

BOROUGH OF WILDWOOD CREST

COUNTY OF CAPE MAY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2022**

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, 2022



FORD - SCOTT

& ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Board of Commissioners
Borough of Wildwood Crest
County of Cape May, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Wildwood Crest, as of December 31, 2022 and 2021, 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, 2022 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Wildwood Crest as of December 31, 2022 and 2021, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2022 and 2021, 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, 2022 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Basis for Opinions

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the 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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2023, 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 the effectiveness internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Wildwood Crest's internal control over financial reporting and compliance.

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

June 23, 2023

EXHIBIT A - CURRENT FUND

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

	2022	2021
<u>ASSETS</u>		
Regular Fund:		
Cash:		
Treasurer	\$ 16,291,758.99	17,328,697.64
Change and Petty Cash Funds	1,800.00	1,600.00
Total Cash	16,293,558.99	17,330,297.64
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	355,694.07	373,187.87
Revenue Accounts Receivable	135,134.56	148,673.76
Interfund Receivable:		
Due from Trusts - Other	1,424.89	-
Due from Grant Fund	239,943.74	27,458.03
Total Receivables and Other Assets	732,197.26	549,319.66
Deferred Charges:		
None	-	-
Total Regular Fund	17,025,756.25	17,879,617.30
Federal and State Grant Fund:		
Cash	156,084.07	156,084.07
Federal and State Grants Receivable	3,103,634.27	1,345,089.38
Total Federal and State Grant Fund	3,259,718.34	1,501,173.45
Total Current Fund	\$ 20,285,474.59	19,380,790.75

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,**

	2022	2021
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,579,320.75	1,650,343.03
Encumbrances Payable/Accounts Payable	589,926.80	912,765.66
Accounts Payable	89,785.12	216,553.25
Payroll Deductions Payable	2,876.52	2,023.16
Prepaid Taxes	1,042,960.55	1,048,699.66
Overpaid Taxes	3,833.46	7,627.34
Local School Tax Payable	2,380,262.51	2,310,558.46
County Added Tax Payable	19,196.89	14,647.48
Prepaid & Overpaid Sewer Rents	48,130.84	61,658.30
Due to GWTIDA	400.00	175.00
Prepaid Pier Concession Rental	-	40,000.00
Due to State of New Jersey		
Senior Citizens and Veterans	511.21	309.84
Other		
Reserve for Municipal Relief Act Funds	19,876.80	-
Reserve for Tax Appeals	226,993.45	226,993.45
Reserve for Beach Operations Offset	404,174.46	357,199.29
Reserve for Insurance Proceeds	58,890.52	57,340.52
Reserve for Revaluation	-	-
	6,467,139.88	6,906,894.44
Reserve for Receivables and Other Assets	732,197.26	549,319.66
Fund Balance	9,826,419.11	10,423,403.20
Total Regular Fund	17,025,756.25	17,879,617.30
Federal and State Grant Fund:		
Unappropriated Reserves	38,844.29	168,066.87
Appropriated Reserves	2,901,268.46	808,926.53
Due to Current Fund	239,943.74	27,458.03
Encumbrances Payable	79,661.85	496,722.02
Total Federal and State Grant Fund	3,259,718.34	1,501,173.45
Total Current Fund	\$ 20,285,474.59	19,380,790.75

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,**

	2022	2021
Revenue and Other Income Realized		
Fund Balance	\$ 3,700,000.00	3,400,000.00
Miscellaneous Revenue Anticipated	9,731,175.17	7,088,389.95
Receipts from Delinquent Taxes	371,115.52	354,857.59
Receipts from Current Taxes	31,741,778.61	30,593,201.40
Non Budget Revenue	204,568.43	276,195.66
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	1,655,437.42	2,183,728.15
Grant Balances Cancelled	7,500.00	22,362.85
Refund of Prior Year Expenses	2,519.72	16,312.01
Total Income	47,414,094.87	43,935,047.61
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	7,402,976.00	6,721,267.00
Other Expenses	7,652,905.00	7,614,793.00
Deferred Charges & Statutory Expenditures	1,524,343.00	1,519,432.00
Judgements	150,000.00	150,000.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	16,038.90	27,400.00
Other Expenses	6,319,896.80	4,317,996.86
Capital Improvements	1,137,400.00	1,234,900.00
Municipal Debt Service	4,056,906.43	3,785,560.70
Deferred Charges & Statutory Expenditures	-	22,155.77
Local District School Tax	8,531,800.00	8,364,510.00
County Tax	7,286,411.05	6,572,078.65
County Share of Added Tax	19,196.89	14,647.48
Prior Year Senior Citizens Disallowed	719.18	-
Prior Year Revenues Refunded	-	1,577.65
Interfund Advances	212,485.71	-
Total Expenditures	44,311,078.96	40,346,319.11
Excess in Revenue	3,103,015.91	3,588,728.50

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,**

	2022	2021
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	3,103,015.91	3,588,728.50
Fund Balance January 1	10,423,403.20	10,234,674.70
	13,526,419.11	13,823,403.20
Decreased by:		
Utilization as Anticipated Revenue	3,700,000.00	3,400,000.00
Fund Balance December 31	\$ 9,826,419.11	10,423,403.20

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, 2022**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Fund Balance Anticipated	\$ 3,700,000.00		-
Total Fund Balance Anticipated	<u>3,700,000.00</u>	<u>-</u>	<u>-</u>
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Other	150,000.00		9,765.00
Fees and Permits	170,000.00		43,347.00
Fines and Costs:			
Municipal Court	60,000.00		45,426.96
Interest and Costs on Taxes	70,000.00		16,027.38
Parking Meters	320,000.00		428,023.01
Interest on Investments and Deposits	80,000.00		113,626.59
Recreation Income - Pool	70,000.00		33,792.00
TV Cable Franchise Fee	50,653.00		0.40
Municipal Pier and Concession Income	245,000.00		20,151.00
Interest and Costs on Delinquent Sewer Rents	8,000.00		10,664.81
Sewer Rents	3,460,300.00		340,313.56
Ambulance Fees	160,000.00		16,574.37
Total Section A: Local Revenues	<u>4,843,953.00</u>	<u>-</u>	<u>757,712.08</u>
Section B: State Aid Without Offsetting Appropriations			
Energy Receipts Tax	381,045.00		-
Total Section B: State Aid Without Offsetting Appropriations	<u>381,045.00</u>	<u>-</u>	<u>-</u>

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Section F: Special Items - Public and Private Programs			
Off-Set with Appropriations			
Recycling Tonnage Grant		12,951.45	-
Drunk Driving Enforcement Fund	2,038.90		-
NJ - UEZ		40,074.00	-
FEMA - Flood Mitigation		70,875.00	-
Clean Communities Program		24,788.52	-
GWTIDA - Summer Events Grants - 2022		36,500.00	-
GWTIDA - 2022		3,500.00	-
Distracted Driving Grant		7,000.00	-
Atlantic County JIF - Safety Grant		3,500.00	-
Cape May County Open Space - Public Beach Access		2,500,000.00	-
Click it or Ticket		7,000.00	-
NJ DCA - Local Recreation Grant		50,000.00	-
NJ Health Care Quality Institute - Mayors Wellness		1,000.00	-
Police Body Armor	1,407.83		-
Total Section F: Special Items - Public and Private Programs	3,446.73	2,757,188.97	-
Off-Set with Appropriations			
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		19,190.10
Beach Operation Off-Set - Reserved	357,199.00		0.29
Anticipated General Capital Fund Balance	261,190.00		-
Beach Box Revenue	170,000.00		30,250.00
Total Section G: Special Items of General Revenue Anticipated	938,389.00	-	49,440.39
With Prior Written Consent of Director of Local Government			
Services - Other Special Items			
Total Miscellaneous Revenues:	6,166,833.73	2,757,188.97	807,152.47
Receipts from Delinquent Taxes	350,000.00		21,115.52

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, 2022

	Budget	Anticipated 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	\$ 16,161,864.59		16,767,793.26	605,928.67
Total Amount to be Raised by Taxes for Support of Municipal Budget	16,161,864.59	-	16,767,793.26	605,928.67
Budget Totals	26,378,698.32	2,757,188.97	30,570,083.95	1,434,196.66
Non- Budget Revenues:				
Other Non- Budget Revenues:			204,568.43	204,568.43
	\$ 26,378,698.32	2,757,188.97	30,774,652.38	1,638,765.09

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$	31,741,778.61
Allocated to:		
School, County and Other Taxes		15,837,407.94
Balance for Support of Municipal Budget Appropriations		15,904,370.67
Increased by:		
Appropriation "Reserved for Uncollected Taxes"		863,422.59
Amount for Support of Municipal Budget Appropriations		16,767,793.26

Receipts from Delinquent Taxes:

Delinquent Tax Collection		371,115.52
Total Receipts from Delinquent Taxes		371,115.52

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Tax Collector:

Tax Sale Costs

Treasurer:

Late Mercantile Penalties		2,670.00
Code Violations		3,000.00
Administration Fee - Vets and Seniors		748.69
Administration Fee - Homestead Rebate		139.80
Photocopies		873.55
Police Department		11,588.08
NSF Fees		220.00
Junior Lifeguard Program		7,355.00
Tax Sale Costs		1,368.57
Prior Year Checks Voided		1,084.39
Sale of Municipal Assets		3,000.00
Workers Compensation Reimbursements		2,352.31
Recycling		11,408.40
Sewer Connection Fees		16,500.00
Craft Show		3,250.00
Motor Vehicle Fines		200.00
Poling Place Reimbursements		375.00
Tax Searches		10.00
Statutory Animal Fund Excess		430.71
JIF Reimbursements		66,526.00
TDF Collections		30,000.00
Reimbursements		38,474.40
Miscellaneous		2,993.53

Total Miscellaneous Revenue Not Anticipated:	\$	204,568.43
		204,568.43

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, 2022

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
DEPARTMENT OF PUBLIC AFFAIRS AND PUBLIC SAFETY:						
Directors Office	\$ 19,500.00	19,500.00	19,500.00	-	264.16	
Salaries and Wages	1,200.00	1,200.00	935.84			
Other Expenses						
Fire	4,000.00	4,000.00	3,500.12		499.88	
Salaries and Wages	242,500.00	242,500.00	197,688.93	702.89	44,108.18	
Other Expenses						
Police	2,525,000.00	2,560,000.00	2,557,604.50		2,395.50	
Salaries and Wages	302,130.00	302,130.00	234,456.93	59,982.61	7,690.46	
Other Expenses						
Legal	240,000.00	240,000.00	147,529.27	87,296.85	5,173.88	
Other Expenses						
Local Code Enforcement	45,000.00	45,000.00	38,526.46		6,473.54	
Salaries and Wages	6,000.00	6,000.00	2,211.48	3,000.00	788.52	
Other Expenses						
Emergency Management Services	6,500.00	6,500.00	5,000.00	-	1,500.00	
Salaries and Wages	5,000.00	5,000.00		5,000.00		
Other Expenses						
Services of Ambulance	550,000.00	550,000.00	549,054.60		945.40	
Salaries and Wages	75,800.00	75,800.00	36,672.65	3,203.68	35,923.67	
Other Expenses						
Lifeguards	691,147.00	672,147.00	671,874.04		272.96	
Salaries and Wages	75,580.00	94,580.00	70,792.78	23,772.94	14.28	
Other Expenses						
DEPARTMENT OF PUBLIC AFFAIRS AND PUBLIC SAFETY: (CONTINUED)						
Uniform Fire Safety Act (P.L. 1983, Ch. 383)						
Fire Official	143,000.00	143,000.00	138,027.97		4,972.03	
Salaries and Wages	15,800.00	15,800.00	9,403.92	981.25	5,414.83	
Other Expenses						
Animal Control	45,000.00	45,000.00	40,246.51	5.00	4,748.49	
Other Expenses						
Police Dispatch	265,000.00	265,000.00	265,000.00		-	
Other Expenses						

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Municipal Court						
Salaries and Wages	90,000.00	90,000.00	84,876.22		5,123.78	
Other Expenses	75,800.00	75,800.00	70,266.41		5,533.59	
Traffic Maintenance						
Salaries and Wages	156,000.00	161,000.00	159,690.32		1,309.68	
Other Expenses	43,550.00	43,550.00	33,221.72	5,404.61	4,923.67	
DEPARTMENT OF REVENUE AND FINANCE:						
Director's Office						
Salaries and Wages	19,500.00	19,500.00	19,500.00		-	
Other Expenses	1,200.00	1,200.00	869.39		330.61	
Borough Administration						
Salaries and Wages	295,000.00	295,000.00	282,247.39		12,752.61	
Other Expenses	72,500.00	77,500.00	51,555.12	16,809.16	9,135.72	
Election Expense	1,200.00	1,200.00	1,009.20		190.80	
Financial Administration						
Salaries and Wages	308,000.00	308,000.00	294,619.12		13,380.88	
Other Expenses	102,200.00	102,200.00	79,623.06	15,423.10	7,153.84	
Municipal Audit	35,000.00	35,000.00	35,000.00		-	
Assessment of Taxes						
Salaries and Wages	40,000.00	40,000.00	39,442.95		557.05	
Other Expenses	11,000.00	11,000.00	1,407.90	3,075.72	6,516.38	
Collection of Taxes						
Salaries and Wages	155,000.00	155,000.00	141,765.96		13,234.04	
Other Expenses	23,600.00	23,600.00	17,933.52	932.87	4,733.61	
Utility Billing Expenses						
Other Expenses	12,900.00	12,900.00	8,657.14		4,242.86	
Weddings						
Salaries and Wages	3,000.00	3,000.00			3,000.00	
Land Use Administration						
Salaries and Wages	50,000.00	47,000.00	41,437.97		5,562.03	
Other Expenses	96,895.00	96,895.00	55,096.15	40,547.95	1,250.90	
Insurance						
General Liability	180,000.00	180,000.00	153,564.00		26,436.00	
Workers Compensation	350,000.00	350,000.00	350,000.00		-	
Employee Group Health	2,900,000.00	2,539,000.00	2,194,675.42		344,324.58	
Health Benefit Waiver						
Salaries and Wages	30,000.00	30,000.00	11,700.26		18,299.74	
Green Team						
Other Expenses	5,000.00	5,000.00	3,103.89		1,896.11	

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
DEPARTMENT OF PUBLIC WORKS PARKS AND PUBLIC PROPERTY:						
Director's Office						
Salaries and Wages	21,329.00	21,329.00	21,328.32		0.68	
Other Expenses	1,200.00	1,200.00	100.00		1,100.00	
Engineer						
Other Expenses	130,000.00	170,000.00	104,807.16	48,108.59	17,084.25	
Landfill						
Other Expenses	375,000.00	395,000.00	350,191.25		44,808.75	
Public Works						
Salaries and Wages	600,000.00	600,000.00	555,683.04		44,316.96	
Other Expenses	118,500.00	133,500.00	101,227.04	25,150.50	7,122.46	
Recreation Buildings						
Other Expenses	108,250.00	108,250.00	77,964.45	15,107.75	15,177.80	
Beach Cleaning						
Salaries and Wages	40,000.00	40,000.00	38,442.50		1,557.50	
Other Expenses	84,750.00	84,750.00	79,542.23		5,207.77	
Sanitation						
Salaries and Wages	400,000.00	425,000.00	419,755.17	3,037.00	5,244.83	
Other Expenses	52,500.00	52,500.00	35,116.33		14,346.67	
Parks and Buildings						
Salaries and Wages	197,000.00	197,000.00	183,464.94		13,535.06	
Other Expenses	192,950.00	192,950.00	148,503.76	24,312.54	20,133.70	
Sewage						
Salaries and Wages	135,000.00	135,000.00	99,437.87		35,562.13	
Other Expenses	76,000.00	46,000.00	24,682.60	2,980.00	18,337.40	
Fleet Maintenance						
Salaries and Wages	216,000.00	216,000.00	205,714.45		10,285.55	
Other Expenses	188,400.00	203,400.00	181,558.79	5,000.00	16,841.21	
Tourism						
Salaries and Wages	35,000.00	35,000.00	30,507.01		4,492.99	
Other Expenses	146,200.00	146,200.00	119,822.41	21,585.49	4,792.10	
Recreation Commission (N.J.S. 40:61-17)						
Salaries and Wages	440,000.00	442,000.00	441,470.82		529.18	
Other Expenses	50,100.00	66,100.00	32,166.18	18,089.54	15,844.28	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS APPROPRIATIONS OFFSET BY REVENUES						
State Uniform Construction Code						
Salaries and Wages	140,000.00	143,000.00	138,669.04		4,330.96	
Other Expenses	18,700.00	18,700.00	9,146.64	8,049.50	1,503.86	

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
UTILITY EXPENSES AND BULK PURCHASES:						
Water / Hydrants	182,000.00	207,000.00	165,925.10		41,074.90	
Street Lighting	190,000.00	213,000.00	188,783.63	1,088.91	23,127.46	
Communications	110,000.00	110,000.00	94,670.72	1,888.76	13,440.52	
Natural Gas	100,000.00	100,000.00	64,562.85		35,437.15	
Electric	180,000.00	180,000.00	140,100.81	90.15	39,809.04	
Gasoline	175,000.00	225,000.00	207,399.46	2,158.15	15,442.39	
Accumulated Absence Liability	40,000.00	40,000.00	40,000.00		-	
Information Technology	106,500.00	111,500.00	96,754.81	12,832.00	1,913.19	
TOTAL OPERATIONS WITHIN "CAPS"	<u>15,165,881.00</u>	<u>15,055,881.00</u>	<u>13,516,788.49</u>	<u>455,617.51</u>	<u>1,083,475.00</u>	<u>-</u>
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	<u>15,165,881.00</u>	<u>15,055,881.00</u>	<u>13,516,788.49</u>	<u>455,617.51</u>	<u>1,083,475.00</u>	<u>-</u>
Detail:						
Salaries and Wages	7,354,976.00	7,402,976.00	7,192,841.04	-	210,134.96	-
Other Expenses	7,810,905.00	7,652,905.00	6,323,947.45	455,617.51	873,340.04	-
Statutory Expenditures:						
Contributions to:						
Public Employees Retirement System	487,574.00	487,574.00	487,574.00		-	
Social Security System (O.A.S.I.)	545,000.00	545,000.00	544,638.66		361.34	
Police and Fire Retirement System of N.J.	456,769.00	456,769.00	456,769.00		-	
Unemployment Compensation Insurance	30,000.00	30,000.00	30,000.00		-	
Defined Contribution Retirement Plan	5,000.00	5,000.00	789.87		4,210.13	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	<u>1,524,343.00</u>	<u>1,524,343.00</u>	<u>1,519,771.53</u>	<u>-</u>	<u>4,571.47</u>	<u>-</u>
JUDGEMENTS	<u>150,000.00</u>	<u>150,000.00</u>	<u>150,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>16,840,224.00</u>	<u>16,730,224.00</u>	<u>15,186,560.02</u>	<u>455,617.51</u>	<u>1,088,046.47</u>	<u>-</u>
OPERATIONS - EXCLUDED FROM "CAPS" (A) Operations - Excluded from "CAPS" Cape May County MUA - Charges	3,460,300.00	3,570,300.00	3,407,499.00		162,801.00	
TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"	<u>3,460,300.00</u>	<u>3,570,300.00</u>	<u>3,407,499.00</u>	<u>-</u>	<u>162,801.00</u>	<u>-</u>

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(A) Public and Private Programs Off-Set by Revenues						
Matching Funds for Grants	5,000.00	5,000.00			5,000.00	
Drunk Driving Enforcement Grant	2,038.90	2,038.90	2,038.90		-	
Police Body Armor Fund	1,407.83	1,407.83	1,407.83		-	
Recycling Tonnage Grant		12,951.45	12,951.45		-	
Clean Communities Program		24,788.52	24,788.52		-	
GWTIDA - Summer Events Grants		36,500.00	36,500.00		-	
FEMA Flood Mitigation Washington Ave		70,875.00	70,875.00		-	
JIF Incentive Program Grant		3,500.00	3,500.00		-	
Open Space- Public Beach Access Improv		2,500,000.00	2,500,000.00		-	
2022 UEZ Grant		40,074.00	40,074.00		-	
Local Recreational Improvement Grant		50,000.00	50,000.00		-	
Mayors Wellness Campaign Incentive Grant		1,000.00	1,000.00		-	
Click it or Ticket		7,000.00	7,000.00		-	
Distracted Driving Grant		7,000.00	7,000.00		-	
GWTIDA Create in the Crest Arts Festival		3,500.00	3,500.00		-	
Total Public and Private Programs Off-Set by Revenues	8,446.73	2,765,635.70	2,760,635.70	-	5,000.00	-
Total Operations - Excluded from "CAPS" Detail:						
Salaries and Wages	3,468,746.73	6,335,935.70	6,168,134.70		167,801.00	
Other Expenses	2,038.90	16,038.90	16,038.90		-	
	3,466,707.83	6,319,896.80	6,152,095.80		167,801.00	
(C) Capital Improvements						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00		-	
Emergency Sanitary and Storm Sewer Repairs	100,000.00	100,000.00	17,347.63		82,652.37	
Purchase of Property		225,000.00			-	225,000.00
Fire Department Equipment	197,400.00	197,400.00	197,197.20		202.80	
Purchase of Vehicles and Large Equipment	473,000.00	473,000.00	308,541.60	134,309.29	30,149.11	
Purchase of Equipment and Computers	77,000.00	77,000.00	55,175.67		21,824.33	
Improvements to Roads	100,000.00	100,000.00			100,000.00	
Improvements to Borough Buildings and Property	100,000.00	100,000.00	13,405.33		86,594.67	
Acquisition of Beach Boxes and Equipment	40,000.00	40,000.00	37,950.00		2,050.00	
Total Capital Improvements	1,137,400.00	1,362,400.00	679,617.43	134,309.29	323,473.28	225,000.00

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(D) Debt Service						
Payment of Bond Principal	2,575,000.00	2,575,000.00	2,575,000.00			-
Interest on Bonds	348,150.00	348,150.00	348,150.00			-
Interest on Notes	280,000.00	280,000.00	275,999.98			4,000.02
New Jersey Environmental Infrastructure Trust						
Principal	741,805.00	741,805.00	737,323.95			4,481.05
Interest	123,950.00	123,950.00	120,432.50			3,517.50
Total Debt Service	<u>4,068,905.00</u>	<u>4,068,905.00</u>	<u>4,056,906.43</u>	<u>-</u>	<u>-</u>	<u>11,998.57</u>
(E) Deferred Charges						
Deferred Charges to Future Taxation - Unfunded		-				
Total Deferred Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 8,675,051.73	11,767,240.70	10,904,658.56	134,309.29	491,274.28	236,998.57
SUBTOTAL GENERAL APPROPRIATIONS	<u>25,515,275.73</u>	<u>28,497,464.70</u>	<u>26,091,218.58</u>	<u>589,926.80</u>	<u>1,579,320.75</u>	<u>236,998.57</u>
(M) Reserve for Uncollected Taxes	863,422.59	863,422.59	863,422.59			
TOTAL GENERAL APPROPRIATIONS	<u>\$ 26,378,698.32</u>	<u>29,360,887.29</u>	<u>26,954,641.17</u>	<u>589,926.80</u>	<u>1,579,320.75</u>	<u>236,998.57</u>
Budget		\$ 26,378,698.32				
Appropriations by 40A:4-87		2,757,188.97				
Emergency Appropriations		225,000.00				
		<u>29,360,887.29</u>				
Reserve for Uncollected Taxes			863,422.59			
Federal and State Grants			2,760,635.70			
Disbursements			23,330,582.88			
			<u>26,954,641.17</u>			

EXHIBIT B - TRUST FUND

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

	2022	2021
ASSETS		
Animal Control Fund:		
Cash	\$ 1,680.00	1,917.00
Due from Current Fund		
	1,680.00	1,917.00
Other Funds:		
Cash - Treasurer	1,874,360.31	1,717,341.67
	1,874,360.31	1,717,341.67
	\$ 1,876,040.31	1,719,258.67
 LIABILITIES, RESERVES AND FUND BALANCE		
Animal Control Fund:		
Due to State of New Jersey	\$ -	7.20
Reserve for Expenditures	1,680.00	1,909.80
	1,680.00	1,917.00
Other Funds:		
Due to Current Fund	1,424.89	-
Reserve for Encumbrances	14,836.00	38,696.50
Due to State- Marriage Licenses	275.00	425.00
Due to State- DCA Training Fees	4,037.00	8,922.00
Reserves - Miscellaneous	1,853,787.42	1,669,298.17
	1,874,360.31	1,717,341.67
	\$ 1,876,040.31	1,719,258.67

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

EXHIBIT C - CAPITAL FUND

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Cash	\$	1,964,477.85	5,254,300.46
Deferred Charges to Future Taxation -			
Funded		26,145,067.70	19,992,391.65
Unfunded		11,557,119.37	10,855,562.62
DOT Grant Receivable		196,025.00	-
		<u>39,862,689.92</u>	<u>36,102,254.73</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable		18,075,000.00	11,185,000.00
NJEIT Loan Payable		8,070,067.70	8,807,391.65
Bond Anticipation Notes Payable		-	9,000,000.00
Improvement Authorizations:			
Funded		840,820.85	943,984.80
Unfunded		8,039,214.94	1,142,595.90
Reserve for Encumbrances		3,546,189.29	3,608,155.31
Down Payment on Improvements		-	145,500.00
Capital Improvement Fund		657,690.21	905,167.12
Fund Balance		633,706.93	364,459.95
	\$	<u>39,862,689.92</u>	<u>36,102,254.73</u>

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

2021	1,855,562.62
2022	11,557,119.37

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

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

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Beginning Balance January 1	\$	364,459.95	1,191,843.40
Increased by:			
Funded Improvement Authorizations Canceled		476,801.43	
Premium on Sale of BAN's		53,635.55	161,190.00
Grant Proceeds			61,426.55
		<u>894,896.93</u>	<u>1,414,459.95</u>
Decreased by:			
Surplus budgeted in Current Fund		261,190.00	100,000.00
Appropriation to Finance			
Improvement Authorizations		-	950,000.00
		<u>261,190.00</u>	<u>1,050,000.00</u>
Ending Balance December 31	\$	<u><u>633,706.93</u></u>	<u><u>364,459.95</u></u>

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

	<u>2022</u>	<u>2021</u>
General Fixed Assets:		
Land	\$ 28,423,272.00	28,216,976.00
Buildings	12,249,531.00	12,241,634.00
Machinery, Equipment and Vehicles	9,931,954.00	9,064,682.00
Construction in Progress	<u>3,940,907.00</u>	<u>1,489,026.00</u>
	<u>54,545,664.00</u>	<u>51,012,318.00</u>
Investment in General Fixed Assets	\$ <u>54,545,664.00</u>	<u>51,012,318.00</u>

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

NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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:

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

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

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

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 March 2021, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This statement, which is effective for periods beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the Borough's financial reporting.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In May 2021, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, “Subscription-Based Information Technology Arrangements”. This statement, which is effective for periods beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the Borough’s financial reporting.

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

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, “Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62”. This statement, which is effective for periods beginning after June 15, 2023, and all reporting periods thereafter, will not have any effect on the Borough’s financial reporting.

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

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 2022 and 2021 statutory budgets included a reserve for uncollected taxes in the amount of \$863,423 and \$909,493. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2022 and 2021 statutory budgets was \$3,700,000 and \$3,400,000.

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 2022 and 2021 calendar years:

<u>Budget Category</u>	<u>2022</u>	<u>2021</u>
<u>Current Fund:</u>		
Employee Group Health	(361,000)	(470,000)
Sewage		
Salaries and Wages		40,000
Other Expenses	(30,000)	
Engineer		
Other Expenses	40,000	
Public Works		
Other Expenses		230,000
Sanitation		
Salaries and Wages	25,000	
Capital Improvements to Roads		
Police		
Salaries and Wages	35,000	
Other Expenses		45,000
Service of Ambulance		
Salaries and Wages		(32,000)
Lifeguards		
Other Expenses		32,000
Recreation Commission		
Other Expenses		35,000
Water / Hydrants	25,000	
Gasoline	50,000	

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 2: BUDGETARY INFORMATION - CONTINUED

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

	<u>2022</u>	<u>2021</u>
Summer Events Grant - GWTIDA	36,500	39,000
Summer Events Grant - 2022	3,500	
NJ - UEZ	40,074	
ACE Sustainable Communities		5,000
NJ DCA - Local Recreation Grant	50,000	
NJ Health Care Quality Institute - Mayors Wellness	1,000	
Cape May County Open Space - Public Beach Access	2,500,000	
Body Worn Cameras		10,190
Small Cities		400,000
JIF Incentive	3,500	3,500
NJ Urban and Community Forestry		50,000
Click it or Ticket	7,000	6,000
Distracted Driver Crackdown Grant	7,000	13,280
Recycling Tonnage Grant	12,951	
Clean Communities	24,789	25,151
FEMA - Flood Mitigation	70,875	
Total	<u>2,757,189</u>	<u>552,120</u>

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. During 2022 the Borough adopted an Emergency Appropriation in the amount of \$225,000 for the purchase of Real Property, subsequently this Emergency was fully funded by Capital Ordinance and therefore no amount is required to be raised in the 2023 Budget.

NOTE 3: 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 Unit Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2022 and 2021, none of the municipality's bank balances of custodial credit risk.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 3: CASH – Continued

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: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2022 and 2021:

	Balance 12/31/2021	Additions	Retirements/ Adjustments	Balance 12/31/2022
Land and Improvements	\$ 28,216,976	206,296		28,423,272
Building and Improvements	12,241,634	7,897		12,249,531
Equipment and Machinery	9,064,682	867,272		9,931,954
Construction in Progress	1,489,026	2,451,881		3,940,907
	<u>\$ 51,012,318</u>	<u>3,533,346</u>	<u>-</u>	<u>54,545,664</u>

	Balance 12/31/2020	Additions	Retirements/ Adjustments	Balance 12/31/2021
Land	\$ 25,917,954	377,437	1,921,585	28,216,976
Building and Improvements	14,163,219		(1,921,585)	12,241,634
Equipment and Machinery	8,704,342	715,344	(355,004)	9,064,682
Construction in Progress	231,924	1,257,102		1,489,026
	<u>\$ 49,017,439</u>	<u>2,349,883</u>	<u>(355,004)</u>	<u>51,012,318</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 5: SHORT-TERM OBLIGATIONS

The following is a summary of changes in short-term debt for the years ended December 31, 2022 and 2021:

	Balance 12/31/21	Issued	Retired	Balance 12/31/22
Bond Anticipation				
Notes payable:				
General	9,000,000		9,000,000	-
	<u>\$ 9,000,000</u>	<u>-</u>	<u>9,000,000</u>	<u>-</u>

The \$9,000,000 Bond Anticipation Note was dated March 18, 2021 and matured on March 17, 2022, interest was paid at the rate of 2.00%. At maturity on March 17, 2022 this note was renewed to mature on September 30, 2022 also at 2%. The note was fully funded by the Bond Sale dated September 29, 2022.

As of December 31, 2022 and 2021, the Borough has authorized but not issued bonds in the amount of \$11,557,119.37 and \$1,855,562.62 respectively.

NOTE 6: LONG TERM DEBT

Long-term debt as of December 31, 2022 and 2021 consisted of the following:

	Balance 12/31/21	Issued	Retired	Cancelled/ Refunded	Balance 12/31/22	Amounts Due Within One Year
Bonds payable:						
General	\$ 11,185,000	9,465,000	2,575,000		18,075,000	2,585,000
Total	<u>\$ 11,185,000</u>	<u>9,465,000</u>	<u>2,575,000</u>	<u>-</u>	<u>18,075,000</u>	<u>2,585,000</u>
Other liabilities:						
Loans Payable:						
General	8,807,392		737,324		8,070,068	742,729
Total long-term liabilities	<u>\$ 19,992,392</u>	<u>9,465,000</u>	<u>3,312,324</u>	<u>-</u>	<u>26,145,068</u>	<u>3,327,729</u>

	Balance 12/31/20	Issued	Retired	Cancelled/ Refunded	Balance 12/31/21	Amounts Due Within One Year
Bonds payable:						
General	\$ 13,685,000	2,500	2,420,000	-	11,185,000	2,575,000
Total	<u>\$ 13,685,000</u>	<u>2,500</u>	<u>2,420,000</u>	<u>-</u>	<u>11,185,000</u>	<u>2,575,000</u>
Other liabilities:						
Loans Payable:						
General	9,533,900	726,729	722,729	-	8,807,392	737,729
Total long-term liabilities	<u>\$ 23,218,900</u>	<u>729,229</u>	<u>3,142,729</u>	<u>-</u>	<u>19,992,392</u>	<u>3,312,729</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 6: LONG TERM DEBT - Continued

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 2.125%. The balance remaining as of December 31, 2022 is \$1,890,000.

\$6,320,000 General Improvement Bonds dated October 15, 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, 2022 is \$5,225,000.

\$5,225,000 Refunding Bonds dated November 1, 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, 2022 is \$1,495,000.

\$9,465,000 General Improvement Bonds dated September 29, 2022, due in semi-annual installments through September 15, 2034, bearing interest at a varying rate ranging from 3.0% to 5%. The balance remaining as of December 31, 2022 is \$9,465,000.

\$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, 2022 is \$1,237,462.

\$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, 2022 is \$499,575.

\$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, 2022 is \$4,254,121.

\$2,878,859 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, 2022 is \$2,078,910.

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

Year	General Fund	
	Principal	Interest
2023	\$ 3,327,729	764,237
2024	3,242,729	680,855
2025	2,301,729	581,100
2026	2,316,729	502,410
2027	2,326,729	423,020
2028-2032	9,710,306	1,115,920
2033-2036	2,918,490	142,200
	26,144,442	4,209,742

As of December 31, 2022 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 \$468,190.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 6: LONG TERM DEBT - CONTINUED

<u>Summary of Municipal Debt</u>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>Issued:</u>			
General - Bonds, Loans and Notes	\$ 26,145,068	\$ 28,992,392	\$ 23,218,900
Total Issued	<u>26,145,068</u>	<u>28,992,392</u>	<u>23,218,900</u>
<u>Authorized but not issued:</u>			
General - Bonds, Loans and Notes	11,557,119	1,855,563	10,856,300
Total Authorized But Not Issued	<u>11,557,119</u>	<u>1,855,563</u>	<u>10,856,300</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 37,702,187</u>	<u>\$ 30,847,955</u>	<u>\$ 34,075,200</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.280%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 37,702,187		37,702,187
	<u>\$ 37,702,187</u>	<u>-</u>	<u>37,702,187</u>

Net Debt \$37,702,187 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,680,469,015 = 1.407%.

NOTE 6: LONG TERM DEBT - CONTINUED

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 93,816,416
Net Debt	37,702,187
Remaining Borrowing Power	<u>\$ 56,114,229</u>

NOTE 7: FUND BALANCES APPROPRIATED

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

	<u>2022</u>	<u>2021</u>
Current Fund	\$ 3,700,000	3,400,000

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 8: SCHOOL TAXES

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

		12/31/2022		12/31/2021
Balance of Tax	\$	3,530,263	\$	3,460,558
Deferred		1,150,000		1,150,000
Tax Payable		\$ 2,380,263	\$	2,310,558

NOTE 9: TAXES COLLECTED IN ADVANCE

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

		Balance 12/31/22		Balance 12/31/21
Prepaid Taxes	\$	1,042,961	\$	1,048,700
Cash Liability for Taxes Collected in Advance	\$	1,042,961	\$	1,048,700

NOTE 10: PENSION FUNDS

Description of Plans

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

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The 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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 10: PENSION FUNDS - CONTINUED

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 7.50% of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The entity's contributions to PERS for the years ended December 31, 2022, 2021, and 2020 were \$487,574, \$427,119 and \$393,032.

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, 2022, 2021, and 2020 were 456,769, \$535,682 and \$445,632.

The total payroll for the year ended December 31, 2022, 2021 and 2020 was \$7,119,435, \$6,611,225 and \$6,403,048. Payroll covered by PFRS was \$1,932,393, \$1,645,566 and \$1,432,308. Payroll covered by PERS was \$3,188,566, \$2,968,513 and \$2,986,766.

Significant Legislation

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

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%.
- For fiscal year 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).

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 10: PENSION FUNDS - CONTINUED

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 11: PENSION LIABILITIES

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the 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, 2021:

Public Employees' Retirement System

The Municipality has a liability of \$4,932,085 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 that was rolled forward to June 30, 2021. 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, 2021, the Municipality's proportion would be 0.04163327170%, which would be an increase of 6.63% from its proportion measured as of June 30, 2020.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

Note 11: PENSION LIABILITIES - Continued

For the year ended December 31, 2021, the Municipality would have recognized pension expense of -\$298,229. At December 31, 2021, 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	\$ 77,785	\$ (35,308)
Changes of assumptions	25,686	(1,755,854)
Changes in proportion		(156,135)
Net difference between projected and actual earnings on pension plan investments	904,488	(1,299,241)
Total	\$ 1,007,959	\$ (3,246,538)

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,	
2022	\$ (907,254)
2023	(647,776)
2024	(441,673)
2025	(332,007)
2026	131
Total	\$ (2,328,579)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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%

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

Note 11: PENSION LIABILITIES - Continued

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

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real estate	8.00%	9.15%
Real assets	3.00%	7.40%
High yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment grade credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

Note 11: PENSION LIABILITIES - Continued

current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the 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 as disclosed above, 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 or 1-percentage point higher 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	\$ 6,036,864	\$ 4,932,085	\$ 3,995,715

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 \$2,864,604 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2020 that was rolled forward to June 30, 2021. 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, 2021, the Municipality's proportion would be 0.03919201940%, which would be an decrease of -15.85% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Municipality would have recognized pension expense of -\$467,394. At December 31, 2021, 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	\$ 32,682	\$ (343,150)
Changes of assumptions	15,243	(858,509)
Changes in proportion	498,046	(993,773)
Net difference between projected and actual earnings on pension plan investments		(1,220,701)
Total	\$ 545,971	\$ (3,416,133)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

Note 11: PENSION LIABILITIES - Continued

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

Year ended June 30,		
2022	\$	(918,848)
2023		(689,728)
2024		(591,835)
2025		(583,621)
2026		(73,616)
Thereafter		(12,515)
Total	\$	<u>(2,870,162)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

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

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

The actuarial assumptions used in the July 1, 2020 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, 2021) 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, 2021 are summarized in the table on the following page:

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

Note 11: PENSION LIABILITIES - Continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	8.09%
Non-U.S. developed markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private equity	13.00%	11.30%
Real estate	8.00%	9.15%
Real assets	3.00%	7.40%
High yield	2.00%	3.75%
Private credit	8.00%	7.60%
Investment grade credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk mitigation strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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, 2021, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Decrease (6.00%)	Rate (7.00%)	Increase (8.00%)
Municipality's proportionate share of the net pension liability	\$ 4,048,054	\$ 2,864,604	\$ 1,879,492

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, 2021 State special funding situation net pension liability amount of \$2,036,258.082.00 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, 2021 State special funding situation pension expense of \$228,944,734.00 is the actuarially determined contribution amount that the State owes for the fiscal

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

Note 11: PENSION LIABILITIES - Continued

year ending June 30, 2021. 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 2021, 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 0.03919201940% for 2021. The net pension liability amount allocated to the Municipality was \$805,669. For the fiscal year ending June 30, 2021 State special funding situation pension expense of \$89,728 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 12: POST-RETIREMENT BENEFITS – LOCAL PLAN

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 13.

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.

Annual OPEB Cost and Net OPEB Liability

The Borough's annual OPEB cost represents the accrued cost for post-employment benefits under GASB 75.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 12: POST-RETIREMENT BENEFITS – LOCAL PLAN

Actuarial Methods and Assumptions

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

In the January 1, 2022 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 4.31% and annual dental and vision cost trend rate of 5.0%.

Other Post-employment Benefit Costs and Obligations

In the January 1, 2022 actuarial valuation, the Actuarially Determined Contribution for the year’s ending December 31, 2021 and 2022 were projected as detailed on the following schedule:

	TOTAL OPEB LIABILITY				
	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Service Cost	\$ 113,937	\$ 112,169	\$ 122,296	\$ 114,282	\$ 104,654
Interest	201,475	168,441	252,743	266,257	256,776
Experience & Assumption (Gain) or Loss	(3,844,861)	47,941	687,372	152,087	(1,560)
Benefit Payments	(116,458)	(86,766)	(88,718)	(100,338)	(98,482)
Net Change in Total OPEB Liability	(3,645,907)	241,785	973,693	432,288	261,388
Total OPEB Liability - Beginning	9,012,676	8,770,891	7,797,198	7,364,910	7,103,522
Total OPEB Liability - Ending	<u>\$ 5,366,769</u>	<u>\$ 9,012,676</u>	<u>\$ 8,770,891</u>	<u>\$ 7,797,198</u>	<u>\$ 7,364,910</u>
Plan Fiduciary Net Position as a % of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	\$ 7,119,435	\$ 6,340,608	\$ 6,157,839	\$ 6,437,211	\$ 6,115,757
OPEB Liability as a Percentage of Covered Payroll	75.38%	142.14%	142.43%	121.13%	120.43%

There were no changes of benefit.

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

The January 1, 2022 valuation was prepared using a discount rate of 4.31%. 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		
	<u>1% Decrease</u>	<u>Baseline 4.31%</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 6,316,129</u>	<u>\$ 5,366,769</u>	<u>\$ 4,614,920</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 12: POST-RETIREMENT BENEFITS – LOCAL PLAN

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

The January 1, 2022 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	\$ <u>4,610,277</u>	\$ <u>5,366,769</u>	\$ <u>6,323,849</u>

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

For the year ended December 31, 2021 and 2022 respectively, the Borough's Actuarially determined OPEB expense was -\$305,920 and \$428,251.

At December 31, 2022, 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	\$ 232,894	\$ (1,431,314)
Changes in assumptions	<u>722,613</u>	<u>(2,174,000)</u>
Total	\$ <u>955,507</u>	\$ <u>(3,605,314)</u>

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,

2023		\$ (621,332)
2024		(621,073)
2025		(646,420)
2026		(760,982)
2027		-
		\$ (2,649,807)

NOTE 13 – OTHER POST-RETIREMENT BENEFITS – STATE PLAN

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 13 – OTHER POST-RETIREMENT BENEFITS – STATE PLAN – Continued

about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at:

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

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide 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 Municipality 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, 2021 were \$3,872,142,278 and \$14,177,910,609,

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 13 – OTHER POST-RETIREMENT BENEFITS – STATE PLAN – Continued

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, 2020 through June 30, 2021. 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, 2021 is as follows:

	June 30, 2021	
	Collective Total	Proportionate Share
Total OPEB Liability	\$ 18,050,052,887	\$ 23,428,608
Plan Fiduciary Net Position	50,271,652	65,252
Net OPEB Liability	\$ 17,999,781,235	\$ 23,363,356
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	0.28%

At June 30, 2021 the Borough's proportionate share of the Collective Net OPEB Liability was \$23,363,356. The State's proportionate share for the Special Funding Situation that is associated with the Borough is \$237,628. The Borough's proportion of the Collective Net OPEB Liability was 0.129798% which was an increase from the prior year of 15.60%. The State's proportionate share attributable to the Borough of the Collective Net OPEB Liability for the Special Funding Situation was 0.006154% which was a decrease from the prior year of 92.52%.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 13 – OTHER POST-RETIREMENT BENEFITS – STATE PLAN – Continued

Borough's Proportionate Share of Collective Net OPEB Liability	\$	23,363,356
State's proportionate share that is associated with the Borough		237,628
Total	\$	23,600,984

For the Year ended June 30, 2021 the Borough's Total OPEB Expense was \$766,735 and the State of New Jersey realized Total OPEB Expense in the amount of -\$32,425 for its proportionate share of Total OPEB Expense that is associated with the Borough.

The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. 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%

Mortality:

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

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

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

Actuarial assumptions used in the July 1, 2020 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.

Discount Rate

The discount rate for June 30, 2021 was 2.16%. 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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 13 – OTHER POST-RETIREMENT BENEFITS – STATE PLAN – Continued

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB liability as of June 30, 2021, 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 (1.16%)		Discount Rate (2.16%)		1% Increase (3.16%)
Collective						
Net OPEB Liability	\$	21,182,289,882	\$	17,999,781,235	\$	15,447,574,697
Proportionate Share						
Net OPEB Liability	\$	27,494,189	\$	23,363,356	\$	20,050,643

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

The following presents the net OPEB liability as of June 30, 2021, 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	\$	15,017,879,689	\$	17,999,781,235	\$	21,890,793,528
Proportionate Share						
Net OPEB Liability	\$	19,492,907	\$	23,363,356	\$	28,413,812

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

At June 30, 2021, 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	\$ 403,893,589	\$ (3,765,820,027)	\$ 11,171	\$ (4,887,959)
Changes of assumptions	2,589,322,345	(3,181,672,721)	3,360,889	(4,129,748)
Net difference between projected and actual earnings on OPEB plan investments	8,606,416		524,246	
Changes in proportion and differences between contributions and proportionate share of contributions	5,534,468,995	(5,534,468,995)	5,367,223	(1,309,004)
Total	\$ 8,536,291,345	\$ (12,481,961,743)	\$ 9,263,529	\$ (10,326,711)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 13 – OTHER POST-RETIREMENT BENEFITS – STATE PLAN – Continued

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

Year ended June 30,	Collective Totals	Proportionate Share
2022	\$ (1,074,753,405)	\$ (289,598)
2023	(1,076,167,210)	(289,979)
2024	(1,077,459,075)	(290,327)
2025	(769,416,743)	(207,323)
2026	(129,344,414)	(34,853)
Thereafter	181,470,449	48,898
Total	<u>\$ (3,945,670,398)</u>	<u>\$ (1,063,182)</u>

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

Collective OPEB Expenses reported by the State of New Jersey

The components of allocable OPEB Expense related to specific liabilities of individual employers for the year ending June 30, 2021 are as follows:

Service cost	\$ 846,075,674
Interest on Total OPEB Liability	413,837,061
Expected Investment Return	(2,381,937)
Administrative Expenses	11,334,383
Changes of Benefit Terms	2,029,119
Current Period Recognition (Amortization) of Deferred Inflow s/ Outflow s of Resources:	
Differences between Expected and Actual Experience	(703,565,089)
Changes in Assumptions	(375,284,907)
Differences between Projected and Actual Investment Earnings on OPEB Plan Investments	4,971,262
Total Collective OPEB Expense	<u>\$ 197,015,566</u>

Schedule of the Borough's Share of Net OPEB Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Borough's Proportionate Share of Net OPEB Liability	\$ 0.129798%	0.11228%	0.07380%	0.07390%
Borough's Share of Net OPEB Liability	23,363,356	20,151,175	13,808,729	16,791,638
Borough's Covered Payroll	6,340,608	6,157,839	6,437,211	6,115,757
Borough's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	368.47%	327.24%	214.51%	274.56%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	0.97%	1.97%	1.98%

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)**

NOTE 14: 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, 2022 is \$390,912. The total liability of accrued sick leave and vacation for all eligible employees at December 31, 2022 is estimated to be \$413,029.

NOTE 15: 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 16: 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, 2022 and 2021 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	Amount Contributed	Ending Balance
2022	\$ 30,000	31,983	84,135
2021	45,000	28,065	86,118
2020	45,000	26,835	69,183

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(CONTINUED)

NOTE 17: 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 20: CONTINGENT LIABILITIES

From time to time, the Borough is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the Borough'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, 2022, 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	\$ 239,943.74	-
Other Trust Fund	1,424.89	
Trust Fund:		
Current - Other Trust Fund		1,424.89
Grant Fund:		
Current Fund		239,943.74
	\$ 241,368.63	241,368.63

NOTE 21: SUBSEQUENT EVENTS

The entity has evaluated subsequent events through June 23, 2023, the date which the financial statements were available to be issued and identified no events requiring disclosure.

SUPPLEMENTARY DATA



FORD - SCOTT

& ASSOCIATES, L.L.C.

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

To the Honorable Mayor and
Members of the Borough Commission
Borough of Wildwood Crest
County of Cape May, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements – regulatory basis, as listed in the accompanying table of contents, of the Borough of Wildwood Crest, State of New Jersey, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 23, 2023, which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Wildwood Crest prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey.

Report on Internal Control over Financial Reporting

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

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

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

June 23, 2023



FORD - SCOTT

& ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT **ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER** **COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Mayor and
Members of Board of Commissioners
Borough of Wildwood Crest
County of Cape May, New Jersey

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Borough of Wildwood Crest's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal programs for the year ended December 31, 2022. The Borough of Wildwood Crest's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Wildwood Crest complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal and Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control Over Compliance

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

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

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

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

Ford, Scott & Associates, L.L.C.
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No. 472

June 23, 2023

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2022**

Federal Grantor / Pass-through Grantor Program	CFDA Number	Pass-Through Entity ID#	Grant Period From To	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/ Expenditures	MEMO ONLY Accumulated Expenditures
Department of Homeland Security FEMA - Flood Mitigation Grant	97.029	N/A	1/1/2022 12/31/2023	\$ 70,875.00	\$ -	\$ 4,500.00	\$ 4,500.00
Total Department of Homeland Security					-	4,500.00	4,500.00
Department of Housing and Urban Development CDBG - State Administered - CDBG Cluster: Pass through New Jersey Department of Community Affairs	14.218	N/A	1/1/2019 12/31/2022	390,000.00	258,329.00	273,464.00	390,000.00
Small Cities-Library/Pool	14.218	N/A	1/1/2020 12/31/2022	400,000.00	142,823.69	48,852.73	400,000.00
Small Cities-Scoop Taylor Park	14.218	N/A	1/1/2021 12/31/2022	400,000.00	400,000.00	400,000.00	400,000.00
Total Department of Housing and Urban Development					801,152.69	722,316.73	1,190,000.00
U.S. Department of Treasury: Passed thru New Jersey Department of Community Affairs: ARP - Coronavirus State and Local Fiscal Recovery Funds	21-027	N/A	3/3/2021 12/31/2024	319,029.75	154,514.88	319,029.75	319,029.75
Total Federal Assistance					\$ 955,667.57	\$ 1,045,846.48	\$ 1,513,529.75

**NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 1: BASIS OF PRESENTATION

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

Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's financial statements. Receipts from state grants are realized as revenue when anticipated in the Borough's budget. Expenditures are recognized when they become payable. Financial assistance revenue and expenditures are reported in the Borough's financial statements on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services as follows:

Expenditures per Schedule of Federal Awards	\$	1,045,846.48
Less: American Rescue Plan		(319,029.75)
Plus: State Grants		309,176.79
Plus: Local Grants		118,022.28
Expenditures reported on Schedule A-12	<u>\$</u>	<u>1,154,015.80</u>

BOROUGH OF WILDWOOD CREST
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING DECEMBER 31, 2022

I. SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: **Adverse GAAP Opinion**
Unmodified Regulatory Basis Opinion

Internal control over financial reporting:

- 1) Material Weakness identified? **NONE REPORTED**
- 2) Significant Deficiencies? **NONE REPORTED**

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

Federal Awards

Internal control over major programs:

- 1) Material Weakness identified? **NONE REPORTED**
- 2) Significant Deficiencies identified? **NONE REPORTED**

Type of auditor’s report issued on compliance for major programs: **Unmodified Opinion**

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? **NO**

Identification of major programs:

- 14.218** **CDBG - Small Cities**
- 21.027** **ARP - Coronavirus State and Local Fiscal Recovery Funds**

Dollar threshold used to distinguish between Type A and Type B Programs: **\$750,000**

Auditee qualified as low-risk Auditee? **NO**

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

In accordance with Government Auditing Standards, our audit disclosed no finding relating to the financial statements – regulatory basis that is required to be reported under this section.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Federal: Our audit disclosed no material Findings or Questioned Costs.

BOROUGH OF WILDWOOD CREST
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING DECEMBER 31, 2022
(CONTINUED)

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

		Current Fund	Grant Fund
Balance December 31, 2021	\$	17,328,697.64	156,084.07
Increased by Receipts:			
Prepaid Taxes		1,042,960.55	
Tax Overpayments		3,833.46	
Taxes Receivable		30,910,444.08	
Homestead Rebates		108,170.99	
Revenue Accounts Receivable - Collector		3,905,305.75	
Prepaid Sewer Rents		48,130.84	
Revenue Accounts Receivable - Treasurer		2,606,376.13	
Miscellaneous Revenue Not Anticipated		204,568.43	
Reserve for Municipal Relief Act Funds		19,876.80	
State of New Jersey:			
Senior Citizen and Veterans Deductions		37,434.25	
Reserve - Beach Operations Off-Set		404,174.46	
Refund of Prior Year Expenses		2,519.72	
Payroll Deductions		853.36	
Due to GWTIDA		282,230.00	
Federal and State Unappropriated Reserves			189,807.17
Federal and State Receivables			998,590.81
Due to Current Fund - From Grant Fund			204,985.71
Insurance Proceeds		4,220.00	
		39,581,098.82	1,393,383.69
		56,909,796.46	1,549,467.76
Decreased by Disbursements:			
Current Year Appropriation		23,330,582.88	
Prior Year Appropriations		821,938.60	
Accounts Payable		212,500.80	
County Taxes		7,301,058.53	
Local District School Taxes		8,462,095.95	
Due to GWTIDA		282,005.00	
Insurance Proceeds		2,670.00	
Change and Petty Cash Funds		200.00	
Due to General Capital Funds			319,029.75
Due to Current Fund - From Grant Fund		204,985.71	
Federal and State Disbursements			1,074,353.94
		40,618,037.47	1,393,383.69
Balance December 31, 2022	\$	16,291,758.99	156,084.07

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

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

Year	Balance Dec. 31, 2021	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Balance Dec. 31, 2022
				2021	2022		
Prior	\$ 373,187.87				371,115.52	2,057.20	15.15
	373,187.87	-	-	-	371,115.52	2,057.20	15.15
2022		32,032,574.14	84,160.99	1,048,699.66	30,693,078.95	19,277.60	355,678.92
	\$ 373,187.87	32,032,574.14	84,160.99	1,048,699.66	31,064,194.47	21,334.80	355,694.07

Cash Receipts
Overpayments Applied
Homestead Benefit Credit
Senior Citizens and Veterans
31,064,194.47

Analysis of Current Year Tax Levy

Tax Yield:	
General Property Tax	32,032,574.14
Added Taxes (54:4-63.1 et. Seq.)	84,160.99
	<u>32,116,735.13</u>
Tax Levy:	
General County Taxes	6,134,732.33
County Library Taxes	889,986.15
County Open Space Taxes	261,692.57
County Added and Omitted Taxes	19,196.89
Total County Taxes	<u>7,305,607.94</u>
Local School District Tax	8,531,800.00
Local Tax for Municipal Purposes	16,161,864.59
Add: Additional Tax Levied	117,462.60
	<u>16,279,327.19</u>
	<u>32,116,735.13</u>

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

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2021	Accrued in 2022	Collected by		Balance Dec. 31, 2022
			Collector	Treasurer	
Borough Clerk:					
Licenses - Other		159,765.00		159,765.00	
Fees and Permits		213,347.00		213,347.00	
Recreation Income - Pool		103,792.00		103,792.00	
TV Cable Franchise Fee		50,653.40		50,653.40	
Municipal Court:					
Fines and Costs	2,530.82	108,336.62		105,426.96	5,440.48
Parking Meters		428,023.01		428,023.01	
Interest and Costs on Taxes		86,027.38	86,027.38		
Interest Earned on Investments and Deposits		193,626.59		193,626.59	
Municipal Pier and Concession Income		265,151.00		265,151.00	
Interest and Costs on Delinquent Sewer Rents		18,664.81	18,664.81		
Sewer Rents	146,142.94	3,784,164.70	3,800,613.56		129,694.08
Ambulance Fees		176,574.37		176,574.37	
Uniform Fire Safety Act		169,190.10		169,190.10	
Energy Receipts Tax		381,045.00		381,045.00	
Anticipated General Capital Fund Balance		261,190.00		261,190.00	
Beach Box Revenue		200,250.00		200,250.00	
Beach Operation Offset - Reserved		357,199.29		357,199.29	
	<u>\$ 148,673.76</u>	<u>6,957,000.27</u>	<u>3,905,305.75</u>	<u>3,065,233.72</u>	<u>135,134.56</u>
	A	Res.			A
Prepaid Pier Concession Rental			A	40,000.00	
Reserve for Beach Operations Off-Set			A	357,199.29	
Sewer Prepayments Applied			A	61,658.30	
Collected			A-4	2,606,376.13	
				<u>3,065,233.72</u>	

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

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

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"				
SALARIES & WAGES:				
Department of Public Affairs and Public Safety:				
Directors Office	\$ 0.20	0.20		0.20
Police	31,010.61	31,010.61		31,010.61
Local Code Enforcement	5,017.65	5,017.65		5,017.65
Services of Ambulance	28,793.39	28,793.39		28,793.39
Lifeguards	1,215.96	1,215.96		1,215.96
Land Use Administration	5,841.21	5,841.21		5,841.21
Traffic Maintenance	3,575.67	3,575.67		3,575.67
Fire Official	11,156.51	11,156.51		11,156.51
Municipal Court	2,193.90	2,193.90		2,193.90
Department of Revenue and Finance:				
Director's Office	0.20	0.20		0.20
Borough Administration	3,915.81	3,915.81		3,915.81
Financial Administration	4,224.95	4,224.95		4,224.95
Assessment of Taxes	2,545.70	2,545.70		2,545.70
Collection of Taxes	11,779.46	11,779.46		11,779.46
Health Benefit Waiver	28,941.74	28,941.74		28,941.74
Department of Public Works, Parks and Public Property:				
Director's Office	0.80	0.80		0.80
Public Works	14,612.41	14,612.41		14,612.41
Beach Cleaning	5,726.00	5,726.00		5,726.00
Sanitation	42,484.04	42,484.04		42,484.04
Parks and Buildings	27,822.45	27,822.45		27,822.45
Sewage	4,244.06	4,244.06		4,244.06
Fleet Maintenance	29,656.59	29,656.59		29,656.59
Tourism	13,107.49	13,107.49		13,107.49
Recreation Commission (N.J.S. 40:61-17)	13,504.87	13,504.87		13,504.87

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

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

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
Uniform Construction Code - Appropriation Offset by Dedicated Revenue				
State Uniform Construction Code	\$ 3,274.82	3,274.82		3,274.82
UTILITY EXPENSES & BULK PURCHASES				
Wedding Fees	1,750.00	1,750.00		1,750.00
OTHER EXPENSES:				
Department of Public Affairs and Public Safety:				
Director's Office	845.00	845.00		845.00
Fire	19,783.16	19,783.16	7,630.27	12,152.89
Police	118,833.40	118,833.40	110,962.57	7,870.83
Legal	110,271.55	110,271.55	10,116.00	100,155.55
Local Code Enforcement	5,362.64	5,362.64	7.56	5,355.08
Emergency Management Services	1,764.99	1,764.99		1,764.99
Services of Ambulance	42,673.77	42,673.77	4,042.77	38,631.00
Lifeguards	45,350.92	45,350.92	39,562.65	5,788.27
Land Use Administration	55,813.87	55,813.87	9,372.71	46,441.16
Traffic Maintenance	5,295.36	5,295.36	5,168.59	126.77
Fire Official	4,519.49	4,519.49	213.59	4,305.90
Animal Control	5,328.73	5,328.73	120.00	5,208.73
Municipal Court	5,118.05	5,118.05		5,118.05

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

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
Department of Revenue and Finance:				
Director's Office	\$ 197.00	197.00		197.00
Borough Administration:				
Other				
Election Expense	12,127.84	12,127.84	2,779.21	9,348.63
Financial Administration	197.51	197.51		197.51
Assessment of Taxes	31,080.55	31,080.55	5,107.78	25,972.77
Collection of Taxes	8,170.07	8,170.07		8,170.07
Utility Billing Expenses	3,625.10	3,625.10	1,577.68	2,047.42
Insurance:	4,598.00	4,598.00		4,598.00
General Liability				
Workers Compensation	13,117.79	13,117.79		13,117.79
Employee Group Health	27,007.21	27,007.21		27,007.21
Employee Group Health	428,555.50	393,555.50	71,040.56	322,514.94
Department of Public Works, Parks and Public Property:				
Director's Office	640.00	640.00		640.00
Engineer	65,346.00	65,346.00	49,820.00	15,526.00
Landfill	25,609.01	25,609.01	15,680.85	9,928.16
Public Works	262,071.02	262,071.02	249,031.14	13,039.88
Recreation Buildings	47,070.25	47,070.25	5,715.47	41,354.78
Beach Cleaning	4,511.71	4,511.71		4,511.71
Sanitation	39,789.94	39,789.94	5,089.75	34,700.19
Parks and Playgrounds	43,331.10	43,331.10	13,106.58	30,224.52
Sewage	33,648.90	33,648.90	15,728.80	17,920.10
Fleet Maintenance	53,946.68	53,946.68	20,005.49	33,941.19
Tourism	36,727.51	36,727.51	19,112.90	17,614.61
Recreation Commission (N.J.S. 40:61-17)	48,948.87	48,948.87	43,645.48	5,303.39
Uniform Construction Code - Appropriation Offset by Dedicated Revenue				
State Uniform Construction Code	16,139.01	16,139.01	831.29	15,307.72

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

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

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
UTILITY EXPENSES & BULK PURCHASES				
Water	\$ 28,215.65	63,215.65	56,327.15	6,888.50
Street Lighting	12,633.89	13,633.89	13,337.58	296.31
Telephone	24,842.55	24,842.55	3,712.77	21,129.78
Natural Gas	42,333.12	42,333.12	11,237.21	31,095.91
Electric	37,044.94	36,044.94	1,597.28	34,447.66
Gasoline	32,344.16	32,344.16	1,307.93	31,036.23
Information Technology	24,894.17	24,894.17	4,165.85	20,728.32
STATUTORY EXPENDITURES				
Contributions to:				
Social Security System (O.A.S.I.)	21,362.71	21,362.71		21,362.71
PFRS	6,631.49	6,631.49		6,631.49
Defined Contribution Retirement Plan	4,178.40	4,178.40		4,178.40
OPERATIONS - EXCLUDED FROM "CAPS"				
Cape May County MUA - Charges	92,844.00	92,844.00		92,844.00
CAPITAL IMPROVEMENTS				
Emergency Sanitary and Storm Sewer Repairs	77,053.62	77,053.62		77,053.62
Fire Department Equipment	202.80	202.80		202.80
Purchase of Vehicles and Large Equipment	62,314.88	62,314.88	57,056.00	5,258.88
Purchase of Equipment and Computers	52,174.17	52,174.17		52,174.17
Improvements to Roads	44,301.82	44,301.82	21,471.82	22,830.00
Improvements to Borough Buildings and Property	73,672.33	73,672.33	31,987.99	41,684.34
Acquisition of Beach Boxes & Equipment	2,250.00	2,250.00		2,250.00
	<u>\$ 2,563,108.69</u>	<u>2,563,108.69</u>	<u>907,671.27</u>	<u>1,655,437.42</u>
		Cash Disbursed	821,938.60	
		Accounts Payable	<u>85,732.67</u>	
			<u>907,671.27</u>	

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

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

Balance December 31, 2021			
School Tax Payable	\$	2,310,558.46	
School Tax Deferred		<u>1,150,000.00</u>	
			3,460,558.46
Increased by:			
Levy - School Year July 1, 2022 to June 30, 2023			<u>8,531,800.00</u>
			11,992,358.46
Decreased by:			
Payments			<u>8,462,095.95</u>
Balance December 31, 2022			
School Tax Payable		2,380,262.51	
School Tax Deferred		<u>1,150,000.00</u>	
			<u><u>3,530,262.51</u></u>
Current Year Liability for Local School District School Tax:			
Tax Paid			8,462,095.95
Tax Payable Ending			<u>2,380,262.51</u>
			10,842,358.46
Less: Tax Payable Beginning			<u>2,310,558.46</u>
Amount Charged to Current Year Operations	\$		<u><u>8,531,800.00</u></u>

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

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

Purpose	Balance Dec. 31, 2021	Transferred From 2022 Revenues	Received	Cancelled	Balance Dec. 31, 2022
FEDERAL GRANTS:					
FEMA-Sunset Lake	\$ 70,386.52				70,386.52
FEMA - Flood Mitigation		70,875.00			70,875.00
Bulletproof Vest Partnership					
2019 Grant	2,052.85		2,052.85		-
2020 Grant	1,920.42		1,356.57		563.85
2021 Grant	2,655.00				2,655.00
CDBG Street Intersections ADA	41,676.46				41,676.46
2017 CY CDBG Grant-Beach Access	57,759.99				57,759.99
Small Cities - Beach Access Improvements	400,000.00		400,000.00		-
Small Cities - Library/Pool	290,874.45		258,329.00		32,545.45
Small Cities CDBG-Scoop Taylor Park	142,823.69		142,823.69		-
Total Federal	<u>1,010,149.38</u>	<u>70,875.00</u>	<u>804,562.11</u>	<u>-</u>	<u>276,462.27</u>
STATE GRANTS:					
NJ DCA - Local Recreation Grant		50,000.00			50,000.00
NJ UEZ		40,074.00	40,074.00		-
New Jersey Transportation Trust Fund:					
2019- Trenton Avenue	40,000.00		40,000.00		-
2020 Beach	38,750.00				38,750.00
2021 Stanton Avenue	185,000.00				185,000.00
Recycling Tonnage		12,951.45	12,951.45		-
Drunk Driving Enforcement		2,038.90	2,038.90		-

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

Purpose	Balance Dec. 31, 2021	Transferred From 2022 Revenues	Received	Cancelled	Balance Dec. 31, 2022
NJ Law & Public Safety - Body Worn Camera	\$ 10,190.00		9,268.00		922.00
Police Body Armor		1,407.83	1,407.83		-
Click it or Ticket		7,000.00	7,000.00		-
Distracted Driving Grant		7,000.00	7,000.00		-
Clean Communities		24,788.52	24,788.52		-
NJ Urban & Community Forestry Program Stewards	50,000.00				50,000.00
Total State	<u>323,940.00</u>	<u>145,260.70</u>	<u>144,528.70</u>	<u>-</u>	<u>324,672.00</u>
LOCAL GRANTS:					
GWTIDA Summer Events					
2022		36,500.00	33,000.00	3,500.00	-
2021	7,500.00		7,500.00		-
Create in the Crest		3,500.00	3,500.00		-
NJ Health Care Quality Institute - Mayors Wellness		1,000.00	1,000.00		-
Atlantic City Electric - Sustainable Communities	2,500.00				2,500.00
Cape May County Open Space - Public Beach Access		2,500,000.00			2,500,000.00
JIF Incentive-2021	1,000.00		1,000.00		-
JIF Incentive-2022		3,500.00	3,500.00		-
Total Local	<u>11,000.00</u>	<u>2,544,500.00</u>	<u>49,500.00</u>	<u>3,500.00</u>	<u>2,502,500.00</u>
\$	<u>1,345,089.38</u>	<u>2,760,635.70</u>	<u>998,590.81</u>	<u>3,500.00</u>	<u>3,103,634.27</u>

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

	Balance December 31, 2021		2022		Cancelled	Balance Dec. 31, 2022
	Appropriated	Reserve for Encumbrances	Appropriations	Expended		
FEDERAL GRANTS:						
2017 CY CDBG Grant-Beach Access	\$ 30,472.07					30,472.07
FEMA-Sunset Lake	99,495.05					99,495.05
CDBG Street ADA	25,191.99					25,191.99
FEMA - Flood Mitigation			70,875.00	4,500.00		66,375.00
Small Cities Grant						
Library/Pool		273,464.00		273,464.00		-
Scoop Taylor Park		48,852.73		48,852.73		-
Beach Access Improvements	400,000.00			400,000.00		-
Total Federal	555,159.11	322,316.73	70,875.00	726,816.73	-	221,534.11

STATE GRANTS:

Clean Communities Grant:						
2022			24,788.52	11,412.82		13,375.70
2021	25,150.76			25,150.76		-
2020	10,618.28			10,618.28		(0.00)
2019	235.00			235.00		-
Drunk Driving Enforcement Fund-2022			2,038.90	2,038.90		-
Cooperative Housing Inspections:						
2021	27,400.00					27,400.00
2020	36,800.00			7,026.44		29,773.56
2019	3,173.62			3,173.62		0.00
Recycling Tonnage Grant						
2020		402.84		400.00		2.84
2021	4,076.00	6,234.45		10,234.45		76.00
2022			12,951.45	12,951.46		(0.00)
Click it or Ticket			7,000.00	7,000.00		-
Distracted Driving Grant			7,000.00	7,000.00		-
NJ Urban & Community Forestry Program Stewardship	60,000.00			46,259.23		13,740.77

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

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

	Balance December 31, 2021	2022	Balance
	Appropriated	Appropriations	Dec. 31, 2022
	Reserve for	Expended	Cancelled
	Encumbrances		
NJ DCA - Local Recreation Grant	\$ 3,712.24	50,000.00	50,000.00
Alcohol Education & Rehabilitation			3,712.24
N.J. Transportation Trust Fund Beach Avenue 2020	155,000.00	155,000.00	-
Police Body Armor - 2021		1,407.83	-
NJ Law & Public Safety - Body Worn Camera	922.00	9,268.00	922.00
NJ UEZ		40,074.00	40,074.00
UEZ Administrative Funding - 2011	7,262.29		7,262.29
UEZ Assistance Fund - 2011	50,256.95		50,256.95
Total State	<u>229,607.14</u>	<u>145,260.70</u>	<u>236,596.35</u>
LOCAL GRANTS:			
GWTIDA - Summer Events			
2021	19,160.28	11,660.28	7,500.00
2022		33,000.00	3,500.00
Create in the Crest		3,500.00	-
NJ Health Care Quality Institute - Mayors Wellness		1,000.00	-
JIF Incentive-2021	3,500.00	3,500.00	-
JIF Incentive-2022		3,200.00	300.00
Cape May County Open Space - Public Beach Access		2,500,000.00	2,440,000.00
Atlantic City Electric - Sustainable Communities	5,000.00	2,162.00	2,838.00
Total Local	<u>24,160.28</u>	<u>2,544,500.00</u>	<u>2,443,138.00</u>
\$	<u>808,926.53</u>	<u>2,760,635.70</u>	<u>2,901,268.46</u>
		Cash Disbursed	1,074,353.94
		Encumbered	79,661.85
			<u>1,154,015.79</u>

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

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

<u>Purpose</u>	<u>Balance Dec. 31, 2021</u>	<u>Transferred To 2022 Appropriations</u>	<u>Received</u>	<u>Transferred to Capital</u>	<u>Balance Dec. 31, 2022</u>
FEDERAL GRANTS:					
American Rescue Plan	\$ 159,514.87		159,514.88	319,029.75	-
STATE GRANTS:					
Police Body Armor Grant			1,896.65		1,896.65
Drunk Driving Enforcement Fund			4,117.64		4,117.64
State Housing Grant	8,552.00		24,278.00		32,830.00
Grand Total	<u>\$ 168,066.87</u>	<u>-</u>	<u>189,807.17</u>	<u>319,029.75</u>	<u>38,844.29</u>

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

		Animal Control		Other
Balance December 31, 2021	\$	1,917.00		1,717,341.67
Increased By:				
State Dog License Fees		78.00		
Municipal Dog License Fees		750.00		
Due to Current Fund				1,424.89
Cat License Fees		3.00		
Other Reserves				1,370,689.02
		831.00		1,372,113.91
		2,748.00		3,089,455.58
Decreased By:				
Paid to State of NJ		78.00		
Dog Fund Expenditures		559.29		
Prior Year Encumbrances				38,696.50
Current Fund		430.71		
Other Reserves				1,176,398.77
		1,068.00		1,215,095.27
Balance December 31, 2022	\$	1,680.00		1,874,360.31

Analysis of December 31, 2022 Balance

Trust - Escrow	993,075.85
Unemployment Trust	83,516.17
Recreation Commission	80,911.97
Police Forfeiture	3,261.76
Uniform Construction Code	121,930.55
TTL Redemption/Premium Account	219,324.88
Affordable Housing Trust	372,339.13
	1,874,360.31
	1,874,360.31

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

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

Balance December 31, 2021	\$		1,909.80
Increased by:			
Cancellation of State Fees Payable		7.20	
Cat License Fees		3.00	
Dog License Fees Collected		750.00	
			760.20
			2,670.00
Decreased by:			
Expenditures under N.J.S.A. 4:19-15.11:		559.29	
Statutory Excess		430.71	
			990.00
Balance December 31, 2022	\$		1,680.00

License Fees Collected

<u>Year</u>	<u>Amount</u>
2021	930.00
2020	750.00
	1,680.00

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

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

Balance December 31, 2021	\$		7.20
Increased By:			
Collected in 2022			
State License Fees		78.00	
		78.00	78.00
			85.20
Decreased By:			
Cancelled		7.20	
Payments		78.00	
		85.20	85.20
Balance December 31, 2022	\$		-

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

**TRUST - OTHER FUNDS
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Reserve	Increased by		Decreased by		Balance Dec. 31, 2022
	Balance Dec. 31, 2021	Receipts	Budget Appropriation	Expended	
Accumulated Absences	\$ 350,912.45				390,912.45
Affordable Housing Trust	200,145.72	172,193.41	40,000.00		372,339.13
Borough Beautification	55,602.85	25,650.00		13,103.00	68,149.85
DCA Training Fees - Due State of NJ	8,922.00	15,010.00		19,895.00	4,037.00
Employment of Borough Employees		37,990.00		17,667.39	20,322.61
Fire Penalties - Non-Dedicated	54,177.62	2,942.50			57,120.12
Fire Prevention	12,876.66	1,647.50			14,524.16
Marriage License Fees Due to State	425.00	225.00		375.00	275.00
Parking Offense Adjudication Act	4,680.33	1,090.00			5,770.33
Planning and Zoning Escrow	51,394.74	25,687.00		28,498.00	48,583.74
Police Forfeited Funds	2,157.22	1,104.54			3,261.76
Premiums Received at Tax Sale	240,000.00	190,100.00		212,200.00	217,900.00
Recreation Commission	51,143.48	214,723.00		187,063.20	78,803.28
Retiree Life Insurance	172,500.00				172,500.00
Snow Removal Trust	8,666.88				8,666.88
Street Paving	85,053.93	34,572.50		55,532.50	64,093.93
Streets Openings - Maintenance Surety	13,470.00	12,400.00			25,870.00
Streets Openings - Performance Surety	20,650.00				20,650.00
Third Party Construction Inspections	154,118.20	194,942.00		231,297.60	117,762.60
Third Party Lien Redemptions		144,809.65		144,809.65	-
Tourism Development Commission	105,176.59	76,045.00		100,392.50	80,829.09
Unclaimed Funds - Police	453.83	1,592.92		453.83	1,592.92
Unemployment Compensation Insurance	86,117.67		30,000.00		84,134.57
Uniform Fire Safety Fees		147,964.00		147,964.00	-
	<u>\$ 1,678,645.17</u>	<u>1,300,689.02</u>	<u>70,000.00</u>	<u>1,191,234.77</u>	<u>1,858,099.42</u>
			Encumbered	14,836.00	
			Cash Disbursed	1,176,398.77	
				<u>1,191,234.77</u>	

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

	<u>Ref.</u>	
Balance December 31, 2021		\$ 5,254,300.46
Increased by:		
Budget Appropriations:		
Capital Improvement Fund	50,000.00	
Premium Received at Bond Sale	53,635.55	
City of Wildwood Contribution	150,888.50	
Serial Bods Issued	10,000,000.00	
ARP Proceeds	319,029.75	
Fire Company Contribution	50,000.00	
	10,623,553.80	10,623,553.80
		15,877,854.26
Decreased by:		
Improvement Authorizations	4,652,186.41	
Bond Anticipation Notes	9,000,000.00	
Anticipated as a Revenue in 2020 Budget; Capital Fund Balance	261,190.00	
	13,913,376.41	13,913,376.41
Balance December 31, 2022		\$ <u>1,964,477.85</u>

See Accompanying Auditor's Report

GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance Dec. 31, 2021	Receipts		Disbursements		Transfers		Balance Dec. 31, 2022
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 364,459.95							633,706.93
Capital Improvement Fund	905,167.12	53,635.55			261,190.00	476,801.43		657,690.21
Downpayment on Improvements	145,500.00	50,000.00				196,523.09		-
Reserve for Encumbrances	3,608,155.31			3,608,155.31		3,546,189.29		3,546,189.29
DOT Grant Receivable						196,025.00		(196,025.00)
<u>Improvement Authorizations:</u>								
1211 Various Improvements	209,196.27			16,525.63		192,670.64		(0.00)
G. NJ Ave Pole Relocate								
1244 Various Improvements	21,037.45					21,037.45		(0.00)
A. Pacific Ave Phase II	267,796.42					267,796.42		-
B. Sunset Lake	187,967.56					187,967.56		-
1261 Newark Avenue Reconstruction	3,852.45					3,852.45		-
1266 Various Improvements	3,780.58							3,780.58
1267 Various Improvements	2,539.25			(500.00)				3,039.25
1268 Newark Avenue Reconstruction	6,826.31			(5,112.50)				11,826.31
1299 Various Improvements	6,598.35			1,791.25		112.50		4,492.10
A. Road and Drainage Improvement	129,411.90			68,093.69		315.00		39,618.16
B. Beach and Bay Improvements	3,986.61			(865.42)		21,700.05		4,852.03
C. Improvements to Public Buildings	(440,508.34)		550,000.00	23,782.35		4,299.00		81,410.31
D. Improvements to Recreation and Parks	21,749.00							21,749.00
1318 Pacific Ave	(139,512.45)	50,000.00						(89,512.45)
1323 Acquisition of 5900 NJ Avenue	2,814.84	30,888.50		(559,022.71)		567,540.53		25,185.52
1338 Volunteer Fire Company Radios	53,684.33			25,389.46		24,158.21		4,136.66
1341 A. Road Improvements	199,000.00			11,000.00		16,000.00		172,000.00
B. Beach and Bay Improvements	223,536.55			(12,027.83)		23,789.00		211,775.38
C. Public Building and Property	(553,684.00)		570,000.00	(129,141.70)		134,591.45		10,866.25
D. Recreation Improvements	20,945.00							20,945.00
1345 Municipal Building Improvements				1,402,263.18		2,753,683.55	408,525.00	(3,428,391.98)
1357 Acquisition of Real Property		319,029.75		201,855.70			202,000.00	144.30
1370 Various Improvements				-			225,000.00	225,000.00
1387 Acquisition of Real Property				4,652,186.41		5,055,038.81		1,964,477.85
1388 Various Improvements	\$ 5,254,300.46	503,553.80	1,120,000.00	4,652,186.41	261,190.00	5,055,038.81	5,055,038.81	1,964,477.85

See Accompanying Auditor's Report

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

	<u>Ref.</u>	
Balance December 31, 2021		\$ 1,050,667.12
Increased by:		
Current Fund Budget Appropriation	50,000.00	
Funded Improvement Authorizations Canceled	196,523.09	
	246,523.09	246,523.09
		1,297,190.21
Decreased by:		
Appropriation to Finance Improvement Authorization	639,500.00	
	639,500.00	639,500.00
Balance December 31, 2022		\$ <u>657,690.21</u>
Capital Improvement Fund		657,690.21
Down Payment on Improvements		657,690.21

See Accompanying Auditor's Report

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

	<u>Ref.</u>	
Balance December 31, 2021		\$ 19,992,391.65
Increased by:		
Bonds Issued	9,465,000.00	
	9,465,000.00	29,457,391.65
Decreased by:		
Serial Bonds Paid by Operating Budget	2,575,000.00	
NJEIT Loans Paid by Operating Budget	737,323.95	
	3,312,323.95	26,145,067.70
Balance December 31, 2022		\$ <u><u>26,145,067.70</u></u>

See Accompanying Auditor's Report

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

Ord #	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Bonds Issued	Funds Received	Canceled	Balance Dec. 31, 2022	Analysis of Balance	
								Expenditures	Unexpended Improvement Authorizations
1261	Newark Avenue Reconstruction	\$ 145,000.00				145,000.00	-		-
1299	Various Improvements	95,000.00					95,000.00		95,000.00
1318	Pacific Ave	4,863,062.62		4,550,000.00			313,062.62		313,062.62
1338	Volunteer Fire Radios	147,500.00			50,000.00		97,500.00	89,512.45	7,987.55
1341	Various Improvements	5,035,000.00		5,000,000.00	30,888.50		4,111.50		4,111.50
1345	Municipal Building Improvements	570,000.00		570,000.00			-		-
1370	Various Improvements		6,931,961.00		159,515.75		6,772,445.25	3,428,391.98	3,344,053.27
1388	Various Improvements		4,275,000.00				4,275,000.00		4,275,000.00
		<u>\$ 10,855,562.62</u>	<u>11,206,961.00</u>	<u>10,120,000.00</u>	<u>240,404.25</u>	<u>145,000.00</u>	<u>11,557,119.37</u>	<u>3,517,904.43</u>	<u>8,039,214.94</u>

Improvement Authorizations Unfunded 8,039,214.94
Less:
Unexpended Proceeds of Bond
Anticipation Notes Issued:

Ord. Number

None

\$ 8,039,214.94

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2021		Other Funding	Authorizations		Cancelled/ Adjustment	Paid/Charged	Balance December 31, 2022	
				Funded	Unfunded		Deferred Future Taxation	Funded			Unfunded	
1211	Various Improvements G. NJ Ave Pole Relocate	3/5/2015	1,410,000.00	\$ 209,196.27				192,670.64	16,525.63		-	
1244	Various Improvements A. Pacific Ave Phase II B. Sunset Lake	10/15/2016 10/15/2016	2,375,000.00 600,000.00	21,037.45 267,796.42				21,037.45 267,796.42			-	
1261	Newark Avenue Reconstruction	12/6/2017	1,145,000.00	187,967.56	145,000.00			332,967.56			-	
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					(500.00)		3,780.58	
1268	Various Improvements to Facilities	2/21/2018	187,500.00	2,539.25							3,039.25	
1299	Various Improvements A. Road and Drainage Improvement B. Beach and Bay Improvements C. Improvements to Public Buildings D. Improvements to Recreation and Parks	2019	2,510,000.00 402,000.00 603,000.00 585,000.00	6,826.31 896.00 184,411.90 3,986.61	5,702.35 40,000.00				(5,000.00) 2,106.25 89,793.74 (865.42)		11,826.31 4,492.10 39,618.16 4,852.03	95,000.00
1318	Pacific Ave Improvements	2019	6,000,000.00	422,554.28					28,081.35		81,410.31	313,062.62
1323	Acquisition of 5900 NJ Avenue	2020	400,000.00	21,749.00							21,749.00	7,987.55
1338	Volunteer Fire Company Radios	2020	250,000.00	7,987.55								
1341	A. Road Improvements B. Beach and Bay Improvements C. Public Building and Property D. Recreation Improvements	2020	2,400,000.00 1,800,000.00 200,000.00 900,000.00	33,703.34 53,684.33 9,000.00					8,517.82 49,547.67 27,000.00 11,761.17		25,185.52 4,136.66 172,000.00 211,775.38	4,111.50
1345	Municipal Building Improvements	2/10/2021	1,600,000.00	16,316.00					5,449.75		10,866.25	
1357	Acquisition of Real Property	5/12/2021	400,000.00	20,945.00							20,945.00	3,344,053.27
1370	Various Improvements	2/16/2022	7,500,000.00			568,039.00	6,931,961.00		4,155,946.73			
1387	Acquisition of Real Property	10/26/2022	202,000.00			202,000.00			201,855.70		144.30	
1388	Various Improvements	11/22/2022	4,500,000.00			225,000.00	4,275,000.00				225,000.00	4,275,000.00
				\$ 943,984.80	1,142,595.90	995,039.00	11,206,961.00	818,324.52	4,590,220.39	840,820.85	8,098,214.94	
	Capital Fund Balance											
	NJDOT Grant Receivable					196,025.00						
	Down Payment on Improvements					145,500.00						
	ARP Funds					159,514.00						
	Capital Improvement Fund					494,000.00						
						995,039.00						
	Deferred Charges to Future Taxation						145,000.00					
	Capital Improvement Fund						196,523.09					
	Fund Balance						476,801.43					
							818,324.52					
	Cash Disbursed								4,652,186.41			
	Encumbrances Payable								3,546,189.29			
	Prior Year Encumbrances Cancelled								(3,608,155.31)			
									4,590,220.39			

See Accompanying Auditor's Report

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022							
			Date	Amount												
General Improvement Bonds of 2014	8/27/2014	8,530,000	2023	940,000.00	2.000%	\$ 2,800,000.00		910,000.00	1,890,000.00							
			2024	950,000.00	2.125%											
General Bonds of 2019	10/15/2019	6,320,000	2023	675,000.00	4.000%	5,575,000.00		350,000.00	5,225,000.00							
			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%											
			Refunding Bonds of 2019	11/1/2019	5,225,000					2023	555,000.00	4.000%	2,810,000.00		1,315,000.00	1,495,000.00
										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%														

(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.

See Accompanying Auditor's Report

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
			Date	Amount	Dec. 31, 2022					
General Obligation Bonds	9/29/2022	9,465,000	9/15/23	415,000.00	5.000%					
			9/15/24	825,000.00	5.000%		9,465,000.00		9,465,000.00	
			9/15/25	825,000.00	5.000%					
			9/15/26	825,000.00	5.000%					
			9/15/27	825,000.00	5.000%					
			9/15/28	825,000.00	5.000%					
			9/15/29	825,000.00	5.000%					
			9/15/30	820,000.00	4.000%					
			9/15/31	820,000.00	3.000%					
			9/15/32	820,000.00	3.125%					
			9/15/33	820,000.00	3.250%					
			9/15/34	820,000.00	3.375%					
							\$ 11,185,000.00	9,465,000.00	2,575,000.00	18,075,000.00

**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, 2022	Interest Rate	Balance Dec. 31, 2021	Decreased	Balance Dec. 31, 2022	
			Amount					
NJ Environ. Infrastructure Trust Series 2010- Fund Loan	3/10/2010	\$ 3,476,677						
			21/23	58,926.72	0.000%	\$ 1,414,241.68	176,780.17	1,237,461.51
			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						
			8/1/23	62,000.00	4.000%	561,179.99	61,605.15	499,574.84
			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	81,574.84	4.000%				

See Accompanying Auditor's Report

**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 Dec. 31, 2021	Decreased	Balance Dec. 31, 2022
			Balance December 31, 2022	Interest Rate	Balance Dec. 31, 2021	Decreased			
			Date	Amount					
NJ Environ. Infrastructure Trust NJ Ave 2015 Fund Loan	2015	\$ 7,010,031	2023	368,949.00	0.000%	4,623,070.00	368,949.00	4,254,121.00	
			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	2023	135,000.00	5.000%	2,208,899.98	129,989.63	2,078,910.35
			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	220,051.35	4.000%			
							\$ 8,807,391.65	737,323.95	8,070,067.70

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

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
Pacific Ave Improvements	1318	3/4/2021	3/18/2021	3/17/2022	2.00%	\$ 4,000,000.00		4,000,000.00	-
Various Improvements	1341	3/4/2021	3/18/2021	3/17/2022	2.00%	5,000,000.00		5,000,000.00	-
						<u>\$ 9,000,000.00</u>	<u>-</u>	<u>9,000,000.00</u>	<u>-</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Bonds Issued	Other	Balance Dec. 31, 2022
1261	Newark Avenue Reconstruction	\$ 145,000.00			(145,000.00)	-
1299	Various Improvements	95,000.00				95,000.00
1318	Pacific Avenue	863,062.62		550,000.00		313,062.62
1338	Volunteer Fire Radios	147,500.00			(50,000.00)	97,500.00
1341	Various Improvements	35,000.00			(30,888.50)	4,111.50
1345	Municipal Building Improvements	570,000.00		570,000.00		-
1370	Various Improvements		6,931,961.00		(159,515.75)	6,772,445.25
1388	Various Improvements		4,275,000.00			4,275,000.00
		<u>\$ 1,855,562.62</u>	<u>11,206,961.00</u>	<u>1,120,000.00</u>	<u>(385,404.25)</u>	<u>11,557,119.37</u>
	Cancelled Improvement Authorizations				145,000.00	
	Fire Company Contribution				50,000.00	
	City of Wildwood Contribution				150,888.50	
	ABNI Restored				(120,000.00)	
	ARP Funds				159,515.75	
					<u>385,404.25</u>	

See Accompanying Auditor's Report

BOROUGH OF WILDWOOD CREST

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

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 2022:

- Beach Bump Outs
- Portable Toilets
- Refuse Collection System Vehicles
- Lease of the Crest Arts Pavilion Café
- Sale of Real Property
- Emergency Medical Service Billing
- 2022 Road Resurfacing Program
- Renovation of Lifeguard Building
- Pool HVAC Equipment Replacement

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 \$44,000 "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

GENERAL COMMENTS – Continued

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 tax sale was held and was complete. There were no properties in bankruptcy as of December 31, 2022.

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

<u>Year</u>	<u>Number of Liens</u>
2022	0
2021	0
2020	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:

<u>Type</u>	<u>Number Mailed</u>
Payment of 2022 and 2023 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.

<u>Year</u>	<u>Current</u>		
	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percent of Collections</u>
2022	\$ 32,116,735	31,741,779	98.83%
2021	30,972,353	30,593,201	98.78%
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%

GENERAL COMMENTS – Continued

Comparative Schedule of Tax Rate Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	1.366	1.326	1.289	1.279	1.258
Apportionment of Tax Rate:					
Municipal	0.690	0.683	0.679	0.676	0.671
County	0.312	0.284	0.272	0.268	0.257
Local School	0.364	0.359	0.338	0.335	0.330
Assessed Valuation	2,345,000,000	2,330,670,500	2,322,564,210	2,302,497,100	2,291,044,313

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.

<u>Year</u>		Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage Of Tax <u>Levy</u>
2022	\$	-	355,694	355,694	1.11%
2021		-	373,188	373,188	1.20%
2020		-	374,139	374,139	1.25%
2019		-	668,964	668,964	2.26%
2018		-	510,264	510,264	1.77%

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**

June 23, 2023