital Improvement Fund	67,892.00	140,096.00
Fund Balance	1,416,921.01	1,416,921.01
	<u>\$ 51,499,379.06</u>	<u>47,394,307.41</u>

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

2022	12,569,595.00
2023	9,772,081.00

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

	<u>2023</u>	<u>2022</u>
Beginning Balance January 1	\$ 1,416,921.01	916,921.01
Increased by:		
Pool Ordinance 2014-283	-	500,000.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	-	-
Ending Balance December 31	<u>\$ 1,416,921.01</u>	<u>1,416,921.01</u>

EXHIBIT - D
WATER AND SEWER UTILITY FUND

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

	2023	2022
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 2,253,306.33	3,780,896.10
Investment in BANS	901,000.00	-
Due from Water and Sewer Utility Capital Fund	202,412.00	-
	3,356,718.33	3,780,896.10
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	172,472.65	227,156.64
	172,472.65	227,156.64
Total Operating Fund	3,529,190.98	4,008,052.74
Capital Fund:		
Cash	1,825,980.36	1,880,201.57
Loans Receivable	266,689.47	266,689.47
Fixed Capital	18,975,433.85	18,975,433.85
Fixed Capital - Authorized and Uncompleted	33,804,155.99	29,804,155.99
Total Capital Fund	54,872,259.67	50,926,480.88
	\$ 58,401,450.65	54,934,533.62

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

	2023	2022
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Appropriation Reserves	\$ 564,793.34	1,096,939.48
Reserve for Encumbrances	47,867.16	355,641.90
Accounts Payable	100,916.48	-
Overpaid Rents	31,007.48	50,059.82
Sales Tax Payable	190.71	190.71
Accrued Interest on Bonds and Notes	106,754.24	91,932.29
Reserve for Sewer Treatment Plant	809.71	809.71
Due to Current Fund	50,630.30	-
Due to Trust Fund	22,500.00	-
	925,469.42	1,595,573.91
Reserve for Receivables	172,472.65	227,156.64
Fund Balance	2,431,248.91	2,185,322.19
Total Operating Fund	3,529,190.98	4,008,052.74
Capital Fund:		
Encumbrances Payable	2,357,995.66	969,781.02
Bond Anticipation Notes Payable	4,870,000.00	2,870,000.00
Serial Bonds Payable	9,350,000.00	10,345,000.00
Loans Payable	1,241,961.92	1,294,196.11
Improvement Authorizations:		
Funded	488,019.21	570,430.88
Unfunded	3,056,862.91	2,439,549.89
Due from Utility Operating	202,412.00	-
Reserve for Amortization	30,447,972.69	29,388,150.50
Deferred Reserve for Amortization	1,789,655.23	1,789,655.23
Reserve for Debt Service	499,073.71	701,410.91
Capital Improvement Fund	190,000.00	180,000.00
Fund Balance	378,306.34	378,306.34
Total Capital Fund	54,872,259.67	50,926,480.88
	\$ 58,401,450.65	54,934,533.62

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

2022	3,092,588.00
2023	5,080,000.00

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

	2023	2022
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 323,088.00	534,305.00
Water and Sewer Rents	6,844,348.27	7,258,436.65
Reserve to Pay Bonds and Notes	225,000.00	225,000.00
Miscellaneous	227,296.07	104,904.37
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	393,026.62	516,682.97
Total Income	8,012,758.96	8,639,328.99
Expenditures		
Operations:		
Salaries and Wages	900,000.00	880,355.00
Other Expenses	4,750,000.00	4,730,450.00
Capital Improvements	60,000.00	61,000.00
Debt Service	1,540,656.24	1,408,970.61
Deferred Charges and Statutory Expenditures	193,088.00	177,000.00
Total Expenditures	7,443,744.24	7,257,775.61
Excess in Revenue	569,014.72	1,381,553.38
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	-	-
Total Adjustments	-	-
Excess in Operations	569,014.72	1,381,553.38
Fund Balance January 1	2,185,322.19	1,338,073.81
Decreased by:	2,754,336.91	2,719,627.19
Utilization as Anticipated Revenue	323,088.00	534,305.00
Fund Balance December 31	\$ 2,431,248.91	2,185,322.19

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

	2023	2022
Beginning Balance January 1	\$ 378,306.34	378,306.34
Increased by:		
None	-	-
Decreased by:		
None	-	-
Ending Balance December 31	\$ 378,306.34	378,306.34

**WATER AND SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Operating Surplus Anticipated	\$ 323,088.00	323,088.00	-
Anticipated Revenue:			
Rents	6,900,000.00	6,844,348.27	(55,651.73)
Miscellaneous	60,000.00	227,296.07	167,296.07
Reserve to Pay Bond and Notes	225,000.00	225,000.00	-
	<u>\$ 7,508,088.00</u>	<u>7,619,732.34</u>	<u>111,644.34</u>
Analysis of Realized Revenue:			
Water and Sewer Rents			
Accounts Receivable	6,844,348.27		
Total Water & Sewer Rents		<u>6,844,348.27</u>	
Miscellaneous Revenue			
Interest on Investments	121,451.19		
Penalties and Interest	7,648.85		
Sewer Connections	14,016.00		
Meter Installations	48,950.00		
Fire Sprinkler Fee	1,750.00		
Special Reading Charge	5,516.25		
Shut Off Notice Fee	7,884.78		
WCM Interlocal	1,459.00		
Miscellaneous	18,620.00		
Total Miscellaneous		<u>227,296.07</u>	

**WATER AND SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Operations:						
Salaries and Wages	\$ 900,000.00	900,000.00	893,752.53		6,247.47	
Other Expenses	4,750,000.00	4,750,000.00	4,151,534.55	47,867.16	550,598.29	
	<u>5,650,000.00</u>	<u>5,650,000.00</u>	<u>5,045,287.08</u>	<u>47,867.16</u>	<u>556,845.76</u>	<u>-</u>
Capital Improvements:						
Capital Improvement Fund	10,000.00	10,000.00	10,000.00	-	-	
Current Fund Share of Roads	50,000.00	50,000.00	50,000.00	-	-	
	<u>60,000.00</u>	<u>60,000.00</u>	<u>60,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service:						
Payment of Bond Principal	1,050,000.00	1,050,000.00	1,047,234.19		(0.00)	2,765.81
Interest on Bonds	415,000.00	415,000.00	370,168.02		-	44,831.98
Interest on Notes	140,000.00	140,000.00	123,254.03		-	16,745.97
	<u>1,605,000.00</u>	<u>1,605,000.00</u>	<u>1,540,656.24</u>	<u>-</u>	<u>(0.00)</u>	<u>64,343.76</u>
Deferred Charges and Statutory Expenditures:						
Deferred Charges						
Various Ordinances	12,588.00	12,588.00	12,588.00		-	
Statutory Ordinances						
Public Employee's Retirement System	82,000.00	82,000.00	82,000.00		-	
Social Security System (O.A.S.I.)	71,000.00	71,000.00	63,052.42		7,947.58	
Unemployment Compensation Insurance	5,000.00	5,000.00	5,000.00		-	
Reserve for Retirement Trust	22,500.00	22,500.00	22,500.00		-	
	<u>180,500.00</u>	<u>180,500.00</u>	<u>172,552.42</u>	<u>-</u>	<u>7,947.58</u>	<u>-</u>
	<u>7,508,088.00</u>	<u>7,508,088.00</u>	<u>6,831,083.74</u>	<u>47,867.16</u>	<u>564,793.34</u>	<u>64,343.76</u>
Cash Disbursed			\$ 6,721,173.79		Cancelled	64,343.76
Deferred Charge			12,588.00		Overexpended	-
Due to Trust			22,500.00			<u>64,343.76</u>
Capital Improvement Fund			10,000.00			
Due to Current Fund			50,000.00			
Accrued Interest			14,821.95			
			<u>6,831,083.74</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,**

	2023	2022
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 2,615,079.05	2,904,676.86
Investment in BANS	210,000.00	-
Due from Current Fund	1,399.00	1,399.00
	2,826,478.05	2,906,075.86
Deferred Charges:		
Overexpenditure of Appropriation	16,172.50	-
	16,172.50	-
Total Operating Fund	2,842,650.55	2,906,075.86
Capital Fund:		
Cash	1,302,575.42	396,459.05
Due from Beach Operating	64,900.00	-
Fixed Capital - Authorized and Uncompleted	6,000,000.00	6,044,900.00
	7,367,475.42	6,441,359.05
Total Capital Fund	7,367,475.42	6,441,359.05
	\$ 10,210,125.97	9,347,434.91

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

	2023	2022
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Appropriation Reserves	\$ 102,524.25	263,452.35
Encumbrances Payable	54,060.81	80,766.70
Accounts Payable	5,479.10	-
Accrued Interest on Bonds and Notes	39,593.33	22,370.83
Due to Beach Capital	64,900.00	-
	266,557.49	366,589.88
 Fund Balance	 2,576,093.06	 2,539,485.98
 Total Operating Fund	 2,842,650.55	 2,906,075.86
 Capital Fund:		
Encumbrances Payable	419,663.95	715,142.73
Bond Anticipation Notes Payable	210,000.00	-
General Serial Bonds Payable	2,650,000.00	1,380,000.00
Reserve for Amortization	2,945,000.00	2,565,000.00
Improvement Authorizations		
Funded	319,504.97	302,761.12
Unfunded	160,027.92	838,626.20
Reserve to Pay Bonds	77,353.96	73,904.38
Capital Improvement Fund	464,000.00	444,000.00
Fund Balance	121,924.62	121,924.62
	7,367,475.42	6,441,359.05
	\$ 10,210,125.97	9,347,434.91

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

2022	2,099,900.00
2023	195,000.00

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

	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 645,500.00	450,000.00
Beach Fees	3,031,367.00	3,041,559.00
Miscellaneous Revenue	102,515.83	11,732.90
Miscellaneous Not Anticipated Revenue	13,318.88	1,832.46
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	259,805.37	300,669.85
Total Income	<u>4,052,507.08</u>	<u>3,805,794.21</u>
Expenditures		
Operations:		
Salaries and Wages	2,134,500.00	1,767,500.00
Other Expenses	645,000.00	747,000.00
Capital Improvements	20,000.00	20,000.00
Debt Service	346,172.50	319,208.33
Deferred Charges and Statutory Expenditures	240,900.00	203,000.00
Total Expenditures	<u>3,386,572.50</u>	<u>3,056,708.33</u>
Excess/(Deficit) in Revenue	<u>665,934.58</u>	<u>749,085.88</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	16,172.50	-
Total Adjustments	<u>16,172.50</u>	<u>-</u>
Excess in Operations	<u>682,107.08</u>	<u>749,085.88</u>
Fund Balance January 1	<u>2,539,485.98</u>	<u>2,240,400.10</u>
Decreased by:	3,221,593.06	2,989,485.98
Utilization as Anticipated Revenue	<u>645,500.00</u>	<u>450,000.00</u>
Fund Balance December 31	<u>\$ 2,576,093.06</u>	<u>2,539,485.98</u>

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

	<u>2023</u>	<u>2022</u>
Beginning Balance January 1	\$ 121,924.62	121,924.62
Increased by:		
None	-	-
Decreased by:		
None	-	-
Ending Balance December 31	<u>\$ 121,924.62</u>	<u>121,924.62</u>

**BEACH UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 645,500.00	645,500.00	-
Anticipated Revenue:			
User Fees	2,720,000.00	3,031,367.00	311,367.00
Miscellaneous	5,000.00	102,515.83	97,515.83
Miscellaneous Not Anticipated Revenue	-	13,318.88	13,318.88
	<u>\$ 3,370,500.00</u>	<u>3,792,701.71</u>	<u>422,201.71</u>
Analysis of Realized Revenue:			
Beach Fees			
Collections	<u>3,031,367.00</u>		
Total Beach Fees		<u>3,031,367.00</u>	
Miscellaneous Revenue			
Miscellaneous	13,318.88		
Interest on Investments	<u>102,515.83</u>		
Total Miscellaneous		<u>115,834.71</u>	

**BEACH UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Operations:						
Beach Front (Lifeguards)						
Salaries & Wages	1,124,000.00	1,224,000.00	1,213,452.80		10,547.20	-
Other Expenses	125,000.00	78,000.00	72,930.34	1,317.46	3,752.20	-
Beach Tag Program						
Salaries & Wages	460,000.00	482,000.00	478,432.42		3,567.58	-
Other Expenses	150,000.00	150,000.00	97,625.21	16,805.21	35,569.58	-
Insurance						
Liability Insurance	22,000.00	22,000.00	14,750.00		7,250.00	-
Workers Compensation	35,000.00	25,000.00	23,625.00		1,375.00	-
Employee Group Insurance	15,000.00	15,000.00	196.00		14,804.00	-
Audit Services						
Other Expenses	4,500.00	4,500.00	4,500.00		-	-
Tax Collector						
Salaries & Wages	5,000.00	5,000.00	5,000.00		-	-
Police						
Salaries & Wages	85,000.00	85,000.00	85,000.00		-	-
Police Dispatch						
Other Expenses	50,000.00	50,000.00	50,000.00		-	-
Fire						
Salaries & Wages	75,000.00	75,000.00	75,000.00		-	-
Legal						
Other Expenses	6,000.00	3,000.00			3,000.00	-
Road Repairs & Maintenance						
Salaries & Wages	160,000.00	160,000.00	160,000.00		-	-
Other Expenses	90,000.00	90,000.00	60,880.69	29,096.50	22.81	-
Public Buildings & Grounds						
Salaries & Wages	49,000.00	49,000.00	49,000.00		-	-
Other Expenses	200,000.00	170,000.00	163,150.63	6,841.64	7.73	-
General Administration						
Salaries & Wages	12,500.00	12,500.00	12,500.00		-	-
Other Expenses	5,000.00	5,000.00			5,000.00	-
Financial Administration						
Salaries & Wages	10,000.00	10,000.00	10,000.00		-	-
Other Expenses	3,000.00	3,000.00	3,000.00		-	-
Sanitary Landfill						
Other Expenses	8,500.00	8,500.00	2,217.07		6,282.93	-
Beach Safety						
Other Expenses	10,000.00	-			-	-
Recycling						

BEACH UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Salaries and Wages	20,000.00	20,000.00	20,000.00	-	-	-
Other Expenses	15,000.00	15,000.00	10,208.25	4,791.75	-	-
Engineering & Planning						
Other Expenses	28,000.00	6,000.00		6,000.00		-
Mayor, Council & Clerk -Salaries & Wages	12,000.00	12,000.00	12,000.00	-	-	-
	<u>2,779,500.00</u>	<u>2,779,500.00</u>	<u>2,623,468.41</u>	<u>54,060.81</u>	<u>101,970.78</u>	<u>-</u>
Capital Improvements:						
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>
Debt Service:						
Bond Principal	280,000.00	280,000.00	280,000.00	-	-	-
Interest on Bonds	50,000.00	50,000.00	66,172.50	-	-	(16,172.50)
Interest on Notes	100.00	100.00	-	-	-	100.00
	<u>330,100.00</u>	<u>330,100.00</u>	<u>346,172.50</u>	<u>-</u>	<u>-</u>	<u>(16,072.50)</u>
Deferred Charges and Statutory Expenditures:						
Various Ordinances	44,900.00	44,900.00	44,900.00	-	-	-
Social Security System	130,000.00	130,000.00	129,446.53	553.47	-	-
Unemployment	26,000.00	26,000.00	26,000.00	-	-	-
Lifeguard Pension	40,000.00	40,000.00	40,000.00	-	-	-
	<u>240,900.00</u>	<u>240,900.00</u>	<u>240,346.53</u>	<u>553.47</u>	<u>-</u>	<u>-</u>
\$	<u><u>3,370,500.00</u></u>	<u><u>3,370,500.00</u></u>	<u><u>3,229,987.44</u></u>	<u><u>54,060.81</u></u>	<u><u>102,524.25</u></u>	<u><u>(16,072.50)</u></u>
			\$			
			Cash Disbursed	3,147,864.94	Cancelled	100.00
			Deferred Charge	44,900.00	Overexpended	(16,172.50)
			Capital Improvement Fund	20,000.00	<u>(16,072.50)</u>	<u>(16,072.50)</u>
			Accrued Interest	17,222.50		

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

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EXHIBIT - F
TOURISM UTILITY FUND

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

	2023	2022
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 2,299,252.21	2,149,825.34
Change Fund	500.00	500.00
Due from Current Fund	241,529.95	2,200.00
	2,541,282.16	2,152,525.34
Total Operating Fund	2,541,282.16	2,152,525.34
	2,541,282.16	2,152,525.34
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Appropriation Reserves	256,620.01	203,398.14
Encumbrances Payable	48,372.67	48,323.52
Accounts Payable	-	1,091.50
Sales Tax Payable	630.89	630.89
Due to Security Deposit	37,017.50	37,017.50
	342,641.07	290,461.55
Fund Balance	2,198,641.09	1,862,063.79
Total Operating Fund	2,541,282.16	2,152,525.34
	\$ 2,541,282.16	2,152,525.34

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

	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ -	225,000.00
Tourism Fees	1,434,656.90	1,362,728.86
Other Credits to Income:		
Miscellaneous Revenue not Anticipated	56,405.56	6,713.03
Unexpended Balance of Appropriation Reserves	149,583.34	654,120.55
Prior Year Accounts Payable Canceled	931.50	-
Total Income	<u>1,641,577.30</u>	<u>2,248,562.44</u>
Expenditures		
Operations:		
Salaries and Wages	550,000.00	451,540.00
Other Expenses	700,000.00	662,300.00
Statutory Expenditures	55,000.00	33,000.00
Total Expenditures	<u>1,305,000.00</u>	<u>1,146,840.00</u>
Excess/(Deficit) in Revenue	<u>336,577.30</u>	<u>1,101,722.44</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>336,577.30</u>	<u>1,101,722.44</u>
Fund Balance January 1	<u>1,862,063.79</u>	<u>985,341.35</u>
	2,198,641.09	2,087,063.79
Decreased by:		
Utilization as Anticipated Revenue	<u>-</u>	<u>225,000.00</u>
Fund Balance December 31	<u>\$ 2,198,641.09</u>	<u>1,862,063.79</u>

**TOURISM UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Anticipated Budget	Realized	Excess or (Deficit)
Anticipated Revenue:			
Tourism Fees & Events	\$ 300,000.00	372,733.70	72,733.70
Hotel Room Tax	650,000.00	650,000.00	-
Lease and Rent Contracts	300,000.00	337,423.20	37,423.20
Mercantile License Fee	55,000.00	74,500.00	19,500.00
Miscellaneous	-	56,405.56	56,405.56
	<u>\$ 1,305,000.00</u>	<u>1,491,062.46</u>	<u>186,062.46</u>

Analysis of Realized Revenue:

Tourism Fees		
Collections		372,733.70
		<u>372,733.70</u>
Miscellaneous Revenue Not Anticipated:		
Miscellaneous		2,527.00
Interest		53,878.56
		<u>56,405.56</u>

**TOURISM UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Operations:					
Salaries and Wages	\$ 550,000.00	550,000.00	499,611.04	50,388.96	-
Other Expenses	700,000.00	700,000.00	462,176.00	189,451.33	-
	<u>1,305,000.00</u>	<u>1,305,000.00</u>	<u>1,000,007.32</u>	<u>256,620.01</u>	<u>-</u>
Statutory Expenditures:					
Social Security System (O.A.S.I.)	55,000.00	55,000.00	38,220.28	16,779.72	-
	<u>1,305,000.00</u>	<u>1,305,000.00</u>	<u>1,000,007.32</u>	<u>256,620.01</u>	<u>-</u>
	\$ <u>1,305,000.00</u>	<u>1,305,000.00</u>	<u>1,000,007.32</u>	<u>256,620.01</u>	<u>-</u>

Cash Disbursed	\$ 1,002,868.32
Reimbursements	(2,861.00)
	<u>\$ 1,000,007.32</u>

EXHIBIT - G
GENERAL FIXED ASSET ACCOUNT GROUP

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

	<u>2023</u>	<u>2022</u>
<u>General Fixed Assets</u>		
Land, Buildings and Improvements	\$ 27,718,436.93	27,718,436.93
Machinery and Equipment	11,662,925.45	10,294,936.90
	<u>39,381,362.38</u>	<u>38,013,373.83</u>
<u>Investment in General Fixed Assets</u>		
Investment in General Fixed Assets	39,381,362.38	38,013,373.83
	<u>\$ 39,381,362.38</u>	<u>38,013,373.83</u>

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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, 2023 AND 2022
(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, 2023 AND 2022
(CONTINUED)**

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$2,000.00 are capitalized.

No depreciation has been provided for in the financial statements.

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

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

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

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

The City is responsible for remitting 100% of the City of Cape May School District and the Lower Cape May Regional High School District and the County of Cape May taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the City of Cape May to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency.

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

Interest on Delinquent Utility Charges – It is the policy of the City to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Utility Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of charges becoming delinquent after due date and eighteen percent (18%) per annum on any amount of charges in excess of \$1,500.00 becoming delinquent after due date.

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

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No.99, "Omnibus 2022". This statement, and the requirements related to leases, PPP's and SBITAs which is effective for fiscal years beginning after June 15, 2022, and all reporting periods, thereafter, may have an effect on the City's financial statements. This statement, and the requirements related financial guarantees and the classification and reporting of derivative instruments which is effective for fiscal years beginning after June 15, 2023, and all reporting periods, thereafter, will not have any 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 years beginning after June 15, 2023, may have 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 years beginning after December 15, 2023, will not have an effect on the City's financial statements.

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

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 2023 and 2022 statutory budgets included a reserve for uncollected taxes in the amount of \$1,319,892.47 and \$1,282,128.09. To balance the budget, the City is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2023 and 2022 statutory budgets was \$4,140,163.00 and \$3,400,000.00. 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 2023 and 2022 statutory budgets was \$323,088.00 and \$534,305.00. The amount of fund balance budgeted to balance the beach utility budget in 2023 and 2022 statutory budgets was \$645,000.00 and \$450,000.00. The amount of fund balance budgeted to balance to tourism utility budget in 2022 was \$225,000.00. There was no tourism utility fund balance budgeted in 2023.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

The Chief Financial Officer has the discretion of approving intra-department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1, these transfers can be made in the form of a resolution and approved by the City Council. The following more significant budget transfers were approved in the 2023 and 2022 calendar years:

<u>Budget Category</u>	<u>2023</u>	<u>2022</u>
<u>Current Fund:</u>		
Insurance		
Employee Group Health	\$	(145,000)
Workers Compensation Insurance	(1,000)	
Road Repairs and Maintenance		
Salaries & Wages		60,000
Other Expenses		40,000
Statutory Expenditures		
Public Employees' Retirement System	1,000	
<u>Water/Sewer Utility Fund:</u>	None	None
<u>Tourism Utility Fund:</u>	None	None
<u>Beach Utility Fund:</u>		None
Beach Front (Lifeguards)		
Salaries & Wages	100,000	
Other Expenses	(47,000)	
Beach Tag Program		
Salaries & Wages	22,000	
Insurance		
Liability Insurance	(10,000)	
Legal		
Other Expenses	(3,000)	
Public Buildings & Grounds		
Other Expenses	(30,000)	
Beach Safety		
Other Expenses	(10,000)	
Engineering & Planning		
Other Expenses	(22,000)	

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**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 2023 and 2022, the following budget insertions were approved:

<u>Budget Category</u>	<u>2023</u>	<u>2022</u>
Clean Communities Program	\$	19,415.66
2022 Small Cities-CDBG-Kiwanis Community Park		400,000.00
2023 Local Recreational Improvement	70,000.00	
NJBPU Clean Energy Electric Vehicle Tourism Grant		157,000.00
NJPBU Clean Fleet Electric Vehicle Incentive		14,000.00
2022 NJDEP-Electric Vehicle DC Fast Charger Community Grant		75,000.00
American Rescue Plan - Firefighter Grant		36,000.00
R. Kennedy - Law Enforcement Against Drugs Support	3,000.00	2,940.00
2023 Small Cities CDBG	400,000.00	
FEMA - Flood Mitigation Assistance - Seawall		195,536.25
WaWa Foundation Grant - Police Department Equipment	10,000.00	10,000.00
2023 Next Gen 30, INC Donation -Kiwanis Park Benches	5,000.00	
NJ Transportation Trust Authority		44,700.00
NJ Transportation Trust Authority - Pennsylvania Avenue		185,000.00

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 2023.

NOTE 3: INVESTMENTS

As of December 31, 2023 and 2022, 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, 2023 AND 2022
(CONTINUED)

NOTE 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the city relative to the happening of a future condition. As of December 31, 2023, \$5,194,592.51 of the City's bank balance of \$44,380,604.88 was exposed to custodial credit risk. As of December 31, 2022, \$4,244,217.46 of the City's bank balance of \$42,655,919.77 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, 2023 and 2022:

	Balance 12/31/2021	Additions	Adjustments/ Retirements	Balance 12/31/2022
Land, Building and Improvements	\$ 27,124,397.09	594,039.84		27,718,436.93
Equipment and Machinery	10,116,082.90	96,542.00	82,312.00	10,294,936.90
	<u>37,240,479.99</u>	<u>690,581.84</u>	<u>82,312.00</u>	<u>38,013,373.83</u>

	Balance 12/31/2022	Additions	Adjustments/ Retirements	Balance 12/31/2023
Land, Building and Improvements	\$ 27,718,436.93			27,718,436.93
Equipment and Machinery	10,294,936.90	924,676.15	443,312.40	11,662,925.45
	<u>38,013,373.83</u>	<u>924,676.15</u>	<u>443,312.40</u>	<u>39,381,362.38</u>

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 6: LONG TERM DEBT

Long-term debt as of December 31, 2023, and 2022 consisted of the following:

	Balance 12/31/2021	Issued	Retired	Balance 12/31/2022	Amounts Due Within One Year
Bonds payable:					
General	\$ 24,885,000.00		2,470,000.00	22,415,000.00	2,660,000.00
Water Sewer Utility	11,312,920.00		967,920.00	10,345,000.00	995,000.00
Beach Utility	1,640,000.00		260,000.00	1,380,000.00	280,000.00
Total	<u>37,837,920.00</u>	-	<u>3,697,920.00</u>	<u>34,140,000.00</u>	<u>3,935,000.00</u>
Other liabilities:					
Loans Payable:					
General	77,228.34		18,734.63	58,493.71	19,111.20
Water Sewer Utility	1,498,089.30		203,893.19	1,294,196.11	52,234.19
Compensated					
Absences Payable	<u>1,217,864.67</u>		<u>345,650.81</u>	<u>872,213.86</u>	
Total long-term liabilities	<u>\$ 40,631,102.31</u>	-	<u>4,266,198.63</u>	<u>36,364,903.68</u>	<u>4,006,345.39</u>
	Balance	Issued	Retired	Balance	Amounts
	12/31/2022			12/31/2023	Due Within
					One Year
Bonds payable:					
General	\$ 22,415,000.00	10,175,000.00	2,660,000.00	29,930,000.00	3,355,000.00
Water Sewer Utility	10,345,000.00		995,000.00	9,350,000.00	1,040,000.00
Beach Utility	1,380,000.00	1,550,000.00	280,000.00	2,650,000.00	395,000.00
Total	<u>34,140,000.00</u>	<u>11,725,000.00</u>	<u>3,935,000.00</u>	<u>41,930,000.00</u>	<u>4,790,000.00</u>
Other liabilities:					
Loans Payable:					
General	58,493.71		19,111.20	39,382.51	19,495.33
Water Sewer Utility	1,294,196.11		52,234.19	1,241,961.92	52,234.19
Compensated					
Absences Payable	<u>872,213.86</u>	<u>390,609.88</u>		<u>1,262,823.74</u>	
Total long-term liabilities	<u>\$ 36,364,903.68</u>	<u>12,115,609.88</u>	<u>4,006,345.39</u>	<u>44,474,168.17</u>	<u>4,861,729.52</u>

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

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

\$10,700,000 General Bonds dated July 15, 2013, due in annual installments through July 15, 2027, bearing interest at various rates. The balance remaining as of December 31, 2023 is \$3,650,000.00.

\$6,035,000 General Bonds dated July 15, 2014, due in annual installments through July 15, 2025, bearing interest at 3.00% per annum. The balance remaining as of December 31, 2023 is \$1,515,000.00.

\$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, 2023 is \$7,640,000.00.

\$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, 2023 is \$6,950,000.00.

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

\$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, 2023 is \$39,382.51.

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

\$2,335,000 Water and Sewer Utility Bonds dated July 15, 2013, due in annual installments through July 15, 2025, bearing interest at various rates. The balance remaining as of December 31, 2023 is \$430,000.00.

\$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, 2023 is \$560,000.00.

\$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, 2023 is \$3,170,000.00.

\$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, 2023 is \$5,190,000.00.

\$1,252,948.00 Environmental Infrastructure Trust Loan dated May 22, 2018, due in annual installments through August 1, 2047, bearing interest at 0.00% per annum. The balance remaining as of December 31, 2023 is \$861,961.92.

\$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, 2023 is \$380,000.00.

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

\$2,005,000 General Bonds dated July 15, 2014, due in annual installments through July 15, 2026, bearing interest at 3.00% per annum. The balance remaining as of December 31, 2023 is \$640,000.00.

\$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, 2023 is \$460,000.00.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

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

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

Year Ending December 31,	General Capital Fund	
	Principal	Interest
2024	\$ 3,355,000.00	1,044,224.44
2025	3,520,000.00	931,925.00
2026	2,800,000.00	788,575.00
2027	2,890,000.00	669,625.00
2028	2,135,000.00	556,425.00
2029-2033	10,125,000.00	1,671,862.50
2034-2036	5,105,000.00	334,700.00
	<u>\$ 29,930,000.00</u>	<u>5,997,336.94</u>

Year Ending December 31,	Utility Capital Fund		Beach Utility Capital Fund	
	Principal	Interest	Principal	Interest
2024	\$ 1,040,000.00	345,000.00	395,000.00	106,165.00
2025	940,000.00	303,700.00	415,000.00	92,450.00
2026	535,000.00	264,900.00	460,000.00	75,700.00
2027	560,000.00	241,200.00	230,000.00	58,100.00
2028	590,000.00	220,200.00	120,000.00	50,200.00
2029-2033	2,445,000.00	820,100.00	840,000.00	148,200.00
2034-2038	1,320,000.00	520,000.00	190,000.00	7,600.00
2039-2043	980,000.00	289,000.00		
2044-2047	940,000.00	77,200.00		
	<u>\$ 9,350,000.00</u>	<u>3,081,300.00</u>	<u>2,650,000.00</u>	<u>538,415.00</u>

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

Year Ending December 31,	General Capital Fund		Utility Capital Fund	
	Principal	Interest	Principal	Interest
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			52,234.19	11,862.50
2028			52,234.19	11,362.50
2029-2033			286,170.95	50,793.74
2034-2038			286,170.95	38,943.74
2039-2043			306,170.95	25,181.26
2044-2047			102,278.12	7,700.00
	<u>\$ 39,382.51</u>	<u>989.49</u>	<u>1,241,961.92</u>	<u>184,431.24</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

As of December 31, 2023, 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 \$811,408.69. \$492,464.45 was charged to the water and sewer utility budget and \$66,172.50 to the beach utility budget.

<u>Summary of Municipal Debt</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 29,969,382.51	\$ 25,388,493.71	\$ 24,962,228.34
Water/Sewer Utility - Bonds and Notes	15,461,961.92	14,509,196.11	12,811,009.30
Beach Utility - Bonds and Notes	2,860,000.00	1,380,000.00	1,640,000.00
Total Issued	<u>48,291,344.43</u>	<u>41,277,689.82</u>	<u>39,413,237.64</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	9,772,081.00	12,569,595.00	8,368,406.00
Water/Sewer Utility - Bonds and Notes	5,080,000.00	3,092,588.00	4,598,588.00
Beach Utility - Bonds and Notes	195,000.00	2,099,900.00	1,954,900.00
Total Authorized But Not Issued	<u>15,047,081.00</u>	<u>17,762,083.00</u>	<u>14,921,894.00</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 63,338,425.43</u>	<u>\$ 59,039,772.82</u>	<u>\$ 54,335,131.64</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 0.9188%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 7,455,147.51	7,455,147.51	-
Water and Sewer Utility Debt	20,541,961.91	20,541,961.91	-
Beach Utility	3,055,000.00	3,055,000.00	-
General Debt	39,741,463.51	653,280.97	39,088,182.54
	<u>\$ 70,793,572.93</u>	<u>31,705,390.39</u>	<u>39,088,182.54</u>

Net Debt \$39,088,182.54 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$4,254,309,656.67 = 0.9188%.

The CFO should file an amended debt statement to account for the changes.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$	148,900,838
Net Debt		39,088,183
Remaining Borrowing Power	\$	<u>109,812,655</u>

NOTE 7: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2023 and 2022, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2024 and 2023 were as follows:

		<u>2024</u>	<u>2023</u>
Current Fund	\$	5,900,000.00	4,140,163.00
Water & Sewer Utility		412,500.00	323,088.00
Beach Utility		1,136,572.50	645,500.00
Tourism Utility		None	None

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>12/31/2023</u>	<u>12/31/2022</u>
Balance of Tax	\$ 966,451.80	\$ 947,210.80
Deferred	966,451.80	947,210.80
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>12/31/2023</u>	<u>12/31/2022</u>
Balance of Tax	\$ 3,982,629.93	\$ 3,781,399.93
Deferred	3,982,630.00	3,781,400.00
Tax Payable	<u>\$ (0.07)</u>	<u>\$ (0.07)</u>

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

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:

	Balance 12/31/23	Balance 12/31/22
Prepaid Taxes	\$ 719,020.64	\$ 821,020.13
Cash Liability for Taxes Collected in Advance	\$ 719,020.64	\$ 821,020.13

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 no individuals enrolled in DCRP.

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by 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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

Pension Plan for Lifeguards

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by 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 17.61% of covered payroll. The City's contributions to PERS for the years ended December 31, 2023, 2022, and 2021 were \$554,492.98, \$540,765.00, and \$503,484.00.

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, 2023, 2022, and 2021 were \$1,053,367.90, \$1,021,756.98, and \$967,599.00.

The total payroll for the year ended December 31, 2023, 2022 and 2021 was \$10,506,925.94, \$9,770,748.99, and \$8,830,807.41. Payroll covered by PFRS was \$3,420,536.00, \$2,972,646.00, \$2,807,422.00. Payroll covered by PERS was \$3,720,395.00, \$3,164,890.00, and \$3,145,562.00.

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, 2023 was \$625,021.60. Currently there are twelve individuals receiving benefits. The benefits paid by the trust for the year ended December 31, 2023, 2022 and 2021 were \$82,786.50, \$79,932.00, and \$73,293.00.

Significant Legislation

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

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, 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 1/7th 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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2022:

Public Employees' Retirement System

The City has a liability of \$6,588,514 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, that was rolled forward to June 30, 2022. 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, 2022, the City's proportion would be 0.04365614870%, which would be a decrease of 5.46% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the City would have recognized pension expense of (\$573,599). At December 31, 2022, the City would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 47,551	\$ (41,934)
Changes of assumptions	20,413	(986,531)
Changes in proportion	511,723	(531,295)
Net difference between projected and actual earnings on pension plan investments	272,684	
Total	<u>\$ 852,371</u>	<u>\$ (1,559,760)</u>

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

Year ended June 30,	
2023	\$ (646,592)
2024	(238,136)
2025	(16,732)
2026	195,592
2027	(1,521)
Total	<u>\$ (707,389)</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

Actuarial Assumptions

The total pension liability for the June 30, 2022, measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	\$ 7,900,979	\$ 6,588,514	\$ 5,472,795

Pension plan fiduciary net position.

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

Police and Firemen's Retirement System

The City has a liability of \$9,252,677 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2021, that was rolled forward to June 30, 2022. 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, 2022, the City's proportion would be 0.08083513000%, which would be a decrease of 7.71% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the City would have recognized pension expense of (\$319,019). At December 31, 2022, the City would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 418,801	\$ (566,852)
Changes of assumptions	25,358	(1,164,729)
Changes in proportion	209,340	(1,071,349)
Net difference between projected and actual earnings on pension plan investments	847,273	
Total	<u>\$ 1,500,772</u>	<u>\$ (2,802,930)</u>

NOTES TO FINANCIAL STATEMENTS
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(CONTINUED)

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

Year ended June 30,		
2023	\$	(1,369,114)
2024		(874,949)
2025		(833,486)
2026		1,741,022
2027		16,779
Thereafter		17,590
Total	<u>\$</u>	<u>(1,302,158)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation of July 1, 2020, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

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

Employee mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96% adjustment for females. Disability rates were based on the Pub-2010 amount-weighted mortality table with a 152% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2022 are summarized in the following table:

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on 100% of the actuarially 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, 2021, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	13,075,223	9,252,677	6,070,762

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(CONTINUED)

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, 2022, State special funding situation net pension liability amount of \$2,037,115,833.00 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, 2022, State special funding situation pension expense of \$235,029,281.00 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and required contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2022, the State contributed an amount more than the actuarially determined amount.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the City was 0.08083513000% for 2022. The net pension liability amount allocated to the City was \$1,646,705. For the fiscal year ending June 30, 2022, State special funding situation pension expense of \$189,986 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) Annual Comprehensive Financial Report (ACFR), which can be found at:

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

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.

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 City these amounts are not accrued or recorded in the financial statements and the information listed in this note is for disclosure purposes only. Statewide across all member employers, the special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the Collective Total OPEB liabilities for the year ended June 30, 2022, were \$3,361,552,823 and \$3,872,142,278, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021, through June 30, 2022. Employer and non-employer allocation percentages have been rounded for presentation purposes.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

Special Funding Situation:

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

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

Net OPEB Liability:

Components of Net OPEB Liability

The components of the collective net OPEB liability of the participating employers in the Plan as of June 30, 2022, is as follows:

	June 30, 2022	
	Collective Total	Proportionate Share
Total OPEB Liability	\$ 16,090,925,144	\$ 23,775,629
Plan Fiduciary Net Position (Deficit)	(58,670,334)	(86,690)
Net OPEB Liability	<u>\$ 16,149,595,478</u>	<u>\$ 23,862,319</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.36%	-0.36%

At June 30, 2022 the City's proportionate share of the Collective Net OPEB Liability was \$23,862,319. The State's proportionate share for the Special Funding Situation that is associated with the City is \$410,424. The City's proportion of the Collective Net OPEB Liability was 0.147758% which was a decrease from the prior year of 4.85%. The State's proportionate share attributable to the City of the Collective Net OPEB Liability for the Special Funding Situation was 0.012165% which was an increase from the prior year of 1.62%.

City's Proportionate Share of Collective Net OPEB Liability	\$ 23,862,319
State's proportionate share that is associated with the City	410,424
Total	<u>\$ 24,272,743</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

For the Year ended June 30, 2022, the City's Total OPEB Expense was \$1,229,998 and the State of New Jersey realized Total OPEB Expense in the amount of (\$67,318) for its proportionate share of Total OPEB Expense that is associated with the City.

The total OPEB liability as of June 30, 2022, was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Investment Rate of Return
Including Inflation rate 3.54%

Salary increases*:

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

PFRS	<u>Completed Years of Service</u>	<u>Annual Rate of Increase (%)</u>
	0	16.25
	5	11.00
	10	6.00
	15	4.00
	>=17	3.25

Mortality:

Pre-Retirement Healthy Mortality:

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

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

Post-Retirement Healthy Mortality

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

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

Disable Retiree Mortality:

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

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

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

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

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

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

Discount Rate

The discount rate for June 30, 2022, was 3.54%. The discount rate will change each year based on the Bond Buyer Go 20-Bond Municipal Bond Index each year.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB liability as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the Net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

		1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
		<hr/>	<hr/>	<hr/>
Collective				
Net OPEB Liability	\$	18,720,632,230	16,149,595,478	14,080,955,857
Proportionate Share				
Net OPEB Liability	\$	27,661,231	23,862,319	20,805,739

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

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

The following presents the net OPEB liability as of June 30, 2022, 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 Trend Rate</u>	<u>1% Increase</u>
Collective			
Net OPEB Liability	\$ 13,700,188,049	16,149,595,478	19,286,596,671
Proportionate Share			
Net OPEB Liability	\$ 20,243,124	23,862,319	28,497,489

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

At June 30, 2022, 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 of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 833,982,363	(2,993,448,535)	1,232,276	(4,423,060)
Changes of assumptions	2,155,230,462	(5,511,545,572)	3,184,525	(8,143,750)
Net difference between projected and actual earnings on OPEB plan investments	4,251,491		6,282	
Changes in proportion and differences between contributions and proportionate share of contributions			8,709,874	(2,311,743)
Total	<u>\$ 2,993,464,316</u>	<u>(8,504,994,107)</u>	<u>13,132,957</u>	<u>(14,878,553)</u>

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

<u>Year Ended June 30,</u>	<u>Collective Totals</u>	<u>Proportionate Share</u>
2023	\$ (1,463,380,541)	(463,478)
2024	(1,464,672,406)	(463,887)
2025	(1,156,630,075)	(366,325)
2026	(516,557,746)	(163,603)
2027	(115,810,526)	(36,679)
Thereafter	(794,478,497)	(251,625)
Total	<u>\$ (5,511,529,791)</u>	<u>(1,745,596)</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, 2023 AND 2022
(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, 2022, are as follows:

Service cost	\$ 796,654,029
Interest on Total OPEB Liability	401,372,615
Expected Investment Return	86,955
Administrative Expenses	12,334,441
Changes of Benefit Terms	402,474,416
Current Period Recognition (Amortization) of Deferred Inflows/ Outflows of Resources:	
Differences between Expected and Actual Experience	(630,413,303)
Changes in Assumptions	(835,585,441)
Differences between Projected and Actual Investment Earnings on OPEB Plan Investments	4,032,008
Total Collective OPEB Expense	<u>\$ 150,955,720</u>

Schedule of City's Share of Net OPEB Liability

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's Proportionate Share of Net OPEB Liability	0.147758%	0.155289%	0.112284%	0.103730%	0.105250%
City's Share of Net OPEB Liability	\$ 23,862,319	27,951,680	20,336,289	14,051,069	16,489,116
City's Covered Payroll	3,164,890	3,145,562	3,340,526	3,193,362	2,944,262
City's Proportionate Share of the Net OPEB Liability as a percentage of its Covered-Employee Payroll	753.97%	888.61%	608.78%	440.01%	560.04%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.36%	0.28%	0.97%	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, 2023, the City estimates this liability to approximate \$1,262,823.74 based on 2023 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.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023, and 2022 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, 2023 AND 2022
(CONTINUED)**

NOTE 18: INTERFUND BALANCES

During the most current calendar year ended December 31, 2023, the following interfunds were included on the balance sheets of the various funds of the City of Cape May:

	Due From	Due To
	<u> </u>	<u> </u>
Current Fund:		
Animal Control Fund	\$ 3,728.22	
Federal and State Grant Funds		305,907.28
General Capital Fund		1,825,731.30
Water Sewer Operating Fund	50,630.30	
Beach Operating Fund		1,399.00
Tourism Operating Fund		241,529.95
Trusts Other	72.66	444,079.91
Federal and State Grant Fund:		
Current Fund	305,907.28	
General Capital Fund		191,317.50
Other Trusts:		
Current Fund	444,079.91	72.66
Water Sewer Operating Fund	22,500.00	
Animal Control Fund:		
Current Fund		3,728.22
General Capital Fund:		
Current Fund	1,825,731.30	
Grant Fund	191,317.50	
Water Sewer Operating Fund:		
Water Sewer Capital Fund	202,412.00	
Current Fund		50,630.30
Trusts Other		22,500.00
Water Sewer Capital Fund:		
Water Sewer Operating Fund		202,412.00
Beach Operating Fund:		
Current Fund	1,399.00	
Beach Capital Fund		64,900.00
Beach Capital Fund:		
Beach Operating Fund	64,900.00	
Tourism Operating Fund:		
Current Fund	241,529.95	
	<u>\$ 3,354,208.12</u>	<u>3,354,208.12</u>

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

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 19: CAPITAL LEASE OBLIGATIONS

During the year ended December 31, 2023, the City had capital lease agreements in effect for the following:

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

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

Year Ending December 31,	Principal	Interest
2024	\$ 49,902.01	12,036.82
2025	52,799.30	10,733.84
2026	55,816.22	9,355.52
2027	64,704.47	7,862.04
2028	56,653.28	6,247.97
2029-2031	<u>199,890.36</u>	<u>8,603.10</u>
	<u><u>479,765.64</u></u>	<u><u>54,839.29</u></u>

NOTE 20: LENGTH OF SERVICE AWARD PROGRAM

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

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**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 21: SUBSEQUENT EVENTS

The City has evaluated subsequent events through July 26, 2024, 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:		
Providing for Various Water-Sewer Utility Improvements	Introduced: June 5, 2024 Adopted: July 2, 2024	\$ 1,800,000.00
Providing for Various 2024 Capital Improvements	Introduced: June 5, 2024 Adopted: July 2, 2024	9,820,000.00
Providing for Various Beach Utility Improvements	Introduced: June 5, 2024 Adopted: July 2, 2024	1,400,000.00
		\$ 13,020,000.00

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SUPPLEMENTARY INFORMATION



FORD - SCOTT

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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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 26, 2024, 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

July 26, 2024

**CITY OF CAPE MAY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2023**

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

Finding 2023-1:

The City had over expenditures of current year appropriations in the Current Fund and the Beach Utility Fund. Appropriations were over expended by \$198,840.88 and \$16,172.50 respectively.

Criteria or Specific Requirement:

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

Condition:

The City approved \$198,840.88 of Salaries and Wages in the Current Fund and \$16,172.50 of Interest expenses in the Beach Utility Fund before verifying that there were sufficient funds available in the budget lines.

Context:

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

Cause:

Expenditures were not properly monitored during 2023.

Effect:

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

Recommendation:

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

Views of Responsible Officials and Planned Corrective Actions:

The CFO is aware of the requirements regarding appropriation budget transfers. Corrective Action has already been implemented.

**CITY OF CAPE MAY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2023
(CONTINUED)**

Finding 2023-2:

Criteria or Specific Requirement:

The General Ledger should be maintained accurately on a timely basis for all funds of the City.

Condition:

The General Ledger has not been accurately maintained, many entries were incomplete or incorrect.

Context:

Many adjusting and correcting entries were required.

Effect:

The balances in the General Ledger could not be relied upon.

Cause:

Proper procedures for maintaining the General Ledger have not been implemented.

Recommendation:

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

Views of Responsible Officials and Planned Corrective Actions:

The CFO is aware of the requirements regarding the maintenance of the General Ledger. Corrective Action is already being implemented.

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 required for 2023.

STATUS OF PRIOR YEAR FINDINGS

Finding 2022-1:

Recommendation:

We recommend that bank accounts be reconciled within a reasonable time after bank statements are received and that records be maintained accurately. We also recommend that a general ledger accounting system be fully implemented in accordance with N.J.A.C. 5: 30-5.7.

Current Status:

The City's bank accounts have been reconciled within a reasonable time. The City's general ledger accounting system was not maintained in 2023.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Current Fund	Grant Fund
Balance December 31, 2022	\$ 17,857,399.80	417,966.12
Increased by Receipts:		
Tax Collector	32,095,091.45	
Revenue Accounts Receivable	10,896,824.89	
Miscellaneous Revenue	251,977.15	
Due from State - Seniors and Veterans	27,419.72	
Due to/from Grant Fund	15,600.00	
Due to/from POAA	2,700.00	
Due to/from Street Opening	11,550.00	
Due to/from COAH	289,855.74	
Due to/from Tourism Operating	239,329.95	
Due to/from Performance Bond Trust	20,000.00	
Due to/from Police Off Duty	145,600.00	
Due to/from Fire Safety Trust	2,100.00	
Due to/from Forfeiture Account	454.50	
Due to/from Parking Trust	37,100.00	
Due to/from General Capital		191,317.50
Payroll & Payroll Taxes Payable	14,151,718.01	
Reserve for Escrow Trust	129,613.61	
Reserve for Municipal Relief Fund	35,216.53	
Federal and State Unappropriated Reserves		73,493.40
Federal and State Receivables		425,557.04
Due to the State of New Jersey:		
DCA Training Fees	35,824.00	
Marriage Licenses	1,950.00	
	58,389,925.55	690,367.94
	76,247,325.35	1,108,334.06

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Current Fund	Grant Fund
Decreased by Disbursements:		
Current Year Appropriation	19,205,064.85	
Prior Year Appropriations	562,689.21	
County Taxes	11,227,497.41	
Local District School Taxes	1,943,346.00	
Regional School Taxes	7,764,030.00	
Investment in BAN	2,000,000.00	
Accounts Payable	6,668.06	
Tax Overpayments	7,137.93	
Due to/from POAA	2,700.00	
Due to/from Street Opening	11,550.00	
Due to/from COAH	547,869.43	
Due to/from Performance Bond Trust	20,000.00	
Due to/from Police Off Duty	145,600.00	
Due to/from Forfeiture Account	454.50	
Due to/from Parking Trust	37,100.00	
Due to/from Utility Operating	630.30	
Due to/from Current Fund		15,600.00
Reserve for Escrow Trust	128,856.00	
Payroll & Payroll Taxes Payable	14,093,404.04	
Federal and State Disbursements		1,066,115.32
Due to the State of New Jersey:		
DCA Training Fees	32,861.20	
Marriage Licenses	1,475.00	
	57,738,933.93	1,081,715.32
Balance December 31, 2023	\$ 18,508,391.42	26,618.74

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

Balance December 31, 2022		\$	-
Increased by Receipts:			
Prepaid Taxes	728,999.01		
Taxes Receivable	31,307,360.09		
Revenue Accounts Receivable	58,732.35		
			32,095,091.45
			32,095,091.45
Payments to Treasurer			32,095,091.45
Balance December 31, 2023		\$	-

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

Year	Balance Dec. 31, 2022	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Arrears	Balance Dec. 31, 2023
				2022	2023				
Arrears \$	-								
2022	254,484.56			252,127.70		2,356.86			(0.00)
	254,484.56			252,127.70		2,356.86			(0.00)
2023	-	32,113,420.01	6,024.94	821,020.13	31,087,319.74	(78,281.19)	710.99		288,675.28
\$	254,484.56	32,113,420.01	6,024.94	821,020.13	31,339,447.44	(75,924.33)	710.99		288,675.28

Cash Receipts
Senior Citizens and Veterans
Overpayments Applied (Created)
31,307,360.09
28,750.00
3,337.35
31,339,447.44

Analysis of Current Year Tax Levy

Tax Yield:
General Property Tax 32,113,420.01
Added Taxes (54:4-63.1 et. Seq.) 6,024.94
32,119,444.95

Tax Levy:
General County Taxes 9,214,770.08
County Library Taxes 1,504,767.30
County Health Taxes -
County Open Space Taxes 442,499.34
County Added and Omitted Taxes 68,598.18
Total County Taxes 11,230,634.90

Local School District Tax 1,962,587.00
Additional Local School District Tax 7,965,260.00
Regional School District Tax

Local Tax for Municipal Purposes 10,726,011.27
Add: Additional Tax Levied 234,951.78
10,960,963.05
32,119,444.95

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

Balance December 31, 2022		\$	11,463.94
Increased by:			
Transfers from Taxes Receivable	710.99		
	<hr/>		<hr/>
			710.99
			12,174.93
Decreased by:			
None	-		
	<hr/>		<hr/>
			-
Balance December 31, 2023		\$	<u><u>12,174.93</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2022	Accrued in 2023	Collector	Treasurer	Other	Balance Dec. 31, 2023
Licenses:						
Alcoholic Beverages	-	56,128.00		56,128.00		-
Other	-	376,293.70		376,293.70		-
Fees and Permits	-	429,509.02		429,509.02		-
Fines and Costs:						
Municipal Court	19,627.74	301,682.31		289,586.57		31,723.48
Interest and Costs on Taxes	-	58,732.35	58,732.35			-
Interest Earned on Investments	-	702,713.98		702,713.98		-
Parking Meters	-	2,320,555.87		2,320,555.87		-
Hotel Room Tax	-	3,314,528.11		3,314,528.11		-
Lease and Rental Contracts	-	470,951.49		470,951.49		-
TV Cable Receipts	-	45,513.58		45,513.58		-
Victorian Towers - In Lieu of Taxes	-	216,480.36		216,480.36		-
Emergency Medical Services	-	422,637.56		422,637.56		-
Energy Receipts Tax	-	339,965.82		339,965.82		-
Municipal Relief Fund	-	17,612.20		17,612.20		-
Uniform Construction Code Fees	-	854,071.00		854,071.00		-
Interlocal Services Agreement - West Cape May - Police Protection	-	540,288.00		540,288.00		-
Cape May Point - Police Protection	-	324,419.00		324,419.00		-
Uniform Fire Safety Act	-	240,567.44		240,567.44		-
Utility Street Improvements	-	50,000.00		50,000.00		-
Reserve to Pay Debt Service	-	300,000.00		300,000.00		-
Miscellaneous Revenue Not Anticipated	-	250,953.96		250,953.96		-
	<u>19,627.74</u>	<u>11,633,603.75</u>	<u>58,732.35</u>	<u>11,562,775.66</u>	<u>-</u>	<u>31,723.48</u>

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

	Balance Dec. 31, 2022	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT:					
General Administration					
Other Expenses	\$ 8,798.96	8,798.96	3,816.96	4,982.00	-
Mayor and Council					
Other Expenses	3,239.07	3,239.07	971.42	2,267.65	-
City Clerk					
Other Expenses	4,110.79	4,110.79	3,297.74	813.05	-
Financial Administration					
Other Expenses	3,432.84	3,432.84	3,388.96	43.88	-
Assessment of Taxes					
Other Expenses	13,926.44	13,926.44	1,057.23	12,869.21	-
Collection of Taxes					
Other Expenses	7,953.67	7,953.67	393.33	7,560.34	-
Legal Services					
Other Expenses					
Miscellaneous Other Expenses	167,698.01	167,698.01	41,616.28	126,081.73	-
Engineering & Planning Services					
Other Expenses	23,207.98	23,207.98	23,203.47	4.51	-
Emergency Medical Services - Collection					
Contractual Expenses	3,026.30	3,026.30	1,639.70	1,386.60	-
INSURANCE					
Employee Group Health	528,211.72	528,211.72	268,819.89	259,391.83	-
LAND USE ADMINISTRATION					
Planning Board					
Other Expenses	11,625.87	11,625.87	4,096.16	7,529.71	-
Zoning Board of Adjustment					
Other Expenses	6,496.55	6,496.55	3,072.61	3,423.94	-
PUBLIC SAFETY					
Fire					
Other Expenses	11,511.31	11,511.31	5,880.69	5,630.62	-
Police					
Other Expenses	41,473.67	41,473.67	33,276.09	8,197.58	-
Emergency Management Services					
Other Expenses	3,611.69	3,611.69	795.65	2,816.04	-
Parking and Traffic Maintenance					
Other Expenses	17,189.94	17,189.94	9,587.31	7,602.63	-
Municipal Court					
Other Expenses	10,061.20	10,061.20	1,098.22	8,962.98	-

See Accompanying Auditor's Report

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

	Balance Dec. 31, 2022	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
PUBLIC WORKS FUNCTION					
Road Repair and Maintenance	78,618.61	78,618.61	61,786.39	16,832.22	-
Other Expenses					
Sanitary Landfill - Contractual	15,324.61	15,324.61	2,000.78	13,323.83	-
Other Expenses					
Recycling	46,646.56	46,646.56	15,878.55	30,768.01	-
Other Expenses					
Public Buildings and Grounds	54,790.51	54,790.51	46,609.74	8,180.77	-
Other Expenses					
HEALTH AND HUMAN SERVICES					
Uniform Fire Safety	11,433.40	11,433.40	826.41	10,606.99	-
Other Expenses					
PARKS AND RECREATION					
Civic Affairs	2,009.15	2,009.15	16.58	1,992.57	-
Other Expenses					
Historic Preservation Commission	40,475.80	40,475.80	1,368.78	39,107.02	-
Other Expenses					
Grants Coordinator	10,502.50	10,502.50	10,355.00	147.50	-
Other Expenses					
UNIFORM CONSTRUCTION CODE					
State Uniform Construction Code	19,093.80	19,093.80	2,014.70	17,079.10	-
Construction Official					
Other Expenses					
UTILITY EXPENSES AND BULK PURCHASES					
General Office Operations	30,442.24	30,442.24	10,816.74	19,625.50	-
Street Lighting	44,534.73	44,534.73	18,506.03	26,028.70	-
All Other Accounts - No Change	717,331.41	717,331.41	(10,000.00)	727,331.41	-
	<u>\$ 1,936,779.33</u>	<u>1,936,779.33</u>	<u>566,191.41</u>	<u>1,370,587.92</u>	<u>-</u>
		cash	562,689.21		
		accounts payable	3,502.20		
			<u>566,191.41</u>		

See Accompanying Auditor's Report

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

Balance December 31, 2022			
School Tax Payable	\$	-	
School Tax Deferred		947,210.80	
		947,210.80	\$ 947,210.80
Increased by:			
Levy - School Year July 1, 2022 to June 30, 2023			1,962,587.00
			2,909,797.80
Decreased by:			
Payments			1,943,346.00
Balance December 31, 2023			
School Tax Payable		-	
School Tax Deferred		966,451.80	
		966,451.80	966,451.80
Current Year Liability for Local School District School Tax:			
Tax Paid			1,943,346.00
Tax Payable Ending			-
			1,943,346.00
Less: Deferred			-
Less: Tax Payable Beginning			-
Amount charged to Current Year Operations			\$ 1,943,346.00

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

Balance December 31, 2022			
School Tax Payable	\$	(0.07)	
School Tax Deferred		3,781,400.00	
		3,781,400.00	\$ 3,781,399.93
Increased by:			
Levy - School Year July 1, 2022 to June 30, 2023			7,965,260.00
			11,746,659.93
Decreased by:			
Payments			7,764,030.00
Balance December 31, 2023			
School Tax Payable		(0.07)	
School Tax Deferred		3,982,630.00	
		3,982,630.00	3,982,629.93
Current Year Liability for Regional School District School Tax:			
Tax Paid			7,764,030.00
Tax Payable Ending			(0.07)
			7,764,029.93
Less: Deferred			-
Less: Tax Payable Beginning			(0.07)
Amount charged to Current Year Operations			\$ 7,764,030.00

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

<u>Purpose</u>	<u>Balance Dec. 31, 2022</u>	<u>Transferred From 2023 Revenues</u>	<u>Received</u>	<u>Balance Dec. 31, 2023</u>
FEDERAL GRANTS:				
American Rescue Plan - Firefighter Grant	\$ 36,000.00			36,000.00
Small Cities Grant - Housing Rehab	50,000.00			50,000.00
Small Cities Grant - ADA Compliance Grant	72.64			72.64
Small Cities Grant - Water Trans Main	400,000.00		112,330.79	287,669.21
2023 Small Cities CDBG	-	400,000.00		400,000.00
DCA Neighborhood Preservation Program-Phase 2	12,500.00			12,500.00
US Dept of Interior-Civil Rights-Library Project	470,000.00			470,000.00
FEMA - Flood Mitigation Assistance - Seawall	195,536.25		10,411.60	185,124.65
Total Federal	1,164,108.89	400,000.00	122,742.39	1,441,366.50

STATE GRANTS:

Smart Growth Planning	2,000.00			2,000.00
DOT FY2013 Transportation Trust Fund	34,450.45			34,450.45
Hazard Mitigation Grant - Seawall Development Assistance	87,097.50			87,097.50
Hazard Mitigation Grant - Watershed Mgmt Plan	14,962.07			14,962.07
NJDOT - 2015 Muni Aid CM Ave South Side	22,184.46			22,184.46
NJDOT - Bikeway Expansion Project	350,000.00			350,000.00
Cops in Shops - 2019	880.00			880.00
2016 NJ Dept. of Transportation-FY 2016 Bikeway Program	250,000.00			250,000.00
NJ Trans Trust - 2008	35,000.00			35,000.00
NJ Transportation Trust - FY 2016	27,910.19			27,910.19
NJ Transportation Trust - FY 2019	71,250.00			71,250.00
NJ Transportation Trust - FY 2020	185,000.00			185,000.00
NJ Transportation Trust Authority	44,700.00		44,700.00	-
NJ Transportation Trust Authority - Pennsylvania Avenue	46,250.00			46,250.00
2022 Small Cities-CDBG-Kiwanis Community Park	259,600.00		229,614.65	29,985.35
DCA Neighborhood Preservation Program	30,000.00			30,000.00
2019 NJDEP-Green Acres-Lafayette Street Park Nature Trail	500,000.00			500,000.00
NJ Department of Environmental Protection - EV Charging Station	6,000.00			6,000.00
US Dept. of Homeland Security-Flood Mitigation	18,750.00			18,750.00
Sustainable Jersey 2020	5,000.00			5,000.00

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

<u>Purpose</u>	<u>Balance Dec. 31, 2022</u>	<u>Transferred From 2023 Revenues</u>	<u>Received</u>	<u>Balance Dec. 31, 2023</u>
NJDOT FY2021 Transportation Trust Fund	190,000.00			190,000.00
NJBPU Clean Energy Electric Vehicle Tourism Grant	157,000.00			157,000.00
NJBPU Clean Fleet Electric Vehicle Incentive	14,000.00		10,500.00	3,500.00
2022 NJDEP-Electric Vehicle DC Fast Charger Community Grant	75,000.00			75,000.00
2023 Local Recreational Improvement	-	70,000.00		70,000.00
Total State	<u>2,427,034.67</u>	<u>70,000.00</u>	<u>284,814.65</u>	<u>2,212,220.02</u>
OTHER GRANTS:				
County of Cape May Open Space-Lafayette Street Park	1,177,000.00			1,177,000.00
County Open Space - CM Stage	6,960.00			6,960.00
Cape May County Open Space - AME Church	240,000.00			240,000.00
R. Kennedy - Law Enforcement Against Drugs Support	2,940.00			2,940.00
R. Kennedy Lead Supplies 2023	-	3,000.00	3,000.00	-
2023 Next Gen 30, INC Donation -Kiwanis Park Benches	-	5,000.00	5,000.00	-
2023 Wawa Foundation Grant - Police Department	-	10,000.00	10,000.00	-
Total Other	<u>1,426,900.00</u>	<u>18,000.00</u>	<u>18,000.00</u>	<u>1,426,900.00</u>
	<u>\$ 5,018,043.56</u>	<u>488,000.00</u>	<u>425,557.04</u>	<u>5,080,486.52</u>

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

	Balance December 31, 2022		2023		Disbursed	Encumbrances	Balance Dec. 31, 2023
	Appropriated	Reserve for Encumbrances	Appropriations				
FEDERAL GRANTS:							
USHUD - CDBG - Lafayette Street Park	\$ 15,437.83						15,437.83
Small Cities Grant - Housing Rehab	42,695.00			33,029.00			9,666.00
Small Cities Grant - ADA Compliance Grant	72.80						72.80
2022 Small Cities-CDBG-Kiwanis Community Park	400,000.00			400,000.00			-
US Dept of Interior-Civil Rights-Library Project	488,637.50						488,637.50
DCA-Small Cities Block Grant-Water Main from Well #8	400,000.00						400,000.00
U.S. Small Business Administration-Shuttered Venue Grant	97,102.83						97,102.83
FEMA - Flood Mitigation Assistance - Seawall	195,536.25						195,536.25
American Rescue Plan - Firefighter Grant	36,000.00		400,000.00		36,000.00		-
2023 Small Cities CDBG	-						400,000.00
Total Federal	1,675,482.21	-	400,000.00	433,029.00	36,000.00	1,606,453.21	
STATE GRANTS:							
Clean Communities - 2020	1,406.79			1,409.79			(3.00)
Clean Communities - 2021	14,993.66		4,476.00	4,867.00			14,602.66
Clean Communities - 2022	19,415.66			2,896.86			16,518.80
Solid Waste Management Grant - Prior	6,549.13						6,549.13
Solid Waste Management Grant - 2014	2,121.17						2,121.17
Recycling Tonnage - 2019	4,178.23				4,178.23		-
Recycling Tonnage - 2020	18,708.71			17,241.93			11,199.69
Recycling Tonnage - 2021	24,493.21			13,293.52			19,091.89
Recycling Tonnage - 2022	19,091.89						9.75
Body Armor Grant - 2021	1,850.42			1,840.67			3,178.13
Body Armor Grant - 2022	-						10.32
Bulletproof Vest Grant - 2016	1,959.35			1,949.03			30,230.00
State of NJ - Body Camera Grant	45,470.00			15,240.00			26,031.00
Housing Inspections	26,031.00						20,934.00
Housing Inspections - 2014	20,934.00						16,658.00
Housing Inspections - 2015	16,658.00						15,141.00
Housing Inspections - 2016	15,141.00						9,341.00
Housing Inspections - 2017	9,341.00						9,087.36
Housing Inspections - 2019	9,087.36						9,237.00
Housing Inspections - 2020	9,237.00						2,703.00
Housing Inspections - 2021	12,703.00			10,000.00			6,877.00
Housing Inspections - 2022	-						1,555.88
Alcohol Education and Rehabilitation	1,555.88						1,200.00
NJLPS COPS in Shops - 2015	1,200.00						1,117.00
Sustainable Jersey Small Cities	1,117.00						52,783.00
DOT FY2013 Transportation Trust Fund - CM Ave	52,783.00						100,000.00
2015 Hazard Mitigation Grant -Energy Allocation	100,000.00						8,681.78
Hazard Mitigation Grant - Seawall Development Assistance	-						14.28
Hazard Mitigation Grant - Watershed Mgmt Plan	2,609.94			8,667.50			2,609.94
NJDOT - 2015 Muni/Aid CM Ave South Side	40,034.46						40,034.46
Transportation Trust Fund - CM Ave Phase III	31,248.11						31,248.11
Cops in Shops - 2016	1,800.00						1,800.00
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

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

	Balance December 31, 2022		2023	Disbursed	Encumbrances	Balance Dec. 31, 2023
	Appropriated	Reserve for Encumbrances				
Cops in Shops - 2020	2,249.92	-	-	-	-	2,249.92
Cops in Shops - 2021	2,834.60	-	-	-	-	2,834.60
Cops in Shops - 2022	-	-	554.96	-	-	554.96
NJDOT - Bikeway Expansion Project	350,000.00	-	-	-	-	350,000.00
2016 NJ Dept. of Transportation-FY 2016 Bikeway Program	250,000.00	-	-	-	-	250,000.00
NJ Transportation Trust - FY 2016	43,210.19	-	-	-	-	43,210.19
NJ Transportation Trust - FY 2018	2,433.82	-	-	-	-	2,433.82
NJDOT FY2021 Transportation Trust Fund - PA Ave	190,000.00	-	-	190,000.00	-	-
NJ Transportation Trust Authority - Pennsylvania Avenue	-	87,648.40	-	87,648.40	-	-
NJ Transportation Trust Authority	44,700.00	-	-	44,700.00	-	-
2019 NJ Transportation Trust Fund Authority-Reconstruc of PA Ave	(0.00)	383.94	-	-	383.94	(0.00)
2015 Emergency Management-EMAA Grant	912.29	-	-	-	-	912.29
2016 Emergency Management-EMAA Grant	9,400.00	-	-	-	-	9,400.00
2017 Emergency Management-EMAA Grant	10,000.00	-	-	-	-	10,000.00
2018 Emergency Management-EMAA Grant	10,000.00	-	-	-	-	10,000.00
2019 Emergency Management-EMAA Grant	10,000.00	-	-	-	-	10,000.00
2020 Emergency Management-EMAA Grant	10,000.00	-	-	-	-	10,000.00
2021 Emergency Management-EMAA Grant	-	-	10,000.00	-	-	10,000.00
DCA Neighborhood Preservation Program	1,161.00	-	-	6,359.75	117.50	911.00
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	6,000.00	-	-	-	-	6,000.00
2022 NJDEP-Electric Vehicle DC Fast Charger Community Grant	75,000.00	-	-	-	-	75,000.00
Sustainable Jersey 2020	10,000.00	-	-	-	-	10,000.00
NJDCA Neighborhood Preservation Program	84,490.00	-	-	19,282.00	4,010.00	61,198.00
NJPBU Clean Fleet Electric Vehicle Incentive	14,000.00	-	-	14,000.00	-	-
NJBPU Clean Energy Electric Vehicle Tourism Grant	157,000.00	-	-	148,470.00	8,530.00	-
Total State	2,307,177.69	107,417.37	20,610.09	587,866.45	18,700.73	1,828,637.97
OTHER GRANTS:						
Geraldine R. Dodge Foundation	1,888.04	-	-	-	-	1,888.04
Estate of Edward Ross - 2016 Educational Purposes	27,870.92	-	-	-	-	27,870.92
Estate of Edward Ross - 2016 Educational Purposes	24,000.00	-	-	-	-	24,000.00
Estate of Edward Ross - 2016 Educational Purposes	15,096.85	-	-	-	-	15,096.85
County of Cape May Open Space-Lafayette St. Park	1,177,000.00	-	-	-	-	1,177,000.00
County Open Space - CM Stage	6,960.00	-	-	-	-	6,960.00
R. Kennedy - Law Enforcement Against Drugs Support	2,940.00	-	-	2,721.38	-	218.62
Robert Kennedy Donation to CMPDP Mission Lead Cap	-	-	2,940.00	-	-	2,940.00
R. Kennedy Lead Supplies 2023	-	-	3,000.00	-	-	3,000.00
BOE Gazebo	-	-	7,917.50	-	-	7,917.50
2023 Local Recreational Improvement	-	-	70,000.00	51,868.50	18,131.50	-
2023 Next Gen 30. INC Donation -Kiwans Park Benches	-	-	5,000.00	-	-	5,000.00
WaWa Foundation-Police Vest Grant 2019	5.89	-	-	-	-	5.89
2021 WaWa Foundation Grant - Police Department Equipment	204.62	629.99	-	629.99	-	204.62
2023 WaWa Foundation Grant	-	-	10,000.00	-	-	10,000.00
Total Other	1,255,966.32	629.99	98,857.50	55,219.87	18,131.50	1,282,102.44
\$	5,238,626.22	108,047.36	519,467.59	1,076,115.32	72,832.23	4,717,193.62

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

<u>Purpose</u>	<u>Balance Dec. 31, 2022</u>	<u>Transferred To 2023 Appropriations</u>	<u>Received</u>	<u>Balance Dec. 31, 2023</u>
FEDERAL GRANTS:				
American Rescue Plan	\$ 358,175.79			358,175.79
Total Federal	<u>358,175.79</u>	<u>-</u>	<u>-</u>	<u>358,175.79</u>
STATE GRANTS:				
Body Armor-2022	3,178.13	3,178.13		-
Body Armor-2023	-		2,163.69	2,163.69
Housing Inspections	6,877.00	6,877.00		-
Housing Inspections	-		8,407.00	8,407.00
2022 Emergency Management-EMAA Grant	10,000.00	10,000.00		-
2023 Emergency Management-EMAA Grant	-		10,000.00	10,000.00
Cops in Shops - 2022	554.96	554.96		-
Cops in Shops - 2023	-		960.00	960.00
Recycling Tonnage Grant	-		14,585.62	14,585.62
Clean Communities-2023	-		21,777.09	21,777.09
Comm Cap Needs Grant	-		15,600.00	15,600.00
Total State	<u>20,610.09</u>	<u>20,610.09</u>	<u>73,493.40</u>	<u>73,493.40</u>
OTHER GRANTS:				
BOE Gazebo	7,917.50	7,917.50		-
R. Kennedy - Law Enforcement Against Drugs Support	2,940.00	2,940.00		-
Total Other	<u>10,857.50</u>	<u>10,857.50</u>	<u>-</u>	<u>-</u>
	<u>\$ 389,643.38</u>	<u>31,467.59</u>	<u>73,493.40</u>	<u>431,669.19</u>

TRUST FUND
SCHEDULE OF ANIMAL CONTROL CASH - TREASURER

Balance December 31, 2022		\$	4,812.42
Increased By Receipts:			
Dog License Fees	1,176.00		
Late Fees	186.00		
State License Fees	303.60		
Interest Earned	160.75		
	<u> </u>		<u>1,826.35</u>
			6,638.77
Decreased By Disbursements:			
Paid to State of NJ	307.20		
Dog Fund Expenditures	400.00		
	<u> </u>		<u>707.20</u>
Balance December 31, 2023		\$	<u><u>5,931.57</u></u>

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

Balance December 31, 2022		\$	4,327,526.65
Increased By Receipts:			
Fire Safety	255.57		
Unemployment Contributions	59,417.06		
Retirement Contributions	5,309.70		
Lifeguard Pensions	55,925.22		
Police Forfeiture Account	499.89		
POAA Receipts	3,312.63		
Parking Escrow	42,388.99		
Fishermen's Memorial Account	162.01		
Police Off-Duty Account	145,745.16		
Neighborhood Revitalization	3,928.21		
Security Deposits	732.03		
Tax Title Lien Premium	56.61		
DARE Receipts	14.76		
SCBG Loan	20,565.78		
Public Assistance	98.22		
Performance Bond	30,190.92		
Street Opening	16,901.42		
Flexible Spending	10,378.51		
Delllas Field	18.99		
COAH	605,806.91		
			1,001,708.59
			5,329,235.24
Decreased By Disbursements:			
Unemployment	47,397.62		
Lifeguard Pensions	82,886.50		
Performance Bond	55,747.50		
Police Off-Duty Account	52,302.40		
Flexible Spending	14,093.30		
			252,427.32
Balance December 31, 2023		\$	5,076,807.92

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance December 31, 2022		\$	2,403.81
Increased By:			
Dog Licenses Fees Collected	\$	1,176.00	
Late Fees Collected		186.00	
Interest Received		160.75	
			1,522.75
			3,926.56
Decreased By:			
Animal Control Expenditures		400.00	
Statutory Excess due to Current Fund		1,341.81	
			1,741.81
Balance December 31, 2023		\$	2,184.75

License Fees Collected	<u>Year</u>	
	2021	1,167.51
	2022	1,017.24
	\$	2,184.75

TRUST - OTHER FUND
STATEMENT OF DUE TO CURRENT FUND

Balance December 31, 2022	\$	2,386.41
Increased By:		
Statutory Excess due to Current Fund		1,341.81
		3,728.22
Decreased By:		
None		-
Balance December 31, 2023	\$	3,728.22

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

Balance December 31, 2022	\$	(22.20)
Increased by:		
Paid to State of New Jersey		307.20
		285.00
Decreased by:		
Licenses Issued in 2023		303.60
		303.60
Balance December 31, 2023	\$	(18.60)

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

Balance December 31, 2022		\$ 8,023,460.55
Increased by:		
Bond Premium	679,096.45	
General Serial Bond Issued	10,175,000.00	
		10,854,096.45
		18,877,557.00
Decreased by:		
Improvement Authorizations	7,040,193.19	
Bond Anticipation Note	2,915,000.00	
		9,955,193.19
Balance December 31, 2023		\$ <u><u>8,922,363.81</u></u>

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2022	Receipts		Disbursements		Transfers		Balance Dec. 31, 2023
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 1,416,921.01							1,416,921.01
Due from Current Fund	(547,136.30)				215,000.00	1,363,595.00	300,000.00	(1,825,731.30)
Due from Grant Fund	-					191,317.50		(191,317.50)
Capital Improvement Fund	140,096.00					312,204.00	240,000.00	67,892.00
Encumbrances Payable	4,568,776.18					4,568,776.18	5,893,003.69	5,893,003.69
Reserve for Payment of Bonds	747,867.02	14,096.45				300,000.00	191,317.50	653,280.97
Reserve for Open Space	3,274,569.00						222,000.00	3,496,569.00
Reserve Other - Mall Improvements	26,575.60							26,575.60
NJEIT Loan Receivable	(35,670.53)							(35,670.53)
State Grant Receivable	(303,066.77)							(303,066.77)
Improvement Authorizations:								
232-2011 Various Improvements	87,476.42			54,045.00		25,461.65		7,969.77
235-2011 ADA Improvements	1,586.84							1,586.84
252-2012 Various Improvements	36,403.62			8,925.00				27,478.62
263-2013 Acquisition of Open Space	(1,495,320.82)			409,174.19			802,000.00	(1,102,495.01)
269-2013 Various Improvements	304,935.11			50,000.00		7,695.44		247,239.67
270-2013 Various Improvements	529.80							529.80
279-2014 Various Improvements	356,644.57					2,142.80	1,412.50	355,914.27
283-2014 Pool Improvements	38,452.03							38,452.03
289-2015 Seawall Feasibility	207,243.23							207,243.23
292-2015 Various Improvements	21,826.55			12,955.00		8,005.13		866.42
302-2016 Various Improvements	11,686.37			135,207.22			126,974.46	3,453.61
306-2016 Various Improvements	42,304.65			91,730.00		11,403.33	77,745.00	16,916.32
311-2016 Improvements to Lafayette Street Park	453,237.63			35,897.47			4,125.00	421,465.16
315-2017 Various Improvements	89,512.12			37,000.00		41,204.00		11,308.12
343-2018 Preliminary Expenses for the Construction of a new Public Safety Building	8,481.21			270.00				8,211.21
352-2018 Various Improvements	92,050.55			68,518.79		29,369.11	45,667.50	39,820.15
384-2019 Franklin Street School Library	1,852,600.11			1,005,843.44				846,756.67
399-2020 Various Improvements	209,027.10		180,000.00	295,269.71		195,103.16	238,284.24	136,938.47
402-2020 Construction of New Fire Station	56,374.12			1,634,209.49		135,833.88	1,718,511.70	4,842.45
413-2021 Acquisition of Real Property	(70,466.71)					5,690.88		8,104.29
418-2021 Acquisition of Body Cameras	480.00							480.00
437-2021 Various Improvements	(2,164,806.46)			874,712.57		294,469.24	779,379.13	5,390.86
459-2022 Construction of Police Station	170,000.00			30,000.00		10,000.00	40,000.00	170,000.00
470-2022 Various Improvements	(1,575,728.70)			1,919,512.66		348,853.82	1,552,019.77	7,924.59
501-2023 Various Improvements	-			376,922.65		3,801,708.47	264,585.00	(814,046.12)
511-2023 Fire Truck & Apparatus	-					976,062.78	47,619.00	(928,443.78)
	\$ 8,023,460.55	14,096.45	8,140,000.00	7,040,193.19	215,000.00	12,628,896.37	12,628,896.37	8,922,363.81

See Accompanying Auditor's Report

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

Balance December 31, 2022		\$	140,096.00
Increased by:			
Budget Appropriation	240,000.00		
	<hr/>		<hr/>
			240,000.00
			380,096.00
Decreased by:			
Improvement Authorizations Funded	312,204.00		
	<hr/>		<hr/>
			312,204.00
Balance December 31, 2023		\$	<u><u>67,892.00</u></u>

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

Balance December 31, 2022		\$ 23,000,378.26
Increased by:		
Serial Bond Issued	10,175,000.00	
		10,175,000.00
		33,175,378.26
Decreased by:		
Serial Bonds Paid	2,660,000.00	
Green Trust Loan Principal Paid	19,111.20	
Capital Lease Payable	47,118.91	
		2,726,230.11
Balance December 31, 2023		\$ <u><u>30,449,148.15</u></u>

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

Ord #	Improvement Description	Balance Dec. 31, 2022	2023 Authorizations	Debt Issued	Budget Appropriation	Balance Dec. 31, 2023	Bond Anticipation Notes	Analysis of Balance	
								Expenditures	Unexpended Improvement Authorizations
263-2013	Acquisition of Open Space	\$ 2,020,000.00			802,000.00	1,218,000.00		1,102,495.01	115,504.99
311-2016	Improvements to Lafayette Street Park	500,000.00				500,000.00			500,000.00
315-2017	Various Improvements	115,000.00			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	115,000.00		100,000.00	15,000.00	-			-
384-2019	Franklin Street School Library	1,900,000.00		1,900,000.00		-			-
399-2020	Various Improvements	986,510.00		880,000.00	6,510.00	100,000.00			100,000.00
413-2021	Acquisition of Real Property	78,571.00		2,560,000.00	78,571.00	-			-
459-2022	Various Improvements	2,568,325.00			8,325.00	-			-
470-2022	Construction of Police Station	4,750,000.00		2,300,000.00	6,189.00	4,750,000.00			4,750,000.00
501-2023	Various Improvements	2,366,189.00	5,291,700.00	3,100,000.00		2,191,700.00		814,046.12	1,377,653.88
511-2023	Fire Truck & Apparatus	-	952,381.00			952,381.00		928,443.78	23,937.22
		\$ 15,484,595.00	6,244,081.00	10,840,000.00	1,116,595.00	9,772,081.00	-	2,844,984.91	6,927,096.09

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2022		Authorizations		Paid or Charged	Balance December 31, 2023	
				Funded	Unfunded	Other Funding	Deferred Charges to Future Taxation		Funded	Unfunded
232-2011	Various Improvements	3/22/2011	1,500,000		87,476.42			79,506.65	7,969.77	
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			8,925.00	27,478.62	
263-2013	Acquisition of Open Space	3/19/2013	3,400,000			524,679.18		409,174.19		115,504.99
289-2013	Various Improvements	5/21/2013	1,900,000		304,935.11			57,695.44	247,239.67	
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		356,644.57			730.30	355,914.27	
283-2014	Pool Improvements	9/2/2014	1,000,000		38,452.03				38,452.03	
289-2015	Seawall Feasibility	2/17/2015	500,000		207,243.23				207,243.23	
292-2015	Various Improvements	5/19/2015	1,499,675		21,826.55				866.42	
302-2016	Various Improvements	3/15/2016	375,000		11,686.37			20,960.13	3,453.61	
306-2016	Various Improvements	5/17/2016	3,000,000		453,237.63			25,388.33	16,916.32	
311-2016	Improvements to Lafayette Street Park	11/14/2016	1,500,000			42,304.65		31,772.47	421,465.16	500,000.00
315-2017	Various Improvements	5/16/2017	3,000,000			89,512.12		78,204.00	11,308.12	
343-2018	Preliminary Expenses for the Constuction of a new Public Safety Building	3/20/2018	300,000			8,481.21		270.00	8,211.21	
352-2018	Various Improvements	6/19/2018	1,700,000			92,050.55		52,230.40	39,820.15	
384-2019	Franklin Street School Library	11/18/2019	2,000,000			1,852,600.11		1,005,843.44	846,756.67	
399-2020	Various Improvements	6/16/2020	1,985,800			495,537.10		258,598.63	136,938.47	100,000.00
402-2020	Construction of New Fire Station	2/16/2021	5,000,000		56,374.12			51,531.67	4,842.45	
413-2021	Acquisition of Real Property	3/2/2021	450,000			8,104.29		-	8,104.29	
418-2021	Acquisition of Body Cameras	4/6/2021	105,000		480.00				480.00	
437-2021	Various Improvements	8/17/2021	2,703,500			403,518.54		398,127.68	5,390.86	
459-2022	Construction of Police Station	4/19/2022	5,000,000		170,000.00			-	170,000.00	4,750,000.00
470-2022	Various Improvements	6/21/2022	2,484,500		790,460.30			722,535.71	7,924.59	60,000.00
501-2023	Various Improvements	6/7/2023	5,556,285					4,178,631.12	264,585.00	1,377,653.88
511-2023	Fire Truck & Apparatus	7/18/2023	1,000,000					976,062.78	47,619.00	23,937.22
					\$ 1,746,876.29	9,557,248.05	312,204.00	8,364,420.70	2,568,892.55	6,927,096.09

See Accompanying Auditor's Report

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
			Date	Amount					
General Obligation Bonds of 2013	7/15/2013	10,700,000	7/15/2024	920,000.00	3.500%	4,570,000.00		920,000.00	3,650,000.00
			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	7/15/2024	700,000.00	3.000%	2,175,000.00		660,000.00	1,515,000.00
			7/15/2025	815,000.00	3.000%				
General Obligation Bonds of 2019	7/11/2019	10,155,000	2/1/2024	750,000.00	5.000%	8,340,000.00		700,000.00	7,640,000.00
			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	10/15/2024	420,000.00	2.000%	7,330,000.00		380,000.00	6,950,000.00
			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%				
General Obligation Bonds of 2023	9/14/2023	10,840,000	9/1/2024	565,000.00	5.000%	-	10,175,000.00		10,175,000.00
			9/1/2025	565,000.00	5.000%				
			9/1/2026	570,000.00	5.000%				
			9/1/2027	610,000.00	5.000%				
			9/1/2028	655,000.00	5.000%				
			9/1/2029	715,000.00	5.000%				
			9/1/2030	760,000.00	5.000%				
			9/1/2031	815,000.00	4.000%				
			9/1/2032	835,000.00	4.000%				
			9/1/2033	930,000.00	4.000%				
			9/1/2034	1,015,000.00	4.000%				
			9/1/2035	1,050,000.00	4.000%				
			9/1/2036	1,090,000.00	4.000%				
						\$ 22,415,000.00	\$ 10,175,000.00	\$ 2,660,000.00	\$ 29,930,000.00

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding	Interest Rate	Balance		
					Dec. 31, 2022	Dec. 31, 2023	
			Date		Increased	Decreased	
Harborview Park	11/3/2005	324,621	December 31, 2023	2.000%	58,493.71	19,111.20	39,382.51
					\$ 58,493.71	19,111.20	39,382.51

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 CAPITAL LEASE PAYABLE**

Purpose	Date of Loan	Amount of Original Issue	Maturities of Capital Lease Outstanding		Interest Rate	Increased	Decreased	Balance Dec. 31, 2023	
			Date	Amount					Balance Dec. 31, 2022
ESIP Lease	5/1/2017	\$ 825,000	5/1/2024	\$ 24,268.99	2.574%		47,118.91	479,765.64	
			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%					
								\$ 526,884.55	
								47,118.91	
								479,765.64	

See Accompanying Auditor's Report

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

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
Various Improvements	315-2017	12/23/2022	12/23/2022	9/15/2023	4.500%	\$ 115,000.00		115,000.00	-
Preliminary Expenses for the Constuction of a new Public Safety Building	343-2018	12/23/2022	12/23/2022	9/15/2023	4.500%	85,000.00		85,000.00	-
Various Improvements	352-2018	12/23/2022	12/23/2022	9/15/2023	4.500%	115,000.00		115,000.00	-
Franklin Street School Library	384-2019	12/23/2022	12/23/2022	9/15/2023	4.500%	1,900,000.00		1,900,000.00	-
Various Improvements	399-2020	12/23/2022	12/23/2022	9/15/2023	4.500%	700,000.00		700,000.00	-
						<u>\$ 2,915,000.00</u>		<u>2,915,000.00</u>	<u>-</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2022	2023 Authorizations	Debt Issued	Budget Appropriation	Balance Dec. 31, 2023
263-2013	Acquisition of Open Space	\$ 2,020,000.00			802,000.00	1,218,000.00
311-2016	Improvements to Lafayette Street Park	500,000.00				500,000.00
399-2020	Various Improvements	286,510.00		180,000.00	6,510.00	100,000.00
413-2021	Acquisition of Real Property	78,571.00			78,571.00	-
437-2021	Various Improvements	2,568,325.00		2,560,000.00	8,325.00	-
459-2022	Construction of Police Station	4,750,000.00				4,750,000.00
470-2022	Various Improvements	2,366,189.00		2,300,000.00	6,189.00	60,000.00
501-2023	Various Improvements	-	5,291,700.00	3,100,000.00		2,191,700.00
511-2023	Fire Truck & Apparatus	-	952,381.00			952,381.00
		<u>\$ 12,569,595.00</u>	<u>6,244,081.00</u>	<u>8,140,000.00</u>	<u>901,595.00</u>	<u>9,772,081.00</u>

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

	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2022	\$ 3,780,896.10	1,880,201.57
Increased by Receipts:		
Water and Sewer Rent Collected	6,825,926.23	
Reserve for Debt Service		22,662.80
Bond Anticipation Note		1,969,000.00
Due from Current Fund		2,000,000.00
Due from W/S Utility Operating		901,000.00
Miscellaneous Revenue	227,296.07	
	<u>7,053,222.30</u>	<u>4,892,662.80</u>
	10,834,118.40	6,772,864.37
Decreased by Disbursements:		
Current Appropriations	6,721,173.79	
Appropriation Reserves	958,638.28	
Improvement Authorizations		2,076,884.01
Bond Anticipation Note		2,870,000.00
Due to W/S Utility Capital	901,000.00	
	<u>8,580,812.07</u>	<u>4,946,884.01</u>
Balance December 31, 2023	\$ <u>2,253,306.33</u>	<u>1,825,980.36</u>

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

	Balance Dec. 31, 2022		Receipts		Disbursements		Transfers		Balance Dec. 31, 2023
			Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$	378,306.34							378,306.34
Capital Improvement Fund		180,000.00						10,000.00	190,000.00
Due to WS Utility Operating Fund		-					22,588.00	225,000.00	202,412.00
Reserve for Debt Service		701,410.91	22,662.80						499,073.71
NJEIT Loans Receivable		(37,126.47)							(37,126.47)
NJEIT Loans Receivable - 2018 A-1		(214,563.00)							(214,563.00)
NJEIT Loans Receivable - 1998		(15,000.00)							(15,000.00)
Encumbrances Payable		969,781.02					969,781.02	2,357,995.66	2,357,995.66
Improvement Authorizations:									
1291 Various Utility Improvements		3,085.29							3,085.29
36-2005 Various Utility Improvements		75,429.26						36.00	75,465.26
61-2006 System Improvements		6,984.19							6,984.19
62-2006 System Improvements (USDA)		7,636.84							7,636.84
109-2007 System Improvements		7,007.17							7,007.17
149-2008 System Improvements		6,214.64							6,214.64
154-2008 System Improvements		13,024.66							13,024.66
155-2008 System Improvements		(312,395.11)		315,000.00					2,604.89
179-2009 System Improvements		198,907.16		100,000.00			29,125.54		269,781.62
207-2010 System Improvements		(21,041.87)		50,000.00					28,958.13
230-2011 System Improvements		372,287.84		100,000.00			1,600.00		473,887.84
250-2012 System Improvements		91,433.34							91,433.34
268-2013 System Improvements		(3,620.53)		50,000.00	42,222.31				4,157.16
281-2014 System Improvements		94,987.18			53,447.69		37,874.46	451.90	4,116.93
293-2015 System Improvements		31,633.15		200,000.00	34,230.00		26,322.29	4,344.89	175,425.75
298-2015 System Improvements		(57,348.62)		200,000.00	144,210.36		596.23	2,155.21	0.00
307-2016 System Improvements		55,283.09					53,286.13		1,996.96
316-2017 System Improvements		6,979.60							6,979.60
353-2018 System Improvements		44,014.08		50,000.00	2,123.00		88,206.12		3,684.96
398-2020 System Improvements		59,135.14		770,000.00	24,890.50		565,069.39		239,175.25
436-2021 System Improvements		(36,546.88)		165,000.00	45,683.05		347,312.85	230,219.90	(34,322.88)
469-2022 System Improvements		(725,696.85)			853,995.37		110,202.65	743,561.12	(946,333.75)
500-2023 System Improvements		-			860,079.23		1,100,000.00		(1,960,079.23)
521-2023 System Improvements		-			16,002.50				(16,002.50)
	\$	<u>1,880,201.57</u>	<u>22,662.80</u>	<u>2,000,000.00</u>	<u>2,076,884.01</u>	<u>-</u>	<u>3,575,364.68</u>	<u>3,575,364.68</u>	<u>1,825,980.36</u>

See Accompanying Auditor's Report

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

Balance December 31, 2022		\$ 227,156.64
Increased by Receipts:		
Consumer Accounts Charges and Levies	6,833,578.07	
Overpayments Created	31,637.78	
	<hr/>	<hr/>
		6,865,215.85
		7,092,372.49
Decreased by Disbursements:		
Collections	6,825,926.23	
Adjustments	43,913.79	
Overpayments Applied	50,059.82	
	<hr/>	<hr/>
		6,919,899.84
Balance December 31, 2023		\$ <u><u>172,472.65</u></u>

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

Balance December 31, 2022		\$ -
Increased by Receipts:		
None	-	
	<hr/>	<hr/>
		-
Decreased by Disbursements:		
None	-	
	<hr/>	<hr/>
		-
Balance December 31, 2023		\$ <u><u>-</u></u>

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

	Balance Dec. 31, 2022	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Operating:					
Salaries and Wages	\$ 4,978.63	4,978.63		4,978.63	-
Other Expenses	1,443,074.53	1,443,074.53	1,059,554.76	383,519.77	-
Deferred Charges and Statutory Expenditures:					
Social Security System (O.A.S.I.)	4,528.22	4,528.22		4,528.22	-
	<u>\$ 1,452,581.38</u>	<u>1,452,581.38</u>	<u>1,059,554.76</u>	<u>393,026.62</u>	<u>-</u>

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

Balance December 31, 2022		\$	91,932.29
Increased by:			
Budget Appropriations	106,754.24		
			106,754.24
			198,686.53
Decreased By:			
Payments of Debt Service Interest	91,932.29		
			91,932.29
Balance December 31, 2023		\$	106,754.24

Analysis of Accrued Interest December 31, 2023

Principal Outstanding December 31, 2023	Interest Rate	From	To	Days	Amount
430,000.00	Var.	7/15/2023	12/31/2023	165	7,241.67
560,000.00	3.00%	7/15/2023	12/31/2023	165	7,700.00
380,000.00	Var.	8/1/2023	12/31/2023	150	5,567.71
3,170,000.00	Var.	8/1/2023	12/31/2023	150	48,333.33
5,190,000.00	Var.	12/15/2023	12/31/2023	15	8,650.00
1,969,000.00	5.00%	9/14/2023	12/31/2023	107	29,261.53
<u>11,699,000.00</u>					<u>106,754.24</u>

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

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2022		Authorizations		Paid or Charged	Balance December 31, 2023	
				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		75,465.26
36-2005	Various Utility Improvements	6/21/2005	2,000,000		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		29,125.54	69,781.62	200,000.00	
207-2010	System Improvements	6/15/2010	1,000,000		28,958.13				28,958.13	
230-2011	System Improvements	3/22/2011	1,350,000	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				4,157.16	
281-2014	System Improvements	6/2/2014	1,150,000		95,439.08			42,222.31	4,116.93	
293-2015	System Improvements	5/19/2015	994,000		235,978.04			60,552.29	175,425.75	
298-2015	System Improvements	12/15/2015	500,000		144,806.59			144,806.59	-	
307-2016	System Improvements	5/17/2016	1,200,000	55,283.09				53,286.13	1,986.96	
316-2017	System Improvements	5/16/2017	769,000		6,979.60				6,979.60	
353-2018	System Improvements	6/19/2018	1,019,000		94,014.08			90,329.12	3,684.96	
398-2020	System Improvements	6/16/2020	1,270,000		829,135.14			589,959.89	239,175.25	
436-2021	System Improvements	8/17/2021	1,000,000		163,453.12			162,776.00	677.12	
469-2022	System Improvements	6/21/2022	1,364,000		323,303.15			224,636.90	98,666.25	
500-2023	System Improvements	6/7/2023	2,000,000		-			1,960,079.23	39,920.77	
521-2023	System Improvements	10/17/2023	2,000,000		-			16,002.50	1,983,997.50	
				\$ 570,430.88	2,439,549.89	-	4,000,000.00	3,465,098.65	488,019.21	3,056,862.91

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2023				Interest Rate	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
			Date	Amount	Amount	Amount					
Various Capital Improvements	7/15/2013	2,335,000	7/15/2024	280,000.00	3.50%	690,000.00			260,000.00	430,000.00	
			7/15/2025	150,000.00	4.00%						
Various Capital Improvements	7/15/2014	2,700,000	7/15/2024	280,000.00	3.00%	840,000.00			280,000.00	560,000.00	
			7/15/2025	280,000.00	3.00%						
Various Capital Improvements	7/11/2019	4,250,000	2/1/2024	320,000.00	5.00%	3,470,000.00			300,000.00	3,170,000.00	
			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%							
Utility Refunding Bonds, Series 2021	12/15/2021	5,505,000	6/15/2024	160,000.00	4.00%	5,345,000.00			155,000.00	5,190,000.00	
			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%							
							\$ 10,345,000.00	-	995,000.00	9,350,000.00	

See Accompanying Auditor's Report

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
			Date	Amount					
System Improvements NJ-EIT	5/22/2018	430,000	8/1/2024	10,000.00	5.000%	\$		10,000.00	380,000.00
			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%					

**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, 2022	Increased	Decreased	Balance Dec. 31, 2023
			Date	Amount					
System Improvements NJ-EIT	5/22/2018	1,252,948	2/1/2024	14,078.06		904,196.11		42,234.19	861,961.92
			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					
			8/1/2029	28,156.13					
			2/1/2030	14,078.06					
			8/1/2030	28,156.13					
			2/1/2031	14,078.06					
			8/1/2031	28,156.13					
			2/1/2032	14,078.06					
			8/1/2032	28,156.13					
			2/1/2033	14,078.06					
			8/1/2033	28,156.13					
			2/1/2034	14,078.06					
			8/1/2034	28,156.13					
			2/1/2035	14,078.06					
			8/1/2035	28,156.13					
		2/1/2036	14,078.06						
		8/1/2036	28,156.13						
		2/1/2037	14,078.06						
		8/1/2037	28,156.13						
		2/1/2038	14,078.06						
		8/1/2038	28,156.13						
		2/1/2039	14,078.06						
		8/1/2039	28,156.13						
		2/1/2040	14,078.06						
		8/1/2040	28,156.13						
		2/1/2041	14,078.06						
		8/1/2041	28,156.13						
		2/1/2042	14,078.06						
		8/1/2042	28,156.13						
		2/1/2043	14,078.06						
		8/1/2043	28,156.13						
		2/1/2044	14,078.06						
		8/1/2044	3,200.06						
						\$ 1,294,196.11	-	52,234.19	1,241,961.92

See Accompanying Auditor's Report

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

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
Various Utility Improvements	36-2005	12/23/2022	12/23/2022 8/24/2023	9/15/2023	4.500% *	\$ 116,500.00	116,500.00	116,500.00	-
System Improvements	179-2009	12/23/2022	12/23/2022 8/24/2023	9/15/2023	4.500% *	100,000.00	100,000.00	100,000.00	-
System Improvements	250-2012	12/23/2022	12/23/2022 8/24/2023	9/15/2023	4.500% *	163,000.00	163,000.00	163,000.00	-
System Improvements	281-2014	12/23/2022	12/23/2022 8/24/2023	9/15/2023	4.500% *	152,500.00	152,500.00	152,500.00	-
System Improvements	293-2015	12/23/2022	12/23/2022 8/24/2023	9/15/2023	4.500% *	200,000.00	200,000.00	200,000.00	-
System Improvements	298-2015	12/23/2022	12/23/2022 8/24/2023	9/15/2023	4.500% *	100,000.00	100,000.00	100,000.00	-
System Improvements	316-2017	12/23/2022	12/23/2022 8/24/2023	9/15/2023	4.500% *	69,000.00	69,000.00	69,000.00	-
System Improvements	353-2018	12/23/2022	12/23/2022	9/15/2023 9/13/2024	4.500% 5.000%	354,000.00	354,000.00	354,000.00	-
System Improvements	398-2020	12/23/2022	12/23/2022 9/14/2023	9/15/2023 9/13/2024	4.500% 5.000%	500,000.00	500,000.00	500,000.00	-
System Improvements	436-2021	12/23/2022	12/23/2022 9/14/2023	9/15/2023 9/13/2024	4.500% 5.000%	800,000.00	800,000.00	800,000.00	-
System Improvements	469-2022	12/23/2022	12/23/2022 9/14/2023	9/15/2023 9/13/2024	4.500% 5.000%	315,000.00	315,000.00	315,000.00	-
System Improvements	155-2008	12/30/2023	**	**	**	-	315,000.00	315,000.00	315,000.00
System Improvements	179-2009	12/30/2023	**	**	**	-	100,000.00	100,000.00	100,000.00
System Improvements	207-2010	12/30/2023	**	**	**	-	50,000.00	50,000.00	50,000.00
System Improvements	230-2011	12/30/2023	**	**	**	-	100,000.00	100,000.00	100,000.00
System Improvements	268-2013	12/30/2023	**	**	**	-	50,000.00	50,000.00	50,000.00
System Improvements	293-2015	12/30/2023	**	**	**	-	200,000.00	200,000.00	200,000.00
System Improvements	298-2015	12/30/2023	**	**	**	-	200,000.00	200,000.00	200,000.00
System Improvements	353-2018	12/30/2023	**	**	**	-	50,000.00	50,000.00	50,000.00
System Improvements	398-2020	12/30/2023	**	**	**	-	770,000.00	770,000.00	770,000.00
System Improvements	436-2021	12/30/2023	**	**	**	-	165,000.00	165,000.00	165,000.00
						\$ 2,870,000.00	4,870,000.00	2,870,000.00	4,870,000.00

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

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

Ordinance Number		Balance Dec. 31, 2022	2023 Authorizations	Debt Issued	Budget Appropriation	Balance Dec. 31, 2023
36-2005	Various Utility Improvements	\$ 36.00			36.00	-
155-2008	System Improvements	315,000.00		315,000.00		-
179-2009	System Improvements	100,000.00		100,000.00		-
207-2010	System Improvements	50,000.00		50,000.00		-
230-2011	System Improvements	101,600.00		100,000.00	1,600.00	-
268-2013	System Improvements	50,000.00		50,000.00		-
281-2014	System Improvements	451.90			451.90	(0.00)
293-2015	System Improvements	204,344.89		200,000.00	4,344.89	0.00
298-2015	System Improvements	202,155.21		200,000.00	2,155.21	0.00
353-2018	System Improvements	50,000.00		50,000.00		-
398-2020	System Improvements	770,000.00		770,000.00		-
436-2021	System Improvements	200,000.00		165,000.00		35,000.00
469-2022	System Improvements	1,049,000.00			4,000.00	1,045,000.00
500-2023	System Improvements	-	2,000,000.00			2,000,000.00
521-2023	System Improvements	-	2,000,000.00			2,000,000.00
		<u>\$ 3,092,588.00</u>	<u>4,000,000.00</u>	<u>2,000,000.00</u>	<u>12,588.00</u>	<u>5,080,000.00</u>

See Accompanying Auditor's Report

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

	Operating Fund	Capital Fund
Balance December 31, 2022	\$ 2,904,676.86	396,459.05
Increased by Receipts:		
Beach Rent Collected	3,031,367.00	
Miscellaneous Anticipated Revenue	102,515.83	
Miscellaneous Not Anticipated Revenue	13,318.88	
Due from Beach Utility Operating		210,000.00
Reserve to Pay Bonds		3,449.58
Serial Bonds Issued		1,650,000.00
	3,147,201.71	1,863,449.58
Decreased by Disbursements:		
Current Appropriations	3,147,864.94	
Appropriation Reserves	78,934.58	
Improvement Authorizations		957,333.21
Due to Beach Utility Capital	210,000.00	
	3,436,799.52	957,333.21
Balance December 31, 2023	\$ 2,615,079.05	1,302,575.42

**BEACH UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2022	Receipts		Debt Issued	Disbursements		Transfers		Balance Dec. 31, 2023
		Miscellaneous			Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 121,924.62								121,924.62
Capital Improvement Fund	444,000.00							20,000.00	464,000.00
Reserve to Pay Bonds	73,904.38	3,449.58							77,353.96
Due from Beach Operating	-							64,900.00	(64,900.00)
Encumbrances Payable	715,142.73							715,142.73	419,663.95
Improvement Authorizations:									
Ord. Number									
29-2005 Various Utility Improvements	(3,531.41)				16,952.77				(731.41)
63-2006 Various Utility Improvements	818.12				64,981.78			2,800.00	818.12
108-2007 Various Utility Improvements	128.24				108,588.37				128.24
150-2008 Various Utility Improvements	715.64				3,160.98				715.64
178-2009 Various Beach Utility Improvements	(37,446.50)							35,000.00	(2,446.50)
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				108,588.37				21,385.35
251-2012 Various Utility Improvements	(136,303.68)			150,000.00	3,160.98				(86,303.68)
267-2013 Various Beach Utility Improvements	(348,625.00)			350,000.00	146,088.45				(29,207.75)
280-2014 Various Beach Utility Improvements	(49,980.07)			60,000.00	213.88				10,606.90
294-2015 Various Beach Utility Improvements	(403.81)				69,493.98				(403.81)
310-2016 Various Beach Utility Improvements	38,331.27								38,331.27
314-2017 Various Beach Utility Improvements	(45,110.24)			60,000.00	78,837.26				0.00
354-2018 Various Beach Utility Improvements	(283,244.75)			390,000.00	398,093.15				10,748.25
435-2021 Various Beach Utility Improvements	(268,840.24)	43,795.00		410,000.00	48,755.99				(224,840.24)
468-2022 Various Beach Utility Improvements	(87,788.10)			440,000.00	65,961.60				1,841.87
	\$ 396,459.05	47,244.58		1,860,000.00	1,001,128.21			1,199,706.68	1,302,575.42

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

	Balance Dec. 31, 2022	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Operating:					
Salaries and Wages	\$ 84,686.30	84,686.30		84,686.30	-
Other Expenses	218,870.26	218,870.26	84,413.68	134,456.58	-
Deferred Charges and Statutory Expenditures:					
Social Security System	40,662.49	40,662.49		40,662.49	-
	<u>\$ 344,219.05</u>	<u>344,219.05</u>	<u>84,413.68</u>	<u>259,805.37</u>	<u>-</u>

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

Balance December 31, 2022	\$	22,370.83
Increased by:		
Budget Appropriations		39,593.33
		39,593.33
		61,964.16
Decreased By:		
Payments of Debt Service Interest		22,370.83
		22,370.83
Balance December 31, 2023	\$	39,593.33

Analysis of Accrued Interest December 31, 2023

Principal Outstanding December 31, 2023	Interest Rate	From	To	Days	Amount
640,000.00	3.00%	7/15/2023	12/31/2023	165	8,800.00
460,000.00	5.00%	8/1/2023	12/31/2023	150	9,083.33
1,550,000.00	5.00%	9/1/2023	12/31/2023	140	21,710.00
2,650,000.00					39,593.33

BEACH UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2022		Authorizations		Paid or Charged	Balance December 31, 2023	
				Funded	Unfunded	Other Funding	Deferred Charges to Future Taxation		Funded	Unfunded
29-2005	Various Utility Improvements	5/17/2005	724,000	\$ 9,268.59					818.12	9,268.59
63-2006	Various Utility Improvements	5/16/2006	510,000	818.12					128.24	
108-2007	Various Utility Improvements	6/19/2007	180,000	128.24					715.64	
150-2008	Various Utility Improvements	5/20/2008	630,000	715.64						
178-2009	Various Beach Utility Improvements	5/19/2009	175,000	17,553.50						17,553.50
188-2009	ADA Phase II	9/15/2009	400,000	10,606.90					10,606.90	
208-2010	Various Utility Improvements	6/15/2010	215,000	35,720.26					18,767.49	55,000.00
231-2011	Various Utility Improvements	3/22/2011	200,000	86,466.97					115,674.72	20,792.25
236-2011	Beach Replenishment	7/5/2011	300,000	129,973.72					21,385.35	50,000.00
251-2012	Various Utility Improvements	5/15/2012	300,000	13,696.32					13,696.32	
267-2013	Various Beach Utility Improvements	5/21/2013	475,000	1,375.00					819.72	
280-2014	Various Beach Utility Improvements	6/2/2014	165,000	15,019.93					12,606.35	2,413.58
294-2015	Various Beach Utility Improvements	5/19/2015	198,100	2,696.19					2,696.19	
310-2016	Various Beach Utility Improvements	10/18/2016	300,000	38,331.27					-	
314-2017	Various Beach Utility Improvements	5/16/2017	411,000	15,889.76					3,276.74	
354-2018	Various Beach Utility Improvements	6/19/2018	393,000	109,755.25					1,272.25	
435-2021	Various Beach Utility Improvements	8/17/2021	410,000	141,159.76					1,841.87	
468-2022	Various Beach Utility Improvements	6/21/2022	445,000	357,211.90					257,440.90	5,000.00
				<u>\$ 302,761.12</u>	<u>838,626.20</u>	<u>-</u>	<u>-</u>	<u>661,854.43</u>	<u>319,504.97</u>	<u>160,027.92</u>

Cash Disbursed	\$ 957,333.21
Encumbered	(295,478.78)
	<u>\$ 661,854.43</u>

See Accompanying Auditor's Report

**BEACH 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, 2022	Increased	Decreased	Balance Dec. 31, 2023
			Date	December 31, 2023	Amount					
Various Capital Improvements	7/15/2014	2,005,000	7/15/2024	200,000.00	3.00%	830,000.00		190,000.00	640,000.00	
			7/15/2025	200,000.00	3.00%					
			7/15/2026	240,000.00	3.00%					
Various Capital Improvements	7/11/2019	760,000	2/1/2024	100,000.00	5.00%	550,000.00		90,000.00	460,000.00	
			2/1/2025	120,000.00	5.00%					
			2/1/2026	120,000.00	5.00%					
			2/1/2027	120,000.00	4.00%					
Various Capital Improvements	9/14/2023	1,650,000	9/1/2024	95,000.00	5.00%	-	1,550,000.00		1,550,000.00	
			9/1/2025	95,000.00	5.00%					
			9/1/2026	100,000.00	5.00%					
			9/1/2027	110,000.00	5.00%					
			9/1/2028	120,000.00	5.00%					
			9/1/2029	140,000.00	5.00%					
			9/1/2030	160,000.00	5.00%					
			9/1/2031	170,000.00	4.00%					
			9/1/2032	180,000.00	4.00%					
			9/1/2033	190,000.00	4.00%					
		9/1/2034	190,000.00	4.00%						
						\$	<u>1,380,000.00</u>	<u>280,000.00</u>	<u>2,650,000.00</u>	

See Accompanying Auditor's Report

**BEACH UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
Various Beach Utility Improvements	251-2012	8/24/2023	*	*	\$ *	-	150,000.00		150,000.00
Various Beach Utility Improvements	314-2017	8/24/2023	*	*	*	-	60,000.00		60,000.00
* Note held by the Beach Utility Operating Fund									
					\$	-	210,000.00	-	210,000.00

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

Ordinance Number	Balance Dec. 31, 2022	2023 Authorizations	Budget Appropriation	Debt Issued	Balance Dec. 31, 2023
29-2005	\$ 12,800.00		2,800.00		10,000.00
178-2009	55,000.00		35,000.00		20,000.00
208-2010	55,000.00				55,000.00
231-2011	50,000.00				50,000.00
236-2011	50,000.00				50,000.00
251-2012	150,000.00			150,000.00	-
267-2013	350,000.00			350,000.00	-
280-2014	65,000.00			60,000.00	5,000.00
294-2015	3,100.00		3,100.00		-
314-2017	61,000.00		1,000.00	60,000.00	-
354-2018	393,000.00		3,000.00	390,000.00	-
435-2021	410,000.00			410,000.00	-
468-2022	445,000.00			440,000.00	5,000.00
	<u>\$ 2,099,900.00</u>	<u>-</u>	<u>44,900.00</u>	<u>1,860,000.00</u>	<u>195,000.00</u>

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

		Operating Fund
Balance December 31, 2022	\$	2,149,825.34
Increased by Receipts:		
Tourism Fees		1,195,326.95
Reimbursements		2,861.00
Miscellaneous Revenue Not Anticipated		56,405.56
		1,254,593.51
		3,404,418.85
Decreased by Disbursements:		
Current Appropriations		1,002,868.32
Appropriation Reserves		102,138.32
Accounts Payable		160.00
		1,105,166.64
Balance December 31, 2023	\$	2,299,252.21

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

	Balance Dec. 31, 2022	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Operating:					
Salaries and Wages	\$ 96,827.39	96,827.39		96,827.39	-
Other Expenses	154,484.13	154,484.13	102,138.32	52,345.81	-
Statutory Expenditures:					
Social Security System	410.14	410.14		410.14	-
	<u>\$ 251,721.66</u>	<u>251,721.66</u>	<u>102,138.32</u>	<u>149,583.34</u>	<u>-</u>

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CITY OF CAPE MAY
PART II
GENERAL COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED
DECEMBER 31, 2023

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:

- Coastal Engineering and Planning Consultant
- Supply, Delivery and Installation of Source Capture Vehicle Exhaust
- Installation of Electric Vehicle Charging Stations at the City Hall and Welcome Center
- Kiwanis Community Park ADA Compliance Project (re-advertised)
- Interior Renovations for 702 Beach Avenue
- Electrical Maintenance Service and Repairs and HVAC Maintenance, Service and Repairs
- Solar Generated Electricity for City of Cape May Buildings and Grounds
- Kiwanis Community Park Restrooms Project
- Promenade Restrooms Project
- Renovation of AME Church Phase II Project
- Security Camera Installation in the City

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

Collection of Interest on Delinquent Taxes and Assessments

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

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

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

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

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

Delinquent Taxes and Tax Title Liens

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

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

<u>Year</u>	<u>Number</u>
2023	1
2022	1
2021	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 2023 and 2024 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
2023 \$	32,113,420.01	31,908,339.87	99.36%
2022	30,627,744.76	30,371,673.78	99.16%
2021	29,809,009.92	29,603,794.41	99.31%
2020	28,151,862.51	27,973,516.75	99.37%
2019	28,399,579.72	28,136,087.69	99.07%

Comparative Schedule of Tax Rate Information

	2023	2022	2021	2020	2019
Tax Rate	\$ 1.074	1.032	1.018	0.970	0.987
Apportionment of Tax Rate:					
Municipal	0.361	0.361	0.363	0.363	0.363
County	0.377	0.348	0.316	0.295	0.283
Local School	0.067	0.066	0.065	0.066	0.066
Regional School	0.269	0.257	0.274	0.246	0.275
Assessed Valuation	2,972,014,100	2,948,578,600	2,912,777,800	2,886,887,700	2,859,963,500

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
2023 \$	12,174.93	288,675.28	300,850.21	0.94%
2022	11,463.94	254,484.56	265,948.50	0.87%
2021	10,780.76	182,848.63	193,629.39	0.65%
2020	10,106.84	151,549.36	161,656.20	0.57%
2019	9,464.70	206,158.69	215,623.39	0.76%

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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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RECOMMENDATIONS

1. That no commitment be made, or expenditure approved for payment unless there is a sufficient balance in the proper budget line item.
2. We recommend that the General Ledger be maintained in an accurate and timely manner for all funds of the City.

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

July 26, 2024

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