BOROUGH OF WILDWOOD CREST

COUNTY OF CAPE MAY

NEW JERSEY

AUDIT REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2020

BOROUGH OF WILDWOOD CREST

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BOROUGH OF WILDWOOD CREST

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BOROUGH OF WILDWOOD CREST

PART 1

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2020

FORD - SCOTT
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Independent Auditor's Report

The Honorable Mayor and
Members of the Board of Commissioners
Borough of Wildwood Crest, New Jersey

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Wildwood Crest as of December 31, 2020 and 2019, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2020 and 2019, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2020 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2021 on our consideration of the Borough of Wildwood Crest's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Wildwood Crest's internal control over financial reporting and compliance.

Very truly yours,

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

Michael S. Garcia
Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472

July 2, 2021

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EXHIBIT A - CURRENT FUND

Exhibit A
Sheet 1

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

		2020	2019
ASSETS			
Regular Fund:			
Cash:			
Treasurer	$	16,947,099.70	16,948,639.05
Change and Petty Cash Funds		1,600.00	1,150.00
Total Cash		16,948,699.70	16,949,789.05
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable		374,139.04	668,964.29
Revenue Accounts Receivable		116,741.57	222,527.61
Due from State of New Jersey			
Senior Citizens and Veterans			-
Total Receivables and Other Assets		490,880.61	891,491.90
Total Regular Fund		17,439,580.31	17,841,280.95
Federal and State Grant Fund:			
Cash		156,084.07	156,084.07
Due from Current Fund		43,770.04	188,137.48
Federal and State Grants Receivable		1,393,991.31	597,314.51
Total Federal and State Grant Fund		1,593,845.42	941,536.06
Total Current Fund	$	19,033,425.73	18,782,817.01

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

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

		2020	2019
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	$	2,192,880.39	2,200,181.99
Encumbrances Payable/Accounts Payable		862,474.88	675,387.70
Accounts Payable		14,875.00	11,744.94
Payroll Deductions Payable		3,488.07	1,689.45
Prepaid Taxes		911,725.69	905,581.86
Overpaid Taxes		28,976.94	13,607.78
Local School Tax Payable		2,094,600.11	2,030,497.17
County Added Tax Payable		22,819.09	34,025.67
Prepaid Sewer Rents		23,698.53	18,865.11
Sewer Rent Overpayments		33,198.05	19,654.03
Due to GWTIDA		300.00	-
Prepaid TDC Fees		1,800.00	2,500.00
Prepaid Licenses		44,300.00	121,770.00
Due to State of New Jersey			
Senior Citizens and Veterans		292.76	961.21
Due to Grant Fund		43,770.04	188,137.48
Other			
Reserve for Tax Appeals		226,993.45	250,000.00
Reserve for Beach Operations Offset		207,832.00	313,942.81
Reserve for Insurance Proceeds		-	42,222.07
		6,714,025.00	6,830,769.27
Reserve for Receivables and Other Assets		490,880.61	891,491.90
Fund Balance		10,234,674.70	10,119,019.78
Total Regular Fund		17,439,580.31	17,841,280.95
Federal and State Grant Fund:			
Unappropriated Reserves		-	16,996.25
Appropriated Reserves		1,214,840.40	649,143.49
Encumbrances Payable		379,005.02	275,396.32
Total Federal and State Grant Fund		1,593,845.42	941,536.06
Total Current Fund	$	19,033,425.73	18,782,817.01

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

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

		2020	2019
Revenue and Other Income Realized			
Fund Balance	$	3,100,000.00	2,780,000.00
Miscellaneous Revenue Anticipated		7,218,429.96	7,064,999.04
Receipts from Delinquent Taxes		669,390.32	502,175.34
Receipts from Current Taxes		29,601,130.36	28,911,515.08
Non Budget Revenue		315,111.02	516,204.71
Other Credits to Income:			
Cancelled Reserve for:			
Insurance Proceeds		36,262.07	
Master Plan			15,000.00
Hurricane Sandy Expenses			303,078.20
Reserve for Revaluation			13,725.46
Unexpended Balance of Appropriation Res.		1,968,280.28	2,168,065.42
Salary and Wage Payable Cancelled			14,040.16
Accounts Payable Cancelled		11,744.94	27,596.88
PY Refunds Realized		6,383.87	120.00
Total Income		42,926,732.82	42,316,520.29
Expenditures			
Budget and Emergency Appropriations:			
Appropriations Within "CAPS"			
Operations:			
Salaries and Wages		6,728,373.00	6,549,940.00
Other Expenses		7,566,965.00	7,332,285.00
Deferred Charges & Statutory Expenditures		1,388,664.00	1,339,495.00
Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages		36,800.00	13,000.00
Other Expenses		4,736,089.93	4,361,943.15
Capital Improvements		1,299,400.00	1,365,400.00
Municipal Debt Service		3,792,860.15	3,369,617.86
Local District School Tax		7,846,210.00	7,692,363.00
County Tax		6,292,251.73	6,142,785.31
County Share of Added Tax		22,819.09	34,025.67
Grants Cancelled			-
Prior Year Senior Citizens Disallowed			1,219.86
Prior Year Revenues Refunded		218.00	1,798.59
Interfund Advances		427.00	
Total Expenditures		39,711,077.90	38,203,873.44
Excess in Revenue		3,215,654.92	4,112,646.85

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

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

		2020	2019
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year			
Total Adjustments		-	-
Statutory Excess to Fund Balance		3,215,654.92	4,112,646.85
Fund Balance January 1		10,119,019.78	8,786,372.93
		13,334,674.70	12,899,019.78
Decreased by:			
Utilization as Anticipated Revenue		3,100,000.00	2,780,000.00
Fund Balance December 31	$	10,234,674.70	10,119,019.78

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

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

	Anticipated			
	Budget	N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	$ 3,100,000.00		3,100,000.00	
Total Fund Balance Anticipated	3,100,000.00	-	3,100,000.00	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Other	150,000.00		156,455.00	6,455.00
Fees and Permits	130,000.00		140,642.00	10,642.00
Fines and Costs:				
Municipal Court	63,000.00		60,005.22	(2,994.78)
Interest and Costs on Taxes	85,000.00		131,091.49	46,091.49
Parking Meters	255,000.00		329,762.55	74,762.55
Interest on Investments and Deposits	275,000.00		210,516.73	(64,483.27)
Recreation Income - Pool	77,000.00		64,282.00	(12,718.00)
TV Cable Franchise Fee	46,748.00		46,748.77	0.77
Municipal Pier and Concession Income	260,000.00		271,469.00	11,469.00
Interest and Costs on Delinquent Sewer Rents	18,000.00		24,990.93	6,990.93
Fees and Permits - Craft Show	4,000.00		-	(4,000.00)
Sewer Rents	3,745,480.00		3,583,568.97	(161,911.03)
Ambulance Fees	170,000.00		164,572.54	(5,427.46)
Total Section A: Local Revenues	5,279,228.00	-	5,184,105.20	(95,122.80)
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	381,045.00		381,045.00	-
Total Section B: State Aid Without Offsetting Appropriations	381,045.00	-	381,045.00	-

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

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

	Anticipated			
	Budget	N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Section F: Special Items - Public and Private Programs Off-Set with Appropriations	$			
NJ DOT Trust Fund Authority Act - Beach Ave Project	155,000.00		155,000.00	
Recycling Tonnage Grant	13,311.42		13,311.42	
Drunk Driving Enforcement Fund	3,684.83		3,684.83	
Clean Communities Program		23,625.30	23,625.30	
GWTIDA - Summer Events Grants - 2020		39,000.00	39,000.00	
USDA Community Facility-Dual Radios		26,300.00	26,300.00	
CARES Act Provider Relief Fund		4,703.51	4,703.51	
Small Cities		400,000.00	400,000.00	
JIF Incentive Program Grants		3,500.00	3,500.00	
Open Space Program- Sunrise Park		283,625.00	283,625.00	
State Local - Housing Inspection	36,800.00		36,800.00	
Police Body Armor - Reserved	2,430.49		2,430.49	
US Bulletproof Vest Program	1,920.42		1,920.42	
Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations	213,147.16	780,753.81	993,900.97	-
Section G: Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items;				
Uniform Fire Safety Act	150,000.00		165,835.98	15,835.98
Beach Operation Off-Set - Reserved	313,942.00		313,942.81	0.81
Anticipated General Capital Fund Balance	100,000.00		100,000.00	-
Beach Box Revenue - New Ordinance	80,000.00		79,600.00	(400.00)
Total Section G: Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government Services - Other Special Items	643,942.00	-	659,378.79	15,436.79
Total Miscellaneous Revenues:	6,517,362.16	780,753.81	7,218,429.96	(79,686.01)
Receipts from Delinquent Taxes	400,000.00		669,390.32	269,390.32

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

Exhibit A-2
Sheet 3

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

	Anticipated			
	Budget	N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	$ 15,752,044.84		16,335,766.42	583,721.58
Total Amount to be Raised by Taxes for Support of Municipal Budget	15,752,044.84	-	16,335,766.42	583,721.58
Budget Totals	25,769,407.00	780,753.81	27,323,586.70	773,425.89
Non- Budget Revenues:				
Other Non- Budget Revenues:			315,111.02	315,111.02
	$ 25,769,407.00	780,753.81	27,638,697.72	1,088,536.91

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

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

Analysis of Realized Revenues			
Allocation of Current Tax Collections:			
Revenue from Collections	$		29,601,130.36
Allocated to:			
School, County and Other Taxes			14,161,280.82
Balance for Support of Municipal Budget Appropriations			15,439,849.54
Increased by:			
Appropriation "Reserved for Uncollected Taxes"			895,916.88
Amount for Support of Municipal Budget Appropriations			16,335,766.42
Receipts from Delinquent Taxes:			
Delinquent Tax Collection		669,390.32	
Total Receipts from Delinquent Taxes			669,390.32
Analysis of Non-Budget Revenue:			
Miscellaneous Revenue Not Anticipated:			
Tax Collector:			
Tax Sale Costs			
Treasurer:			
Late Mercantile Penalties		4,123.00	
Code Violations		2,800.00	
Administration Fee - Vets and Seniors		866.10	
Photocopies		940.00	
Police Department		9,222.00	
Recycling		7,923.00	
JIF Reimbursements		88,641.00	
Bad Check Fee/Void PY Checks		1,176.83	
Employee Health Insurance Premium CoPay		500.40	
Interlocal Agreement		4,896.76	
Sale of Municipal Assets		1,500.00	
Pension Refunds		4.54	
Reimbursements S/W Grant/Trust		152,525.85	
Cost of Tax Sale		1,806.06	
Reimbursements		1,039.68	
Miscellaneous		37,145.80	
			315,111.02
Total Miscellaneous Revenue Not Anticipated:	$		315,111.02

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

Exhibit A - 3
Sheet 1

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

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
DEPARTMENT OF PUBLIC AFFAIRS AND PUBLIC SAFETY:						
Directors Office						
Salaries and Wages	$ 20,288.00	20,288.00	20,287.80		0.20	
Other Expenses	1,200.00	1,200.00	284.48	50.00	865.52	
Fire						
Salaries and Wages	3,500.00	3,500.00	3,500.00		-	
Other Expenses	228,000.00	228,000.00	206,085.16	21,194.00	720.84	
Police						
Salaries and Wages	2,279,386.00	2,279,386.00	2,060,309.12		219,076.88	
Other Expenses	251,800.00	251,800.00	133,795.26	105,353.54	12,651.20	
Legal						
Other Expenses	240,000.00	240,000.00	191,843.00	48,152.49	4.51	
Local Code Enforcement						
Salaries and Wages	40,000.00	40,000.00	34,769.52		5,230.48	
Other Expenses	6,000.00	6,000.00	1,169.40		4,830.60	
Emergency Management Services						
Salaries and Wages	5,000.00	5,000.00	5,000.00		-	
Other Expenses	5,000.00	5,000.00	3,845.32		1,154.68	
Services of Ambulance						
Salaries and Wages	550,000.00	550,000.00	512,725.66		17,274.34	20,000.00
Other Expenses	70,000.00	70,000.00	38,687.16	7,293.15	24,019.69	
Lifeguards						
Salaries and Wages	609,573.00	609,573.00	605,227.76		4,345.24	
Other Expenses	75,580.00	75,580.00	73,580.36	420.00	1,579.64	
Land Use Administration						
Salaries and Wages	38,000.00	38,000.00	32,478.59		5,521.41	
Other Expenses	97,195.00	97,195.00	38,029.24	40,233.29	18,932.47	
DEPARTMENT OF PUBLIC AFFAIRS AND PUBLIC SAFETY: (CONTINUED)						
Uniform Fire Safety Act (P.L. 1983, Ch. 383)						
Fire Official						
Salaries and Wages	139,000.00	139,000.00	127,130.67		11,869.33	
Other Expenses	13,100.00	13,100.00	8,999.40	50.00	4,050.60	
Animal Control						
Other Expenses	37,000.00	37,000.00	26,930.00		10,070.00	
Police Dispatch						
Other Expenses	265,000.00	265,000.00	265,000.00		-	
Municipal Court						
Salaries and Wages	83,000.00	83,000.00	81,182.40		1,817.60	
Other Expenses	75,000.00	75,000.00	66,255.37		8,744.63	
Traffic Maintenance						
Salaries and Wages	142,000.00	142,000.00	138,152.18	1,303.62	2,544.20	
Other Expenses	43,550.00	43,550.00	41,476.13	927.00	1,146.87	

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, 2020

	Appropriations		Expended			(Over expended) Unexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Balance Cancelled
DEPARTMENT OF REVENUE AND FINANCE:						
Director's Office						
Salaries and Wages	20,287.00	20,297.00	20,287.80		9.20	
Other Expenses	1,200.00	1,190.00	775.80		414.20	
Borough Administration						
Salaries and Wages	263,000.00	263,000.00	256,944.57		6,055.43	
Other Expenses	63,650.00	63,650.00	48,881.56	10,729.23	4,039.21	
Election Expense	1,200.00	1,200.00			1,200.00	
Financial Administration						
Salaries and Wages	272,000.00	272,000.00	267,372.29		4,627.71	
Other Expenses	103,000.00	103,000.00	71,525.40	17,387.15	14,087.45	
Municipal Audit	38,000.00	38,000.00	35,357.23	30.51	2,612.26	
Assessment of Taxes						
Salaries and Wages	40,000.00	40,000.00	36,720.06		3,279.94	
Other Expenses	11,000.00	11,000.00	5,025.63	1,209.65	4,764.72	
Collection of Taxes						
Salaries and Wages	155,000.00	155,000.00	134,726.29		20,273.71	
Other Expenses	22,800.00	22,800.00	16,492.08	156.50	6,151.42	
Utility Billing Expenses						
Other Expenses	13,400.00	13,400.00	9,535.48	438.00	3,426.52	
Insurance						
General Liability	170,000.00	170,000.00	170,000.00		-	
Workers Compensation	350,000.00	350,000.00	302,229.00	35,000.00	12,771.00	
Employee Group Health	3,094,000.00	2,744,000.00	1,839,107.48	862.24	904,030.28	
Health Benefit Waiver						
Salaries and Wages	40,000.00	40,000.00	19,029.91		20,970.09	
DEPARTMENT OF PUBLIC WORKS PARKS AND PUBLIC PROPERTY:						
Director's Office						
Salaries and Wages	21,329.00	21,329.00	21,328.20		0.80	
Other Expenses	1,200.00	1,200.00	1,010.00		190.00	
Engineer						
Other Expenses	145,000.00	135,000.00	75,219.50	32,500.00	27,280.50	
Landfill						
Other Expenses	345,000.00	345,000.00	320,608.80		24,391.20	
Public Works						
Salaries and Wages	430,000.00	458,000.00	452,805.05		5,194.95	
Other Expenses	110,800.00	100,800.00	82,083.25	15,466.68	3,250.07	
Recreation Buildings						
Other Expenses	93,250.00	93,250.00	62,634.75	5,965.00	24,650.25	
Beach Cleaning						
Salaries and Wages	40,000.00	40,000.00	31,854.23		8,145.77	
Other Expenses	72,000.00	72,000.00	61,767.47	10,107.00	125.53	

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, 2020

	Appropriations		Expended			(Over expended)
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Unexpended Balance Cancelled
Sanitation						
Salaries and Wages	423,000.00	413,000.00	381,555.99		31,444.01	
Other Expenses	47,500.00	47,500.00	25,105.23	2,118.30	20,276.47	
Parks and Buildings						
Salaries and Wages	172,000.00	177,000.00	166,642.05		10,357.95	
Other Expenses	139,350.00	239,350.00	99,073.99	38,288.97	101,987.04	
Sewage						
Salaries and Wages	135,000.00	97,000.00	88,005.68		8,994.32	
Other Expenses	52,600.00	52,600.00	31,115.44	4,122.80	17,361.76	
Fleet Maintenance						
Salaries and Wages	210,000.00	215,000.00	211,669.04		3,330.96	
Other Expenses	176,400.00	291,400.00	187,400.74	82,516.18	21,483.08	
Tourism						
Salaries and Wages	30,000.00	30,000.00	21,762.26		3,237.74	5,000.00
Other Expenses	156,500.00	156,500.00	103,284.91	9,477.42	43,737.67	
Recreation Commission (N.J.S. 40:61-17)						
Salaries and Wages	410,000.00	410,000.00	395,677.14		4,322.86	10,000.00
Other Expenses	43,550.00	43,550.00	23,297.25	9,697.00	10,555.75	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS APPROPRIATIONS OFFSET BY REVENUES						
State Uniform Construction Code						
Salaries and Wages	154,000.00	154,000.00	150,381.27		3,618.73	
Other Expenses	30,150.00	30,150.00	4,411.93	50.00	25,688.07	
UTILITY EXPENSES AND BULK PURCHASES:						
Water	90,000.00	90,000.00	62,711.48		27,288.52	
Street Lighting	190,000.00	190,000.00	174,654.52	254.69	15,090.79	
Communications	110,000.00	135,000.00	114,493.26	3,433.12	17,073.62	
Fire Hydrants	47,000.00	47,000.00	40,417.30		6,582.70	
Natural Gas	100,000.00	100,000.00	53,939.81		46,060.19	
Electric	200,000.00	200,000.00	124,689.82	2,051.34	73,258.84	
Gasoline	180,000.00	180,000.00	68,173.67		111,826.33	
Accumulated Absence Liability	45,000.00	45,000.00	45,000.00		-	
Information Technology	75,000.00	90,000.00	74,552.14	9,480.00	5,967.86	
Wedding Fees- Salaries & Wages	3,000.00	3,000.00	500.00		2,500.00	
TOTAL OPERATIONS WITHIN "CAPS"	14,455,338.00	14,330,338.00	11,708,580.73	516,318.87	2,070,438.40	35,000.00
Contingent	-	-			-	
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	14,455,338.00	14,330,338.00	11,708,580.73	516,318.87	2,070,438.40	35,000.00
Detail:						
Salaries and Wages	6,773,363.00	6,763,373.00	6,323,025.53	1,303.62	404,043.85	35,000.00
Other Expenses	7,681,975.00	7,566,965.00	5,385,555.20	515,015.25	1,666,394.55	-

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, 2020

	Appropriations		Expended			(Over expended) Unexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Balance Cancelled
DEFERRED CHARGES/STATUTORY EXPENDITURES						
Deferred Charges:						
none		-				
Statutory Expenditures:						
Contributions to:						
Public Employees Retirement System	393,032.00	393,032.00	393,032.00		-	
Social Security System (O.A.S.I.)	500,000.00	500,000.00	468,614.59		31,385.41	
Police and Fire Retirement System of N.J.	445,632.00	445,632.00	445,632.00		-	
Unemployment Compensation Insurance	45,000.00	45,000.00	45,000.00		-	
Defined Contribution Retirement Plan	5,000.00	5,000.00	821.60		4,178.40	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	1,388,664.00	1,388,664.00	1,353,100.19	-	35,563.81	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	15,844,002.00	15,719,002.00	13,061,680.92	516,318.87	2,106,002.21	35,000.00
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Cape May County MUA - Charges	3,745,480.00	3,765,480.00	3,761,997.00		3,483.00	
TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"	3,745,480.00	3,765,480.00	3,761,997.00	-	3,483.00	-
(A) Public and Private Programs Off-Set by Revenues						
State Local - Housing Inspection						
Salaries and Wages	36,800.00	36,800.00	36,800.00		-	
Recycling Tonnage Grant	13,311.42	13,311.42	13,311.42		-	
Matching Funds for Grants	12,000.00	12,000.00	12,000.00		-	
Drunk Driving Enforcement Grant	3,684.83	3,684.83	3,684.83		-	
Municipal Alliance Consortium - Local share	1,508.96	1,508.96	762.00		746.96	
Police Body Armor Fund	2,430.49	2,430.49	2,430.49		-	
Bullet Proof Vest	1,920.42	1,920.42	1,920.42		-	
USDA Community Fac-Radios	-	26,300.00	26,300.00		-	
Clean Communities Program	-	23,625.30	23,625.30		-	
JIF Incentive Grant		3,500.00	3,500.00		-	
Open Space Program-Sunrise Park		283,625.00	283,625.00		-	
GWIDA Summer Events		39,000.00	39,000.00		-	
CARES Act Provider Relief Fund		4,703.51	4,703.51		-	
SMall Cities CDBG Cresse Lake		400,000.00	400,000.00		-	
NJ DOT Trust Fund Grant - Newark	155,000.00	155,000.00	155,000.00		-	
Total Public and Private Programs Off-Set by Revenues	226,656.12	1,007,409.93	1,006,662.97	-	746.96	-

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, 2020

	Appropriations		Expended			(Over expended)
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Unexpended Balance Cancelled
Total Operations - Excluded from "CAPS"	3,972,136.12	4,772,889.93	4,768,659.97	-	4,229.96	-
Detail:						
Salaries and Wages	36,800.00	36,800.00	36,800.00	-	-	-
Other Expenses	3,935,336.12	4,736,089.93	4,731,859.97	-	4,229.96	-
(C) Capital Improvements						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00		-	
Emergency Sanitary and Storm Sewer Repairs	150,000.00	150,000.00	48,284.63		36,715.37	65,000.00
Fire Department Equipment	197,400.00	197,400.00	197,197.20		202.80	
Purchase of Vehgicles and Large Equipment	369,000.00	369,000.00	301,803.04	55,572.21	11,624.75	
Purchase of Equipment and Computers	110,000.00	110,000.00	78,494.42	12,903.80	18,601.78	
Improvements to Roads	100,000.00	205,000.00		202,290.00	2,710.00	
Improvements to Borough Buildings and Property	100,000.00	100,000.00	73,366.91	14,840.00	11,793.09	
Acquisition of Beach Boxes and Equipment	133,000.00	133,000.00	71,449.57	60,550.00	1,000.43	
Total Capital Improvements	1,259,400.00	1,364,400.00	870,595.77	346,156.01	82,648.22	65,000.00
(D) Debt Service						
Payment of Bond Principal	2,420,000.00	2,420,000.00	2,420,000.00		-	-
Interest on Bonds	514,347.00	514,347.00	514,346.67			0.33
New Jersey Environmental Infrastructure Trust						
Principal	725,730.00	725,730.00	722,729.17		-	3,000.83
Interest	137,875.00	137,875.00	135,784.31		-	2,090.69
Total Debt Service	3,797,952.00	3,797,952.00	3,792,860.15	-	-	5,091.85

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

Exhibit A - 3
Sheet 6

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

	Appropriations		Expended			(Over expended) Unexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Balance Cancelled
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	$ 9,029,488.12	9,935,241.93	9,432,115.89	346,156.01	86,878.18	70,091.85
SUBTOTAL GENERAL APPROPRIATIONS	24,873,490.12	25,654,243.93	22,493,796.81	862,474.88	2,192,880.39	105,091.85
(M) Reserve for Uncollected Taxes	895,916.88	895,916.88	895,916.88			
TOTAL GENERAL APPROPRIATIONS	$ 25,769,407.00	26,550,160.81	23,389,713.69	862,474.88	2,192,880.39	105,091.85

Budget	$	25,769,407.00		-
Appropriations by 40A:4-87		780,753.81		
Emergency Appropriations				
		26,550,160.81		
Reserve for Uncollected Taxes			895,916.88	
Federal and State Grants			1,006,662.97	
Deferred Charges - Special Emergency			-	
Disbursements			21,487,133.84	
			23,389,713.69	

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

EXHIBIT B - TRUST FUND

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

		2020	2019
ASSETS			
Animal Control Fund:			
Cash	$	2,082.00	2,088.00
Due from Current Fund			
		2,082.00	2,088.00
Other Funds:			
Cash - Treasurer		1,374,094.06	1,279,279.51
		1,374,094.06	1,279,279.51
	$	1,376,176.06	1,281,367.51
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Fund:			
Reserve for Expenditures		2,082.00	2,088.00
		2,082.00	2,088.00
Other Funds:			
Due to Current Fund		-	-
Reserve for Encumbrances		13,090.30	5,642.50
Due to State- Marriage Licenses		250.00	275.00
Due to State- DCA Training Fees		4,310.00	2,671.00
Reserves - Miscellaneous		1,356,443.76	1,270,691.01
		1,374,094.06	1,279,279.51
	$	1,376,176.06	1,281,367.51

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

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EXHIBIT C - CAPITAL FUND

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

	Ref.	2020	2019
ASSETS			
Cash		$ 1,618,905.98	6,946,071.57
Deferred Charges to Future Taxation -			
Funded		23,218,899.85	26,361,629.02
Unfunded		10,856,300.03	6,970,088.00
Due from Grant Fund		-	-
		35,694,105.86	40,277,788.59
LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds Payable		13,685,000.00	16,105,000.00
USRDA Loans Payable			-
NJEIT Loan Payable		9,533,899.85	10,256,629.02
Improvement Authorizations:			
Funded		1,266,270.98	2,594,496.83
Unfunded		6,079,550.50	6,811,994.28
Reserve for Encumbrances		2,754,453.21	2,192,751.50
Down Payment on Improvements		145,500.00	158,000.00
Capital Improvement Fund		1,037,587.92	1,428,571.40
Fund Balance		1,191,843.40	730,345.56
		$ 35,694,105.86	40,277,788.59

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

2019	6,970,088.00
2020	10,856,300.03

The Accompanying Notes To The Financial Statements Are An Integral Part Of This Statement

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

	Ref.	2020	2019
Beginning Balance January 1	$	730,345.56	443,408.84
Increased by:			
Funded Improvement Authorizations Canceled		561,497.84	370,524.50
Premium on Sale of BAN's			16,412.22
		1,291,843.40	830,345.56
Decreased by:			
Surplus budgeted in Current Fund		100,000.00	100,000.00
Ending Balance December 31	$	1,191,843.40	730,345.56

The Accompanying Notes To The Financial Statements Are An Integral Part Of This Statement

EXHIBIT D - GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF GENERAL FIXED ASSETS
DECEMBER 31,
REGULATORY BASIS

		2020	2019
General Fixed Assets:			
Land	$	27,839,539.00	25,559,208.00
Buildings		12,241,634.00	12,099,314.00
Machinery, Equipment and Vehicles		8,704,342.00	8,273,108.00
Construction in Progress		231,924.00	1,953,335.00
		49,017,439.00	47,884,965.00
Investment in General Fixed Assets	$	49,017,439.00	47,884,965.00

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

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NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Description of Funds

The accounting policies of the Borough of Wildwood Crest 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 Borough of Wildwood Crest accounts for its financial transactions through the following separate funds:

<u>Current Fund</u> -- resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

<u>Trust Funds</u> -- receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

<u>General Capital Fund</u> -- receipt and disbursement of funds for the acquisition of general facilities, other than those acquired in the Current Fund.

<u>General Fixed Assets Account Group</u> -- 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.

<u>Revenues</u> -- are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the entity budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the entity's Current Fund, in addition the receivables for utility billings are recorded with offsetting reserves in the Utility Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the entity which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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

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

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

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

General Fixed Assets -- The entity has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of $2,000 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.

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

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

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

Levy of Utility Charges – The entity does not operate a sewer utility fund. However, sewer rents are levied and collected in the Current Fund. Rates are determined by ordinance and changed as necessary. Sewer charges are based on flat fees and usage based on the type of entity. Charges are billed annually and due in quarterly installments on December 1, April 1, June 1 and September 1.

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

Capitalization of Interest -- It is the policy of the Borough of Wildwood Crest to treat interest on projects as a current expense and the interest is included in both the current and utility operating budgets with the exception of certain projects financed by the New Jersey Environmental Trust.

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

D. Required Financial Statements

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

E. Comparative Data

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

F. Recent Accounting Pronouncements Not Yet Effective

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, “Conduit Debt Obligations”. This statement is effective for fiscal periods beginning after December 15, 2020, will not have any effect on the Borough’s financial reporting.

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, “Omnibus 2020”. This statement is effective for fiscal periods beginning after June 15, 2020, with the exception of the provisions affecting GASB 87 which is effective upon issuance, will not have any effect on the Borough’s financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rates". This statement is effective for fiscal periods beginning after June 15, 2020, will not have any effect on the Borough's financial reporting.

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

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

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

NOTE 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2020 and 2019 statutory budgets included a reserve for uncollected taxes in the amount of $895,917 and $876,740. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2020 and 2019 statutory budgets was $3,100,000 and $2,780,000.

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 Borough Council.

The following significant budget transfers were approved in the 2020 and 2019 calendar years:

Budget Category	2020	2019
Current Fund:		
Financial Administration		
Other Expenses		(22,000)
Employee Group Health	(350,000)	(393,000)
Parks and Buildings		
Other Expenses	100,000	172,000
Sewage		
Salaries and Wages	(38,000)	(20,000)
Fleet Maintenance		
Other Expenses	115,000	20,000
Engineer		
Other Expenses	(10,000)	
Public Works		
Salaries and Wages	28,000	
Other Expenses	(10,000)	
Recreation Buildings		
Other Expenses		20,000
Sanitation		
Salaries and Wages	(10,000)	
Capital Improvements		
Improvements to Roads	105,000	

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

Budget Category	2020	2019
Summer Events Grant - GWTIDA	$ 39,000	$ 32,500
USDA Community Facility-Dual Radios	26,300	
CARES Act Provider Relief Fund	4,704	
Small Cities	400,000	
JIF Incentive	3,500	4,150
NJ DOT Reconstruction of Trenton Ave		160,000
Clean Communities	23,625	26,001
Open Space Program- Sunrise Park	283,625	
Total	780,754	222,651

The Borough 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.

NOTE 3: INVESTMENTS

N.J.S.A. 40A:5-15.1 provides specific guidance for the allowable investment of public funds. In order to maximize liquidity, while complying with statutory requirements, the Borough utilizes the New Jersey Cash Management Fund ("NJCMF") and MBIA's Cooperative Liquid Assets Securities System ("CLASS") for investing purposes.

The NJCMF is administered by New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term commercial paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. At December 31, 2020 and 2019, the Borough's balance was $7,531 and $7,491.

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

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

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

NOTE 4: CASH

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

NOTE 5: FIXED ASSETS

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

	Balance 12/31/2018	Additions	Retirements/ Adjustments	Balance 12/31/2019
Land	$ 25,380,014	179,194	-	25,559,208
Building and Improvements	11,796,688	290,956	11,670	12,099,314
Equipment and Machinery	7,768,109	727,622	(222,623)	8,273,108
Construction in Progress	11,670	1,953,335	(11,670)	1,953,335
	$ 44,956,481	3,151,107	(222,623)	47,884,965

	Balance 12/31/2019	Additions	Retirements/ Adjustments	Balance 12/31/2020
Land	$ 25,559,208	358,746	1,921,585	27,839,539
Building and Improvements	12,099,314	142,320		12,241,634
Equipment and Machinery	8,273,108	431,234		8,704,342
Construction in Progress	1,953,335	200,174	(1,921,585)	231,924
	$ 47,884,965	1,132,474	-	49,017,439

NOTE 6: SHORT-TERM OBLIGATIONS

	Balance 12/31/18	Issued	Retired	Balance 12/31/19
Bond Anticipation Notes payable:				
General	$ 3,000,000	-	3,000,000	-
	$ 3,000,000	-	3,000,000	-

	Balance 12/31/19	Issued	Retired	Balance 12/31/20
Bond Anticipation Notes payable:				
General	$ -	-	-	-
	$ -	-	-	-

As of December 31, 2020, the entity has authorized but not issued bonds in the amount of $10,856,300.03 in the General Capital Fund.

NOTE 7: LONG TERM DEBT

Long-term debt as of December 31, 2020 and 2019 consisted of the following:

	Balance 12/31/18	Issued	Retired	Cancelled/ Refunded	Balance 12/31/19	Amounts Due Within One Year
Bonds payable:						
General	$ 10,835,000	11,545,000	2,040,000	4,235,000	16,105,000	2,420,000
Total	$ 10,835,000	11,545,000	2,040,000	4,235,000	16,105,000	2,420,000
Other liabilities:						
Loans Payable:						
General	12,449,587		724,837	1,468,121	10,256,629	722,729
Total long-term liabilities	$ 23,284,587	11,545,000	2,764,837	5,703,121	26,361,629	3,142,729

	Balance 12/31/19	Issued	Retired	Cancelled/ Refunded	Balance 12/31/20	Amounts Due Within One Year
Bonds payable:						
General	$ 16,105,000		2,420,000		13,685,000	2,500,000
Total	$ 16,105,000	-	2,420,000	-	13,685,000	2,500,000
Other liabilities:						
Loans Payable:						
General	10,256,629		722,729		9,533,900	726,729
Total long-term liabilities	$ 26,361,629	-	3,142,729	-	23,218,900	3,226,729

Outstanding Bonds Whose Principal and Interest are Paid From the Current Fund Budget of the Entity:

$8,530,000 General Improvement Bonds dated August 27, 2014, due in semi-annual installments through September 1, 2024, bearing interest at a varying rate ranging from 2.0% to 2.25%. The balance remaining as of December 31, 2020 is $3,690,000.

$6,320,000 General Improvement Bonds dated October 15, 2019, due in semi-annual installments through November 1, 2036, bearing interest at a varying rate ranging from 2.0% to 4%. The balance remaining as of December 31, 2020 is $4,025,000.

$5,225,000 Refunding Bonds dated November 1, 2019, due in semi-annual installments through November 1, 2030, bearing interest at a varying rate ranging from 2.0% to 4%. The balance remaining as of December 31, 2020 is $5,970,000.

$3,476,677 N.J. Environmental Fund Loan Bond Series A dated March 10, 2010, due in semi-annual installments through August 1, 2029, bearing no interest. The balance remaining at December 31, 2020 is $1,591,022.

$1,135,000 N.J. Environmental Trust Loan Bond Series A dated March 10, 2010, due in annual installments beginning August 1, 2011 through August 1, 2029, bearing interest at varying rates. The balance remaining as of December 31, 2020 is $617,000.

$3,129,478 N.J. Environmental Trust Loan Bond Series A dated 2015, due in annual installments beginning August 1, 2016 through August 1, 2034, bearing interest at varying rates. The balance remaining as of December 31, 2020 is $2,333,859.

$7,010,031 N.J. Environmental Fund Loan Bond Series A dated 2015, due in semi-annual installments through August 1, 2034, bearing no interest. The balance remaining at December 31, 2020 is $4,992,019.

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

	General Fund	
Year	Principal	Interest
2021	$ 3,226,729	558,880
2022	3,312,729	468,190
2023	2,912,729	374,410
2024	2,417,729	296,005
2025-2029	7,508,646	825,100
2030-2034	3,665,337	219,600
2035-2036	175,000	10,600
	23,218,900	2,752,785

As of December 31, 2020 the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year. The total interest charged to the current budget was $135,784.

Summary of Municipal Debt	Year 2020	Year 2019	Year 2018
Issued:			
General - Bonds, Loans and Notes	$ 23,218,900	$ 26,361,629	$ 26,284,586
Total Issued	23,218,900	26,361,629	26,284,586
Authorized but not issued:			
General - Bonds, Loans and Notes	10,856,300	6,970,088	1,175,088
Total Authorized But Not Issued	10,856,300	6,970,088	1,175,088
Total Bonds & Notes Issued and Authorized But Not Issued	$ 34,075,200	$ 33,331,717	$ 27,459,674

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.485%.

	Gross Debt	Deductions	Net Debt
General Debt	$ 34,075,200		34,075,200
	$ 34,075,200	-	34,075,200

Net Debt $34,075,200 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, $2,294,209,642 = 1.485%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	$ 80,297,337
Net Debt	34,075,200
Remaining Borrowing Power	$ 46,222,138

NOTE 8: FUND BALANCES APPROPRIATED

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

	2021	2020
Current Fund	$ 3,400,000	3,100,000

NOTE 9: SCHOOL TAXES

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

	12/31/2020	12/31/2019
Balance of Tax	$ 3,244,600	$ 3,180,497
Deferred	1,150,000	1,150,000
Tax Payable	$ 2,094,600	$ 2,030,497

NOTE 10: TAXES COLLECTED IN ADVANCE

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

	Balance 12/31/20	Balance 12/31/19
Prepaid Taxes	$ 911,726	$ 905,581
Cash Liability for Taxes Collected in Advance	$ 911,726	$ 905,581

NOTE 11: PENSION FUNDS

Description of Plans

Substantially all of the entity's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit pension plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at http://www.state.nj.us/treasury/pensions/annrprts.shtml.

Public Employees' Retirement System

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

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

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 entity's contributions to PERS for the years ended December 31, 2020, 2019, and 2018 were $393,032, $384,239, and $330,486.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The entity's contributions to PFRS for the years ended December 31, 2020, 2019, and 2018 were $445,632, $404,256, and $361,581.

The total payroll for the year ended December 31, 2020, 2019, and 2018 was $5,731,021, $5,750,745, and $5,445,344. Payroll covered by PFRS was $1,432,308, $1,571,467, and $1,465,638. Payroll covered by PERS was $2,986,766, $2,744,918, and $2,702,742.

Significant Legislation

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

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%.
- For fiscal year 2014, 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.

Note 12: PENSION LIABILITIES

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

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

Public Employees' Retirement System

The Municipality has a liability of $6,367,001 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 that was rolled forward to June 30, 2020. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Municipality's proportion would be 0.03904366480%, which would be a decrease of 2.82% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2020, the Municipality would have recognized pension expense of $342,085. At December 31, 2020, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	$ 115,933	$ (22,516)
Changes of assumptions	206,553	(2,665,923)
Changes in proportion	780,442	(221,582)
Net difference between projected and actual earnings on pension plan investments	217,629	
Total	$ 1,320,557	$ (2,910,021)

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

Year ended June 30,		
2021	$	(591,107)
2022		(538,910)
2023		(307,973)
2024		(124,539)
2025		(26,935)
Total	$	(1,589,464)

Actuarial Assumptions

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

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

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

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

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

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

Discount Rate

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

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

The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipality's proportionate share of the net pension liability	$ 7,583,081	$ 6,367,001	$ 5,336,451

Pension plan fiduciary net position.

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

Police and Firemen's Retirement System

The Municipality has a liability of $6,017,996 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2019 that was rolled forward to June 30, 2020. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Municipality's proportion would be 0.04657416530%, which would be an increase of 5.57% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Municipality would have recognized pension expense of $302,996. At December 31, 2020, the Municipality would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	$ 60,672	$ (21,598)
Changes of assumptions	15,144	-1613389
Changes in proportion	651,904	(102,012)
Net difference between projected and actual earnings on pension plan investments	352,863	
Total	$ 1,080,583	$ (1,736,999)

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

Year ended June 30,	
2021	$ (306,327)
2022	(206,733)
2023	(84,163)
2024	(31,794)
2025	(27,400)
Total	$ (656,416)

Actuarial Assumptions

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

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

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

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based 78% of the actuarially determine contributions for the State employer and 100% of actuarially determined contributions for local employers.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	7,777,969	6,017,996	4,556,243

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

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

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Municipality was 0.04657416530% for 2020. The net pension liability amount allocated to the Municipality was $933,966. For the fiscal year ending June 30, 2020 State special funding situation pension expense of $105,846.00 is allocated to the Municipality.

Pension plan fiduciary net position.

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

NOTE 13: POST-RETIREMENT BENEFITS

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

Under the SHBP, retirees may continue the health benefits programs in which they are enrolled at the time of retirement, provided the retiree pays the costs of the benefits (at group rates) for themselves and their eligible dependents. The OPEB Liability associated with the SHBP is further discussed in Note 14.

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

A retiree and their covered dependents may also receive Borough -paid dental, vision and life insurance benefits that are not included as part of the State Health Benefits Plan. These benefits are budgeted by the Borough annually on a "pay as you go basis" and are included in the group insurance budget line item.

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

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

The actuarial valuation report was based on 118 total participants including 52 retirees.

Annual OPEB Cost and Net OPEB Liability

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

Actuarial Methods and Assumptions

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

In the January 1, 2020 actuarial valuation, the "Entry-Age-Normal, Level Percentage of Salary" method was used for all participants. The actuarial assumptions used to project future costs included a discount rate of 1.93% and annual dental and vision cost trend rate of 5.0%. In addition, the unfunded actuarial accrued liability is being amortized over a period of 20 years.

Other Post-employment Benefit Costs and Obligations

In the January 1, 2020 actuarial valuation, the Actuarily Determined Contribution for the year's ending December 31, 2019 and 2020 were projected as follows:

	12/31/2019	12/31/2020
20 Year Amortization of NOL at 3.26%	$ 639,070	$ 659,069
Actuarily Determined Contribution	639,070	659,069
Actual Contribution	100,338	88,718
Excess Contribution	$ (538,732)	$ (570,351)
Covered Payroll	$ 6,437,211	$ 6,157,839
Actuarily Determined Contribution as a % of Covered Payroll	9.93%	10.70%

The following reflects the change in the Total OPEB Liability as of the January 1, 2020 valuation date for the Years ended December 31, 2019 and 2020.

	12/31/2019	12/31/2020
OPEB Liability, Beginning of Year	$ 7,364,910	7,797,198
Changes for the Year:		
Service Cost	114,282	122,296
Interest	266,257	252,743
Assumption Changes & Difference Between Actual & Expected Experience	152,087	687,372
Benefit Payments	(100,338)	(88,718)
OPEB Liability, End of Year	$ 7,797,198	8,770,891
Covered payroll (for Covered Participants)	$ 6,437,211	$ 6,157,839
Total OPEB liability as a percentage of covered payroll	121.14%	142.43%

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

The January 1, 2020 valuation was prepared using a discount rate of 1.93%. If the discount rate were 1% higher than what was used in this valuation. The chart below shows the effect of a 1% change in the discount rate in either direction.

	Discount Rate		
	1% Decrease	Baseline 1.93%	1% Increase
Total OPEB Liability	$ 9,651,767	$ 8,770,891	$ 7,890,013

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

The January 1, 2020 valuation was prepared using a trend rate of 5.0%. The chart below shows the effect of a 1% change in the trend rate in either direction.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 5.0%	1% Increase
Total OPEB Liability	$ 7,746,271	$ 8,770,891	$ 9,968,607

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

For the year ended December 31, 2019 and 2020 respectively, the Borough's Actuarily determined OPEB expense was $514,689 and $405,627.

At December 31, 2019, the Borough reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actuarial experience	$ (403,554)	$ 172,979
Changes in assumptions	1,249,954	
Total	$ 846,400	$ 172,979

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

For the Year Ending December 31,	
2021	$ 139,650
2022	139,650
2023	139,650
2024	139,910
2025	114,562
	$ 673,422

The Borough's changes in OPEB liability were as follows:

Fiscal Year Ended	Net OPEB Liability	OPEB Expense	Contributions Plus Earnings	Change in Net OPEB Obligation
12/31/2019	$ 7,797,198	$ 405,627	$ 100,338	$ 432,288
12/31/2020	8,770,891	514,689	88,718	973,693

NOTE 14 – OTHER POST-RETIREMENT BENEFITS

General Information about the Plan:

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

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

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

1) retired on a disability pension;

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

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

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

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

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

Allocation Methodology:

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

Special Funding Situation:

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

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

Net OPEB Liability:

Components of Net OPEB Liability

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

	June 30, 2019	
	Collective Total	**Proportionate Share**
Total OPEB Liability	$ 13,819,244,582	$ 14,087,199
Plan Fiduciary Net Position	273,173,482	278,470
Net OPEB Liability	$ 13,546,071,100	$ 13,808,729
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.98%

At June 30, 2019 the Borough's proportionate share of the Collective Net OPEB Liability was $13,808,729. The State's proportionate share for the Special Funding Situation that is associated with the Borough is $4,077,759. The Borough's proportion of the Collective Net OPEB Liability was 0.101939% which was a decrease from the prior year of 4.89%. The State's proportionate share attributable to the Borough of the Collective Net OPEB Liability for the Special Funding Situation was 0.073796% which was a decrease from the prior year of 0.14%.

Borough's Proportionate Share of Collective Net OPEB Liability	$	13,808,729
State's proportionate share that is associated with the Borough		4,077,759
Total	$	17,886,488

For the Year ended June 30, 2020 the Borough's Total OPEB Expense was ($395,993) and the State of New Jersey realized Total OPEB Expense in the amount of $54,052 for its proportionate share of Total OPEB Expense that is associated with the Borough.

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

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

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

Mortality:

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

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

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

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

Health Care Trend Assumptions

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

Discount Rate

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Collective Net OPEB Liability	$ 15,662,704,137	$ 13,546,071,100	$ 11,826,026,995
Proportionate Share Net OPEB Liability	$ 15,966,403	$ 13,808,729	$ 12,055,333

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

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Collective Net OPEB Liability	$ 11,431,214,644	$ 13,546,071,100	$ 16,243,926,531
Proportionate Share Net OPEB Liability	$ 11,652,866	$ 13,808,729	$ 16,558,896

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

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

	Collective Totals		Proportionate Share	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$ (3,961,399,180)	$	$ (4,038,211)
Changes of assumptions		(4,800,426,301)		(4,893,507)
Net difference between projected and actual earnings on OPEB plan investments	11,158,226		11,375	
Changes in proportion and differences between contributions and proportionate share of contributions			399,600	(1,973,744)
Total	$ 11,158,226	$ (8,761,825,481)	$ 410,975	$ (10,905,462)

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

Year ended June 30,	Collective Totals	Proportionate Share
2020	(1,425,201,517)	(1,709,214)
2021	(1,425,201,517)	(1,709,214)
2022	(1,426,076,187)	(1,710,262)
2023	(1,427,489,995)	(1,711,958)
2024	(1,428,781,861)	(1,713,507)
Thereafter	(1,617,916,178)	(1,940,332)
Total	$ (8,750,667,255)	$ (10,494,487)

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

Collective OPEB Expenses reported by the State of New Jersey

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

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

Schedule of Borough's Share of Net OPEB Liability

		2018	2019
Borough's Proportionate Share of Net OPEB Liability		0.073902%	0.073796%
Borough's Share of Net OPEB Liability	$	16,791,638	13,808,729
Borough's Covered Payroll		2,702,742	2,744,918
Borough's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll		621.28%	503.07%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		1.97%	1.98%

NOTE 15: ACCRUED SICK AND VACATION BENEFITS

The Borough permits eligible employees to accrue unused vacation and personal time for up to one year after the time has been earned. Unused accrued vacation and personal time expires at the end of the two-year period for employees hired prior to 12/31/14. For employees hired after 1/1/15, personal time expires if it is not used at the end of one year.

The Borough also permits employees to accrue earned and unused sick time, which may be taken as time off or paid at the rate of pay applicable at time of termination. A portion of the monetary value of unused sick leave and vacation has been reserved on the balance sheet by charges to operations. This liability may be affected by conditions, which could preclude an employee from receiving full payment of the accrual. The reserve for accumulated absences in the Trust Fund at December 31, 2020 is $305,912. The total liability of accrued sick leave and vacation for all eligible employees at December 31, 2020 is estimated to be $337,088.

NOTE 16: ECONOMIC DEPENDENCY

The Borough of Wildwood Crest is not economically dependent on any one business. The tourism industry is a major source of tax revenue for the entity.

NOTE 17: RISK MANAGEMENT

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

Property and Liability Insurance - The entity maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2018 and 2017 the entity did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The entity is a member of the Atlantic County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The entity is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The entity has a general liability limit of $100,000 under JIF, which increases to $5,000,000 under MEL.

New Jersey Unemployment Compensation Insurance – The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”. Under this plan, the

Borough is required to annually appropriate funds to pay the projected costs of contributions at a rate determined by the Commissioner of Labor. Previously, the Borough funded the plan under the "Benefit Reimbursement Method" and has the following remaining in the Trust Fund:

Calendar Year	Borough Contributions	Employee Contributions	Interest Earned	Amount Contributed	Ending Balance
2020	$ 45,000			26,835	69,183
2019	40,000			31,789	51,018
2018	38,000		541	31,198	42,807

NOTE 18: DEFERRED COMPENSATION

Employees of the Borough of Wildwood Crest may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the entity. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.
An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the entity has an obligation of due care in selecting the third party administrator.

NOTE 19: CONTINGENT LIABILITIES

From time to time, the entity is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the entity's management, the outcome of any present legal proceedings are difficult to quantify, but an adverse outcome could have a material effect on the accompanying financial statements.

NOTE 20: INTERFUND BALANCES

As of December 31, 2020, the following interfunds were included on the balance sheets of the various funds of the Borough of Wildwood Crest:

		Due From	Due To
Current Fund:			
Grant Fund	$		43,770.04
Grant Fund:			
Current Fund		43,770.04	
	$	43,770.04	43,770.04

NOTE 21: SUBSEQUENT EVENTS

The entity has evaluated subsequent events through July 2, 2021, the date which the financial statements were available to be issued and identified no events requiring disclosure.

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SUPPLEMENTARY DATA

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& ASSOCIATES, L.L.C.
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Independent Auditor's Report

The Honorable Mayor and
Members of the Board of Commissioners
Borough of Wildwood Crest, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Borough's basic financial statements, and have issued our report thereon dated July 2, 2021, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Very truly yours,

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

Michael S. Garcia
Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472

July 2, 2021

CURRENT FUND
SCHEDULE OF CASH - TREASURER

			Current Fund		Grant Fund
Balance December 31, 2019	$		16,948,639.05		156,084.07
Increased by Receipts:					
Prepaid Taxes		911,725.69			
Sewer Overpayments		33,198.05			
Tax Overpayments		40,485.67			
Taxes Receivable		29,296,066.47			
Revenue Accounts Receivable - Collector		3,739,651.39			
Prepaid Sewer Rents		23,698.53			
Revenue Accounts Receivable - Treasurer		2,008,145.65			
Miscellaneous Revenue Not Anticipated		315,111.02			
State of New Jersey:					
Senior Citizen and Veterans Deductions		43,581.55			
Prepaid TDC Fees		1,800.00			
Prepaid Licenses		44,300.00			
Reserve - Beach Operations Off-Set		207,832.00			
Accounts Payable		14,875.00			
Payroll Deductions		1,798.62			
Due to GWTIDA		300.00			
Cancelled Grants		5,956.87			
Federal and State Unappropriated Reserves				26,055.79	
Federal and State Receivables				161,223.39	
Due to Grant Fund - Matching Funds				12,762.00	
Due to Current Fund - From Grant Fund		-		144,367.44	
Insurance Proceeds		680.00			
			36,689,206.51		344,408.62
			53,637,845.56		500,492.69
Decreased by Disbursements:					
Current Year Appropriation		21,487,133.84			
Prior Year Appropriations		892,414.41			
County Taxes		6,326,277.40			
Local District School Taxes		7,782,107.06			
Tax Overpayments		15,369.16			
Insurance Proceeds		6,640.00			
Tax Appeals		23,006.55			
Refund of Prior Year's Revenue		218.00			
Petty Cash		450.00			
Due to Grant Fund - Matching Funds		12,762.00			
Due to Current Fund - From Grant Fund		144,367.44			
Due from Grant Fund - Cancelled Grants				5,956.87	
Due to Capital Fund - Grant Fund					
Federal and State Disbursements				338,451.75	
			36,690,745.86		344,408.62
Balance December 31, 2020	$		16,947,099.70		156,084.07

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

Year		Balance Dec. 31, 2019	Current Year Levy	Added Taxes	Collections by Cash 2019	Collections by Cash 2020	Adjustments	Transferred To Tax Title Lien	Balance Dec. 31, 2020
2019	$	668,964.29				669,390.32	(426.03)		0.00
		668,964.29	-	-	-	669,390.32	(426.03)	-	0.00
2020			29,937,852.54	108,207.01	916,596.43	28,684,533.93	70,790.15		374,139.04
	$	668,964.29	29,937,852.54	108,207.01	916,596.43	29,353,924.25	70,364.12	-	374,139.04

29,296,066.47	Cash Receipts
13,607.78	Overpayments Applied
44,250.00	Senior Citizens and Veterans
29,353,924.25	

Analysis of Current Year Tax Levy

Tax Yield:		
General Property Tax	29,937,852.54	
Added Taxes (54:4-63.1 et. Seq.)	108,207.01	
		30,046,059.55
Tax Levy:		
General County Taxes	5,274,552.71	
County Library Taxes	786,471.43	
County Open Space Taxes	231,227.59	
County Added and Omitted Taxes	22,819.09	
Total County Taxes		6,315,070.82
Local School District Tax		7,846,210.00
Local Tax for Municipal Purposes	15,752,044.84	
Add: Additional Tax Levied	132,733.89	
		15,884,778.73
		30,046,059.55

Exhibit A - 8

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2019	Accrued in 2020	Collected by Collector	Collected by Treasurer	Balance Dec. 31, 2020
Borough Clerk:	$				
Licenses - Other		156,455.00		156,455.00	
Fees and Permits		140,642.00		140,642.00	
Recreation Income - Pool		64,282.00		64,282.00	
TV Cable Franchise Fee		46,748.77		46,748.77	
Municipal Court:					
Fines and Costs	3,581.29	58,888.85		60,005.22	2,464.92
Parking Meters		329,762.55		329,762.55	
Interest and Costs on Taxes		131,091.49	131,091.49		
Interest Earned on Investments and Deposits		210,516.73		210,516.73	
Municipal Pier and Concession Income		271,469.00		271,469.00	
Interest and Costs on Delinquent Sewer Rents		24,990.93	24,990.93		
Sewer Rents	218,946.32	3,478,899.30	3,583,568.97		114,276.65
Ambulance Fees		164,572.54		164,572.54	
Fees and Permits - Craft Show		-			
Uniform Fire Safety Act		165,835.98		165,835.98	
Energy Receipts Tax		381,045.00		381,045.00	
Anticipated General Capital Fund Balance		100,000.00		100,000.00	
Beach Box Revenue		79,600.00		79,600.00	
Beach Operation Offset - Reserved		313,942.81		313,942.81	
Reserve to Pay Bonds & Notes		-			
	$ 222,527.61	6,118,742.95	3,739,651.39	2,484,877.60	116,741.57
	A	Res.			A

Prepaid Licenses Applied	A	121,770.00
Prepaid TDC Fees Applied	A	2,500.00
Reserve for Beach Operations Off-Set	A	313,942.81
Sewer Prepayments Applied	A	18,865.11
Sewer Overpayments Applied	A	19,654.03
Collected	A-4	2,008,145.65
		2,484,877.60

Exhibit A - 9

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"				
SALARIES & WAGES:				
Department of Public Affairs and Public Safety:				
Directors Office	$	-		-
Fire		-		-
Police	11,969.34	11,969.34		11,969.34
Local Code Enforcement	6,896.88	6,896.88		6,896.88
Emergency Management Services		-		-
Services of Ambulance	69,024.94	69,024.94		69,024.94
Environmental Commission (N.J.S. 40:56A-1)		-		-
Lifeguards	30.51	30.51		30.51
Land Use Administration	1,220.19	1,220.19		1,220.19
Traffic Maintenance	4,791.95	4,791.95		4,791.95
Fire Official	9,211.47	9,211.47		9,211.47
Police Dispatch		-		-
Municipal Court	409.32	409.32		409.32
Department of Revenue and Finance:				
Director's Office		-		-
Borough Administration	13,479.38	13,479.38		13,479.38
Financial Administration	32,963.69	32,963.69		32,963.69
Assessment of Taxes	3,999.88	3,999.88		3,999.88
Collection of Taxes	31,699.63	31,699.63		31,699.63
Health Benefit Waiver	13,235.64	13,235.64		13,235.64
Department of Public Works, Parks and Public Property:				
Director's Office		-		-
Public Works	14,883.02	14,883.02		14,883.02
Beach Cleaning	1,809.97	1,809.97		1,809.97
Sanitation	8,795.51	8,795.51		8,795.51
Parks and Buildings	17,247.22	17,247.22		17,247.22
Sewage	49,740.04	49,740.04		49,740.04
Fleet Maintenance	32,348.41	32,348.41		32,348.41
Tourism	7,249.20	7,249.20		7,249.20
Recreation Commission (N.J.S. 40:61-17)	19,584.82	19,584.82		19,584.82

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charged	Balance Lapsed
Uniform Construction Code - Appropriation Offset by Dedicated Revenue				
State Uniform Construction Code	13,255.09	13,255.09		13,255.09
UTILITY EXPENSES & BULK PURCHASES				
Wedding Fees	2,600.00	2,600.00		2,600.00
OTHER EXPENSES:				
Department of Public Affairs and Public Safety:				
Director's Office	1,145.00	1,145.00		1,145.00
Fire	2,398.89	2,398.89	156.65	2,242.24
Police	45,269.55	45,269.55	38,625.43	6,644.12
Municipal Prosecutor		-		-
Legal	77,048.43	77,048.43	6,559.00	70,489.43
Local Code Enforcement	4,299.60	4,299.60	54.60	4,245.00
Emergency Management Services	5,000.00	5,000.00		5,000.00
Services of Ambulance	2,773.54	2,773.54	812.42	1,961.12
Environmental Commission (N.J.S. 40:56A-1)		-		-
Lifeguards	2,091.55	2,091.55		2,091.55
Land Use Administration	65,215.08	65,215.08	6,768.17	58,446.91
Traffic Maintenance	954.54	954.54	852.81	101.73
Fire Official	8,904.74	8,904.74	1,095.06	7,809.68
Animal Control	10,064.78	10,064.78		10,064.78
Police Dispatch	333.33	333.33		333.33
Municipal Court	1,761.20	1,761.20		1,761.20
Public Defender (P.L. 1997, C.256)		-		-
New Jersey Public Employees		-		-

Exhibit A - 9

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charged	Balance Lapsed
Department of Revenue and Finance:				
Director's Office	347.20	347.20		347.20
Borough Administration	19,325.09	19,325.09	1,456.15	17,868.94
Election Expense	176.32	176.32		176.32
Financial Administration	29,549.64	29,549.64	11,346.97	18,202.67
Assessment of Taxes	12,859.43	12,859.43	122.00	12,737.43
Collection of Taxes	10,742.92	10,742.92	871.77	9,871.15
Utility Billing Expenses	5,131.65	5,131.65	483.50	4,648.15
Workers Compensation	54,832.00	54,832.00		54,832.00
Employee Group Health	816,227.17	816,227.17	249,146.90	567,080.27
Department of Public Works, Parks and Public Property:				
Director's Office	664.74	664.74		664.74
Engineer	26,890.67	26,890.67	3,490.00	23,400.67
Landfill	41,075.21	41,075.21	25,419.14	15,656.07
Public Works	42,425.85	42,425.85	28,202.77	14,223.08
Recreation Buildings	29,115.79	29,115.79	3,822.14	25,293.65
Beach Cleaning	12,416.47	12,416.47	8,112.00	4,304.47
Sanitation	7,732.45	7,732.45	344.00	7,388.45
Parks and Buildings	68,005.97	68,005.97	35,765.99	32,239.98
Sewage	41,432.34	41,432.34	1,309.62	40,122.72
Fleet Maintenance	30,036.06	30,036.06	12,677.80	17,358.26
Tourism	8,226.88	8,226.88	7,166.77	1,060.11
Recreation Commission (N.J.S. 40:61-17)	5,974.57	5,974.57	4,913.52	1,061.05
Contribution to Urban Enterprise Zone		-		-
Uniform Construction Code - Appropriation Offset by Dedicated Revenue				
State Uniform Construction Code	11,328.23	11,328.23	3,699.81	7,628.42

Exhibit A - 9

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charged	Balance Lapsed
UTILITY EXPENSES & BULK PURCHASES				
Water	34,812.85	34,812.85	20,412.33	14,400.52
Street Lighting	23,945.04	23,945.04	14,085.15	9,859.89
Telephone	16,803.66	16,803.66	2,878.26	13,925.40
Fire Hydrants	8,881.40	8,881.40	8,881.40	-
Natural Gas	39,485.20	39,485.20	11,805.70	27,679.50
Electric	53,811.72	53,811.72	644.27	53,167.45
Gasoline	76,613.72	76,613.72	3,911.76	72,701.96
Information Technology	18,582.29	18,582.29	15,350.55	3,231.74
STATUTORY EXPENDITURES				
Contributions to:				
Police and Fire Retirement System of N.J.	3,000.00	3,000.00		3,000.00
Public Employees Retirement System	3,000.00	3,000.00		3,000.00
Social Security System (O.A.S.I.)	29,950.31	29,950.31		29,950.31
Defined Contribution Retirement Plan	3,923.41	3,923.41		3,923.41
OPERATIONS - EXCLUDED FROM "CAPS"				
Cape May County MUA - Charges	254,192.00	254,192.00	243,074.00	11,118.00
PUBLIC & PRIVATE PROGRAMS OFF-SET BY REVENUES				
Matching Funds for Grants	12,000.00	12,000.00		12,000.00
CAPITAL IMPROVEMENTS				
Emergency Sanitary and Storm Sewer Repairs	111,895.76	111,895.76		111,895.76
Fire Department Equipment	63.58	63.58		63.58
Purchase of Vehicles and Large Equipment	52,432.97	52,432.97		52,432.97
Purchase of Equipment and Computers	85,555.94	85,555.94	29,957.48	55,598.46
Improvements to Roads	86,000.00	86,000.00	21,000.00	65,000.00
Improvements to Borough Buildings and Property	92,396.86	92,396.86	82,013.52	10,383.34
	$ 2,875,569.69	2,875,569.69	907,289.41	1,968,280.28

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Balance December 31, 2019			
School Tax Payable	$	2,030,497.17	
School Tax Deferred		1,150,000.00	
			3,180,497.17
Increased by:			
Levy - School Year July 1, 2020 to June 30, 2021			7,846,210.00
			11,026,707.17
Decreased by:			
Payments			7,782,107.06
Balance December 31, 2020			
School Tax Payable		2,094,600.11	
School Tax Deferred		1,150,000.00	
			3,244,600.11
Current Year Liability for Local School District School Tax:			
Tax Paid			7,782,107.06
Tax Payable Ending			2,094,600.11
			9,876,707.17
Less: Tax Payable Beginning			2,030,497.17
Amount Charged to Current Year Operations	$		7,846,210.00

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Purpose	Balance Dec. 31, 2019	Transferred From 2020 Revenues	Received	Cancelled	Balance Dec. 31, 2020
FEDERAL GRANTS:					
FEMA-Sunset Lake	$ 70,386.52				70,386.52
Bulletproof Vest Partnership					
2017 Grant	1,363.80		1,363.80		-
2018 Grant	1,437.55		1,437.55		-
2019 Grant	3,474.00		1,421.15		2,052.85
2020 Grant		1,920.42			1,920.42
CDBG Street Intersections ADA	41,676.46				41,676.46
2017 CY CDBG Grant-Beach Access	70,759.99		13,000.00		57,759.99
Small Cities - Heather,Lavender, Lake	377.00			377.00	-
Small Cities - Library/Pool	354,545.45		59,908.38		294,637.07
Total Federal	544,020.77	1,920.42	77,130.88	377.00	468,433.31
STATE GRANTS:					
Cooperative Housing Inspections					
2018 Grant	143.74	36,800.00	20,989.00	(7,478.26)	23,433.00
New Jersey Transportation Trust Fund:					
2019- Trenton Avenue	40,000.00				40,000.00
2020 Beach		155,000.00			155,000.00
Total State	40,143.74	191,800.00	20,989.00	(7,478.26)	218,433.00

Exhibit A - 11

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Purpose	Balance Dec. 31, 2019	Transferred From 2020 Revenues	Received	Cancelled	Balance Dec. 31, 2020
LOCAL GRANTS:					
GWTIDA Summer Events					
2019	9,000.00		9,000.00		-
2020		39,000.00	19,000.00		20,000.00
Open Space Grant-Sunrise Park		283,625.00			283,625.00
Small Cities CDBD-Scoop Taylor Park		400,000.00			400,000.00
USDA Communities Facilities Grant-Dual Radio		26,300.00	26,300.00		-
CARES Act Provider Relief Fund 2020		4,703.51	4,703.51		-
JIF Incentive-2019	4,150.00		4,100.00	50.00	-
JIF Incentive-2020		3,500.00			3,500.00
Total Local	13,150.00	757,128.51	63,103.51	50.00	707,125.00
	$ 597,314.51	950,848.93	161,223.39	(7,051.26)	1,393,991.31

Exhibit A - 12

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance December 31, 2019					
	Appropriated	Reserve for Encumbrances	2020 Appropriations	Expended	Cancelled	Balance Dec. 31, 2020
FEDERAL GRANTS:						
Police Body Armor Grant						
2019	$ 129.37			129.37		-
2020			2,430.49	2,430.49		-
2017 CY CDBG Grant-Beach Access	31,972.07	11,500.00		13,000.00		30,472.07
FEMA-Sunset Lake	64,822.95	56,879.32		22,207.22		99,495.05
CDBG Street ADA	25,191.99					25,191.99
CARES Act Provider Relief Funding			4,703.51	4,678.16		25.35
Bulletproof Vest Partnership						
2020			1,920.42	1,920.42		-
2019	360.55	3,113.45		3,474.00		-
2018		843.55		843.55		-
Small Cities Grant						
Library/Pool	335,000.00	42,060.00		109,153.00		267,907.00
Atlantic Avenue	1,069.78				1,069.78	-
Cresse Avenue/Lake Road	7,995.16					7,995.16
Heather,Lavender, Lake Ave.	375.76				375.76	-
Crocus, Aster	9,168.89					9,168.89
Scoop Taylor Park			400,000.00			400,000.00
USDA Forrestry Grant	1,000.00				1,000.00	-
USDA Community Facilities-Dual Radios			38,300.00	38,300.00		-
Total Federal	477,086.52	114,396.32	447,354.42	196,136.21	2,445.54	840,255.51

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance December 31, 2019					
	Appropriated	Reserve for Encumbrances	2020 Appropriations	Expended	Cancelled	Balance Dec. 31, 2020
STATE GRANTS:						
Clean Communities Grant:						
2020			23,625.30			23,625.30
2019	43,017.33			25,194.11		17,823.22
2018	96.27			76.92		19.35
Drunk Driving Enforcement Fund-2019	6,252.83			6,252.83		-
Drunk Driving Enforcement Fund-2020			3,684.83	1,490.30		2,194.53
Cooperative Housing Inspections:						
2020			36,800.00			36,800.00
2019	13,000.00					13,000.00
2018	13,000.00					13,000.00
2017	21,000.00					21,000.00
2016	3,558.92			9,615.50	(7,478.26)	1,421.68
Recycling Tonnage Grant						
2018	424.24			320.00		104.24
2019	3,587.62	1,000.00		3,666.00		921.62
2020			13,311.42	10,054.90		3,256.52
Municipal Alliance Consortium - Local share			762.00	762.00		-
Alcohol Education & Rehabilitation	3,712.24					3,712.24
N.J. Transportation Trust Fund						
Heather Road	116.84				116.84	-
2019- Trenton Avenue		160,000.00		160,000.00		-
Beach Avenue 2020			155,000.00			155,000.00
UEZ Administrative Funding - 2011	7,262.29					7,262.29
UEZ Assistance Fund - 2011	50,256.95					50,256.95
Total State	165,285.53	161,000.00	233,183.55	217,432.56	(7,361.42)	349,397.94

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance December 31, 2019 Appropriated	Balance December 31, 2019 Reserve for Encumbrances	2020 Appropriations	Expended	Cancelled	Balance Dec. 31, 2020
LOCAL GRANTS:						
GWTIDA - Summer Events						
2018	298.75					298.75
2019	2,312.13					2,312.13
2020			39,000.00	16,763.00		22,237.00
Comcast Technology Grant - 2011	108.55				108.55	-
JIF Incentive-2019	50.04				50.04	-
JIF Incentive-2020			3,500.00	3,500.00		
Municipal Joint Venture Program						
2008	3,662.90				3,662.90	-
Open Space Sunrise Park			283,625.00	283,625.00		-
Get Active Grant	339.07					339.07
Total Local	6,771.44	-	326,125.00	303,888.00	3,821.49	25,186.95
	$ 649,143.49	275,396.32	1,006,662.97	717,456.77	(1,094.39)	1,214,840.40
			Cash Disbursed	338,451.75		
			Encumbered	379,005.02		
				717,456.77		

Exhibit A - 13

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES

Purpose	Balance Dec. 31, 2019	Transferred To 2020 Appropriations	Received	Balance Dec. 31, 2020
STATE GRANTS:				
Police Body Armor Grant		2,430.49	2,430.49	-
Clean Communities Grant- 2018		23,625.30	23,625.30	-
Recycling Tonnage Grant	13,311.42	13,311.42		-
DDEF Grant	3,684.83	3,684.83		-
Grand Total	$ 16,996.25	43,052.04	26,055.79	-

Exhibit B - 1

TRUST FUND

SCHEDULE OF CASH - TREASURER

		Animal Control		Other	
Balance December 31, 2019	$		2,088.00		1,279,279.51
Increased By:					
State Dog License Fees		78.00			
Municipal Dog License Fees		750.00			
Other Reserves				872,423.92	
			828.00		872,423.92
			2,916.00		2,151,703.43

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Sheet 2

TRUST FUND

SCHEDULE OF CASH - TREASURER

		Animal Control		Other	
Decreased By:					
Paid to State of NJ		78.00			
Dog Fund Expenditures		-			
Prior Year Encumbrances				5,642.50	
Current Fund		756.00			
Other Reserves				771,966.87	
			834.00		777,609.37
Balance December 31, 2020	$		2,082.00		1,374,094.06

Analysis of December 31, 2020 Balance

Trust - Escrow	887,384.79
Unemployment Trust	68,564.70
Recreation Commission	33,642.30
Police Forfeiture	2,148.61
Uniform Construction Code	109,712.75
TTL Redemption/Premium Account	170,999.99
Aforable Housing Trust	101,640.92
	1,374,094.06

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL
FUND EXPENDITURES

Balance December 31, 2019	$		2,088.00
Increased by:			
Dog License Fees Collected		750.00	
			750.00
			2,838.00
Decreased by:			
Expenditures under N.J.S.A. 4:19-15.11:			
Statutory Excess		756.00	
			756.00
Balance December 31, 2020	$		2,082.00

License Fees Collected

Year	Amount
2019	1,159.80
2018	1,035.00
	2,194.80

TRUST FUND
SCHEDULE OF AMOUNT DUE TO/(FROM) STATE OF NEW JERSEY
ANIMAL CONTROL FUND

Balance December 31, 2019	$		-
Increased By:			
Collected in 2020			
State License Fees		78.00	
			78.00
			78.00
Decreased By:			
Payments		78.00	
			78.00
Balance December 31, 2020	$		-

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

Reserve	Balance Dec. 31, 2019	Increased by Receipts	Increased by Budget Appropriation	Decreased by Expended	Balance Dec. 31, 2020
Accumulated Absences	$ 281,954.45		45,000.00	21,042.00	305,912.45
Borough Beautification	45,523.39	25,655.00		9,912.54	61,265.85
Fire Penalties - Non-Dedicated	64,470.61	505.00		12,500.00	52,475.61
Fire Prevention	18,804.81	50.00		4,005.65	14,849.16
Police Forfeited Funds	208.61	1,940.00			2,148.61
Unclaimed Funds - Police	286.71	359.00		304.71	341.00
Third Party Construction Inspections	107,701.80	97,301.00		99,731.00	105,271.80
Parking Offense Adjudication Act	4,408.33	128.00			4,536.33
Planning and Zoning Escrow	129,667.77	25,156.00		114,173.55	40,650.22
Recreation Commission	41,271.32	169,746.50		177,738.51	33,279.31
Snow Removal Trust	8,666.88				8,666.88
Streets Openings - Performance Surety	20,650.00				20,650.00
Streets Openings - Maintenance Surety	13,470.00				13,470.00
Street Paving	113,814.24	28,499.99		97,012.80	45,301.43
Premiums Received at Tax Sale	73,700.00	202,000.00		104,700.00	171,000.00
Marriage License Fees Due to State	275.00	475.00		500.00	250.00
DCA Training Fees - Due State of NJ	2,671.00	11,238.00		9,599.00	4,310.00
Third Party Lien Redemptions	-	65,002.63		65,002.63	-
Tourism Development Commission	93,573.59	74,227.50		42,000.00	125,801.09
Unemployment Compensation Insurance	51,017.88		45,000.00	26,834.78	69,183.10
Employment of Borough Employee	-				-
Retiree Life Insurance	180,000.00				180,000.00
Affordable Housing Trust	21,500.62	80,140.30			101,640.92
	$ 1,273,637.01	782,423.92	90,000.00	785,057.17	1,361,003.76
			Encumbered	13,090.30	
			Cash Disbursed	771,966.87	
				785,057.17	

GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	Ref.			
Balance December 31, 2019			$	6,946,071.57
Increased by:				
Budget Appropriations:				
Capital Improvement Fund		100,000.00		
Deferred Charges - Unfunded		786,355.74		
				886,355.74
				7,832,427.31
Decreased by:				
Improvement Authorizations		6,113,521.33		
Anticipated as a Revenue in 2020 Budget;				
Capital Fund Balance		100,000.00		
				6,213,521.33
Balance December 31, 2020			$	1,618,905.98

GENERAL CAPITAL FUND
ANALYSIS OF CASH

		Balance Dec. 31, 2019	Receipts Miscellaneous	Disbursements Improvement Authorizations	Disbursements Miscellaneous	Transfers From	Transfers To	Balance Dec. 31, 2020
Fund Balance		$ 730,345.56			100,000.00	174,016.52	735,514.36	1,191,843.40
Capital Improvement Fund		1,428,571.40	100,000.00			665,000.00	174,016.52	1,037,587.92
Downpayment on Improvements		158,000.00				12,500.00		145,500.00
Reserve for Encumbrances		2,192,751.50				2,192,751.50	2,754,453.21	2,754,453.21
<u>Improvement Authorizations:</u>								
1110	Purchase Public Safety Equipment	14,434.94				15,734.94	1,300.00	-
1143	Various Improvements:							
	B. Improvements to DPW Building	56,573.03				56,573.03		-
1147	Various Improvements:							
	C. Acquire Emergency Generator	97,557.98				97,557.98		-
1149	Improve Sanitary Sewerage System	(22,155.77)						(22,155.77)
1152	Construct Beachfront Park							-
1156	Improvements to Various Municipally-Owned Properties and Acquisition of Equipment	36,920.74				36,920.74		-
1158	Improvements to Storm Water System	15,049.40				15,049.40		-
1174	Improvements to Various Municipally-Owned Buildings	2,431.47				2,431.47		-
1179	Replacement and Widening of Beachfront Bike Path	40,359.37				40,359.37		-
1184	Various General Improvements	23,009.93				23,009.93		-
1186	Storm Sewer	28,734.43				28,734.43		-
1198	Various General Improvements							
	A. Pacific Ave	21,637.25				21,637.25		-
	B. Fuel Tanks	8,458.85				17,502.85	9,044.00	-
1211	Various Improvements							
	A. Dump Body Truck	2,743.00				2,743.00		-
	B. Trash Truck	580.00				580.00		-
	C. Parking Meter Compon	8,598.00				8,598.00		-
	E. Buttercup Road	42,476.53				42,476.53		-
	F. Pacific Ave ADA Curbs	18,617.51				18,617.51		-
	G. NJ Ave Pole Relocate	257,321.40		37,058.28			1,000.00	221,263.12

GENERAL CAPITAL FUND
ANALYSIS OF CASH

		Balance Dec. 31, 2019	Receipts Miscellaneous	Disbursements Improvement Authorizations	Disbursements Miscellaneous	Transfers From	Transfers To	Balance Dec. 31, 2020
1219	Various Improvements							
	A. Library Parking Lot	$ 94,112.12				94,112.12		-
	B. Buttercup Road	125,000.00				125,000.00		-
	C. Pacific Ave ADA	46,805.00				46,805.00		-
1234	Various Improvements							
	B. Parking Cardinal Rd	35,000.00				35,000.00		-
	C. Fingerprint Process	5,363.81				5,363.81		-
	E. Public Safety Sign	707.00				707.00		-
	G. Heather Rd Bikeshop	4,608.10					3,065.00	7,673.10
	I. Pool Bldg Doors	15,285.00						15,285.00
	J. Outdoor Lighting	1,567.23						1,567.23
1244	Various Improvements							
	A. Pacific Ave Phase II	34,857.95						34,857.95
	B. Sunset Lake	(170,795.90)	302,852.00	32,349.96		715.77	62,942.28	161,932.65
1248	Various Vehicles & Equipment							
	A. Police Radio System	16,554.38						16,554.38
	B. Beach Tractor & Trash Truck	23,437.43						23,437.43
1250	Various Improvements							
	A. HVAC System	-						-
	B. Heather Road Bike Shop	41,308.15						41,308.15
	C. EMT Building Driveway	-						-
	D. UV Pool Filter	10,000.00						10,000.00
	E. Old Library Roof	3,020.00						3,020.00
	F. Nesbitt Building Improvements	11,969.96						11,969.96
	G. ADA Beach Access	625.00					28.75	653.75
1255	Road Curb Ramp Access	16,110.20						16,110.20
1261	Newark Avenue Reconstruction	138,988.02					48,979.54	187,967.56
1266	Various Improvements	-		2,467.48			6,319.93	3,852.45
1267	Various Improvements	3,780.58						3,780.58
1268	Newark Avenue Reconstruction	2,539.25				500.00	500.00	2,539.25

Exhibit C - 3

GENERAL CAPITAL FUND
ANALYSIS OF CASH

		Balance Dec. 31, 2019	Receipts Miscellaneous	Disbursements Improvement Authorizations	Disbursements Miscellaneous	Transfers From	Transfers To	Balance Dec. 31, 2020
1299	Various Improvements							
	A. Road and Drainage Improvement	$ 151,094.13	-	1,993,425.18		113,864.64	1,975,422.00	19,226.31
	B. Beach and Bay Improvments	89,044.85		51,820.25		31,522.25	-	5,702.35
	C. Improvements to Public Buildings	371,748.86		58,361.96		4,090.00	56,350.00	365,646.90
	D. Improvements to Recreation and Parks	410,323.93		267,714.62		198,642.70	27,800.00	(28,233.39)
1318	Pacific Ave	300,000.00	443,503.74	3,292,972.60		2,164,005.40	-	(4,713,474.26)
1323	Acquisition of 5900 NJ Avenue			377,351.00			400,000.00	22,649.00
1338	Volunteer Fire Company Radios		40,000.00			241,112.45	12,500.00	(188,612.45)
1341	A. Road Improvements						120,000.00	120,000.00
	B. Beach and Bay Improvements						90,000.00	90,000.00
	C. Public Building and Property						10,000.00	10,000.00
	D. Recreation Improvements						45,000.00	45,000.00
		$ 6,946,071.57	886,355.74	6,113,521.33	100,000.00	6,534,235.59	6,534,235.59	1,618,905.98

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.		
Balance December 31, 2019			$ 1,586,571.40
Increased by:			
Current Fund Budget Appropriation		100,000.00	
Funded Improvement Authorizations Canceled		174,016.52	
			274,016.52
			1,860,587.92
Decreased by:			
Appropriation to Finance Improvement Authorization		677,500.00	
			677,500.00
Balance December 31, 2020			$ 1,183,087.92

Capital Improvement Fund	1,037,587.92
Down Payment on Improvements	145,500.00
	1,183,087.92

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

	Ref.		
Balance December 31, 2019			$ 26,361,629.02
Increased by:			
None			
			-
			26,361,629.02
Decreased by:			
Serial Bonds Paid by Operating Budget		2,420,000.00	
NJEIT Loans Paid by Operating Budget		722,729.17	
			3,142,729.17
Balance December 31, 2020			$ 23,218,899.85

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

							Analysis of Balance	
Ord #	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Funds Received	Canceled	Balance Dec. 31, 2020	Expenditures	Unexpended Improvement Authorizations
1149	Improve Sanitary Sewerage System	$ 482,088.00			459,932.23	22,155.77	22,155.77	-
1198	Various Improvements	140,000.00			140,000.00	-		-
1244	Various Improvements	408,000.00		302,852.00		105,148.00	(196,790.60)	301,938.60
1261	Newark Avenue Reconstruction	145,000.00				145,000.00		145,000.00
1299	Various Improvements	95,000.00				95,000.00	49,297.65	45,702.35
1318	Pacific Ave	5,700,000.00		443,503.74		5,256,496.26	4,713,474.26	543,022.00
1338	Volunteer Fire Radios		237,500.00	40,000.00		197,500.00	188,612.45	8,887.55
1341	Various Improvements		5,035,000.00			5,035,000.00		5,035,000.00
		$ 6,970,088.00	5,272,500.00	786,355.74	599,932.23	10,856,300.03	4,776,749.53	6,079,550.50

Improvement Authorizations Unfunded		6,079,550.50
Less:		
Unexpended Proceeds of Bond Anticipation Notes Issued:		
Ord. Number		
None		
		-
		$ 6,079,550.50

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

				Balance December 31, 2019		Authorizations				Balance December 31, 2020	
Ord #	Improvement Description	Ord. Date	Amount	Funded	Unfunded	Other Funding	Deferred Future Taxation	Cancelled/ Adjustment	Paid/Charged	Funded	Unfunded
1110	Purchase Public Safety Equipment	11/22/2010	100,000	14,434.94				(15,734.94)	(1,300.00)	-	
1143	Various Improvements:	3/7/2012	360,000								
	A. Acquisition of Playground Equip.									-	
	B. Improvements to DPW Building			56,573.03				(56,573.03)		-	
	C. Improvements to Nesbitt Center									-	
1147	Various Improvements:	8/29/2012	614,000								
	A. Acquisition of Real Property									-	
	B. Police Communications Equip.									-	
	C. Acquire Emergency Generator			97,557.98				(97,557.98)		-	
1149	Improve Sanitary Sewerage System	11/26/2012	13,000,000		459,932.23			(459,932.23)			-
1156	Improvements to Various Municipally-Owned Properties and Acquisition of Equipment	1/23/2013	242,000	36,920.74				(36,920.74)		-	
1158	Improvements to Storm Water System	2/6/2013	51,000	15,049.40				(15,049.40)		-	
1174	Improvements to Various Municipally-Owned Buildings	8/21/2013	950,000	2,431.47				(2,431.47)		-	
1179	Replacement and Widening of Beachfront Bike Path	11/25/2013	350,000	40,359.37				(40,359.37)		-	
1184	Various General Improvements	1/22/2014	340,500.00	23,009.93				(23,009.93)		-	
1186	Storm Sewer	3/12/2014	100,000.00	28,734.43				(28,734.43)		-	
1198	Various General Improvements:	10/22/2014	995,000.00								
	A. Pacific Ave			21,637.25	140,000.00			(161,637.25)		-	
	B. Fuel Tanks			8,458.85				(17,502.85)	(9,044.00)	-	
	C. Buttercup										
1211	Various Improvements	3/5/2015	1,410,000.00								
	A. Dump Body Truck			2,743.00				(2,743.00)		-	
	B. Trash Truck			580.00				(580.00)		-	
	C. Parking Meter Compon			8,598.00				(8,598.00)		-	
	E. Buttercup Road			42,476.53				(42,476.53)		-	
	F. Pacific Ave ADA Curbs			18,617.51				(18,617.51)		-	
	G. NJ Ave Pole Relocate			257,321.40					36,058.28	221,263.12	
1219	Various Improvements	7/8/2015	300,000.00								
	A. Library Parking Lot			94,112.12				(94,112.12)		-	
	B. Buttercup Road			125,000.00				(125,000.00)		-	
	C. Pacific Ave ADA			46,805.00				(46,805.00)		-	

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2019 Funded	Balance December 31, 2019 Unfunded	Authorizations Other Funding	Authorizations Deferred Future Taxation	Cancelled/ Adjustment	Paid/Charged	Balance December 31, 2020 Funded	Balance December 31, 2020 Unfunded
1234	Various Improvements	2/10/2016	277,000.00								
	B. Parking Cardinal Rd			35,000.00				(35,000.00)		-	
	C. Fingerprint Process			5,363.81				(5,363.81)		-	
	E. Public Safety Sign			707.00				(707.00)		-	
	F. Old Library Bld Arch			-						-	
	G. Heather Rd Bikeshop			4,608.10					(3,065.00)	7,673.10	
	I. Pool Bldg Doors			15,285.00						15,285.00	
	J. Outdoor Lighting			1,567.23						1,567.23	
1244	Various Improvements										
	A. Pacific Ave Phase II	10/15/2016	2,375,000.00		34,857.95						34,857.95
	B. Sunset Lake	10/15/2016	600,000.00		237,204.10				(29,876.55)		267,080.65
1248	Various Vehicles & Equipment										
	A. Police Radio System	1/4/2017	120,000.00	16,554.38						16,554.38	
	B. Beach Tractor & Trash Truck Compactor Body	1/4/2017	160,000.00	23,437.43						23,437.43	
1250	Various Improvements	1/25/2017									
	A. HVAC System		80,000.00	-						-	
	B. Heather Road Bike Shop		60,000.00	41,308.15						41,308.15	
	C. EMT Building Driveway		30,000.00	-						-	
	D. UV Pool Filter		45,000.00	10,000.00						10,000.00	
	E. Old Library Roof		40,000.00	3,020.00						3,020.00	
	F. Nesbitt Building Improvements		75,000.00	11,969.96						11,969.96	
	G. ADA Beach Access		45,000.00	625.00					(28.75)	653.75	
1255	Road Curb Ramp Access	5/24/2017	50,000.00	16,110.20						16,110.20	
1261	Newark Avenue Reconstruction	12/6/2017	1,145,000.00	138,988.02	145,000.00				(48,979.54)	187,967.56	145,000.00
1266	Capital Ordinance- Sunset Lake	2/21/2018	700,000.00		-				(3,852.45)	3,852.45	
1267	Various Vehicles and Equipment		440,000.00	3,780.58						3,780.58	
1268	Various Improvements to Facilities	2/21/2018	187,500.00	2,539.25						2,539.25	
1299	Various Improvements										
	A. Road and Drainage Improvement		2,510,000.00	151,094.13					131,867.82	19,226.31	
	B. Beach and Bay Improvments		402,000.00	34,044.85	55,000.00				83,342.50		5,702.35
	C. Improvements to Public Buildings		603,000.00	386,748.86	40,000.00				6,101.96	380,646.90	40,000.00
	D. Improvements to Recreation and Parks		585,000.00	450,323.93					438,557.32	11,766.61	
1318	Pacific Ave		6,000,000.00	300,000.00	5,700,000.00				5,456,978.00		543,022.00

Exhibit C - 7

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

						Authorizations					
		Ord.		Balance December 31, 2019		Other	Deferred Future	Cancelled/		Balance December 31, 2020	
Ord #	Improvement Description	Date	Amount	Funded	Unfunded	Funding	Taxation	Adjustment	Paid/Charged	Funded	Unfunded
1323	Acquisition of 5900 NJ Avenue		400,000.00			400,000.00			377,351.00	22,649.00	
1338	Volunteer Fire Company Radios		250,000.00			12,500.00	237,500.00		241,112.45		8,887.55
1341	A. Road Improvements		2,400,000.00			120,000.00	2,280,000.00			120,000.00	2,280,000.00
	B. Beach and Bay Improvements		1,800,000.00			90,000.00	1,710,000.00			90,000.00	1,710,000.00
	C. Public Building and Property		200,000.00			10,000.00	190,000.00			10,000.00	190,000.00
	D. Recreation Improvements		900,000.00			45,000.00	855,000.00			45,000.00	855,000.00
				$ 2,594,496.83	6,811,994.28	677,500.00	5,272,500.00	(1,335,446.59)	6,675,223.04	1,266,270.98	6,079,550.50

Down Payments on Improvements	12,500.00
Capital Improvement Fund	665,000.00
	677,500.00

Deferred Charges to Future Taxation	(599,932.23)
Capital Improvement Fund	(174,016.52)
Fund Balance	(561,497.84)
	(1,335,446.59)

Cash Disbursed	6,113,521.33
Encumbrances Payable	2,754,453.21
Prior Year Encumbrances Cancelled	(2,192,751.50)
	6,675,223.04

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2020 Date	Amount	Interest Rate	Balance Dec. 31, 2019	Decreased	Balance Dec. 31, 2020
General Improvement Bonds of 2014	8/27/2014	8,530,000	9/1/21	890,000.00	2.000%	$ 4,560,000.00	870,000.00	3,690,000.00
			9/1/22	910,000.00	2.000%			
			9/1/23	940,000.00	2.000%			
			9/1/24	950,000.00	2.125%			
General Bonds of 2019	10/15/2019	6,320,000	2021	395,000.00	4.000%	6,320,000.00	350,000.00	5,970,000.00
			2022	350,000.00	4.000%			
			2023	675,000.00	4.000%			
			2024	650,000.00	4.000%			
			2025	650,000.00	4.000%			
			2026	650,000.00	4.000%			
			2027	650,000.00	4.000%			
			2028	650,000.00	2.000%			
			2029	650,000.00	2.000%			
			2030	650,000.00	2.000%			

Exhibit C - 8

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2020 Date		Maturities of Bonds Outstanding December 31, 2020 Amount	Interest Rate	Balance Dec. 31, 2019	Decreased	Balance Dec. 31, 2020
Refunding Bonds of 2019	11/1/2019	5,225,000	2021		1,215,000.00	4.000%	5,225,000.00	1,200,000.00	4,025,000.00
			2022		1,315,000.00	4.000%			
			2023		555,000.00	4.000%			
			2024	(1)	60,000.00	2.000%			
			2025	(1)	65,000.00	2.000%			
			2026	(1)	65,000.00	2.000%			
			2027	(1)	65,000.00	2.000%			
			2028	(1)	65,000.00	2.000%			
			2029	(1)	70,000.00	2.000%			
			2030	(2)	70,000.00	4.000%			
			2031	(2)	70,000.00	4.000%			
			2032	(2)	75,000.00	4.000%			
			2033	(3)	80,000.00	4.000%			
			2034	(3)	80,000.00	4.000%			
			2035	(3)	85,000.00	4.000%			
			2036	(3)	90,000.00	4.000%			
							$ 16,105,000.00	2,420,000.00	13,685,000.00

(1) = Term Bond Mandatory Sinking Fund $390,000.00 due 2029.
(2) = Term Bond Mandatory Sinking Fund $215,000.00 due 2032.
(3) = Term Bond Mandatory Sinking Fund $335,000.00 due 2036.

GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Balance December 31, 2020 Date	Maturities of Bonds Outstanding Balance December 31, 2020 Amount	Interest Rate	Balance Dec. 31, 2019	Decreased	Balance Dec. 31, 2020
NJ Environ. Infrastructure Trust Series 2010- Fund Loan	3/10/2010	$ 3,476,677	2/1/21	58,926.72	0.000%	$ 1,767,802.02	176,780.17	1,591,021.85
			8/1/21	117,853.45	0.000%			
			2/1/22	58,926.72	0.000%			
			8/1/22	117,853.45	0.000%			
			2/1/23	58,926.72	0.000%			
			8/1/23	117,853.45	0.000%			
			2/1/24	58,926.72	0.000%			
			8/1/24	117,853.45	0.000%			
			2/1/25	58,926.72	0.000%			
			8/1/25	117,853.45	0.000%			
			2/1/26	58,926.72	0.000%			
			8/1/26	117,853.45	0.000%			
			2/1/27	58,926.72	0.000%			
			8/1/27	117,853.45	0.000%			
			2/1/28	58,926.72	0.000%			
			8/1/28	117,853.45	0.000%			
			2/1/29	58,926.72	0.000%			
			8/1/29	117,853.77	0.000%			
NJ Environ. Infrastructure Trust Series 2010A- Trust Loan	3/10/2010	$ 1,135,000	8/1/21	56,000.00	3.000%	674,000.00	57,000.00	617,000.00
			8/1/22-23	62,000.00	4.000%			
			8/1/24	67,000.00	4.000%			
			8/2/25	66,000.00	4.000%			
			8/1/26	71,000.00	3.500%			
			8/1/27-28	76,000.00	4.000%			
			8/1/29	81,000.00	4.000%			

Exhibit C - 8b

GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Balance December 31, 2020 Date	Amount	Interest Rate	Balance Dec. 31, 2019	Decreased	Balance Dec. 31, 2020
NJ Environ. Infrastructure Trust								
NJ Ave 2015 Fund Loan	2015	$ 7,010,031	2021	368,949.00	0.000%	5,360,968.00	368,949.00	4,992,019.00
			2022	368,949.00	0.000%			
			2023	368,949.00	0.000%			
			2024	368,949.00	0.000%			
			2025	368,949.00	0.000%			
			2026	368,949.00	0.000%			
			2027	368,949.00	0.000%			
			2028	368,949.00	0.000%			
			2029	368,949.00	0.000%			
			2030	368,949.00	0.000%			
			2031	368,949.00	0.000%			
			2032	368,949.00	0.000%			
			2033	368,949.00	0.000%			
			2034	195,682.00	0.000%			
NJ Environ. Infrastructure Trust								
NJ Ave 2015 Trust Loan	2015	$ 2,878,859	2021	125,000.00	5.000%	2,453,859.00	120,000.00	2,333,859.00
			2022	130,000.00	5.000%			
			2023	135,000.00	5.000%			
			2024	145,000.00	5.000%			
			2025	150,000.00	5.000%			
			2026	160,000.00	5.000%			
			2027	165,000.00	4.000%			
			2028	175,000.00	4.000%			
			2029	180,000.00	4.000%			
			2030	190,000.00	4.000%			
			2031	195,000.00	4.000%			
			2032	205,000.00	4.000%			
			2033	158,859.00	4.000%			
			2034	220,000.00	4.000%			
						$ 10,256,629.02	722,729.17	9,533,899.85

Exhibit C - 10

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Other	Balance Dec. 31, 2020
1149	Improve Sanitary Sewer System	$ 482,088.00		(459,932.23)	22,155.77
1198	Various Improvements	140,000.00		(140,000.00)	-
1244	Various Improvements	408,000.00		(302,852.00)	105,148.00
1261	Newark Avenue Reconstruction	145,000.00			145,000.00
1299	Various Improvements	95,000.00			95,000.00
1318	Pacific Avenue	5,700,000.00		(443,503.74)	5,256,496.26
1338	Volunteer Fire Radios		237,500.00	(40,000.00)	197,500.00
1341	Various Improvements		5,035,000.00		5,035,000.00
		$ 6,970,088.00	5,272,500.00	(1,386,287.97)	10,856,300.03

Cancelled Improvement Authorizations	(599,932.23)
County Open Space Grant	(302,852.00)
Fire Company Contribution	(40,000.00)
County Contribution	(358,398.74)
Crest Memorial School Contribution	(85,105.00)
	(1,386,287.97)

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BOROUGH OF WILDWOOD CREST

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020

GENERAL COMMENTS

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

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate $44,000, except by contract or agreement".

The governing body of the municipality has the responsibility of determining whether the expenditures of any category will exceed $44,000 within the fiscal year due to not having a Qualified Purchasing Agent. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicated the following contracts were bid in 2020:

Pacific Ave & Various Streets Capital Improvement Program
Composite Decking and Composite Decking Screws
Beach and Street End Signage
Portable Toilets
FY2019 NJDCA Small Cities Program- Pool Restroom ADA Improvements
EMS Billing Services
Sale of Ice Cream/Ice Cream Products
Rental of Beach Concessions
Beach Concessions at Approved Locations for Ocean Surf Camp & Water Safety

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

Our examination of expenditures did not reveal individual payments, contracts or agreements in excess of $40,000 "for the performance of any work or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

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:

WHEREAS, N.J.S.A. 54:4-67 et seq. permits the governing body to fix the rate of interest to be charged for the nonpayment of taxes, sewer or other municipal charges.

NOW, THEREFORE, BE IT RESOLVED, by the governing body of the Borough of Wildwood Crest, the rate of interest on unpaid taxes and sewer shall be eight (8) percent per annum on the first one thousand five hundred dollars ($1,500.00) of delinquency and eighteen (18) percent per annum on any amount in excess of one thousand five hundred dollars ($1,500.00) to be calculated from the date the tax, sewer or other municipal charges were payable until the date of actual payment. No interest shall be charged if payment is made on or before the tenth (10th) calendar day following the date upon which the same is payable.

BE IT FURTHER RESOLVED, in addition to the interest provided above, all delinquencies in excess of ten thousand dollars ($10,000.00) which are not paid prior to the end of the year will be subject to a year-end penalty of six (6) percent.

Delinquent Taxes and Tax Title Liens

The 2019 tax sale was held on October 21, 2020 and was complete. There were no properties in bankruptcy as of December 31, 2020.

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

Year	Number of Liens
2020	0
2019	0
2018	0

Verification of Delinquent Taxes and Other Charges

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

Type	Number Mailed
Payment of 2020 and 2021 Taxes	10
Delinquent Taxes	5
Payment of Utility Charges	10
Delinquent Utility Charges	5

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.

	Currently		
Year	Tax Levy	Cash Collections	Percent of Collections
2020	$ 30,046,060	29,601,130	98.52%
2019	29,611,852	28,911,515	97.00%
2018	28,821,337	28,328,542	98.07%
2017	28,353,904	27,864,280	98.27%
2016	27,405,074	26,914,079	98.21%
2015	27,011,997	26,496,648	98.09%

Comparative Schedule of Tax Rate Information

	2020	2019	2018	2017	2016
Tax Rate	1.289	1.279	1.258	1.233	1.194
Apportionment of Tax Rate:					
Municipal	0.679	0.676	0.671	0.661	0.651
County	0.272	0.268	0.257	0.249	0.242
Local School	0.338	0.335	0.330	0.323	0.301
Assessed Valuation	2,322,564,210	2,302,497,100	2,291,044,313	2,294,314,735	2,292,297,710

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of 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
2019	$	-	374,139	374,139	1.25%
2019		-	668,964	668,964	2.26%
2018		-	510,264	510,264	1.77%
2017		11,641	447,157	458,798	1.62%
2016		-	394,624	394,624	1.44%

Uniform Construction Code

The Borough of Wildwood Crest 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.

FINDINGS AND RECOMMENDATIONS

NONE

Should any questions arise as to our audit please do not hesitate to contact me.

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

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

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472

July 2, 2021