

BOROUGH OF STONE HARBOR

COUNTY OF CAPE MAY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

BOROUGH OF STONE HARBOR

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BOROUGH OF STONE HARBOR

PART 1

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2021



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of Borough Council
Borough of Stone Harbor
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 Stone Harbor, as of December 31, 2021 and 2020, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the 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 Stone Harbor as of December 31, 2021 and 2020, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

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

Basis for Opinions

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2022, on our consideration of the Borough of Stone Harbor'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 Stone Harbor's internal control over financial reporting and compliance.

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

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

August 31, 2022

EXHIBIT A - CURRENT FUND

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

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Regular Fund:		
Cash:		
Treasurer	\$ 6,416,686.05	5,267,320.03
Change and Petty Cash Funds	850.00	850.00
Total Cash	<u>6,417,536.05</u>	<u>5,268,170.03</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	175,317.33	216,698.91
Tax Title Liens	394.68	334.98
Revenue Accounts Receivable		
Municipal Court	1,100.61	2,439.72
Interfund Receivable:		
Due from Trust Other Fund	-	0.17
Due from Animal Control Fund	574.58	-
Total Receivables and Other Assets	<u>177,387.20</u>	<u>219,473.78</u>
Deferred Charges:		
Special Emergency Authorization	20,000.00	90,000.00
Emergency Authorization	-	335,000.00
Total Deferred Charges	<u>20,000.00</u>	<u>425,000.00</u>
Total Regular Fund	<u>6,614,923.25</u>	<u>5,912,643.81</u>
Federal and State Grant Fund:		
Cash	326,112.10	94,303.05
Federal and State Grants Receivable	<u>3,037,976.71</u>	<u>3,092,404.71</u>
Total Federal and State Grant Fund	<u>3,364,088.81</u>	<u>3,186,707.76</u>
Total Current Fund	<u>\$ 9,979,012.06</u>	<u>9,099,351.57</u>

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,**

	<u>2021</u>	<u>2020</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 965,602.48	1,073,046.18
Encumbrances Payable	504,083.28	458,609.45
Accounts Payable	74,500.52	62,617.30
Prepaid Taxes	993,747.93	826,954.14
Overpaid Taxes	9,485.67	52,852.31
Due to State of New Jersey		
Senior Citizens and Veterans	3,774.16	3,274.16
DCA Training Fees	8,692.45	6,475.45
Marriage Licenses		
Local School Tax Payable	375,230.65	375,230.65
Payroll Taxes Payable	348.66	348.66
County Added Tax Payable	107,679.12	84,384.01
Prepaid Beach Fees	71,317.08	69,925.00
Prepaid Uniform Fire Code Fees	97,218.00	91,047.50
Due to Utility Operating	2,850.00	-
Other		
Reserve for HRA Funding	45,554.97	-
Reserve for Tax Appeals	2,435.00	2,435.00
Reserve for Building Repairs	3,779.55	4,895.00
Reserve for Reassessment Program	80,287.88	80,287.88
	<u>3,346,587.40</u>	<u>3,192,382.69</u>
Reserve for Receivables and Other Assets	177,387.20	219,473.78
Fund Balance	<u>3,090,948.65</u>	<u>2,500,787.34</u>
Total Regular Fund	<u>6,614,923.25</u>	<u>5,912,643.81</u>
Federal and State Grant Fund:		
Unappropriated Reserves	112,768.87	19,685.93
Appropriated Reserves	3,217,486.24	3,027,736.35
Encumbrances Payable	<u>33,833.70</u>	<u>139,285.48</u>
Total Federal and State Grant Fund	<u>3,364,088.81</u>	<u>3,186,707.76</u>
Total Current Fund	<u>\$ 9,979,012.06</u>	<u>9,099,351.57</u>

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,

	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized		
Fund Balance	\$ 1,833,936.05	1,832,167.00
Miscellaneous Revenue Anticipated	3,437,279.33	3,093,552.30
Receipts from Delinquent Taxes	216,698.91	113,434.41
Receipts from Current Taxes	32,419,369.61	29,766,555.56
Non Budget Revenue	289,012.54	156,544.11
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	1,004,634.51	825,301.90
Interfund Returned	-	224.28
Total Income	<u>39,200,930.95</u>	<u>35,787,779.56</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	6,407,760.00	5,968,262.00
Other Expenses	4,206,840.00	4,353,676.00
Deferred Charges & Statutory Expenditures	1,301,688.00	1,173,753.00
Appropriations Excluded from "CAPS"		
Operations:		
Other Expenses	737,250.44	512,179.23
Capital Improvements	1,410,355.00	2,045,500.00
Municipal Debt Service	4,012,515.25	3,997,311.45
Deferred Charges & Statutory Expenditures	752,650.05	173,000.00
Local District School Tax	2,594,142.00	2,594,142.00
County Tax	15,245,953.11	14,003,786.59
County Share of Added Tax	107,679.12	84,384.01
Interfund Created	0.62	-
Total Expenditures	<u>36,776,833.59</u>	<u>34,905,994.28</u>
Excess in Revenue	<u>2,424,097.36</u>	<u>881,785.28</u>

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,**

	<u>2021</u>	<u>2020</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	-	335,000.00
Total Adjustments	<u>-</u>	<u>335,000.00</u>
Statutory Excess to Fund Balance	<u>2,424,097.36</u>	<u>1,216,785.28</u>
Fund Balance January 1	<u>2,500,787.34</u>	<u>3,116,169.06</u>
	4,924,884.70	4,332,954.34
Decreased by:		
Utilization as Anticipated Revenue	<u>1,833,936.05</u>	<u>1,832,167.00</u>
Fund Balance December 31	\$ <u><u>3,090,948.65</u></u>	<u><u>2,500,787.34</u></u>

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

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

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 1,833,936.05		1,833,936.05	-
Total Fund Balance Anticipated	1,833,936.05	-	1,833,936.05	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	10,000.00		10,000.00	-
Fees and Permits	405,000.00		441,273.77	36,273.77
Fines and Costs:				
Municipal Court	40,000.00		38,457.11	(1,542.89)
Interest and Costs on Taxes	55,000.00		67,971.11	12,971.11
Parking Meters	295,000.00		438,169.00	143,169.00
Interest on Investments and Deposits	53,000.00		14,257.74	(38,742.26)
Beach Fees	748,000.00		909,728.00	161,728.00
Tennis Courts	54,000.00		78,126.95	24,126.95
Cell Tower Rent	47,000.00		51,577.50	4,577.50
Uniform Fire Code Official	133,000.00		165,029.50	32,029.50
Arts and Crafts Show	17,000.00		-	(17,000.00)
Cable TV Franchise Fee	30,400.00		30,451.76	51.76
Beach Concession	72,000.00		121,000.00	49,000.00
Special Events Revenue	1,650.00		11,614.00	9,964.00
Total Section A: Local Revenues	1,961,050.00	-	2,377,656.44	416,606.44
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	214,317.00		214,317.00	-
Total Section B: State Aid Without Offsetting Appropriations	214,317.00	-	214,317.00	-

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

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

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	505,000.00		531,761.00	26,761.00
Total Section C: Uniform Construction Code Fees	505,000.00	-	531,761.00	26,761.00
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
NJ DOT Trust Fund Authority Act	185,000.00		185,000.00	-
Clean Communities Program	14,673.04		14,673.04	-
Safety Grant	4,000.00		4,000.00	-
Police Body Armor Grant	3,470.40		3,470.40	-
Garden Club Grant - 96th Street	85.00		85.00	-
ACMJIF Wellness Grant	1,000.00		1,000.00	-
USTA Grant	3,000.00		3,000.00	-
Total Section F: Special Items - Public and Private Programs	211,228.44	-	211,228.44	-
Off-Set with Appropriations				

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

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

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
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	8,000.00		11,474.45	3,474.45
Reserve for Payment of Bonds	90,842.00		90,842.00	-
Total Section G: Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government				
Services - Other Special Items	98,842.00	-	102,316.45	3,474.45
Total Miscellaneous Revenues:	2,990,437.44	-	3,437,279.33	446,841.89
Receipts from Delinquent Taxes	160,000.00		216,698.91	56,698.91
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	\$ 14,362,000.00		14,981,595.38	619,595.38
Total Amount to be Raised by Taxes for Support of Municipal Budget	14,362,000.00	-	14,981,595.38	619,595.38
Budget Totals	19,346,373.49	-	20,469,509.67	1,123,136.18
Non- Budget Revenues:				
Other Non- Budget Revenues:	-		289,012.54	289,012.54
	\$ 19,346,373.49	-	20,758,522.21	1,412,148.72

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

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

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$	32,419,369.61
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Allocated to:

School, County and Other Taxes		<u>17,947,774.23</u>
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Balance for Support of Municipal Budget Appropriations		14,471,595.38
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Increased by:

Appropriation "Reserved for Uncollected Taxes"		<u>510,000.00</u>
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Amount for Support of Municipal Budget Appropriations		<u><u>14,981,595.38</u></u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collection	216,698.91	
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Tax Title Lien Collections	<u>-</u>	
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Total Receipts from Delinquent Taxes		<u><u>216,698.91</u></u>
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Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Tax Collector:

Duplicate Tax Bills		-
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Treasurer:

Police - MRNA	306.00	
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NSF Fees - Tax Collector	320.00	
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Senior & Vets Admin Fees	240.00	
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Photocopies - Clerk	142.44	
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Zoning Board	14,250.00	
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Property List	1,110.00	
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Miscellaneous - Disbursement	-	
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Miscellaneous	<u>272,644.10</u>	
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		<u>289,012.54</u>
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Total Miscellaneous Revenue Not Anticipated:	\$	<u><u>289,012.54</u></u>
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The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT						
General Administration						
Salaries and Wages	\$ 177,140.00	177,140.00	177,140.00	-	-	-
Other Expenses	31,000.00	31,000.00	30,392.00	-	608.00	
Mayor and Council						
Salaries and Wages	84,300.00	84,300.00	80,461.79	-	3,838.21	
Other Expenses	14,650.00	14,650.00	13,700.47	753.46	196.07	
Municipal Clerk						
Salaries and Wages	209,300.00	209,300.00	209,300.00	-	-	
Other Expenses	29,400.00	39,400.00	37,862.27	900.66	637.07	
Financial Administration						
Salaries and Wages	88,404.00	88,404.00	48,657.64	-	39,746.36	
Other Expenses	59,000.00	59,000.00	57,011.24	1,942.79	45.97	
Elections						
Other Expenses	3,000.00	3,000.00	2,997.91	-	2.09	
Audit Services						
Other Expenses	30,000.00	30,000.00	23,000.00	-	7,000.00	
Collection of Taxes						
Salaries and Wages	61,884.00	61,884.00	61,884.00	-	-	
Other Expenses	13,090.00	13,090.00	12,716.01	221.15	152.84	
Assessment of Taxes						
Salaries and Wages	59,430.00	59,430.00	59,426.12	-	3.88	
Other Expenses	17,200.00	17,200.00	8,275.71	8,435.08	489.21	
Legal Services						
Other Expenses	140,000.00	170,000.00	152,064.49	4,485.43	13,450.08	
Engineering Services and Costs						
Other Expenses	35,000.00	70,000.00	53,976.97	3,959.50	12,063.53	
Insurance						
Other Insurance Premiums	357,000.00	357,000.00	323,881.40	-	33,118.60	
Employee Group Health	1,425,000.00	1,425,000.00	1,227,895.63	157.15	196,947.22	
Health Benefits Waiver						
Salaries and Wages	8,500.00	8,500.00	2,895.00	-	5,605.00	

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

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
LAND USE ADMINISTRATION:						
Planning Board						
Salaries and Wages	7,135.00	7,135.00	7,135.00	-	-	-
Other Expenses	26,765.00	43,765.00	39,682.48	3,394.65	687.87	
Zoning Board of Adjustment						
Salaries and Wages	44,782.00	44,782.00	44,782.00	-	-	-
Other Expenses	15,865.00	15,865.00	15,487.39	166.85	210.76	
PUBLIC SAFETY:						
Fire Department						
Salaries and Wages	425,000.00	425,000.00	378,544.12	-	46,455.88	
Other Expenses	279,000.00	242,000.00	197,772.29	29,577.07	14,650.64	
Police Department						
Salaries and Wages	1,700,000.00	1,700,000.00	1,700,000.00	-	-	-
Other Expenses	105,900.00	105,900.00	63,577.61	38,588.38	3,734.01	
Office of Emergency Management						
Salaries and Wages	18,152.00	18,152.00	17,548.18	-	603.82	
Other Expenses	6,400.00	6,400.00	4,500.00	1,900.00	-	
Aid to Volunteer Rescue Squad	70,000.00	70,000.00	70,000.00	-	-	
Municipal Prosecutor						
Other Expenses	-	-	-	-	-	
Uniform Fire Code Official						
Salaries and Wages	113,415.00	113,415.00	112,930.44	-	484.56	
Other Expenses	12,150.00	12,150.00	4,972.03	1,495.85	5,682.12	
Fire Hydrant Service						
Other Expenses	2,850.00	2,850.00	2,850.00	-	-	
Municipal Court						
Salaries and Wages	35,000.00	35,000.00	32,737.42	-	2,262.58	
Other Expenses	-	-	-	-	-	
Public Defender						
Other Expenses	-	-	-	-	-	

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
PUBLIC WORKS:						
Public Building and Grounds	123,910.00	123,910.00	121,846.42	1,976.32	87.26	
Other Expenses						
Public Works						
Salaries and Wages	1,100,700.00	1,045,700.00	916,625.28	3,637.50	125,437.22	
Other Expenses	202,900.00	202,900.00	148,060.60	45,038.64	9,800.76	
Solid Waste Collection						
Salaries and Wages	703,000.00	703,000.00	688,725.67	-	14,274.33	
Other Expenses	236,980.00	236,980.00	173,049.98	43,595.44	20,334.58	
NATURAL RESOURCES						
Natural Resources Committee						
Salaries and Wages	-	-	-	-	-	
Other Expenses	58,700.00	58,700.00	44,798.15	2,900.00	11,001.85	
NATURAL RESOURCES						
Animal Control						
Other Expenses	19,000.00	19,000.00	12,495.14	950.00	5,554.86	
HEALTH AND HUMAN SERVICES:						
Safety Compliance						
Other Expenses	30,000.00	30,000.00	17,699.43	500.00	11,800.57	
RECREATION AND EDUCATION:						
Docks, Bulkheads and Seawall						
Salaries and Wages	8,250.00	8,250.00	4,635.50	-	3,614.50	
Beach Patrol						
Salaries and Wages	1,100,000.00	1,100,000.00	1,044,141.86	-	55,858.14	
Other Expenses	64,250.00	64,250.00	64,198.48	-	51.52	

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Parks and Playgrounds	193,000.00	193,000.00	173,741.43	-	19,258.57	
Salaries and Wages	63,000.00	63,000.00	62,458.27	121.20	420.53	
Other Expenses						
Special Events						
Salaries and Wages	47,500.00	47,500.00	23,907.49	-	23,592.51	
Tourism						
Salaries and Wages	57,750.00	57,750.00	57,750.00	-	-	
Other Expenses	130,000.00	115,000.00	94,812.35	2,006.00	18,181.65	
Museum	30,500.00	30,500.00	30,500.00	-	-	
UNIFORM CONSTRUCTION CODE:						
State Uniform Construction Code						
Construction Official	196,618.00	196,618.00	196,408.00	210.00	-	
Salaries and Wages	9,330.00	9,330.00	9,260.63	-	69.37	
Other Expenses						
UNCLASSIFIED:						
Longevity Pay for Employees	23,500.00	23,500.00	17,370.08	-	6,129.92	
UTILITY EXPENSES AND BULK PURCHASES:						
Electric	156,000.00	156,000.00	146,309.06	8,799.88	891.06	
Gasoline	140,000.00	140,000.00	113,196.70	10,102.80	16,700.50	
Street Lighting	131,000.00	131,000.00	119,534.05	5,816.25	5,649.70	
Telephone	51,000.00	51,000.00	45,886.90	5,073.16	39.94	
Natural Gas	41,000.00	41,000.00	36,847.68	4,152.32	-	
TOTAL OPERATIONS WITHIN "CAPS"	10,623,600.00	10,608,600.00	9,640,316.76	230,857.53	737,425.71	-

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Contingent	6,000.00	6,000.00	4,823.80	1,000.00	176.20	
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	10,629,600.00	10,614,600.00	9,645,140.56	231,857.53	737,601.91	-
Detail:						
Salaries and Wages	6,462,760.00	6,407,760.00	6,056,747.02	3,847.50	347,165.48	-
Other Expenses	4,166,840.00	4,206,840.00	3,588,393.54	228,010.03	390,436.43	-
DEFERRED CHARGES/STATUTORY EXPENDITURES						
Deferred Charges:						
None						
Statutory Expenditures:						
Contributions to:						
Public Employees Retirement System	417,083.00	417,083.00	417,083.00	-	-	
Social Security System (O.A.S.I.)	495,000.00	495,000.00	451,535.29	-	43,464.71	
Police and Fire Retirement System of N.J.	357,605.00	357,605.00	357,605.00	-	-	
Unemployment Compensation Insurance	28,000.00	28,000.00	25,600.34	-	2,399.66	
Defined Contribution Retirement Plan	4,000.00	4,000.00	3,803.57	-	196.43	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	1,301,688.00	1,301,688.00	1,255,627.20	-	46,060.80	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	11,931,288.00	11,916,288.00	10,900,767.76	231,857.53	783,662.71	-

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Interlocal Municipal Service Agreements						
County of Cape May Interlocal Agreement						
Police Dispatch Services	300,000.00	300,000.00	269,000.00	-	31,000.00	
Other Expenses	78,382.00	78,382.00	77,872.00	-	510.00	
Financial Administration - CFO	147,640.00	147,640.00	147,640.00	-	-	
Municipal Court - Shared Services	526,022.00	526,022.00	494,512.00	-	31,510.00	
TOTAL SHARED SERVICE AGREEMENTS						-
(A) Public and Private Programs Off-Set by Revenues						
Safety Grant	4,000.00	4,000.00	4,000.00	-	-	
Clean Communities Program	14,673.04	14,673.04	14,673.04	-	-	
Stone Harbor Property Owners Association Grant	85.00	85.00	85.00	-	-	
ACMJIF- Wellness Grant	1,000.00	1,000.00	1,000.00	-	-	
NJDOT	185,000.00	185,000.00	185,000.00	-	-	
Police Body Armor Grant	3,470.40	3,470.40	3,470.40	-	-	
USTA	3,000.00	3,000.00	3,000.00	-	-	
Total Public and Private Programs Off-Set by Revenues	211,228.44	211,228.44	211,228.44	-	-	-
Total Operations - Excluded from "CAPS"	737,250.44	737,250.44	705,740.44	-	31,510.00	
Detail:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	737,250.44	737,250.44	705,740.44	-	31,510.00	-

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
(C) Capital Improvements						
Capital Improvement Fund	400,000.00	400,000.00	400,000.00	-	-	-
Computers/ Phones/ Door Lock System	7,000.00	7,000.00	7,000.00	-	-	-
Beach Patrol Equipment	25,000.00	25,000.00	14,075.00	-	10,925.00	
Recreation Improvements	66,380.00	66,380.00	12,739.47	11,489.85	42,150.68	
PW Grounds Equipment - Tire Changer / Balancer	20,000.00	20,000.00	8,419.22	11,572.00	8.78	
Police Vehicle	62,000.00	62,000.00	-	47,203.90	14,796.10	
Police Equipment	48,975.00	48,975.00	29,131.56	5,918.83	13,924.61	
Back Bay Dredge Management	147,000.00	147,000.00	147,000.00	-	-	
Beach Replenishment	147,000.00	147,000.00	147,000.00	-	-	
Beach & Bay Access	25,000.00	25,000.00	-	-	25,000.00	
Public Works Equipment	20,000.00	20,000.00	15,000.00	-	5,000.00	
Fire-Replace SCBA/Bottles	210,000.00	210,000.00	203,061.97	4,158.00	2,780.03	
Public Works Vehicles	177,000.00	177,000.00	-	165,377.68	11,622.32	
Bulkhead Replacement	25,000.00	25,000.00	-	24,812.18	187.82	
Generator/HVAC	15,000.00	15,000.00	2,373.50	1,693.31	10,933.19	
Building/Fence & Security	15,000.00	15,000.00	1,898.76	-	13,101.24	
Total Capital Improvements	1,410,355.00	1,410,355.00	987,699.48	272,225.75	150,429.77	-
(D) Debt Service						
Payment of Bond Principal	2,540,000.00	2,555,000.00	2,554,487.04	-	-	512.96
Interest on Bonds	1,137,456.25	1,137,456.25	1,130,654.46	-	-	6,801.79
Interest on Notes	31,250.00	31,250.00	31,250.00	#		-
New Jersey Environmental Infrastructure Trust						
Principal	235,580.00	235,580.00	235,580.00	-	-	-
Interest	60,543.75	60,543.75	60,543.75	-	-	-
Total Debt Service	4,004,830.00	4,019,830.00	4,012,515.25	-	-	7,314.75

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Canceled
	Budget	Budget After Modifications		Encumbered	Reserved	
(E) Deferred Charges						
Emergency Authorizations	335,000.00	335,000.00	335,000.00	-	-	
Emergency Authorizations	70,000.00	70,000.00	70,000.00	-	-	
Special Emergency Authorization - 5 years						
Deferred Charged to Future Taxation Unfunded:						
Ordinance 1356	90,231.68	90,231.68	90,231.68	-	-	
Ordinance 1390	87,418.37	87,418.37	87,418.37	-	-	
Ordinance 1546	170,000.00	170,000.00	170,000.00	-	-	
Total Deferred Charges	<u>752,650.05</u>	<u>752,650.05</u>	<u>752,650.05</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	<u>6,905,085.49</u>	<u>6,920,085.49</u>	<u>6,458,605.22</u>	<u>272,225.75</u>	<u>181,939.77</u>	<u>7,314.75</u>
SUBTOTAL GENERAL APPROPRIATIONS	<u>18,836,373.49</u>	<u>18,836,373.49</u>	<u>17,359,372.98</u>	<u>504,083.28</u>	<u>965,602.48</u>	<u>7,314.75</u>
(M) Reserve for Uncollected Taxes	<u>510,000.00</u>	<u>510,000.00</u>	<u>510,000.00</u>	<u>-</u>	<u>-</u>	
TOTAL GENERAL APPROPRIATIONS	<u>\$ 19,346,373.49</u>	<u>19,346,373.49</u>	<u>17,869,372.98</u>	<u>504,083.28</u>	<u>965,602.48</u>	<u>7,314.75</u>
Budget		<u>19,346,373.49</u>				
		<u>19,346,373.49</u>				
Reserve for Uncollected Taxes			510,000.00			
Federal and State Grants			211,228.44			
Deferred Charges - Special Emergency			405,000.00			
Disbursements			16,743,144.54			
			<u>17,869,372.98</u>			

EXHIBIT B - TRUST FUND

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

	<u>2021</u>	<u>2020</u>
ASSETS		
Animal Control Fund:		
Cash	\$ 677.02	644.60
Due from Current Fund	-	0.17
	<u>677.02</u>	<u>644.77</u>
Other Funds:		
Cash - Treasurer	<u>2,594,237.64</u>	<u>3,713,536.89</u>
	<u>2,594,237.64</u>	<u>3,713,536.89</u>
	<u>\$ 2,594,914.66</u>	<u>3,714,181.66</u>
 LIABILITIES, RESERVES AND FUND BALANCE		
Animal Control Fund:		
Due to State of New Jersey	\$ 10.80	1.20
Due to Current Fund	574.58	-
Reserve for Expenditures	<u>91.64</u>	<u>643.57</u>
	<u>677.02</u>	<u>644.77</u>
Other Funds:		
Reserves - Miscellaneous	<u>2,594,237.64</u>	<u>3,713,536.89</u>
	<u>2,594,237.64</u>	<u>3,713,536.89</u>
	<u>\$ 2,594,914.66</u>	<u>3,714,181.66</u>

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>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Cash	\$	9,402,300.54	3,766,659.09
Deferred Charges to Future Taxation -			
Funded		28,726,431.89	31,720,456.53
Unfunded		23,900,062.63	15,070,512.68
Interfunds and Receivables			
Due from State of New Jersey - EIT		595,381.40	595,381.40
		<u>62,624,176.46</u>	<u>51,153,009.70</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Contracts Payable		6,231,047.25	3,919,824.32
Serial Bonds Payable		26,130,000.00	28,670,000.00
NJEIT Loan Payable		2,596,431.89	3,050,456.53
Bond Anticipation Notes Payable		10,800,000.00	2,500,000.00
Improvement Authorizations:			
Funded		496,096.99	922,708.73
Unfunded		14,999,405.00	10,838,182.79
Reserve for Payment of NJEIT Loan		260,393.12	260,393.12
Reserve for Payment of Bonds		88,848.43	179,690.43
Reserve for Arbitrage Liability		1,699.33	1,699.33
Reserve for Preliminary Costs		841.69	841.69
Reserve for Back Bay Dredging		492,000.00	345,000.00
Reserve for Beach Replenishment		492,000.00	345,000.00
Capital Improvement Fund		35,293.00	119,093.00
Fund Balance		119.76	119.76
	\$	<u>62,624,176.46</u>	<u>51,153,009.70</u>

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

2020	12,570,512.68
2021	13,100,062.63

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>2021</u>	<u>2020</u>
Beginning Balance January 1	\$	119.76	119.76
No current year activity			
Ending Balance December 31	\$	<u>119.76</u>	<u>119.76</u>

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

EXHIBIT D - WATER AND SEWER FUND

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

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Operating Fund:			
Cash	\$	2,399,300.22	2,132,238.05
Change Fund		50.00	50.00
		<u>2,399,350.22</u>	<u>2,132,288.05</u>
Receivables and Other Assets with Full Reserves:			
Water & Sewer Rents Receivable		79,630.35	97,084.82
Due from Current Fund		2,850.00	-
		<u>82,480.35</u>	<u>97,084.82</u>
Total Operating Fund		<u>2,481,830.57</u>	<u>2,229,372.87</u>
Capital Fund:			
Cash - Treasurer		2,098,107.71	1,768,688.34
Due from N.J. Environ. Infrastructure Trust			
2010 Series A		2,830.00	2,830.00
2012 Series A		224,742.87	224,742.87
2015 Series		845,361.30	845,361.30
Due from Water & Sewer Operating		617,480.00	303,827.00
Fixed Capital		12,622,948.87	12,622,948.87
Fixed Capital - Authorized and Uncompleted		40,163,175.00	33,472,175.00
Total Capital Fund		<u>56,574,645.75</u>	<u>49,240,573.38</u>
	\$	<u><u>59,056,476.32</u></u>	<u><u>51,469,946.25</u></u>

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

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

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves	\$	54,086.39	224,860.24
Reserve for Encumbrances		75,622.78	88,707.80
Accounts Payable		1,900.00	-
Due to Utility Capital Fund		617,480.00	303,827.00
Utility Prepayments		-	16,161.93
Utility Overpayments		3,712.94	30,888.04
Accrued Interest on Bonds and Notes		67,178.06	79,100.13
		<u>819,980.17</u>	<u>743,545.14</u>
Reserve for Receivables		79,630.35	97,084.82
Fund Balance		1,582,220.05	1,388,742.91
Total Operating Fund		<u>2,481,830.57</u>	<u>2,229,372.87</u>
Capital Fund:			
Encumbrances Payable		4,645,539.94	5,086,185.62
Serial Bonds Payable		355,000.00	525,000.00
N.J. Environmental Infrastructure Trust Loans		4,959,132.86	5,435,113.60
Bond Anticipation Notes		18,712,000.00	15,355,173.00
Improvement Authorizations:			
Funded		-	-
Unfunded		7,469,618.35	3,973,818.62
Reserve for Amortization		19,945,957.38	18,377,885.32
Deferred Reserve for Amortization		238,700.00	238,700.00
Reserve for Payment of Bonds		60,000.00	60,000.00
Reserve for Insurance Reimbursement		71,505.06	71,505.06
Capital Improvement Fund		82,575.77	82,575.77
Fund Balance		34,616.39	34,616.39
Total Capital Fund		<u>56,574,645.75</u>	<u>49,240,573.38</u>
	\$	<u>59,056,476.32</u>	<u>51,469,946.25</u>

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

2020	6,163,251.95
2021	8,575,333.63

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

**WATER AND SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized			
Fund Balance	\$	428,531.32	412,940.00
Water & Sewer Rents		4,177,195.80	4,027,415.36
Fire Hydrant Service		2,850.00	2,850.00
Miscellaneous Unanticipated Revenue		228,955.93	160,157.91
Miscellaneous Revenue		220,464.78	138,560.00
Other Credits to Income:			
Unexpended Balance of Appropriation Res.		256,470.69	238,964.70
Total Income		<u>5,314,468.52</u>	<u>4,980,887.97</u>
Expenditures			
Operations			
Salaries and Wages		437,500.00	407,500.00
Other Expenses		536,000.00	577,770.00
Interlocal Agreement - CFO		19,600.00	19,215.00
Cape May County MUA		1,656,200.00	1,545,000.00
Capital Improvements		91,600.00	78,000.00
Debt Service		1,584,348.74	1,610,450.69
Statutory & Deferred Charges		367,211.32	141,027.00
Total Expenditures		<u>4,692,460.06</u>	<u>4,378,962.69</u>
Excess/(Deficit) in Revenue		<u>622,008.46</u>	<u>601,925.28</u>
Fund Balance January 1		<u>1,388,742.91</u>	<u>1,199,757.63</u>
		2,010,751.37	1,801,682.91
Decreased by:			
Utilization as Anticipated Revenue		<u>428,531.32</u>	<u>412,940.00</u>
Fund Balance December 31	\$	<u><u>1,582,220.05</u></u>	<u><u>1,388,742.91</u></u>

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

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

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Beginning Balance January 1	\$	34,616.39	34,616.39
Increased by:			
No Activity			
		<u>-</u>	<u>-</u>
		34,616.39	34,616.39
Decreased by:			
No Activity			
		<u>-</u>	<u>-</u>
Ending Balance December 31	\$	<u><u>34,616.39</u></u>	<u><u>34,616.39</u></u>

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

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

	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 428,531.32	428,531.32	-
Rents - Water & Sewer	4,120,000.00	4,177,195.80	57,195.80
Fire Hydrant Service	2,850.00	2,850.00	-
Miscellaneous	160,000.00	228,955.93	68,955.93
Miscellaneous Not Anticipated		220,464.78	220,464.78
	<u>\$ 4,711,381.32</u>	<u>5,057,997.83</u>	<u>346,616.51</u>

Analysis of Realized Revenue:

Consumer Accounts Receivable:

Water and Sewer Rents	
Current Collections	4,130,145.83
Prepayments & Overpayments Applied	47,049.97
Fire Hydrant Service	2,850.00
Miscellaneous below	228,955.93
	<u>4,409,001.73</u>

Miscellaneous

Meter Boxes & Fittings	56,202.00
Infrastructure Maintenance Fees	13,679.25
Final Meter Reading	5,533.00
Miscellaneous	116,193.74
Street Openings	30,002.50
Turn off/on	7,250.00
Interest on Investments	2,945.44
	<u>231,805.93</u>

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

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

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
Operations:					
Salaries and Wages	\$ 437,500.00	437,500.00	437,500.00	-	
Other Expenses	562,200.00	536,000.00	476,761.64	58,141.85	1,096.51
Cape May County MUA	1,630,000.00	1,656,200.00	1,656,147.00	-	53.00
Interlocal Agreement - CFO	19,600.00	19,600.00	19,468.00	-	132.00
	<u>2,649,300.00</u>	<u>2,649,300.00</u>	<u>2,589,876.64</u>	<u>58,141.85</u>	<u>1,281.51</u>
					-
Capital Improvements:					
Capital Improvement Fund	96,000.00	-	22,180.00	17,480.93	51,939.07
Capital Outlay	<u>96,000.00</u>	<u>91,600.00</u>	<u>22,180.00</u>	<u>17,480.93</u>	<u>51,939.07</u>
					-
Debt Service:					
Payment of Bond Principal	704,625.00	734,625.00	732,667.77	-	1,957.23
Payment on BAN's & Capital Notes	590,480.00	590,480.00	590,480.00	-	-
Interest on Bonds	111,825.00	81,825.00	64,884.16	-	16,940.84
Interest on Notes	191,940.00	196,340.00	196,316.81	-	23.19
	<u>1,598,870.00</u>	<u>1,603,270.00</u>	<u>1,584,348.74</u>	<u>-</u>	<u>18,921.26</u>
Deferred Charges and Statutory Expenditures:					
Unfunded Ordinance - 1342	331,611.32	331,611.32	331,611.32	-	-
Unfunded Ordinance - 1480	-	-	-	-	-
Social Security System	33,500.00	33,500.00	32,929.91	-	570.09
Unemployment	2,100.00	2,100.00	1,804.28	-	295.72
	<u>367,211.32</u>	<u>367,211.32</u>	<u>366,345.51</u>	<u>-</u>	<u>865.81</u>
					-
	<u>\$ 4,711,381.32</u>	<u>4,711,381.32</u>	<u>4,562,750.89</u>	<u>75,622.78</u>	<u>18,921.26</u>

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

EXHIBIT E - GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF GENERAL FIXED ASSETS
DECEMBER 31,
REGULATORY BASIS

	<u>2021</u>	<u>2020</u>
General Fixed Assets:		
Land	\$ 78,321,333.00	78,321,333.00
Land Improvements	66,634.52	66,634.52
Buildings and Improvements	4,431,896.66	4,431,896.66
Investment in COAH Properties	1,536,468.29	-
Machinery and Equipment	11,141,999.02	10,311,049.49
	<u>95,498,331.49</u>	<u>93,130,913.67</u>
Investment in General Fixed Assets	\$ <u>95,498,331.49</u>	<u>93,130,913.67</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, 2021 AND 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Stone Harbor include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough of Stone Harbor, 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 Stone Harbor 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 Stone Harbor accounts for its financial transactions through the following separate funds:

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

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

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

Water and Sewer Operating and Capital Funds -- account for the operations of the water and sewer utility and acquisition of water and sewer capital facilities other than those acquired in the Current and General Capital Funds.

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, 2021 AND 2020
(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 \$2,000.00 are capitalized.

No depreciation has been provided for in the financial statements.

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

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

Property and equipment purchased by the Water and Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized.

The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

Interest on Delinquent Taxes – It is the policy of the Borough of Stone Harbor 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 operates a water and sewer utility fund. Rates are determined by ordinance and changed as necessary. Water and sewer charges are based on flat fees and usage based on the type of entity. Charges are billed annually and due in quarterly installments on December 1, March 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.

Capitalization of Interest -- It is the policy of the Borough of Stone Harbor 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 Infrastructure 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.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

F. Recent Accounting Pronouncements Not Yet Effective

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

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

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private 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.

In May 2020, 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 June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". This statement, which is effective for periods beginning after June 15, 2021, 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.

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 2021 and 2020 statutory budgets included a reserve for uncollected taxes in the amount of \$510,000.00 and \$480,000.00, respectively. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2021 and 2020 statutory budgets was \$1,833,936.05.00 and \$1,832,167.00, respectively. In addition, the entity operates a self-liquidating water and sewer utility. Under New Jersey Statutes a separate budget for the utility must be adopted concurrently with the operating budget of the entity. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2021 and 2020 statutory budgets was \$428,531.32 and \$412,940.00.

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

NOTE 2: BUDGETARY INFORMATION - Continued

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by Borough Council.

The following significant budget transfers were approved in the 2021 and 2020 calendar years:

<u>Budget Category</u>	<u>2021</u>	<u>2020</u>
<u>Current Fund:</u>		
Municipal Clerk		
Other Expenses	10,000.00	
Planning Board		
Other Expenses	17,000.00	10,000.00
Legal Services		
Other Expenses	30,000.00	
Engineering Services and Costs		
Other Expenses	35,000.00	15,000.00
Fire Department		
Other Expenses	(37,000.00)	
Beach Patrol		
Salaries and Wages		335,000.00
Public Works		
Salaries and Wages	(55,000.00)	
Tourism		
Other Expenses	(15,000.00)	(25,000.00)

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2021 and 2020, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2021</u>	<u>2020</u>
N/A	N/A	N/A
\$	\$	
\$	\$	\$
	-	-

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

NOTE 2: BUDGETARY INFORMATION - Continued

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.

Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The Borough approved a special emergency appropriations in the amount of, 250,000.00 in 2016 and \$100,000.00 in 2017. The 2016 Special Emergency was for Revaluation of Real Property and the 2017 Special Emergency was for the Master Plan. The unfunded balances of all Special Emergencies as of December 31, 2021 was \$20,000.00. The Borough also approved an emergency appropriation of \$335,000 in 2020, this emergency was for Beach Patrol Salaries and Wages and was raised in full by the 2021 budget.

NOTE 3: INVESTMENTS

As of December 31, 2021 and 2020, the municipality had no investments.

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

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

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

NOTE 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2021 and 2020, \$2,025,841.14 and \$2,982,587.88 of the municipality's bank balance of \$23,447,449.81 and \$17,782,471.53 was exposed to custodial credit risk.

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

NOTE 5: FIXED ASSETS

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

	Balance 12/31/2020	Additions	Retirements	Balance 12/31/2021
Land	\$ 78,321,333.00			\$ 78,321,333.00
Building	66,635.00			66,635.00
Building Improvements	4,431,896.18			4,431,896.18
Investment in COAH Property		1,536,468.29		1,536,468.29
Equipment and Machinery	10,311,049.49	806,043.39	24,906.14	11,141,999.02
	<u>\$ 93,130,913.67</u>	<u>2,342,511.68</u>	<u>24,906.14</u>	<u>95,498,331.49</u>

	Balance 12/31/2019	Additions	Retirements	Balance 12/31/2020
Land	\$ 78,321,333.00			\$ 78,321,333.00
Building	66,635.00			66,635.00
Building Improvements	4,511,294.11	3,799.00	(83,196.93)	4,431,896.18
Equipment and Machinery	10,543,019.77	339,687.62	(571,657.90)	10,311,049.49
	<u>\$ 93,442,281.88</u>	<u>343,486.62</u>	<u>(654,854.83)</u>	<u>93,130,913.67</u>

Note 6: SHORT-TERM OBLIGATIONS

At December 31, 2021, the Borough has a bond anticipation outstanding in the amount of \$29,512,000, due October 28, 2022 with interest at 1.5%.

	Balance 12/31/20	Issued	Retired	Balance 12/31/21
Bond Anticipation				
Notes payable:				
General	\$ 2,500,000.00	10,800,000.00	2,500,000.00	10,800,000.00
Water & Sewer	15,355,173.00	18,712,000.00	15,355,173.00	18,712,000.00
	<u>\$ 17,855,173.00</u>	<u>29,512,000.00</u>	<u>17,855,173.00</u>	<u>29,512,000.00</u>

At December 31, 2020, the Borough has a bond anticipation outstanding in the amount of \$17,855,173.00, due October 29, 2021 with interest at 1.25%.

	Balance 12/31/19	Issued	Retired	Balance 12/31/20
Bond Anticipation				
Notes payable:				
General	\$ -	2,500,000.00		2,500,000.00
Water & Sewer	14,459,000.00	15,355,173.00	14,459,000.00	15,355,173.00
	<u>\$ 14,459,000.00</u>	<u>17,855,173.00</u>	<u>14,459,000.00</u>	<u>17,855,173.00</u>

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

NOTE 7: LONG TERM DEBT

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

	Balance 12/31/19	Retired	Cancelled	Balance 12/31/20	Amounts Due Within One Year
Bonds payable:					
General	\$ 31,150,000.00	2,480,000.00		28,670,000.00	2,540,000.00
Utility	1,050,000.00	525,000.00		525,000.00	170,000.00
Total	<u>32,200,000.00</u>	<u>3,005,000.00</u>	<u>-</u>	<u>29,195,000.00</u>	<u>2,710,000.00</u>
Other liabilities:					
Loans Payable:					
General	3,307,426.50	235,577.19	21,392.78	3,050,456.53	259,711.43
Utility	<u>6,031,266.79</u>	<u>519,699.09</u>	<u>76,454.10</u>	<u>5,435,113.60</u>	<u>560,212.21</u>
Total long-term liabilities	<u>\$ 41,538,693.29</u>	<u>3,760,276.28</u>	<u>97,846.88</u>	<u>37,680,570.13</u>	<u>3,529,923.64</u>
	Balance 12/31/20	Retired	Cancelled	Balance 12/31/21	Amounts Due Within One Year
Bonds payable:					
General	\$ 28,670,000.00	2,540,000.00		26,130,000.00	2,595,000.00
Utility	525,000.00	170,000.00		355,000.00	175,000.00
Total	<u>29,195,000.00</u>	<u>2,710,000.00</u>	<u>-</u>	<u>26,485,000.00</u>	<u>2,770,000.00</u>
Other liabilities:					
Loans Payable:					
General	3,050,456.53	254,985.32	199,039.32	2,596,431.89	259,170.91
Utility	<u>5,435,113.60</u>	<u>475,980.74</u>		<u>4,959,132.86</u>	<u>562,952.25</u>
Total long-term liabilities	<u>\$ 37,680,570.13</u>	<u>3,440,966.06</u>	<u>199,039.32</u>	<u>34,040,564.75</u>	<u>3,592,123.16</u>

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

\$12,750,000.00 General Improvement Bonds dated November 1, 2011, due in annual installments through November 1, 2023, bearing interest at a varying rate ranging from 3.0% to 3.125%. The balance remaining as of December 31, 2021 is \$2,600,000.00.

\$27,455,000.00 General Improvement Bonds dated November 1, 2018, due in annual installments through November 1, 2032, bearing interest at a varying rate ranging from 3.250% to 5.00%. The balance remaining as of December 31, 2021 is \$23,530,000.00.

\$1,013,511.00 N.J. Environmental Trust Loan Bond Series B dated December 2, 2010, due in annual installments beginning August 1, 2012 through August 1, 2030, bearing interest at 5.00%. The balance remaining as of December 31, 2021 is \$415,110.04.

\$358,462.00 N.J. Environmental Fund Loan Bond dated December 2, 2010, due in semi-annual installments through August 1, 2030, bearing no interest. The balance remaining at December 31, 2021 is \$246,113.71.

\$141,786.00 N.J. Environmental Trust Loan Bond Series ABC dated May 3, 2012, due in annual installments beginning August 1, 2013 through August 1, 2031, bearing interest ranging from 2.00% to 5.00%. The balance remaining as of December 31, 2021 is \$34,205.15.

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

NOTE 7: LONG TERM DEBT - Continued

\$105,536.00 N.J. Environmental Fund Loan Bond dated May 3, 2012, due in semi-annual installments through August 1, 2031, bearing no interest. The balance remaining at December 31, 2021 is \$76,747.56.

\$1,070,575.00 N.J. Environmental Trust Loan Bond Series A dated May 3, 2012, due in annual installments beginning August 1, 2013 through August 1, 2031, bearing interest ranging from 2.00% to 5.00%. The balance remaining as of December 31, 2021 is \$455,730.32.

\$493,799.00 N.J. Environmental Fund Loan Bond dated May 3, 2012, due in semi-annual installments through August 1, 2031, bearing no interest. The balance remaining at December 31, 2021 is \$308,320.69.

\$346,667.00 N.J. Environmental Fund Loan Bond dated May 21, 2015, due in annual installments beginning August 1, 2017 through August 1, bearing interest ranging from 4.00% to 5.00%. The balance remaining at December 31, 2021 is \$266,666.67.

\$1,123,006.00 N.J. Environmental Fund Loan Bond dated May 21, 2015, due in annual installments beginning August 1, 2017 through August 1, bearing no interest. The balance remaining at December 31, 2021 is \$648,528.67.

\$161,181.00 N.J. Environmental Fund Loan Bond dated May 21, 2015, due in annual installments beginning August 1, 2017 through August 1, bearing interest ranging from 4.00% to 5.00%. The balance remaining at December 31, 2021 is \$44,999.83.

\$177,296.00 N.J. Environmental Fund Loan Bond dated May 21, 2015, due in annual installments beginning August 1, 2017 through August 1, bearing no interest. The balance remaining at December 31, 2021 is \$100,009.25.

Outstanding Bonds Whose Principal and Interest are Paid From the Utility Operating Fund of the Entity:

\$1,620,000.00 Water & Sewer Utility Bonds dated November 1, 2011, due in annual installments through November 1, 2023, bearing interest at a varying rate ranging from 2.0% to 3.125%. The balance remaining as of December 31, 2021 is \$355,000.00.

\$920,000.00 N.J. Environmental Trust Loan Bond Series A dated November 8, 2007, due in annual installments beginning August 1, 2009 through August 1, 2027, bearing interest at varying rates. The balance remaining as of December 31, 2021 is \$331,000.00.

\$901,733.00 N.J. Environmental Fund Loan Bond Series A dated November 8, 2007, due in semi-annual installments through August 1, 2027, bearing no interest. The balance remaining at December 31, 2021 is \$275,940.04.

\$707,506.00 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 no interest. The balance remaining as of December 31, 2021 is \$380,000.00.

\$2,023,865.00 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, 2021 is \$615,817.45.

\$273,203.37 N.J. Environmental Trust Loan Bond Series B dated December 2, 2010, due in annual installments beginning August 1, 2012 through August 1, 2030, bearing interest at 5.00%. The balance remaining as of December 31, 2021 is \$111,889.96.

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

NOTE 7: LONG TERM DEBT - Continued

\$111,087.48 N.J. Environmental Fund Loan Bond dated December 2, 2010, due in semi-annual installments through August 1, 2030, bearing no interest. The balance remaining at December 31, 2021 is \$66,338.21.

\$728,304.13 N.J. Environmental Trust Loan Bond Series ABC dated May 3, 2012, due in annual installments beginning August 1, 2013 through August 1, 2031, bearing interest ranging from 2.00% to 5.00%. The balance remaining as of December 31, 2021 is \$132,031.85.

\$728,304.00 N.J. Environmental Fund Loan Bond dated May 3, 2012, due in semi-annual installments through August 1, 2031, bearing no interest. The balance remaining at December 31, 2021 is \$296,245.54.

\$906,832.75 N.J. Environmental Trust Loan Bond Series A dated May 3, 2012, due in annual installments beginning August 1, 2013 through August 1, 2031, bearing interest ranging from 2.00% to 5.00%. The balance remaining as of December 31, 2021 is \$375,451.68.

\$406,814.50 N.J. Environmental Fund Loan Bond dated May 3, 2012, due in semi-annual installments through August 1, 2031, bearing no interest. The balance remaining at December 31, 2021 is \$254,008.82.

\$2,063,781.00 N.J. Environmental Fund Loan Bond dated May 21, 2015, due in semi-annual installments through September 1, 2034, bearing interest ranging from 4.00% to 5.00%. The balance as of December 31, 2021 is \$533,333.33.

\$1,522,720.00 N.J. Environmental Fund Loan Bond dated May 21, 2017, due in semi-annual installments through September 1, 2034, bearing no interest. The balance remaining at December 31, 2021 is \$1,297,057.33.

\$326,362.00 N.J. Environmental Fund Loan Bond dated May 21, 2017, due in semi-annual installments through September 1, 2034, bearing interest ranging from 4.00% to 5.00%. The balance as of December 31, 2021 is \$90,000.17.

\$354,593.00 N.J. Environmental Fund Loan Bond dated May 21, 2017, due in semi-annual installments through September 1, 2034, bearing no interest. The balance remaining at December 31, 2021 is \$200,018.48.

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

Year	General Fund		Utility Fund	
	Principal	Interest	Principal	Interest
2022	\$ 2,854,170.91	1,091,459.49	737,952.25	103,154.86
2023	2,953,882.77	982,768.98	754,733.42	89,653.61
2024	2,284,252.70	868,459.20	580,721.11	75,409.71
2025	2,373,691.77	762,809.36	581,804.54	66,428.12
2026	2,470,856.82	652,683.79	538,075.78	57,280.36
2027-2031	13,015,543.02	1,815,474.39	1,772,777.83	150,187.30
2032-2034	2,774,033.90	98,498.33	348,067.93	21,496.67
	<u>\$ 28,726,431.89</u>	<u>6,272,153.54</u>	<u>5,314,132.86</u>	<u>563,610.63</u>

As of December 31, 2021, the carrying value of the above bonds and notes approximates the fair value of the bonds. The total interest charged to the current budget was \$1,222,448.21 and to the utility budget was \$261,200.97.

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

NOTE 7: LONG TERM DEBT - Continued

<u>Summary of Municipal Debt</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 39,526,431.89	\$ 34,220,456.53	\$ 34,457,426.50
Water/Sewer Utility - Bonds and Notes	24,026,132.86	21,315,286.60	21,540,266.79
Total Issued	<u>63,552,564.75</u>	<u>55,535,743.13</u>	<u>55,997,693.29</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	13,100,062.63	12,570,512.68	5,416,862.68
Water/Sewer Utility - Bonds and Notes	8,575,333.63	6,163,251.95	3,007,251.95
Total Authorized But Not Issued	<u>21,675,396.26</u>	<u>18,733,764.63</u>	<u>8,424,114.63</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 85,227,961.01</u>	<u>\$ 74,269,507.76</u>	<u>\$ 64,421,807.92</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.943%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Water/Sewer Utility Debt	\$ 32,601,466.49	\$ 32,601,466.49	\$ -
General Debt	52,626,494.52	349,241.55	52,277,252.97
	<u>\$ 85,227,961.01</u>	<u>\$ 32,950,708.04</u>	<u>\$ 52,277,252.97</u>

Net Debt \$52,277,252.97 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$5,538,242,920.00 = 0.943%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 193,838,502.20
Net Debt	52,277,252.97
Remaining Borrowing Power	<u>\$ 141,561,249.23</u>

NOTE 8: FUND BALANCES APPROPRIATED

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

	<u>2021</u>	<u>2020</u>
Current Fund	\$ 1,598,379.48	\$ 1,833,936.05
Water/Sewer Utility	328,683.63	428,531.32

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

NOTE 9: SCHOOL TAXES

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

	12/31/2021	12/31/2020
Balance of Tax	\$ 1,297,068.25	\$ 1,297,068.25
Deferred	921,837.60	921,837.60
Tax Payable	<u>\$ 375,230.65</u>	<u>\$ 375,230.65</u>

NOTE 10: TAXES COLLECTED IN ADVANCE

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

	Balance 12/31/21	Balance 12/31/20
Prepaid Taxes	\$ 993,747.93	\$ 826,954.14
Cash Liability for Taxes Collected in Advance	<u>\$ 993,747.93</u>	<u>\$ 826,954.14</u>

NOTE 11: PENSION FUNDS

Description of Plans

Substantially all of the entity's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit pension plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/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, 2021 AND 2020
(CONTINUED)

NOTE 11: 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, 2021, 2020, and 2019 were \$417,083.00, \$358,274.00 and \$389,325.00.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The entity's contributions to PFRS for the years ended December 31, 2021, 2020, and 2018 were \$357,605.00, \$351,979.00 and \$283,817.00, and \$333,425.00.

The total payroll for the year ended December 31, 2021, 2020, and 2018 was \$5,846,561.20, \$5,455,949.56 and \$4,934,978.31. Payroll covered by PFRS was \$1,473,670.00, \$1,193,397.00 and \$1,144,334.00. Payroll covered by PERS was \$2,683,968.00, \$2,580,097.00 and \$2,751,589.00.

Significant Legislation

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

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%.
- For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

NOTE 11: 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 12: PENSION LIABILITIES

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

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

Public Employees' Retirement System

The Municipality has a liability of \$6,217,395.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 that was rolled forward to June 30, 2020. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Municipality's proportion would be 0.03812625500%, which would be an increase of 3.90% from its proportion measured as of June 30, 2019.

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

NOTE 12: PENSION LIABILITIES - Continued

For the year ended December 31, 2020, the Municipality would have recognized pension expense of \$141,144.00. At December 31, 2020, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 113,209	\$ (21,987)
Changes of assumptions	201,699	\$ (2,603,282)
Changes in proportion	319,122	\$ (325,788)
Net difference between projected and actual earnings on pension plan investments	212,516	
Total	<u>\$ 846,546</u>	<u>\$ (2,951,057)</u>

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

Year ended June 30,	
2021	\$ (782,648)
2022	(713,537)
2023	(407,768)
2024	(164,895)
2025	(35,663)
Total	<u>\$ (2,104,511)</u>

Actuarial Assumptions

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

Inflation rate

Price 2.75%

Wage 3.25%

Salary increases:

Through 2026 2.00% – 6.00% (based on years of service)

Thereafter 3.00% - 7.00% (based on years of service)

Investment rate of return: 7.00%

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

NOTE 12: 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-2019.

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

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

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

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

NOTE 12: PENSION LIABILITIES - Continued

Discount Rate

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipality's proportionate share of the net pension liability	\$ 7,404,900	\$ 6,217,395	\$ 5,211,060

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 \$4,136,098.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2019 that was rolled forward to June 30, 2020. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Municipality's proportion would be 0.03200987550%, which would be a decrease of 8.14% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Municipality would have recognized pension expense of \$115,927.00. At December 31, 2020, the Municipality would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 41,699	\$ (14,844)
Changes of assumptions	10,408	(1,108,863)
Changes in proportion	640,387	(1,079,388)
Net difference between projected and actual earnings on pension plan investments	242,519	
Total	<u>\$ 935,013</u>	<u>\$ (2,203,095)</u>

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

NOTE 12: 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,		
2021	\$	(591,770)
2022		(399,373)
2023		(162,588)
2024		(61,420)
2025		(52,931)
Total	\$	<u>(1,268,082)</u>

Actuarial Assumptions

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

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

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

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

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

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

NOTE 12: PENSION LIABILITIES - Continued

asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

Discount Rate

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's proportionate share of the net pension liability	\$ 5,345,707	\$ 4,136,098	\$ 3,131,452

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

NOTE 12: PENSION LIABILITIES - Continued

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

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

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Municipality was 0.032000987550% for 2020. The net pension liability amount allocated to the Municipality was \$641,904.00. For the fiscal year ending June 30, 2020 State special funding situation pension expense of \$72,747.00 is allocated to the Municipality.

Pension plan fiduciary net position.

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

NOTE 13 – OTHER POST-RETIREMENT

General Information about the Plan:

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

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

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

1) retired on a disability pension;

or 2) retired with 25 or more years of service credit in a State or locally administered retirement

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

NOTE 13 – OTHER POST-RETIREMENT - Continued

system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer;

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

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

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

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

Allocation Methodology:

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense, however under the Regulatory Basis of Accounting followed by the Borough these amounts are not accrued or recorded in the financial statements and the information listed in this note is for disclosure purposes only. Statewide across all member employers, the special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the Collective Total OPEB liabilities for the year ended June 30, 2020 were \$5,512,481,278 and \$12,598,993,950, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's non special funding situation during the measurement period July 1, 2019 through June 30, 2020. Employer and non-employer allocation percentages have been rounded for presentation purposes.

Special Funding Situation:

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

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

NOTE 13 – OTHER POST-RETIREMENT - Continued

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, 2020 is as follows:

	June 30, 2020	
	Collective Total	Proportionate Share
Total OPEB Liability	\$ 18,111,485,228	\$ 10,428,950
Plan Fiduciary Net Position	164,862,282	94,931
Net OPEB Liability	<u>\$ 17,946,622,946</u>	<u>\$ 10,334,019</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%	0.91%

At June 30, 2020 the Borough's proportionate share of the Collective Net OPEB Liability was \$10,334,019. The State's proportionate share for the Special Funding Situation that is associated with the Borough is \$4,946,497. The Borough's proportion of the Collective Net OPEB Liability was 0.057582% which was an increase from the prior year of 2.21%. The State's proportionate share attributable to the Borough of the Collective Net OPEB Liability for the Special Funding Situation was 0.090557% which was an increase from the prior year of 17.38%.

Borough's Proportionate Share of Collective Net OPEB Liability	\$ 10,334,019
State's proportionate share that is associated with the Borough	4,946,497
Total	<u>\$ 15,280,516</u>

For the Year ended June 30, 2020 the Borough's Total OPEB Expense was -\$600,536 and the State of New Jersey realized Total OPEB Expense in the amount of \$246,238 for its proportionate share of Total OPEB Expense that is associated with the Borough.

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

NOTE 13 – OTHER POST-RETIREMENT - Continued

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

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

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

Mortality:

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

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

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

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

Health Care Trend Assumptions

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

Discount Rate

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

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

NOTE 13 – OTHER POST-RETIREMENT - Continued

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

		1% Decrease (1.21%)		Discount Rate (2.21%)		1% Increase (3.21%)
<hr/>						
Collective						
Net OPEB Liability	\$	21,216,688,254	\$	17,946,612,946	\$	15,358,051,000
 Proportionate Share						
Net OPEB Liability	\$	12,216,994	\$	10,334,019	\$	8,843,473

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

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

		1% Decrease		Healthcare Cost Trend Rate		1% Increase
<hr/>						
Collective						
Net OPEB Liability	\$	14,850,840,718	\$	17,946,612,946	\$	22,000,569,109
 Proportionate Share						
Net OPEB Liability	\$	8,551,411	\$	10,334,019	\$	12,668,368

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

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

	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	\$ 472,699,992	\$ (3,341,994,109)	\$ 6,563	\$ (1,924,387)
Changes of assumptions	2,684,248,513	(3,991,049,511)	1,545,644	(2,298,126)
Net difference between projected and actual earnings on OPEB plan investments	11,397,084		272,190	
Changes in proportion and differences between contributions and proportionate share of contributions			398,944	(3,917,599)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 3,168,345,589	\$ (7,333,043,620)	\$ 2,223,341	\$ (8,140,112)

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

NOTE 13 – OTHER POST-RETIREMENT - 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
2021	\$ (964,720,007)	\$ (1,370,574)
2022	(965,594,678)	(1,371,817)
2023	(967,008,484)	(1,373,825)
2024	(968,300,349)	(1,375,661)
2025	(660,258,014)	(938,026)
Thereafter	361,183,501	513,132
Total	<u>\$ (4,164,698,031)</u>	<u>\$ (5,916,771)</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, 2020 are as follows:

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

Schedule of Borough's Share of Net OPEB Liability

	2020	2019	2018
Borough's Proportionate Share of Net OPEB Liability	0.005758%	0.056335%	0.071454%
Borough's Share of Net OPEB Liability	\$ 10,334,019	7,631,179	11,194,425
Borough's Covered Payroll	5,846,561	5,455,947	4,934,978
Borough's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	176.75%	139.87%	226.84%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%	1.98%	1.97%

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

NOTE 14: ACCRUED SICK AND VACATION BENEFITS

The Borough does not permit employees to accrue sick and vacation time. Hence, employees are not compensated upon retirement for accrued time.

NOTE 15: ECONOMIC DEPENDENCY

The Borough of Stone Harbor 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, 2021 and 2020 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.

NOTE 17: DEFERRED COMPENSATION

Employees of the Borough of Stone Harbor 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 18: CONTINGENT LIABILITIES

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

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

NOTE 19: INTERFUND BALANCES

As of December 31, 2021, the following interfunds were included on the balance sheets of the various funds of the Borough of Stone Harbor:

	Due From	Due To
Current Fund:		
Animal Control Fund	\$ 574.58	
Water & Sewer Operating Fund		2,850.00
Grant Fund		
Grant Fund:		
General Capital Fund		
Current Fund		
Animal Control Fund:		
Current Fund		574.58
Water Sewer Operating Fund:		
Water and Sewer Capital Fund		617,480.00
Current Fund	2,850.00	
Water and Sewer Capital Fund:		
Water and Sewer Operating Fund	617,480.00	
	\$ <u>620,904.58</u>	<u>620,904.58</u>

NOTE 20: SUBSEQUENT EVENTS

The entity has evaluated subsequent events through August 31, 2022, 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 Council
Borough of Stone Harbor
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 Stone Harbor, State of New Jersey, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated August 31, 2022, which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Stone Harbor 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

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

August 31, 2022

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

		<u>Current Fund</u>
Balance December 31, 2020	\$	5,361,623.08
Increased by Receipts:		
Tax Collector	32,815,966.78	
Revenue Accounts Receivable	2,997,107.28	
Miscellaneous Revenue	289,012.54	
State of New Jersey:		
Senior Citizen and Veterans Deductions	12,000.00	
DCA Training Fees	28,566.00	
Reserve for Building Repairs		
Prepaid Beach Fees	71,317.08	
Prepaid Uniform Fire Code Fees	97,218.00	
Due to Water & Sewer Utility Operating	2,850.00	
Due from Trust Other	0.17	
Reserve for HRA Liability	45,554.97	
Federal and State Unappropriated Reserves	114,311.38	
Federal and State Receivables	244,428.00	
		<u>36,718,332.20</u>
		42,079,955.28
Decreased by Disbursements:		
Current Year Appropriation	16,743,144.54	
Prior Year Appropriations	505,940.14	
County Taxes	15,330,337.12	
DCA Training Fees	26,349.00	
Local District School Taxes	2,594,142.00	
Due from Animal Control Fund	0.79	
Reserve for Building Repairs	1,115.45	
Accounts Payable	9,197.76	
Federal and State Disbursements	126,930.33	
		<u>35,337,157.13</u>
Balance December 31, 2021	\$	<u>6,742,798.15</u>
	Current Fund	6,416,686.05
	Grant Fund	326,112.10
		<u>6,742,798.15</u>

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR

Balance December 31, 2020		\$	-
Increased by Receipts:			
Prepaid Taxes	993,747.93		
Tax Overpayments	9,485.67		
Taxes Receivable	31,744,762.07		
Revenue Accounts Receivable	67,971.11		
	<hr/>		<hr/>
			32,815,966.78
			32,815,966.78
Payments to Treasurer			<hr/>
			32,815,966.78
Balance December 31, 2021		\$	<hr/> <hr/>
			-

See Accompanying Auditor's Report

See Accompanying Auditor's Report

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

Balance December 31, 2020		\$	334.98
Increased by:			
Transfers from Taxes Receivable	59.70		
	<hr/>		<hr/>
			59.70
			394.68
Decreased by:			
None			
	<hr/>		<hr/>
			-
Balance December 31, 2021		\$	<u><u>394.68</u></u>

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2020	Accrued in 2021	Collected by Collector	Treasurer	Balance Dec. 31, 2021
Licenses:					
Alcoholic Beverages		10,000.00		10,000.00	
Fees and Permits		441,273.77		441,273.77	
Construction Code Official:					
Fees and Permits		531,761.00		531,761.00	
Municipal Court:					
Fines and Costs	2,439.72	37,118.00		38,457.11	1,100.61
Parking Meters		438,169.00		438,169.00	
Interest and Costs on Taxes		67,971.11	67,971.11		
Interest Earned on Investments and Deposits		14,257.74		14,257.74	
Beach Fees		909,728.00		909,728.00	
Tennis Courts		78,126.95		78,126.95	
Cell Tower Rent		51,577.50		51,577.50	
Television Cable Fees		30,451.76		30,451.76	
Uniform Fire Code Official		165,029.50		165,029.50	
Uniform Fire Safety Act		11,474.45		11,474.45	
Beach Concessions		121,000.00		121,000.00	
Special Events Revenue		11,614.00		11,614.00	
Energy Receipts Tax		214,317.00		214,317.00	
Reserve for Payment of Bonds		90,842.00		90,842.00	
	<u>2,439.72</u>	<u>3,224,711.78</u>	<u>67,971.11</u>	<u>3,158,079.78</u>	<u>1,100.61</u>
\$					
	A	Res.	A-5		A
Prepaid Uniform Fire Code Fees				91,047.50	
Prepaid Beach Tags				69,925.00	
Collected				2,997,107.28	
				<u>3,158,079.78</u>	

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"				
GENERAL GOVERNMENT				
General Administration				
Other Expenses	\$ 13,415.92	13,415.92	5,776.17	7,639.75
Mayor and Council				
Salaries and Wages	5,001.56	5,001.56	-	5,001.56
Other Expenses	295.35	295.35	90.00	205.35
Municipal Clerk				
Salaries and Wages	1,193.04	1,193.04	-	1,193.04
Other Expenses	3,097.29	3,097.29	1,933.70	1,163.59
Financial Administration				
Salaries and Wages	8,135.50	8,135.50	-	8,135.50
Other Expenses	14,742.57	14,742.57	7,484.48	7,258.09
Elections				
Other Expenses	3,200.00	3,200.00	-	3,200.00
Audit Services				
Other Expenses	11,400.00	11,400.00	-	11,400.00
Collection of Taxes				
Salaries and Wages	2,214.91	2,214.91	251.74	1,963.17
Other Expenses	185.16	185.16	-	185.16
Assessment of Taxes				
Salaries and Wages	0.20	0.20	-	0.20
Other Expenses	1,572.73	1,572.73	73.42	1,499.31
Legal Services and Costs				
Other Expenses	23,170.55	23,170.55	23,170.55	-
Engineering Services and Costs				
Other Expenses	6,221.80	17,221.80	16,064.50	1,157.30

See Accompanying Auditor's Report

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

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed
Insurance				
Employee Group Insurance	62,240.17	62,240.17	62,240.17	-
Other Insurance Premiums	22,214.75	22,214.75	-	22,214.75
LAND USE ADMINISTRATION				
Planning Board				
Salaries and Wages	2,736.41	2,736.41	-	2,736.41
Other Expenses	2,013.69	5,513.69	4,980.00	533.69
Zoning Board				
Salaries and Wages	4,268.88	4,268.88	3,791.75	477.13
Other Expenses	540.90	540.90	52.88	488.02
PUBLIC SAFETY				
Fire Department				
Other Expenses	53,106.62	53,106.62	28,147.85	24,958.77
Police Department				
Salaries and Wages	102,973.08	102,973.08	-	102,973.08
Other Expenses	41,038.70	41,038.70	35,607.00	5,431.70
Office of Emergency Management				
Salaries and Wages	151.50	151.50	-	151.50
Other Expenses	184.04	184.04	-	184.04
Municipal Prosecutor				
Other Expenses	5,607.19	5,607.19	-	5,607.19
Uniform Fire Code Official				
Salaries and Wages	501.10	501.10	-	501.10
Other Expenses	7,851.01	7,851.01	2,353.09	5,497.92
Municipal Court				
Salaries and Wages	28,517.50	28,517.50	-	28,517.50
Other Expenses	10,127.66	10,127.66	1,015.25	9,112.41

See Accompanying Auditor's Report

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

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed
PUBLIC WORKS				
Public Works				
Salaries and Wages	106,682.53	106,682.53	-	106,682.53
Other Expenses	75,608.55	75,608.55	19,687.30	55,921.25
Solid Waste Collection				
Salaries and Wages	761.45	761.45	-	761.45
Other Expenses	52,166.17	52,166.17	15,628.17	36,538.00
Public Building and Grounds				
Other Expenses	50,725.45	50,725.45	33,983.64	16,741.81
NATURAL RESOURCES				
Natural Resources Committee				
Salaries and Wages	25,000.00	25,000.00	-	25,000.00
Other Expenses	21,342.15	21,342.15	10,703.34	10,638.81
Animal Control				
Other Expenses	2,086.00	2,086.00	900.00	1,186.00
HEALTH AND HUMAN SERVICES				
Safety Compliance				
Other Expenses	12,214.98	12,214.98	5,498.00	6,716.98
RECREATION AND EDUCATION				
Beach Patrol				
Salaries and Wages	209.03	209.03	-	209.03
Other Expenses	3,615.79	3,615.79	3,615.79	-
Docks, Bulkheads and Seawall				
Other Expenses	2,204.35	2,204.35	-	2,204.35

See Accompanying Auditor's Report

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

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed
Parks and Playgrounds				
Salaries and Wages	20,120.40	20,120.40	-	20,120.40
Other Expenses	8,364.68	8,364.68	5,800.29	2,564.39
Special Events				
Salaries and Wages	38,492.10	38,492.10	-	38,492.10
Tourism				
Other Expenses	74,325.09	59,825.09	6,352.59	53,472.50
Museum	500.00	500.00	-	500.00
STATE UNIFORM CONSTRUCTION CODE				
Construction Official				
Salaries and Wages	202.43	202.43	-	202.43
Other Expenses	1,413.92	1,413.92	329.11	1,084.81
UTILITIES				
Electricity	13,753.21	13,753.21	42.86	13,710.35
Telephone	8,335.13	8,335.13	825.16	7,509.97
Street Lighting	20,502.90	20,502.90	1,326.13	19,176.77
Gasoline	87,642.23	87,642.23	9,818.38	77,823.85
Natural Gas	10,597.69	10,597.69	10,597.69	(0.00)
STATUTORY EXPENDITURES				
Contribution to				
Defined Contribution Retirement Plan	329.27	329.27	-	329.27
Social Security	10,685.56	10,685.56	-	10,685.56
Unemployment Compensation Insurance	3,712.84	3,712.84	-	3,712.84
INTERLOCAL AGREEMENTS				
Borough of Avalon				
Financial Administration - CFO	499.40	499.40	-	499.40

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed
CAPITAL IMPROVEMENTS				
Computers/ Phones/ Door Lock System	5,601.11	5,601.11	5,000.00	601.11
Fire Department Vehicle	200.25	200.25	-	200.25
Beach Patrol Equipment	1,074.10	1,074.10	-	1,074.10
Recreation Improvements	68,279.01	68,279.01	20,958.30	47,320.71
Public Works Equipment	84,336.60	84,336.60	57,566.80	26,769.80
Storm Sewer Master Plan	46,130.00	46,130.00	46,130.00	-
Dredge - Flood Management	100,000.00	100,000.00	-	100,000.00
Public Works Parking Lot LED Lights	1,632.33	1,632.33	757.37	874.96
Beach & Bay Access	20,797.50	20,797.50	10.00	20,787.50
Natural Resources - Signage	1,500.00	1,500.00	-	1,500.00
Police Vehicle	45,000.00	45,000.00	45,000.00	-
Police Equipment	47,091.65	47,091.65	33,457.65	13,634.00
Street Line Painting	20,000.00	20,000.00	-	20,000.00
	<u>\$ 1,531,655.63</u>	<u>1,531,655.63</u>	<u>527,021.12</u>	<u>1,004,634.51</u>
	Transfer to Accounts Payable		21,080.98	
	Cash Disbursements		<u>505,940.14</u>	
			<u>527,021.12</u>	

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Balance December 31, 2020			
School Tax Payable	\$	375,230.65	
School Tax Deferred		<u>921,837.60</u>	
			1,297,068.25
Increased by:			
Levy - School Year July 1 to June 30			<u>2,594,142.00</u>
			3,891,210.25
Decreased by:			
Payments			<u>2,594,142.00</u>
Balance December 31, 2021			
School Tax Payable		375,230.65	
School Tax Deferred		<u>921,837.60</u>	
			<u>1,297,068.25</u>
Current Year Liability for Local School District School Tax:			
Tax Paid			2,594,142.00
Tax Payable Ending			<u>375,230.65</u>
			2,969,372.65
Less: Tax Payable Beginning			<u>375,230.65</u>
Amount Charged to Current Year Operations	\$		<u>2,594,142.00</u>

See Accompanying Auditor's Report

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

<u>Purpose</u>	<u>Balance Dec. 31, 2020</u>	<u>Transferred From Revenues</u>	<u>Received</u>	<u>Balance Dec. 31, 2021</u>
FEDERAL GRANTS:				
CDBG - Disaster Recovery				
Flood Mitigation Grant	2,703,804.00			2,703,804.00
Cops in Shops	2,000.00			2,000.00
Total Federal	2,705,804.00	-	-	2,705,804.00
STATE GRANTS:				
DOT - Reconstruction of 95th Street	84,250.00			84,250.00
DOT - Reconstruction of 95th Street	50,000.00			50,000.00
NJ DOT Trust Fund Authority Act	140,904.00		105,678.00	35,226.00
NJ DOT Trust Fund Authority Act		185,000.00	138,750.00	46,250.00
NJ Cooperative Marketing Grant	1,109.75			1,109.75
Total State	276,263.75	185,000.00	244,428.00	216,835.75
LOCAL GRANTS:				
County of Cape May - Streetscape	8,140.00			8,140.00
ACMJIF Wellness Grant	1,000.00	1,000.00		2,000.00
CMC Open Space Grant-Bikeway	99,046.96			99,046.96
ACMJIF Safety Grant	2,150.00	4,000.00		6,150.00
Total Local	110,336.96	5,000.00	-	115,336.96
\$	3,092,404.71	190,000.00	244,428.00	3,037,976.71

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance December 31, 2020		2021	Paid or Charged	Balance Dec. 31, 2021
	Appropriated	Reserve for Encumbrances	Appropriations		
FEDERAL GRANTS:					
Police Body Armor Grant	\$ 1.00	940.96	3,470.40	1,938.96	2,473.40
CDBG - Disaster Recovery					
Flood Mitigation Grant	2,703,804.00				2,703,804.00
Cops in Shops	879.44				879.44
Total Federal	2,704,684.44	940.96	3,470.40	1,938.96	2,707,156.84
STATE GRANTS:					
Drunk Driving Enforcement Fund	1,925.44			759.57	1,165.87
Municipal Court Alcohol Grant - Revolving	759.26				759.26
Clean Communities Program	8,315.21	268.00		8,583.21	-
Clean Communities Program			14,673.04	224.77	14,448.27
Municipal Stormwater Grant - 2004	2,171.02				2,171.02
Municipal Stormwater Grant - 2005	6,822.00				6,822.00
NJ Tourism - Cooperative Marketing	109.12				109.12
Recycling Tonnage Grant - Prior	9,365.21	608.03		5,539.03	4,434.21
Recycling Tonnage Grant - 2020	12,107.28				12,107.28
NJ DOT - 2021 Grant			185,000.00		185,000.00
NJ DOT - 88th Street	140,904.00				140,904.00
DOT - Reconstruction of 88th Street		111,032.79		111,032.79	-
ADA Improvements - 82nd St	73,668.20				73,668.20
Green Communities	351.47				351.47
Total State	256,498.21	111,908.82	199,673.04	126,139.37	441,940.70

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance December 31, 2020		2021	Paid or Charged	Balance Dec. 31, 2021
	Appropriated	Reserve for Encumbrances			
LOCAL GRANTS:					
Archival Museum - Revolving	1,257.10				1,257.10
Private Donation - Speed Sentry - Revolving	45.00				45.00
Feral Cat Management - Revolving	233.27				233.27
Cape May County MUA - Mini-Grant - Revolving	1,737.71				1,737.71
Shore Bird Stewardship - Revolving	9,721.21				9,721.21
County of Cape May - Streetscape - Revolving	2,202.06				2,202.06
Garden Club Grant - 96th Street	3,638.13		85.00		3,723.13
CMC Open Space Grant-Bikeway	31,315.92				31,315.92
AMCJIF Safety Grant	3,397.75		4,000.00	6,250.00	1,147.75
Sustainable NJ	1,013.44				1,013.44
Donations - Parks	120.29				120.29
Garden Club Grant - 96th Street	4,400.00				4,400.00
USTA Grant			3,000.00		3,000.00
Stone Harbor Property Owners Association Grant	7,000.00				7,000.00
ACMJIF- Wellness Grant	175.47		1,000.00		1,175.47
Donations - Hurricane Sandy	296.35				296.35
Atlantic City Electric - 95th Street		26,435.70		26,435.70	-
Total Local	<u>66,553.70</u>	<u>26,435.70</u>	<u>8,085.00</u>	<u>32,685.70</u>	<u>68,388.70</u>
	<u>\$ 3,027,736.35</u>	<u>139,285.48</u>	<u>211,228.44</u>	<u>160,764.03</u>	<u>3,217,486.24</u>
			Cash Disbursed	126,930.33	
			Encumbered	33,833.70	
				<u>160,764.03</u>	

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES

<u>Purpose</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Transferred</u> <u>to</u> <u>Appropriations</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Recycling Tonnage Grant	\$ 6,098.31		6,098.31	6,098.31
American Rescue Plan			42,390.76	42,390.76
Body Worn Camera Grant			40,760.00	40,760.00
Drunk Driving Enforcement			2,500.00	2,500.00
Police Body Armor Grant	1,926.89	3,470.40	1,543.51	-
Supplemental Fire Services Grant	1.00			1.00
Clean Communities	14,673.04	14,673.04	15,618.80	15,618.80
Cooperative Marketing Grant			5,400.00	5,400.00
Recreation - US Tennis Association	3,000.00	3,000.00		-
Garden Club Grant - 96th Street	85.00	85.00		-
Grand Total	\$ 19,685.93	21,228.44	114,311.38	112,768.87

TRUST FUND
SCHEDULE OF CASH - TREASURER

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2020	\$ 644.60	3,713,536.89
Increased By:		
State Dog License Fees	18.60	
Municipal Dog License Fees	40.46	
Due to Current Fund	0.96	
Cat License Fees		
Due to Current Fund		
Other Reserves		920,245.35
	<u>60.02</u>	<u>920,245.35</u>
	704.62	4,633,782.24

TRUST FUND
SCHEDULE OF CASH - TREASURER

B-1
Sheet 2

	<u>Animal Control</u>	<u>Other</u>
Decreased By:		
Paid to State of NJ	9.00	
Dog Fund Expenditures	18.60	
Current Fund	-	-
Other Reserves		2,039,544.60
	<u>27.60</u>	<u>2,039,544.60</u>
Balance December 31, 2021	\$ <u><u>677.02</u></u>	<u><u>2,594,237.64</u></u>

See Accompanying Auditor's Report

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL
FUND EXPENDITURES

Balance December 31, 2020	\$	643.57
Increased by:		
Dog License Fees Collected	40.46	
	<hr/>	<hr/> 40.46
		684.03
Decreased by:		
Statutory Excess Due to Current Fund	573.79	
Expenditures under N.J.S.A. 4:19-15.11:	18.60	
	<hr/>	<hr/> 592.39
Balance December 31, 2021	\$	<hr/> <hr/> 91.64

License Fees Collected

<u>Year</u>	<u>Amount</u>
2020	37.64
2019	54.00
	<hr/>
	<hr/> 91.64 <hr/>

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

Balance December 31, 2020	\$		1.20
Increased By:			
Collected		<u>18.60</u>	<u>18.60</u>
			19.80
Decreased By:			
Payments		<u>9.00</u>	<u>9.00</u>
Balance December 31, 2021	\$		<u><u>10.80</u></u>

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TRUST - OTHER FUNDS
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Reserve</u>	<u>Balance</u>		<u>Increased by</u>		<u>Decreased by</u>		<u>Balance</u>	
	Dec. 31, 2020		Receipts		Disbursements		Dec. 31, 2021	
	\$							
Preservation Trust	116,182.73		108.65				116,291.38	
Parking Offenses Adjudication Act	3,996.76		207.74				4,204.50	
Developer's Escrow	38,213.91		20,882.48		44,856.73		14,239.66	
Developer's Escrow - DVM	22,639.74		40,266.23		41,185.83		21,720.14	
Street Opening Deposits	187,078.73		196,174.00		179,285.62		203,967.11	
Performance Bonds			3,000.00				3,000.00	
Inspection Escrow - Villa MA			37,773.75		484.28		37,289.47	
Inspection Escrow - 12th Street			44,678.42				44,678.42	
Dredging Escrow			5,000.00				5,000.00	
Premiums Received at Tax Sale	20.00						20.00	
Off-Duty Police	13,797.46		3,379.00		14,308.55		2,867.91	
Forefeited Property	425.00						425.00	
Public Defender Fees	1,807.98						1,807.98	
Contributions - Bird Sanctuary	15,300.91		1,200.00				16,500.91	
Council on Affordable Housing	3,258,492.02		467,211.43		1,704,661.09		2,021,042.36	
Uniform Fire Code - Penalties	1,400.00						1,400.00	
Security Deposits			1,656.32				1,656.32	
Bequests - Monument			10,000.00				10,000.00	
Bequests - Memorial Benches	8,322.05		8,000.00		7,129.16		9,192.89	
Bequests - Police Equipment	4,738.36		2,500.00				7,238.36	
Bequests - 911 Memorial	2,083.37						2,083.37	
Bulkhead Escrow	19,656.50		31,115.00		11,042.94		39,728.56	
Landscaping Escrow	2,000.00						2,000.00	
Grading Escrow	3,440.00		47,089.00		36,590.40		13,938.60	
100th Anniversary	7,666.71						7,666.71	
Recreation Donations	2,714.50						2,714.50	
Police Forefeiture of Funds	3,560.16		3.33				3,563.49	
	<u>3,713,536.89</u>		<u>920,245.35</u>		<u>2,039,544.60</u>		<u>2,594,237.64</u>	
\$								

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

	<u>Ref.</u>	
Balance December 31, 2020		\$ 3,766,659.09
Increased by:		
Budget Appropriations:		
Capital Improvement Fund	400,000.00	
Deferred Charges Unfunded	362,650.05	
Bond Anticipation Notes Issued	10,800,000.00	
Reserve for Back Bay Dredging	147,000.00	
Reserve for Beach Replenishment	147,000.00	
	<hr/>	<hr/>
		11,856,650.05
		15,623,309.14
Decreased by:		
Improvement Authorizations	(289,657.72)	
Encumbrances Payable	3,919,824.32	
Payment of Bond Anticipation Notes	2,500,000.00	
Anticipated as a Revenue in Current Fund Budget;		
Reserve for Payment of Bonds	90,842.00	
	<hr/>	<hr/>
		6,221,008.60
Balance December 31, 2021		\$ <u><u>9,402,300.54</u></u>

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**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2020	Receipts		Improvement Authorizations	Disbursements		Transfers		Balance Dec. 31, 2021
		Miscellaneous	Debt Issued		Miscellaneous		From	To	
\$									
Fund Balance	119.76								119.76
Capital Improvement Fund	119,093.00								35,293.00
Contracts Payable	3,919,824.32	400,000.00			3,919,824.32		483,800.00	6,231,047.25	6,231,047.25
Reserve for Payment of Bonds	179,690.43				90,842.00				88,848.43
Reserve for Payment of NJEIT Loan	260,393.12								260,393.12
Reserve for Preliminary Expenses	841.69								841.69
Reserve for Arbitrage Liability	1,699.33								1,699.33
Reserve for Back Bay Dredging	345,000.00	147,000.00							492,000.00
Reserve for Beach Replenishment	345,000.00	147,000.00							492,000.00
Due from NJ Environmental Infrastructure Trust	(595,381.40)								(595,381.40)
Improvement Authorizations:									
1208 Improve Lagoons and Basins	140.00								140.00
1208 Various Improvements	507.53			507.53					-
1249 Various Improvements	53,394.25								53,394.25
1308 Various Improvements	410.10			(11,507.50)			11,507.50		410.10
1332 Various Improvements	8,590.91						8,590.91		-
1356 Various Improvements	(90,231.68)	90,231.68		(423.75)			26,700.00		-
1390 Various Improvements	(29,762.67)	87,418.37		65.94					-
1398 Various Improvements	65.94			17.46					-
1417 Various Improvements	17.46								-
1436 Various Improvements	(0.63)								(0.63)
1449 Various Improvements	(148,031.00)								(148,031.00)
1455 Various Improvements	(138,128.35)			9,554.42			2,317.23		(150,000.00)
1465 Improvement of Beach Property	5,724.34			(269,450.89)			269,450.89		5,724.34
1477 Various Improvements	98.81			98.81					-
1478 Various Improvements	84,105.24			(334,596.46)			345,511.38		73,190.32
1486 Beach and Bay Improvements				(6,692.68)			6,692.68		-
1495 Various Improvements	38,311.84			(135,982.54)			108,242.52		66,051.86
1517 Various Improvements	731,342.94			55,595.31			582,885.88		92,861.75
1546 Various Improvements	(799,573.43)	185,000.00	1,350,000.00	(349,186.98)			880,314.91		204,298.64
1566 Various Improvements	(526,602.76)		4,950,000.00	702,528.61			3,727,793.27		(6,924.64)
1589 Various Capital Improvements			2,000,000.00	49,815.00			261,040.08	483,800.00	2,172,944.92
\$	3,766,659.09	1,056,650.05	8,300,000.00	(289,657.72)	4,010,666.32		6,714,847.25	6,714,847.25	9,402,300.54

See Accompanying Auditor's Report

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

Balance December 31, 2020		\$	119,093.00
Increased by:			
Current Fund Budget Appropriation	400,000.00		
	<hr/>		<hr/>
			400,000.00
			519,093.00
Decreased by:			
Appropriation to Finance Improvement Authorization	483,800.00		
	<hr/>		<hr/>
			483,800.00
Balance December 31, 2021		\$	<u><u>35,293.00</u></u>

See Accompanying Auditor's Report

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

	<u>Ref.</u>	
Balance December 31, 2020		\$ 31,720,456.53
Increased by:		
None	-	
	<hr/>	<hr/>
		-
		31,720,456.53
Decreased by:		
Serial Bonds Paid by Operating Budget	2,540,000.00	
NJEIT Loans Paid by Operating Budget	254,985.32	
NJEIT Loan Forgiveness	199,039.32	
	<hr/>	<hr/>
		2,994,024.64
Balance December 31, 2021		\$ <u><u>28,726,431.89</u></u>

See Accompanying Auditor's Report

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

Ord #	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Raised in Budget	Balance Dec. 31, 2021	Analysis of Balance		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
1356	Various Improvements: d. Improve Streets and Locations	\$ 90,231.68		90,231.68	-			
1390	Improvement to Water and Sewerage System - General Capital Portion	87,418.37		87,418.37	-			
1417	Various Improvements	0.63			0.63		0.63	-
1449	Various Improvements	148,031.00			148,031.00		148,031.00	-
1455	Various Improvements	150,000.00			150,000.00		150,000.00	-
1546	Various Improvements	4,841,181.00		185,000.00	4,656,181.00	3,850,000.00	806,181.00	-
1566	Various Improvements	9,753,650.00			9,753,650.00	4,950,000.00	6,924.64	4,796,725.36
1589	Various Capital Improvements		9,192,200.00		9,192,200.00	2,000,000.00		7,192,200.00
		<u>\$ 15,070,512.68</u>	<u>9,192,200.00</u>	<u>362,650.05</u>	<u>23,900,062.63</u>	<u>10,800,000.00</u>	<u>1,111,137.27</u>	<u>11,988,925.36</u>
Improvement Authorizations Unfunded								
Less:								
Unexpended Proceeds of Bond								
Anticipation Notes Issued:								
	Ord. Number							
	1546						(1,010,479.64)	
	1589						(2,000,000.00)	
								(3,010,479.64)
								<u>\$ 11,988,925.36</u>

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Authorizations			Paid or Charged	Balance December 31, 2021	
				Balance December 31, 2020 Funded	Unfunded	Other Funding		Funded	Unfunded
1208	Improve Lagoons and Basins	4/6/2004	300,000.00	\$ 140.00				140.00	
1228	Various Improvements	3/1/2005	4,059,000.00	507.53			507.53	-	
1249	Various Improvements: f. Funding Borough's Obligation for Affordable Housing	3/7/2006	2,450,000.00					53,394.25	
1308	Various Improvements b. Improve Borough Buildings and Property	4/1/2008	3,950,000	410.10			-	410.10	
1332	Various Improvements d. Purchase Equipment - Various Borough Departments	3/17/2009	2,900,000	8,590.91			8,590.91	-	
1390	Improvement to Water and Sewer System - General Capital Portion	10/18/2011	2,600,000		57,655.70		26,276.25	31,379.45	
1398	Various Improvements	3/6/2012	1,700,000	65.94			65.94	-	
1417	Various Improvements Computers	3/19/2013	1,050,000	16.83	0.63		17.46	(0.00)	
1455	Various Improvements	3/3/2015	8,493,000	-	11,871.65		11,871.65	-	
1465	Back Bay Dredging	5/15/2015	5,000,000	5,724.34			-	5,724.34	
1477	Various Improvements			98.81			98.81	-	
1478	Various Improvements b. ADA Improvements/Flood Mitigation c. Purchase equipment/Flag Pole d. Beach and Bay Improvements e. Road Improvements	2/23/2016	1,758,000	9,036.02 3,242.23 - 71,826.99			(14,800.00) 25,714.92	9,036.02 3,242.23 14,800.00 46,112.07	
1486	Beach and Bay Improvements	11/9/2016	1,500,000				-	-	
1495	Various Improvements	3/17/2017	1,857,275	38,311.84			(27,740.02)	66,051.86	
1509	Public Safety Building- Supp #2	2017	500,000						
1517	Various Improvements	2018	6,199,880	731,342.94			638,481.19	92,861.75	1,010,479.64
1546	Various Improvements	2019	5,395,980		1,541,607.57		531,127.93		4,796,725.36
1566	Various Improvements	7/12/2020	10,267,000		9,227,047.24		4,430,321.88		9,192,200.00
1589	Various Capital Improvements	6/15/2021	9,676,000			483,800.00	310,855.08	172,944.92	
				\$ 922,708.73	10,838,182.79	483,800.00	5,941,389.53	496,096.99	14,999,405.00

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, 2020	Decreased	Balance Dec. 31, 2021
			December 31, 2021					
			Date	Amount				
General Bonds of 2011	11/1/2011	12,750,000	11/01/22	1,275,000.00	3.000%	\$ 3,825,000.00	1,225,000.00	2,600,000.00
			11/01/23	1,325,000.00	3.125%			
General Bonds of 2018	11/1/2018	27,455,000	11/01/22	1,320,000.00	5.000%	24,845,000.00	1,315,000.00	23,530,000.00
			11/01/23	1,365,000.00	5.000%			
			11/01/24	2,015,000.00	5.000%			
			11/01/25	2,100,000.00	5.000%			
			11/01/26	2,195,000.00	4.000%			
			11/01/27	2,260,000.00	4.000%			
			11/01/28	2,315,000.00	4.000%			
			11/01/29	2,380,000.00	4.000%			
			11/01/30	2,455,000.00	3.250%			
			11/01/31	2,525,000.00	3.250%			
			11/01/32	2,600,000.00	3.375%			
						\$ 28,670,000.00	2,540,000.00	26,130,000.00

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			Interest Rate	Balance Dec. 31, 2020	Adjustments	Decreased	Balance Dec. 31, 2021
			Balance	Date	Outstanding December 31, 2021 Amount					
NJEIT 2010B Trust Loan CW - General Capital Portion 78.7685073%	12/2/2010	807,377		2022	37,808.88	Var. \$	699,232.88	(249,464.70)	34,658.14	415,110.04
				2023	38,596.57					
				2024	41,747.31					
				2025	44,898.05					
				2026	44,898.05					
				2027	48,836.47					
				2028	51,987.21					
				2029	51,199.53					
				2030	55,137.97					
NJEIT 2010B Fund Loan CW - General Capital Portion 78.7685073%	12/2/2010	868,423		2022	44,157.09	0.000%	103,033.21	187,237.59	44,157.09	246,113.71
				2023	44,157.09					
				2024	44,157.09					
				2025	44,157.09					
				2026	44,157.09					
				2027	25,328.27					
NJEIT Spring 2012ABC Trust Loan DW-General Capital 20.5761350%	5/3/2012	58,642		2022	3,027.57	Var.	96,654.45	(59,362.88)	3,086.42	34,205.15
				2023	3,004.73					
				2024	2,980.86					
				2025	2,956.17					
				2026	2,930.25					
				2027	2,903.50					
				2028	2,904.12					
				2029	3,865.02					
				2030	4,820.99					
				2031	4,811.93					

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			Interest Rate	Balance Dec. 31, 2020	Adjustments	Decreased	Balance Dec. 31, 2021
			Balance	Outstanding	Amount					
NJEIT Spring 2012ABC Trust Loan DW-General Capital 20.5761350%	5/3/2012	188,680		Balance December 31, 2021						
				Date	Amount					
				2022	9,593.89	0.000%	28,781.64	57,559.81	9,593.89	76,747.56
				2023	9,593.89					
				2024	9,593.89					
				2025	9,593.89					
				2026	9,593.89					
				2027	9,593.89					
				2028	9,593.89					
NJEIT 2012A Trust Loan CW-General Capital 54.8291860%	5/3/2012	762,126		2029	9,590.33					
				2022	37,807.47	Var.	743,872.47	(249,761.72)	38,380.43	455,730.32
				2023	40,087.81					
				2024	42,330.87					
				2025	41,977.22					
				2026	44,168.20					
				2027	46,318.60					
				2028	48,885.15					
				2029	48,893.38					
				2030	51,399.07					
				2031	53,862.55					
NJEIT 2012A Fund Loan CW-General Capital 54.8291860%	5/3/2012	832,404		2022	42,325.63	0.000%	124,909.63	225,736.69	42,325.63	308,320.69
				2023	42,325.63					
				2024	42,325.63					
				2025	42,325.63					
				2026	42,325.63					
				2027	42,325.63					
				2028	42,325.63					
				2029	12,041.31					

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				Interest Rate	Balance Dec. 31, 2020	Adjustments	Decreased	Balance Dec. 31, 2021
			Balance December 31, 2021								
			Date	Amount							
NJEIT 2015 Trust Loan CW-Water/Sewer 33.33333333%	5/21/2015	1,123,006	2022	57,102.00	0.000%	266,476.00	439,154.67	57,102.00	648,528.67		
			2023	57,102.00							
			2024	57,102.00							
			2025	57,102.00							
			2026	57,102.00							
			2027	57,102.00							
			2028	57,102.00							
			2029	57,102.00							
			2030	57,102.00							
			2031	57,102.00							
			2032	57,102.00							
			2033	20,406.67							

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2020	Adjustments	Decreased	Balance Dec. 31, 2021
			Balance	December 31, 2021					
NJEIT 2015 Trust Loan DW-Water/Sewer 33.3330000%	5/21/2015	55,000			Var.	130,807.30	(84,140.81)	1,666.66	44,999.83
			2022	3,333.32					
			2023	3,333.32					
			2024	3,333.32					
			2025	3,333.32					
			2026	3,333.32					
			2027	3,333.32					
			2028	3,333.32					
			2029	3,333.32					
			2030	3,333.32					
			2031	3,333.32					
			2032	3,333.32					
			2033	3,333.32					
			2034	4,999.98					
NJEIT 2015 Fund Loan DW-Water/Sewer 33.3333333%	5/21/2015	177,296	2022	9,015.06	0.000%	42,070.28	66,954.03	9,015.06	100,009.25
			2023	9,015.06					
			2024	9,015.06					
			2025	9,015.06					
			2026	9,015.06					
			2027	9,015.06					
			2028	9,015.06					
			2029	9,015.06					
			2030	9,015.06					
			2031	9,015.06					
			2032	9,015.06					
			2033	843.55					
						\$ 3,050,456.53	(199,039.32)	254,985.32	2,596,431.89
								254,985.32	
								254,985.32	

Loans Paid by Budget Appropriation

**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, 2020	Increased	Decreased	Balance Dec. 31, 2021
Various Improvements	1546	10/29/2020 10/29/2020	10/29/2020 10/28/2021	10/29/2021 10/28/2022	1.250% 1.500%	2,500,000.00	3,850,000.00	2,500,000.00	- 3,850,000.00
Various Improvements	1566	10/28/2021	10/28/2021	10/28/2022	1.500%		4,950,000.00		4,950,000.00
Various Capital Improvements	1589	10/28/2021	10/28/2021	10/28/2022	1.500%		2,000,000.00		2,000,000.00
						<u>\$ 2,500,000.00</u>	<u>10,800,000.00</u>	<u>2,500,000.00</u>	<u>10,800,000.00</u>

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

Ordinance Number		Balance Dec. 31, 2020	2021 Authorizations	Debt Issued	Raised in Budget	Balance Dec. 31, 2021
1356	Various Improvements: d. Improve Streets and Locations	\$ 90,231.68			90,231.68	-
1390	Improvement of Water and Sewerage System - General Capital Portion	87,418.37			87,418.37	-
1436	Various Improvements	0.63				0.63
1449	Various Improvements	148,031.00				148,031.00
1455	Various Improvements	150,000.00				150,000.00
1546	Various Improvements	2,341,181.00		1,350,000.00	185,000.00	806,181.00
1566	Various Improvements	9,753,650.00		4,950,000.00		4,803,650.00
1589	Various Capital Improvements		9,192,200.00	2,000,000.00		7,192,200.00
		<u>\$ 12,570,512.68</u>	<u>9,192,200.00</u>	<u>8,300,000.00</u>	<u>362,650.05</u>	<u>13,100,062.63</u>

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

	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2020	\$ 2,132,238.05	1,768,688.34
Increased by Receipts:		
Collector	4,586,129.48	
Due from Utility Operating		303,827.00
Due to Utility Capital	617,480.00	
Budget Appropriations		78,918.32
Bond Anticipation Notes		4,200,000.00
	<u>5,203,609.48</u>	<u>4,582,745.32</u>
	7,335,847.53	6,351,433.66
Decreased by Disbursements:		
Current Year Appropriation	4,301,549.92	
Prior Year Appropriations	55,197.35	
Accrued Interest on Bonds and Notes	273,123.04	
Due to Current Fund	2,850.00	
Due to Utility Capital	303,827.00	
Due from Utility Operating Fund		617,480.00
Improvement Authorizations		3,635,845.95
	<u>4,936,547.31</u>	<u>4,253,325.95</u>
Balance December 31, 2021	\$ <u><u>2,399,300.22</u></u>	<u><u>2,098,107.71</u></u>

See Accompanying Auditor's Report

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

	Balance Dec. 31, 2020	Receipts		Disbursements		Transfers		Balance Dec. 31, 2021
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 34,616.39							34,616.39
Capital Improvement Fund	82,575.77							82,575.77
Encumbrances Payable	5,086,185.62				5,105,692.05		4,665,046.37	4,645,539.94
Reserve for Payment of Bonds	60,000.00							60,000.00
Reserve for Insurance Reimbursement	71,505.06							71,505.06
Due to Utility Operating	(303,827.00)	303,827.00			617,480.00			(617,480.00)
Due from N.J. Environ. Infrastructure Trust	(1,072,934.17)							(1,072,934.17)
Improvement Authorizations:								
1342 Improvement of the Water and Sewerage System	(75,265.32)	75,265.32		(1,610.00)		1,610.00		-
1391 Improvement of the Water and Sewerage System	(3,811.63)	3,653.00						(158.63)
1399 Various Improvements				18,773.36				
b. Water/Sewer Equipment	18,773.36							-
1418 Various Improvements that include a new South End well, the upgrade of the dewatering system, the removal of outfall pipes and the installation of new water and sewer mains	(113,393.92)	-		(37,740.93)		47,847.01		(123,500.00)
1437 Various Improvements	(2,000.00)							(2,000.00)
a. Purchase Vehicles	8,942.22			8,942.22				(0.00)
b. Purchase Equipment	29,419.56			26,266.53		5,153.03		(2,000.00)
c. Upgrade Dewatering Equipment								
1450 Improvement of Water and Sewerage System	41,909.51			11,118.05		23,940.65		6,850.81
1456 Various Improvements	1,729.99			27,000.00				(25,270.01)
1479 Various Improvements	(500.00)							(500.00)
a. Acquisition of new equipment	(1,716.10)			11,350.27		2,977.50		(16,043.87)
b. Water/Sewer Improvements	(2,551.55)			748.45				(3,300.00)
c. Acquisition of new computer equip								
1480 Various Improvements	(11,000.00)							(11,000.00)
1492-17 Various Improvements	12,850.00			(126,986.00)		139,836.00		-
1496-17 Various Improvements	(667,797.13)			(110,299.85)		193,030.74		(750,528.02)
1518-18 Various Improvements	(903,915.62)		500,000.00	(149,395.38)		162,558.49		(417,078.73)
1547-19 Various Improvements	1,501,702.39		200,000.00	(29,860.00)		221,743.78		1,509,818.61
1567-20 Various Improvements	(2,022,809.09)			(1,158,325.82)		1,869,937.67		(2,734,420.94)
1590-21 Various Water & Sewer Capital Improvements			3,500,000.00	40,173.00		1,996,411.50		1,463,415.50
	\$ 1,768,688.34	382,745.32	4,200,000.00	(1,469,846.10)	5,723,172.05	4,665,046.37	4,665,046.37	2,098,107.71

See Accompanying Auditor's Report

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR**

	<u>Ref.</u>	
Balance December 31, 2020		\$ -
Increased by Receipts:		
Consumer Accounts Receivable:		
Water & Sewer Rents Collected	4,130,145.83	
Miscellaneous Revenue Anticipated	231,805.93	
Overpaid Rents	3,712.94	
Miscellaneous	220,464.78	
	<hr/>	<hr/> 4,586,129.48
		4,586,129.48
Payments to Treasurer		<hr/> 4,586,129.48
Balance December 31, 2021		\$ <u><u>-</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2020		\$ 97,084.82
Increased by Receipts:		
Water & Sewer Rents Rents Levied	4,159,741.33	
		<u>4,159,741.33</u>
		4,256,826.15
Decreased by Disbursements:		
Collections	4,130,145.83	
Prepayments & Overpayments Applied	47,049.97	
		<u>4,177,195.80</u>
Balance December 31, 2021		\$ <u><u>79,630.35</u></u>

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

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Operating:					
Salaries and Wages	\$ 2,143.64	2,143.64	-	2,143.64	-
Other Expenses	185,910.03	185,910.03	41,000.15	144,909.88	-
Cape May County MUA	61,624.00	61,624.00	-	61,624.00	-
Interlocal Agreement - CFO	128.60	128.60	-	128.60	-
Capital Improvements					
Capital Outlay	61,937.20	61,937.20	16,097.20	45,840.00	-
Statutory Expenditures					
Contribution to:					
Social Security System (O.A.S.I.)	1,509.45	1,509.45	-	1,509.45	-
Unemployment	315.12	315.12	-	315.12	-
	<u>\$ 313,568.04</u>	<u>313,568.04</u>	<u>57,097.35</u>	<u>256,470.69</u>	<u>-</u>

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

	<u>Ref.</u>	
Balance December 31, 2020		\$ 79,100.13
Increased by:		
Budget Appropriations:		
Interest on Bonds	64,884.16	
Interest on Notes	<u>196,316.81</u>	
		<u>261,200.97</u>
		340,301.10
Decreased By:		
Payments of Debt Service Interest		273,123.04
		<u>273,123.04</u>
Balance December 31, 2021		\$ <u>67,178.06</u>

Analysis of Accrued Interest December 31, 2020

	Principal Outstanding December 31, 2021	Interest Rate	From	To	Days	Amount
<u>Serial Bonds and Loans</u>						
	355,000.00	Var.	11/10/2021	12/31/2021	52	1,538.33
	275,940.04	0.00%	8/1/2021	12/31/2021	153	-
	331,000.00	5.00%	8/1/2021	12/31/2021	153	7,033.75
	615,817.45	0.00%	8/1/2021	12/31/2021	153	-
	380,000.00	Var.	8/1/2021	12/31/2021	153	6,589.20
	66,338.21	0.00%	8/1/2021	12/31/2021	153	-
	111,889.96	Var.	8/1/2021	12/31/2021	153	1,627.27
	254,008.82	0.00%	8/1/2021	12/31/2021	153	-
	375,451.68	Var.	8/1/2021	12/31/2021	153	4,376.77
	296,245.54	0.00%	8/1/2021	12/31/2021	153	-
	132,031.85	Var.	8/1/2021	12/31/2021	153	897.82
	1,297,057.33	0.00%	8/1/2021	12/31/2021	153	-
	533,333.33	Var.	8/1/2021	12/31/2021	153	3,318.40
	200,018.48	0.00%	8/1/2021	12/31/2021	153	-
	90,000.17	Var.	8/1/2021	12/31/2021	153	564.57
	18,712,000.00	1.25%	10/28/2021	12/31/2021	65	41,231.94
	<u>24,026,132.86</u>					<u>67,178.06</u>

See Accompanying Auditor's Report

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

Ord #	Improvement Description	Amount	Balance December 31, 2020		Deferred Charges to Future Revenue	Prior Encumbrances Cancelled	Paid or Charged	Balance December 31, 2021	
			Funded	Unfunded				Funded	Unfunded
1342	Improvement of the Water and Sewerage System	3,000,000 \$				(1,610.00)	1,610.00		-
1399	Various Improvements b. Water/Sewer Equipment	750,000		18,773.36		(837.00)	19,610.36		-
1418	Various Improvements that include a new South End well, the upgrade of the dewatering system, the removal of outfall pipes and the installation of new water and sewer mains	1,650,000		10,106.08		(136,500.00)	146,606.08		-
1437	Various Improvements b: Various Equipment c: Upgrade Dewatering System	120,000 242,000		8,942.22 31,419.56		(3,033.39)	11,975.61 31,419.56		- -
1450	Improvement of Water and Sewerage System	4,000,000	-	41,909.51		(41,245.00)	76,303.70		6,850.81
1456	Various Improvements	366,000		98,729.99		(190.00)	27,190.00		71,729.99
1479	Various Improvements b. Water/Sewer Improvements c. Acquisition of new computer equip	518,200.00 3,300.00		16,483.90 748.45		(409.99)	14,737.76 748.45		2,156.13 -
1492-17	Various Improvements	1,500,000.00		12,850.00		(263,426.20)	276,276.20		-
1496-17	Various Improvements	3,310,000.00		85,702.87		(835,897.78)	918,628.67		2,971.98
1518-18	Various Improvements	2,164,000		260,084.38		(275,022.94)	288,186.05		246,921.27
1547-19	Various Improvements	4,753,175		2,254,877.39		(759,142.72)	951,026.50		2,062,993.61
1567-20	Various Improvements	4,356,000		1,133,190.91		(2,788,377.03)	3,499,988.88		421,579.06
1590-21	Various Water & Sewer Capital Improvements	6,691,000			6,691,000.00		2,036,584.50		4,654,415.50
		\$	-	3,973,818.62	6,691,000.00	(5,105,692.05)	8,300,892.32	-	7,469,618.35

See Accompanying Auditor's Report

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

Purpose	Amount of		Maturities of Bonds			Interest Rate	Balance Dec. 31, 2020	Decreased	Balance Dec. 31, 2021
	Date of Issue	Original Issue	Outstanding December 31, 2021						
			Date	Amount					
Water & Sewer Utility Bonds of 2011	11/1/2011	1,620,000	11/01/22	175,000.00		3.000% \$	525,000.00	170,000.00	355,000.00
			11/01/23	180,000.00		3.125%			
						\$	525,000.00	170,000.00	355,000.00

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance		Decreased	Balance Dec. 31, 2021
			Date	Amount		Dec. 31, 2020	Adjustments		
NJEIT 2007A Trust Loan	11/8/2007	920,000.00	2022	48,000.00	5.00% \$	379,000.00		48,000.00	331,000.00
			2023	53,000.00	4.25%				
			2024	53,000.00	4.50%				
			2025	53,000.00	4.50%				
			2026	62,000.00	4.25%				
			2027	62,000.00	4.25%				
NJEIT 2007A Fund Loan	11/8/2007	901,733.00	2022	45,532.13		323,215.54		47,275.50	275,940.04
			2023	46,977.16					
			2024	45,359.78					
			2025	43,647.28					
			2026	48,209.07					
			2027	46,214.62					
NJEIT 2010A Trust Loan DW & CW	3/10/2010	775,000.00	2022	43,000.00	Var.	422,000.00		42,000.00	380,000.00
			2023	43,000.00					
			2024	48,000.00					
			2025	47,000.00					
			2026	47,000.00					
			2027	48,000.00					
NJEIT 2010A Fund Loan DW & CW	3/10/2010	2,373,566.00	2028	52,000.00		736,507.24		120,689.79	615,817.45
			2029	52,000.00					
			2022	120,689.79	0.000%				
			2023	120,689.79					
			2024	120,689.79					
			2025	120,689.79					
			2026	61,694.29					
			2027	23,787.96					
			2028	23,787.96					
			2029	23,788.08					

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Adjustments	Decreased	Balance Dec. 31, 2021
			Date	Amount					
NJEIT 2010B Trust Loan CW - Water/Sewer Portion 21.2314927%	12/2/2010	217,623.00	2022	10,191.12	Var.	121,231.82		9,341.86	111,889.96
			2023	10,403.43					
			2024	11,252.69					
			2025	12,101.95					
			2026	12,101.95					
			2027	13,163.53					
			2028	14,012.79					
			2029	13,800.47					
			2030	14,862.03					
NJEIT 2010B Fund Loan CW - Water/Sewer Portion 21.2314927%	12/2/2010	234,077.00	2022	11,902.23	0.00%	78,240.44		11,902.23	66,338.21
			2023	11,902.23					
			2024	11,902.23					
			2025	11,902.23					
			2026	11,902.23					
			2027	6,827.05					
NJEIT Spring 2012ABC Trust Loan DW-Water/Sewer 79.4238650%	5/3/2012	226,358.00	2022	11,686.43	Var.	373,086.05	(229,140.62)	11,913.58	132,031.85
			2023	11,598.27					
			2024	11,506.14					
			2025	11,410.83					
			2026	11,310.75					
			2027	11,207.50					
			2028	11,209.88					
			2029	14,918.98					
			2030	18,609.01					
			2031	18,574.07					
NJEIT Spring 2012ABC Trust Loan DW-Water/Sewer 79.4238650%	5/3/2012	728,304.00	2022	37,032.41	0.000%	111,097.26	222,180.69	37,032.41	296,245.54
			2023	37,032.41					
			2024	37,032.41					
			2025	37,032.41					
			2026	37,032.41					
			2027	37,032.41					
			2028	37,032.41					
			2029	37,018.67					

See Accompanying Auditor's Report

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Adjustments	Decreased	Balance Dec. 31, 2021
			Date	Amount					
NJEIT 2012A Trust Loan CW-Water/Sewer 45.1708140%	5/3/2012	627,874.00	2022	31,147.53	Var.	612,836.49	(205,765.24)	31,619.57	375,451.68
			2023	33,026.19					
			2024	34,874.13					
			2025	34,582.78					
			2026	36,387.80					
			2027	38,159.40					
			2028	40,273.85					
			2029	40,280.62					
			2030	42,344.93					
			2031	44,374.45					
NJEIT 2012A Fund Loan CW-Water/Sewer 45.1708140%	5/3/2012	685,773.00	2022	34,869.80	0.000%	102,906.35	185,972.27	34,869.80	254,008.82
			2023	34,869.80					
			2024	34,869.80					
			2025	34,869.80					
			2026	34,869.80					
			2027	34,869.80					
			2028	34,869.80					
			2029	9,920.19					
NJEIT 2015 Trust Loan CW-Water/Sewer 66.6666667%	5/21/2015	693,000	2022	30,000.00	Var.	1,629,237.33	(1,065,904.00)	30,000.00	533,333.33
			2023	33,333.33					
			2024	33,333.33					
			2025	36,666.67					
			2026	36,666.67					
			2027	40,000.00					
			2028	40,000.00					
			2029	43,333.33					
			2030	43,333.33					
			2031	46,666.67					
			2032	46,666.67					
			2033	50,000.00					
			2034	53,333.33					

See Accompanying Auditor's Report

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2020	Adjustments	Decreased	Balance Dec. 31, 2021
			Date	Amount					
NJEIT 2015 Fund Loan CW-Water/Sewer 66.6666600%	5/21/2015	2,246,012	2022	114,204.00	0.000%	200,000.01	1,211,261.32	114,204.00	1,297,057.33
			2023	114,204.00					
			2024	114,204.00					
			2025	114,204.00					
			2026	114,204.00					
			2027	114,204.00					
			2028	114,204.00					
			2029	114,204.00					
			2030	114,204.00					
			2031	114,204.00					
			2032	114,204.00					
			2033	40,813.33					
NJEIT 2015 Trust Loan DW-Water/Sewer 66.6666667%	5/21/2015	110,000	2022	6,666.68	Var.	261,614.51	(168,281.00)	3,333.34	90,000.17
			2023	6,666.68					
			2024	6,666.68					
			2025	6,666.68					
			2026	6,666.68					
			2027	6,666.68					
			2028	6,666.68					
			2029	6,666.68					
			2030	6,666.68					
			2031	6,666.68					
			2032	6,666.68					
			2033	6,666.68					
			2034	10,000.02					

See Accompanying Auditor's Report

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2020	Adjustments	Decreased	Balance Dec. 31, 2021
			December 31, 2021	Amount					
NJ/EIT 2015 Fund Loan DW-Water/Sewer	5/21/2015	354,593	2022	18,030.13	0.000%	84,140.56	133,908.05	18,030.13	200,018.48
			2023	18,030.13					
			2024	18,030.13					
			2025	18,030.13					
			2026	18,030.13					
			2027	18,030.13					
			2028	18,030.13					
			2029	18,030.13					
			2030	18,030.13					
			2031	18,030.13					
			2032	18,030.13					
			2033	1,687.09					
						\$ 5,435,113.60	84,231.47	560,212.21	4,959,132.86

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

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
Improvement of the Water and Sewerage System	1391	11/5/2015	10/22/2020	10/29/2021	1.250% \$	433,480.00		433,480.00	-
Various Improvements	1399	11/5/2015	10/28/2021	10/28/2022	1.500%		342,000.00		342,000.00
a. Water Tower Rehabilitation		11/5/2015	10/28/2021	10/28/2022	1.500%		60,800.00		60,800.00
b. Water/Sewer Equipment		11/5/2015	10/28/2021	10/28/2022	1.500%		37,700.00		37,700.00
c. Wells Reconstruction		11/5/2015	10/28/2021	10/28/2022	1.500%				
a. Water Tower Rehabilitation		11/5/2015	10/22/2020	10/29/2021	1.250%	494,000.00		494,000.00	-
b. Water/Sewer Equipment		11/5/2015	10/22/2020	10/29/2021	1.250%	88,300.00		88,300.00	-
c. Wells Reconstruction		11/5/2015	10/22/2020	10/29/2021	1.250%	56,700.00		56,700.00	-
Various Improvements that include a new South End well, the upgrade of the dewatering system, the removal of outfall pipes and the installation of new water and sewer mains	1418	11/5/2015	10/28/2021	10/28/2022	1.500%		1,424,000.00	1,443,000.00	1,424,000.00
	1418	11/5/2015	10/22/2020	10/29/2021	1.250%	1,443,000.00			-
Various Improvements	1437	11/5/2015	10/28/2021	10/28/2022	1.500%		197,700.00		197,700.00
a: Purchase Vehicles		11/5/2015	10/28/2021	10/28/2022	1.500%		94,500.00		94,500.00
b: Various Equipment		11/5/2015	10/28/2021	10/28/2022	1.500%		197,700.00		197,700.00
c: Upgrade Dewatering System		11/5/2015	10/28/2021	10/28/2022	1.500%		6,100.00		6,100.00
d: Purchase of Computer Equipment		11/5/2015	10/22/2020	10/29/2021	1.250%	205,200.00		205,200.00	-
a: Purchase Vehicles		11/5/2015	10/22/2020	10/29/2021	1.250%	102,000.00		102,000.00	-
b: Various Equipment		11/5/2015	10/22/2020	10/29/2021	1.250%	205,200.00		205,200.00	-
c: Upgrade Dewatering System		11/5/2015	10/22/2020	10/29/2021	1.250%	13,600.00		13,600.00	-
d: Purchase of Computer Equipment		11/5/2015	10/22/2020	10/29/2021	1.250%	74,693.00		74,693.00	-
Various Improvements	1480	11/3/2016	10/28/2021	10/28/2022	1.500%		1,255,000.00		1,255,000.00
	1480	11/3/2016	10/22/2020	10/29/2021	1.250%	1,272,000.00		1,272,000.00	-
Various Improvements	1456	11/2/2017	10/28/2021	10/28/2022	1.500%		238,000.00		238,000.00
	1456	11/2/2017	10/22/2020	10/29/2021	1.250%	244,000.00		244,000.00	-

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

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
Various Improvements	1479								
a. Acquisition of new equipment		11/2/2017	10/28/2021	10/28/2022	1.500%		28,000.00		28,000.00
b. Water/Sewer Improvements		11/2/2017	10/28/2021	10/28/2022	1.500%		488,000.00		488,000.00
a. Acquisition of new equipment		11/2/2017	10/22/2020	10/29/2021	1.250%	30,500.00		30,500.00	-
b. Water/Sewer Improvements		11/2/2017	10/22/2020	10/29/2021	1.250%	493,000.00		493,000.00	-
Various Improvements	1492-17	11/2/2017	10/28/2021	10/28/2022	1.500%		1,460,000.00		1,460,000.00
		11/2/2017	10/22/2020	10/29/2021	1.250%	1,480,000.00		1,480,000.00	-
Various Improvements	1496-17	11/2/2017	10/28/2021	10/28/2022	1.500%		2,482,500.00		2,482,500.00
		11/2/2017	10/22/2020	10/29/2021	1.250%	2,519,500.00		2,519,500.00	-
Various Improvements	1518-18	10/31/2019	10/28/2021	10/28/2022	1.500%		1,500,000.00		1,500,000.00
		10/31/2019	10/22/2020	10/29/2021	1.250%	1,000,000.00		1,000,000.00	-
Various Improvements	1547-18	10/31/2019	10/28/2021	10/28/2022	1.500%		4,200,000.00		4,200,000.00
		10/31/2019	10/22/2020	10/29/2021	1.250%	4,000,000.00		4,000,000.00	-
Various Improvements	1567	10/29/2020	10/28/2021	10/28/2022	1.500%		1,200,000.00		1,200,000.00
		10/29/2020	10/22/2020	10/29/2021	1.250%	1,200,000.00		1,200,000.00	-
Various Water & Sewer Capital Improvements	1590	10/28/2021	10/28/2021	10/28/2022	1.500%		3,500,000.00		3,500,000.00
						\$ 15,355,173.00	18,712,000.00	15,355,173.00	18,712,000.00
						Paid by Budget Appropriation		843,014.00	
						Re-Issued		14,512,159.00	
								15,355,173.00	

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Debt Issued	Other	Balance Dec. 31, 2021
1342	Improvement of the Water and Sewerage System	\$ 75,265.32			75,265.32	-
1391	Improvement of the Water and Sewerage System	3,811.63			3,653.00	158.63
1418	Various Improvements	123,500.00				123,500.00
1437	Various Improvements	2,000.00				2,000.00
	a: Purchase Vehicles	2,000.00				2,000.00
	c: Upgrade Dewatering System					
1456	Various Improvements	97,000.00				97,000.00
1480	Various Improvements	11,000.00				11,000.00
1479	Various Improvements					
	a. Acquisition of new equipment	500.00				500.00
	b. Water/Sewer Improvements	18,200.00				18,200.00
	c. Acquisition of new computer equip	3,300.00				3,300.00
1496-17	Various Improvements	753,500.00				753,500.00
1518-18	Various Improvements	1,164,000.00		500,000.00		664,000.00
1547-19	Various Improvements	753,175.00		200,000.00		553,175.00
1567-20	Various Improvements	3,156,000.00				3,156,000.00
1590	Various Water & Sewer Capital Improvements		6,691,000.00	3,500,000.00		3,191,000.00
		<u>\$ 6,163,251.95</u>	<u>6,691,000.00</u>	<u>4,200,000.00</u>	<u>78,918.32</u>	<u>8,575,333.63</u>

See Accompanying Auditor's Report

BOROUGH OF STONE HARBOR

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

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 awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law". Due to the Borough having a Qualified Purchasing Agent, pursuant to N.J.S.A. 40A:11-3(a), the maximum bid threshold is \$44,000.

The governing body of the municipality has the responsibility of determining whether the expenditures of any category will exceed the bid threshold within the fiscal year. 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.

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids has been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

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

- 95th Street Water Tank Improvements
- Beach Patrol Headquarters
- Prefabricated Pump Station Building
- 2021 Utility and Road Program
- Water Main 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.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides 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 become delinquent.

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

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

BE IT FURTHER RESOLVED by the Borough Council of the Borough of Stone Harbor, in accordance with N.J.S.A. 54:4-67, Chapter 75, New Jersey Laws of 1991, and Chapter 32, New Jersey Laws of 1994, which permits a 6 per cent penalty on taxes and municipal charges greater than \$10,000 as of the close of the fiscal year, that said end-of-year penalty shall be fixed for the Year 2021.

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

Delinquent Taxes and Tax Title Liens

The Tax sale was held on September 2, 2020 and was complete.

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>
2021	1
2020	1
2019	1

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 2021 Taxes	10
Delinquent Taxes	5
Payment of Utility Charges	10
Delinquent Utility Charges	5

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>		<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percent of Collections</u>
2021	\$	33,523,047	99.68%
2020		29,987,253	99.26%
2019		27,969,642	99.41%
2018		26,814,183	99.46%
2017		24,721,438	99.13%

Comparative Schedule of Tax Rate Information

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	0.656	0.610	0.573	0.552	0.555
Apportionment of Tax Rate:					
Municipal	0.292	0.268	0.251	0.246	0.245
County	0.311	0.288	0.268	0.253	0.254
Local School	0.053	0.054	0.054	0.053	0.056
Assessed Valuation	4,922,999,400	4,886,630,900	4,845,843,200	4,828,103,400	4,454,313,088

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>
2021	\$	395	175,317	175,712	0.54%
2020		335	216,699	217,034	0.72%
2019		279	123,720	123,999	0.45%
2018		227	130,827	131,054	0.49%
2017		65	208,830	208,895	0.84%

Uniform Construction Code

The Borough of Stone Harbor construction code official is in compliance with uniform construction code rules NJAC 5:23.17(b)2 and NJAC 5:23.4.17(b)3.

Deposit of Municipal Funds

N.J.S.A. 40A:5-15 states:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. be deposited to the credit of the local unit in its designated legal depository.”

Our examination revealed that municipal funds were deposited within the mandated time.

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FINDINGS AND RECOMMENDATIONS

None

STATUS OF PRIOR YEAR FINDINGS

None

RECOMMENDATIONS

None

Very truly yours,

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

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

August 31, 2022