

**BOROUGH OF
WEST WILDWOOD
COUNTY OF CAPE MAY**



**REPORT OF AUDIT
FOR THE YEAR ENDED
December 31, 2023**

BOROUGH OF WEST WILDWOOD
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BOROUGH OF WEST WILDWOOD

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Board of Commissioners
Borough of West Wildwood
West Wildwood, New Jersey 08260

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of West Wildwood, in the County of Cape May, State of New Jersey, as of December 31, 2023 and 2022, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of West Wildwood, in the County of Cape May, State of New Jersey, as of December 31, 2023 and 2022, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2023, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Borough of West Wildwood, in the County of Cape May, State of New Jersey, as of December 31, 2023 and 2022, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as 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 the State of New Jersey. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Borough 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 Accounting Principles Generally Accepted in the United States of America

As described in note 1 to the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of 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 the State 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 and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of 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 misstatement, 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'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 Responsibilities 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* 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 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment 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 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'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.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we (cont'd):

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

We are required to communicate with those charged 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

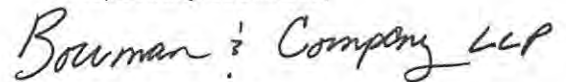
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 accompanying supplemental statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

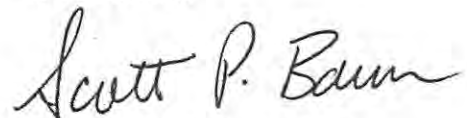
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2024 on our consideration of the Borough of West Wildwood'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 solely 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 of the Borough of West Wildwood's 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 West Wildwood's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 19, 2024

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Board of Commissioners
Borough of West Wildwood
West Wildwood, New Jersey 08260

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of West Wildwood, in the County of Cape May, State of New Jersey, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 19, 2024. That report indicated that the Borough of West Wildwood's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, 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 internal 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 the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 or significant deficiencies may exist that were not identified.

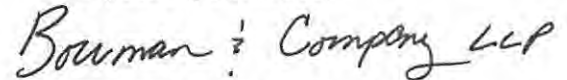
Report on Compliance and Other Matters

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*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

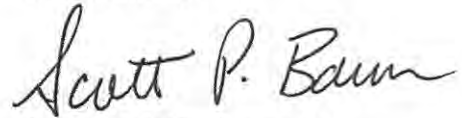
Purpose of this Report

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* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 19, 2024

BOROUGH OF WEST WILDWOOD
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2023 and 2022

ASSETS:	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Regular Fund:			
Cash	SA-1	\$ 2,118,813.79	\$ 1,985,590.71
Change Fund	SA-3	100.00	100.00
Due from State of New Jersey -- Veterans' and Senior Citizens' Deductions	SA-4	4,127.80	4,127.80
		<u>2,123,041.59</u>	<u>1,989,818.51</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	75,441.27	70,008.87
Tax Title Liens Receivable	SA-6	62,226.58	87,721.32
Revenue Accounts Receivable	SA-7	153.00	252.52
Property Acquired for Taxes -- Assessed Valuation	A	108,298.49	108,298.49
Due from Dog License Fund	SB-2	76.63	58.35
Due from Trust Other Fund	SB-5	3,653.72	1,642.52
		<u>249,849.69</u>	<u>267,982.07</u>
Deferred Charges:			
Emergency Appropriation	A-3		81,947.09
Total Current Fund		<u>2,372,891.28</u>	<u>2,339,747.67</u>
Federal and State Grant Fund:			
Due from Current Fund	SA-15	166,620.37	135,229.80
Total Federal and State Grant Fund		<u>166,620.37</u>	<u>135,229.80</u>
Total Assets		<u>\$ 2,539,511.65</u>	<u>\$ 2,474,977.47</u>

(Continued)

BOROUGH OF WEST WILDWOOD
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2023 and 2022

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-8	\$ 314,031.54	\$ 320,375.92
Reserve for Encumbrances	A-3, SA-8	58,955.00	35,224.50
Prepaid Taxes	SA-9	96,059.83	89,587.14
Tax Overpayments	SA-10		9,790.20
Due to County -- Added and Omitted Taxes	SA-12	9,795.12	12,984.96
Reserve for Municipal Relief Fund Aid	SA-1	4,228.10	2,114.25
Due Local School Tax Payable	SA-13	0.50	0.50
Due to Federal and State Grant Fund	SA-15	166,620.37	135,229.80
Due to General Capital Fund	SC-5	454,872.34	772,827.26
		<u>1,104,562.80</u>	<u>1,378,134.53</u>
Reserves for Receivables and Other Assets		249,849.69	267,982.07
Fund Balance	A-1	<u>1,018,478.79</u>	<u>693,631.07</u>
Total Current Fund		<u>2,372,891.28</u>	<u>2,339,747.67</u>
Federal and State Grant Fund:			
Reserve for Federal, State and Other Grants -- Unappropriated	SA-16	11,075.89	32,191.02
Reserve for Federal, State and Other Grants -- Appropriated	SA-17	137,549.48	93,038.78
Reserve for Encumbrances	SA-17	17,995.00	10,000.00
Total Federal and State Grant Fund		<u>166,620.37</u>	<u>135,229.80</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,539,511.65</u>	<u>\$ 2,474,977.47</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF WEST WILDWOOD
CURRENT FUND

Statements of Operations and Changes in Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 392,000.00	\$ 310,000.00
Miscellaneous Revenues Anticipated	603,490.39	519,568.46
Receipts from Delinquent Taxes	114,645.87	137,767.42
Receipts from Current Taxes	4,215,121.11	3,951,900.44
Non-Budget Revenues	60,076.41	98,274.09
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	279,359.06	144,380.35
	5,664,692.84	5,161,890.76
 <u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	952,363.00	953,835.00
Other Expenses	1,209,892.00	1,117,731.00
Deferred Charges and Regulatory Expenditures Within "CAPS"	257,664.09	308,341.09
Operations Excluded from "CAPS":		
Other Expenses	310,718.45	180,332.77
Capital Improvements Excluded from "CAPS"	10,000.00	10,000.00
Deferred Charges excluded from "CAP"	62,590.00	
Municipal Debt Service Excluded from "CAPS"	588,300.59	631,541.25
County Taxes	841,222.39	746,335.49
County Added and Omitted Taxes	9,795.12	12,984.96
Local District School Tax	703,270.00	703,270.00
Deductions Disallowed by Collector -- Prior Year Taxes		1,000.00
Creation of Reserves for:		
Due Dog License Fund	18.28	5.80
Due Trust Other Fund	2,011.20	1,255.27
Total Expenditures	4,947,845.12	4,666,632.63

(Continued)

BOROUGH OF WEST WILDWOOD
CURRENT FUND

Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Excess in Revenue	\$ 716,847.72	\$ 495,258.13
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred		
Charges to the Budget of the Succeeding Year	81,947.09	81,947.09
Regulatory Excess to Fund Balance	716,847.72	577,205.22
<u>Fund Balance</u>		
Balance January 1	693,631.07	426,425.85
Decreased by:	1,410,478.79	1,003,631.07
Utilization as Anticipated Revenue	392,000.00	310,000.00
Balance December 31	\$ 1,018,478.79	\$ 693,631.07

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2023

	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 392,000.00		\$ 392,000.00	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	600.00		1,482.00	\$ 882.00
Other	8,900.00		9,510.00	610.00
Interest and Costs on Taxes	16,500.00		85,378.49	68,878.49
Interest on Investments and Deposits	15,000.00		59,415.04	44,415.04
Fire Prevention Revenue	6,800.00		6,164.00	(636.00)
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	40,531.00		40,811.16	280.16
Municipal Relief Aid	2,114.25		2,114.25	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services -- Public and Private Revenues Offset with Appropriations:				
Clean Communities Program		\$ 4,462.01	4,462.01	
Recycling Tonnage Grant	1,125.42		1,125.42	
Urban Enterprise Zone - Administration		16,969.00	16,969.00	
Urban Enterprise Zone - Corridor Parking		89,292.00	89,292.00	
Urban Enterprise Zone - Bike Racks and Trash Receptacles		12,626.00	12,626.00	
Unappropriated Reserves:				
Body Armor Replacement Fund	876.02		876.02	
UEZ Security Camera Project	31,315.00		31,315.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Sale of Municipal Assets	10,000.00		28,950.00	18,950.00
General Capital Fund Surplus	213,000.00		213,000.00	
Total Miscellaneous Revenues	346,761.69	123,349.01	603,490.39	133,379.69
Receipts from Delinquent Taxes	55,000.00		114,645.87	59,645.87
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	2,703,413.21		2,738,600.97	35,187.76
Budget Totals	3,497,174.90	123,349.01	3,848,737.23	228,213.32
Non-Budget Revenues			60,076.41	60,076.41
	\$ 3,497,174.90	\$ 123,349.01	\$ 3,908,813.64	\$ 288,289.73

(Continued)

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2023

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 4,215,121.11
Allocated to:	
Schools and County Taxes	1,554,287.51

Balance for Support of Municipal Budget Appropriations	2,660,833.60
--	--------------

Add: Appropriation "Reserve for Uncollected Taxes"	77,767.37
--	-----------

Amount for Support of Municipal Budget Appropriations	\$ 2,738,600.97
---	-----------------

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 54,857.55
Tax Title Liens	59,788.32

	\$ 114,645.87
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Analysis of Non-Budget Revenues

Revenue Accounts Receivable:

Cable Television Franchise Tax		\$ 7,327.31
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Clerk:

Bulk Trash	\$ 320.00	
Planning and Zoning	4,450.00	
Fees & Permits	10,887.11	
Dumpster Permits	2,575.00	
		18,232.11

Municipal Court:

Fines and Costs		4,316.26
-----------------	--	----------

Treasurer:

Receipts:

State of New Jersey -- Veterans and Senior Citizens - Administrative Fee	135.00	
Miscellaneous	30,065.73	
		30,200.73

	\$ 60,076.41
--	--------------

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WEST WILDWOOD

CURRENT FUND

Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2023

	Budget	Budget After Modification	Paid or Charged	Expended		Unexpended Balance Canceled
				Encumbrances	Reserved	
OPERATIONS -- WITHIN "CAPS"						
General Government Functions:						
General Administration						
Salaries and Wages	\$ 30,000.00	\$ 15,000.00	\$ 15,000.00			
Other Expenses	97,451.00	97,451.00	51,316.32	\$ 24,755.00	\$ 21,379.68	
Mayor and Commissioners						
Salaries and Wages	22,500.00	22,500.00	22,500.00			
Municipal Clerk						
Salaries and Wages	134,848.00	143,948.00	143,947.31		0.69	
Other Expenses	9,501.00	9,501.00	7,247.49		2,253.51	
Financial Department						
Salaries and Wages	82,755.00	85,779.00	85,778.03		0.97	
Other Expenses	6,000.00	6,000.00	5,961.71		38.29	
Audit Services	34,000.00	34,000.00	34,000.00			
Data Processing						
Other Expenses	52,000.00	52,000.00	32,814.66	19,000.00	185.34	
Collection of Taxes						
Salaries and Wages	45,214.00	45,214.00	43,611.42		1,602.58	
Other Expenses	3,000.00	3,000.00	1,314.53		1,685.47	
Assessment of Taxes						
Salaries and Wages	16,947.00	16,947.00	16,947.00			
Legal Services and Costs	140,000.00	131,557.95	60,017.30		25,540.65	\$ 46,000.00
Other Expenses						
Engineering Services	15,000.00	42,045.00	41,858.17	186.00	0.83	
Other Expenses						
Land Use Administration:						
Planning Board						
Salaries and Wages	12,000.00	12,414.00	12,413.85		0.15	
Other Expenses	7,500.00	8,700.00	8,166.40		533.60	
Insurance:						
Liability Insurance	44,448.00	45,683.00	45,682.03		0.97	
Worker's Compensation Insurance	71,447.00	71,447.00	71,268.00		179.00	
Group Employee Insurance	229,200.00	229,200.00	161,963.34		67,236.66	

(Continued)

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2023

	Budget	Budget After Modification	Paid or Charged	Expended		Unexpended Balance Canceled
				Encumbrances	Reserves	
OPERATIONS -- WITHIN "CAPS" (CONTD)						
Public Safety Functions:						
Police Department						
Salaries and Wages	\$ 530,000.00	\$ 530,000.00	\$ 427,059.08		\$ 12,940.92	\$ 90,000.00
Other Expenses	122,100.00	122,100.00	70,781.00	\$ 5,275.47	46,043.53	
Office of Emergency Management						
Other Expenses	2,500.00	2,586.05	2,586.05			
Aid to Volunteer Fire Companies	2,500.00	2,500.00	2,500.00			
Fire Department						
Other Expenses	6,500.00	6,500.00	3,222.25		3,277.75	
Fire Hydrant Service	15,000.00	15,000.00	13,352.00		1,648.00	
Fire Prevention	9,000.00	9,000.00	8,500.00		500.00	
Public Work Functions:						
Storm Debris Management						
Other Expenses	3,500.00	3,500.00			3,500.00	
Public Works						
Salaries and Wages	169,930.00	146,561.00	118,198.10		28,362.90	
Other Expenses	60,600.00	60,600.00	24,529.91	295.03	21,775.06	14,000.00
Solid Waste Collection						
Other Expenses	83,582.00	83,582.00	83,581.96		0.04	
Buildings and Grounds						
Other Expenses	50,000.00	50,000.00	22,495.59	9,443.50	18,060.91	
Health and Human Services Functions:						
Animal Control Services						
Other Expenses	13,049.00	14,824.00	14,823.84		0.16	
Park and Recreation Functions:						
Parks and Recreation						
Other Expenses	4,000.00	4,000.00	430.85		3,569.15	
Maintenance of Parks						
Other Expenses	4,500.00	4,500.00	4,233.63		266.37	
Celebration of Public Events						
Other Expenses	4,000.00	4,000.00	2,742.48		1,257.52	
Wildwood Municipal Alliance Program	1,000.00	1,000.00			1,000.00	

(Continued)

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2023

	Budget	Budget After Modification	Expended		Unexpended Balance Canceled
			Paid or Charged	Encumbrances Reserved	
OPERATIONS -- WITHIN "CAPS" (CONTD)					
State Uniform Construction Code					
Construction Official/Code Enforcement					
Salaries and Wages	\$ 15,000.00	\$ 15,000.00	\$ 11,025.79	\$	3,974.21
Utility Expenses and Bulk Purchases:					
Electricity	26,000.00	26,000.00	20,850.11		5,149.89
Street Lighting	35,000.00	35,000.00	27,546.75		7,453.25
Telephone / Communications	24,500.00	26,615.00	26,614.84		0.16
Natural Gas	14,500.00	14,500.00	11,634.04		2,865.96
Gasoline / Diesel	19,380.00	19,380.00	7,772.30		11,607.70
Water	6,120.00	6,120.00	2,724.50		3,395.50
Landfill / Solid Waste Disposal Costs:					
Landfill Fees	37,000.00	37,000.00	27,448.62		9,551.38
Total Operations - within "CAPS"	2,313,072.00	2,312,255.00	1,796,461.25	\$ 58,955.00	\$ 306,838.75
Detail:					
Salaries and Wages	1,068,194.00	1,042,363.00	904,980.58		47,382.42
Other Expenses	1,244,878.00	1,269,892.00	891,480.67	58,955.00	259,456.33
DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"					
Deferred Charges:					
Emergency Authorizations	19,357.09	19,357.09	19,357.09		
Regulatory Expenditures:					
Contribution to:					
Public Employee's Retirement System	38,852.00	38,852.00	38,852.00		
Police and Firemen's Retirement System of N.J.	111,838.00	111,838.00	111,838.00		
Unemployment Insurance	1,000.00	1,817.00	1,816.72		0.28
Social Security System (O.A.S.I.)	85,000.00	85,000.00	78,607.49		6,392.51
Defined Contribution Retirement Plan	800.00	800.00			800.00
Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"	256,847.09	257,664.09	250,471.30		7,192.79
Total General Appropriations for Municipal Purposes within "CAPS"	2,569,919.09	2,569,919.09	2,046,932.55	58,955.00	314,031.54

(Continued)

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2023

	Budget	Budget After Modification	Paid or Charged	Expended Encumbrances	Reserved	Unexpended Balance Canceled
OPERATIONS -- EXCLUDED FROM "CAPS"						
Insurance						
Employee Group Health	\$ 30,800.00	\$ 30,800.00	\$ 30,800.00			
Police and Firemen's Retirement System of N.J.	2,554.00	2,554.00	2,554.00			
Public Employee's Retirement System	6,281.00	6,281.00	6,281.00			
Solid Waste Collection	37,418.00	37,418.00	37,418.00			
Interlocal Municipal Service Agreements:						
Police Dispatcher	38,000.00	38,000.00	38,000.00			
Ambulance Fees	17,000.00	17,000.00	17,000.00			
City of Wildwood Court	22,000.00	22,000.00	22,000.00			
Public and Private Programs Offset by Revenues:						
Clean Communities Program (N.J.S.A. 40A:87 \$4,462.01+)		4,462.01	4,462.01			
UEZ-Administration (N.J.S.A. 40A:87 \$16,969.00)		16,969.00	16,969.00			
UEZ-Corridor Parking (N.J.S.A. 40A:87 \$89,292.00+)		89,292.00	89,292.00			
UEZ-Bike Racks/Trash Receptacles (N.J.S.A. 40A:87 \$12,626.00+)		12,626.00	12,626.00			
UEZ Security Cameral Project	31,315.00	31,315.00	31,315.00			
Body Armor Replacement Fund	876.02	876.02	876.02			
Recycling Tonnage Grant	1,125.42	1,125.42	1,125.42			
Total Operations -- Excluded from "CAPS"	187,369.44	310,718.45	310,718.45			
Detail:						
Other Expenses	187,369.44	310,718.45	310,718.45			
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"						
Capital Improvement Fund	10,000.00	10,000.00	10,000.00			
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment of Bond Principal	200,000.00	200,000.00	200,000.00			
Payment of Bond Anticipation Notes and Capital Notes	343,529.00	343,529.00	343,529.00			
Interest on Bonds	9,000.00	9,000.00	9,000.00			
Interest on Notes	37,000.00	37,000.00	35,771.59			\$ 1,228.41
Total Municipal Debt Service -- Excluded from "CAPS"	589,529.00	589,529.00	588,300.59			1,228.41

(Continued)

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2023

	Budget	Budget After Modification	Paid or Charged	Expended Encumbrances	Reserved	Unexpended Balance Canceled
DEFERRED CHARGES - EXCLUDED FROM "CAPS"						
Emergency Authorizations	\$ 62,590.00	\$ 62,590.00	\$ 62,590.00			
Total Deferred Charges -- Excluded from "CAPS"	62,590.00	62,590.00	62,590.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	849,488.44	972,837.45	971,609.04			\$ 1,228.41
Subtotal General Appropriations Reserve for Uncollected Taxes	3,419,407.53	3,542,756.54	3,018,541.59	\$ 58,955.00	\$ 314,031.54	151,228.41
	77,767.37	77,767.37	77,767.37			
Total General Appropriations	\$ 3,497,174.90	\$ 3,620,523.91	\$ 3,096,308.96	\$ 58,955.00	\$ 314,031.54	\$ 151,228.41
Appropriation by N.J.S.A. 40A:4-87 Budget	\$ 123,349.01	3,497,174.90				
	\$ 3,620,523.91					
Deferred Charges -- Excluded from "CAPS"			\$ 62,590.00			
Reserve for Federal and State Grants -- Appropriated			156,665.45			
Reserve for Uncollected Taxes			77,767.37			
Deferred Charges -- Within "CAPS"			19,357.09			
Disbursements			2,779,929.05			
			\$ 3,096,308.96			

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WEST WILDWOOD
TRUST FUNDS

Statements of Assets, Liabilities and Reserves -- Regulatory Basis
As of December 31, 2023 and 2022

ASSETS:	Ref.	2023	2022
Dog License Fund:			
Cash	SB-1	\$ 745.93	\$ 822.65
Total Dog License Fund		<u>745.93</u>	<u>822.65</u>
Other Funds:			
Cash	SB-1	348,118.60	303,994.37
Total Other Funds		<u>348,118.60</u>	<u>303,994.37</u>
Total Assets		<u>\$ 348,864.53</u>	<u>\$ 304,817.02</u>
LIABILITIES AND RESERVES:			
Dog License Fund:			
Due to Current Fund	SB-2	\$ 76.63	\$ 58.35
Reserve for Dog License Fund Expenditures	SB-3	669.30	761.30
Due to State of New Jersey -- Registration Fees	SB-4		3.00
Total Dog License Fund		<u>745.93</u>	<u>822.65</u>
Other Funds:			
Due to Current Fund	SB-5	3,653.72	1,642.52
Reserve for Payroll Deductions Payable	SB-6	25,830.29	26,323.85
Miscellaneous Trust Reserves			
Unemployment Compensation Insurance	SB-7	4,307.03	6,394.42
Tax Title Lien Redemption	SB-7	66,100.00	93,600.00
Uniform Fire Safety Act Penalty Monies	SB-7	844.32	2,244.32
Planning and Zoning	SB-7	11,240.73	12,298.73
Parking Offense Adjudication Act	SB-7	58.00	50.00
Outside Employment of Off-Duty Police	SB-7	13,777.26	13,777.26
Disposal of Forfeited Property	SB-7	3,571.81	3,511.54
Accumulated Absences	SB-7	40,250.00	40,250.00
Street Openings	SB-7	44,739.22	13,616.58
West Wildwood American Family Festival -			
Acceptance of Bequests/Gifts	SB-7	7,600.75	7,449.75
Pavers, Park Benches & Park Equipment Donations	SB-7	12,160.40	12,160.40
Affordable Housing	SB-7	112,726.19	68,139.00
Beautification of Public Properties - Donations	SB-7	1,258.88	2,536.00
Total Other Funds		<u>348,118.60</u>	<u>303,994.37</u>
Total Liabilities and Reserves		<u>\$ 348,864.53</u>	<u>\$ 304,817.02</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2023 and 2022

ASSETS:	Ref.	<u>2023</u>	<u>2022</u>
Cash	SC-1, SC-2	\$ 474,532.84	\$ 1,132,510.52
Deferred Charges to Future Taxation:			
Funded	SC-3	200,000.00	400,000.00
Unfunded	SC-4	3,983,231.25	3,373,648.53
Due from NJ Department of Transportation	SC-6	30,000.00	30,000.00
Due from Current Fund	SC-5	454,872.34	772,827.26
Due from Sewer Operating Fund	SC-2	20,703.08	20,703.08
Due from Sewer Capital Fund	SC-2	53,727.23	53,727.23
		<u> </u>	<u> </u>
Total Assets		<u>\$ 5,217,066.74</u>	<u>\$ 5,783,416.62</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Improvement Authorizations:			
Funded	SC-7	\$ 57,305.00	
Unfunded	SC-7	1,703,189.09	\$ 1,343,602.64
Reserve for Encumbrances	SC-7	8,972.00	60,555.00
Capital Improvement Fund	SC-8	3,607.00	50,912.00
General Serial Bonds	SC-9	200,000.00	400,000.00
Bond Anticipation Notes	SC-10	3,029,755.00	3,512,034.00
Fund Balance	C-1	214,238.65	416,312.98
		<u> </u>	<u> </u>
Total Liabilities and Reserves		<u>\$ 5,217,066.74</u>	<u>\$ 5,783,416.62</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2023

Balance December 31, 2022	\$	416,312.98
Increased by:		
Premium Collected on Sale of Bond Anticipation Notes		10,925.67
		427,238.65
Decreased by:		
Disbursement - Payment to Current Fund as Anticipated Revenue		213,000.00
Balance December 31, 2023	\$	214,238.65

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WEST WILDWOOD
SEWER UTILITY FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2023 and 2022

ASSETS:	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Operating Fund:			
Cash	SD-1	\$ 345,976.49	\$ 217,509.69
Due from Sewer Utility Capital Fund	SD-9	<u>59,875.61</u>	<u>50,071.86</u>
		<u>405,852.10</u>	<u>267,581.55</u>
Receivables with Full Reserves:			
Sewer Consumer Accounts Receivable	SD-4	<u>33,231.12</u>	<u>46,998.41</u>
		<u>33,231.12</u>	<u>46,998.41</u>
Total Operating Fund		<u>439,083.22</u>	<u>314,579.96</u>
Capital Fund:			
Cash	SD-1	2,939,337.11	554,969.88
Fixed Capital	SD-5	4,128,427.85	4,128,427.85
Fixed Capital Authorized and Uncompleted	SD-16	<u>5,185,100.00</u>	<u>2,310,000.00</u>
Total Capital Fund		<u>12,252,864.96</u>	<u>6,993,397.73</u>
Total Assets		<u>\$ 12,691,948.18</u>	<u>\$ 7,307,977.69</u>

(Continued)

BOROUGH OF WEST WILDWOOD
SEWER UTILITY FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2023 and 2022

LIABILITIES, RESERVES AND FUND BALANCE:	Ref.	2023	2022
Operating Fund:			
Appropriation Reserves	D-3, SD-6	\$ 68,082.86	\$ 4,704.00
Reserve for Encumbrances	D-3, SD-6	3,765.00	
Prepaid Sewer Rents	SD-7	31,200.84	36,837.90
Accrued Interest on Bonds and Notes	SD-8	47,905.12	24,304.06
Due to General Capital Fund	D	20,703.08	20,703.08
		<u>171,656.90</u>	<u>86,549.04</u>
Reserve for Receivables		33,231.12	46,998.41
Fund Balance	D-1	234,195.20	181,032.51
Total Operating Fund		<u>439,083.22</u>	<u>314,579.96</u>
Capital Fund:			
Due to General Capital Fund	SC-2	53,727.23	53,727.23
Due to Sewer Utility Operating Fund	SD-9	59,875.61	50,071.86
Accrued Interest on Bonds and Notes	SD-8	16,372.23	
Capital Improvement Fund	SD-10	16,000.00	16,000.00
Improvement Authorizations:			
Unfunded	SD-11	2,791,039.83	146,684.87
Reserve for Amortization	SD-12	3,441,770.28	3,371,622.97
Deferred Reserve for Amortization	SD-17	891,600.00	604,200.00
Bond Anticipation Notes	SD-13	3,310,500.00	722,800.00
General Serial Bonds	SD-14	1,669,657.57	1,739,804.88
Reserve for Payment of Notes	SD-3	13.68	287,413.68
Fund Balance	D-2	2,308.53	1,072.24
Total Capital Fund		<u>12,252,864.96</u>	<u>6,993,397.73</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 12,691,948.18</u>	<u>\$ 7,307,977.69</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF WEST WILDWOOD
SEWER UTILITY OPERATING FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Revenue and Other Income Realized</u>		
Surplus Utilized	\$ 125,000.00	\$ 115,000.00
Rents	782,471.29	777,399.29
Miscellaneous	44,827.53	12,117.39
Utility Capital Fund Balance		42,000.00
Other Credits to Income:		
Refund of Prior Year Expenditures	53,900.00	
Unexpended Balance of Appropriation Reserves	4,704.00	14,012.55
	<u>1,010,902.82</u>	<u>960,529.23</u>
<u>Expenditures</u>		
Operating	690,000.00	735,400.00
Debt Service	142,740.13	166,458.32
	<u>832,740.13</u>	<u>901,858.32</u>
Regulatory Excess to Surplus	<u>178,162.69</u>	<u>58,670.91</u>
<u>Fund Balance</u>		
Balance January 1	<u>181,032.51</u>	<u>237,361.60</u>
	359,195.20	296,032.51
Decreased by:		
Utilized as Revenue in Sewer Utility Operating Budget	<u>125,000.00</u>	<u>115,000.00</u>
Balance December 31	<u>\$ 234,195.20</u>	<u>\$ 181,032.51</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF WEST WILDWOOD
SEWER UTILITY CAPITAL FUND
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 1,072.24
Increased by:	
Premium Collected on Sale of Bond Anticipation Notes	<u>1,236.29</u>
Balance December 31, 2023	<u>\$ 2,308.53</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WEST WILDWOOD
SEWER UTILITY OPERATING FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2023

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 125,000.00	\$ 125,000.00	
Rents - Sewer	745,000.00	782,471.29	\$ 37,471.29
Miscellaneous	10,000.00	44,827.53	34,827.53
	<u>\$ 880,000.00</u>	<u>\$ 952,298.82</u>	<u>\$ 72,298.82</u>
 <u>Analysis of Realized Revenues:</u>			
Rents:			
Consumer Accounts Receivable			\$ 782,471.29
 Miscellaneous:			
Interest and Costs on Delinquent Rents: Collector			\$ 24,543.95
 Treasurer:			
Receipts:			
Interest Earned on Deposits		\$ 10,479.83	
Interest Earned In the Sewer Capital Fund		9,803.75	
			20,283.58
			\$ 44,827.53

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WEST WILDWOOD
SEWER UTILITY OPERATING FUND
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2023

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Encumbrances Reserved	
Sewer Operating:					
Salaries and Wages	\$ 105,000.00	\$ 105,000.00	\$ 105,000.00		
Other Expenses	585,000.00	585,000.00	513,152.14	\$ 3,765.00	\$ 68,082.86
Total Operating	690,000.00	690,000.00	618,152.14	3,765.00	68,082.86
Debt Service:					
Payment of Bond Principal	70,200.00	70,200.00	70,147.31		\$ 52.69
Interest on Notes	67,000.00	67,000.00	30,838.40		36,161.60
Interest on Bonds	52,800.00	52,800.00	41,754.42		11,045.58
Total Debt Service	190,000.00	190,000.00	142,740.13		47,259.87
Total Appropriations	\$ 880,000.00	\$ 880,000.00	\$ 760,892.27	\$ 3,765.00	\$ 68,082.86
Disbursements			\$ 688,299.45		
Accrued Interest on Bonds and Notes			<u>72,592.82</u>		
			<u>\$ 760,892.27</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WEST WILDWOOD
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts -- Regulatory Basis
For the Year Ended December 31, 2023

	Balance <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2023</u>
General Fixed Assets:				
Land	\$ 549,600.00			\$ 549,600.00
Building	695,872.00			695,872.00
Vehicles and Equipment	<u>844,661.39</u>	<u>\$ 124,716.05</u>		<u>969,377.44</u>
Total General Fixed Assets	<u>\$ 2,090,133.39</u>	<u>\$ 124,716.05</u>	<u>\$ -</u>	<u>\$ 2,214,849.44</u>
Total Investment in General Fixed Assets	<u>\$ 2,090,133.39</u>	<u>\$ 124,716.05</u>	<u>\$ -</u>	<u>\$ 2,214,849.44</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WEST WILDWOOD
Notes to Financial Statements
For the Year Ended December 31, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of West Wildwood (hereafter referred to as the "Borough") was incorporated as a Borough by an act of the New Jersey legislature on April 21, 1920 and is located in the southeastern portion of Cape May County. The Borough is a small island that is connected to the City of Wildwood and bordered by the City of North Wildwood and Middle Borough. The Borough provides the following services: public safety, recreation, public improvements, planning and zoning and general administrative services. According to the 2020 census, the population is 568.

The Borough is governed by an elected, three member commission form of government, with the Mayor appointed annually by the commission members. The commission is comprised of three individuals serving concurrent four year terms.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Borough contain all funds and account groups in accordance with the *Requirements of Audit* (the "Requirements") as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* 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 respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

In accordance with the *Requirements*, the Borough accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

General Capital Fund - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

Sewer Utility Operating and Capital Funds - The sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned sewer operations.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its current and sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Borough requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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 costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 225), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund balances included in the current fund and sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Cape May and the Borough of West Wildwood School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Borough is responsible for levying, collecting, and remitting school taxes for the Borough of West Wildwood School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Cape May. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediately preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end 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 year. Lapsed appropriation reserves are recorded as income.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e., assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Impact of Recently Issued Accounting Principles**Recently Issued Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued the following statement that have effective dates that may affect future financial presentations:

Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Borough in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Borough.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected 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 agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2023, the Borough's bank balances of \$6,302,319.47 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 6,302,319.47
Uninsured and Uncollateralized	_____
Total	<u>\$ 6,302,319.47</u>

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	\$ 1.897	\$ 1.813	\$ 1.822	\$ 1.792	\$ 1.828
Apportionment of Tax Rate:					
Municipal	\$ 1.207	\$ 1.146	\$ 1.145	\$ 1.084	\$ 1.085
County	.376	.344	.326	.309	.295
Local School	.314	.323	.351	.399	.448

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2023	\$ 224,112,100.00
2022	218,103,400.00
2021	213,998,600.00
2020	212,117,500.00
2019	210,383,400.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2023	\$ 4,300,825.31	\$ 4,215,121.11	98.01%
2022	4,022,650.19	3,951,900.44	98.24%
2021	3,946,259.68	3,865,435.42	97.95%
2020	3,807,208.37	3,711,350.38	97.48%
2019	3,871,677.57	3,759,308.05	97.10%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2023	\$ 75,441.27	\$ 62,226.58	\$ 137,667.85	3.20%
2022	87,721.32	70,008.87	157,730.19	3.92%
2021	146,898.51	84,045.84	230,944.35	5.85%
2020	140,755.25	96,736.15	237,491.40	6.24%
2019	135,331.40	102,043.57	237,374.97	6.13%

Note 3: PROPERTY TAXES (CONT'D)

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2023	10
2022	16
2021	15
2020	17
2019	18

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 108,298.49
2022	108,298.49
2021	108,298.49
2020	108,298.49
2019	108,298.49

Note 5: SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u> <u>Receivable</u>	<u>Liens</u>	<u>Levy</u>	<u>Total</u>	<u>Cash</u> <u>Collections</u>
2023	\$ 46,998.41	-	\$ 768,704.00	\$ 815,702.41	\$ 782,471.29
2022	61,093.20	-	763,304.50	824,397.70	777,399.29
2021	56,133.98	-	648,080.93	704,214.91	643,121.71
2020	52,318.35	-	642,262.50	694,580.85	638,446.00
2019	51,966.56	-	637,512.50	689,479.06	637,160.71

Note 6: FUND BALANCES APPROPRIATED

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2023	\$ 1,018,478.79	\$ 664,000.00	65.20%
2022	693,631.07	392,000.00	56.51%
2021	426,425.85	310,000.00	72.70%
2020	333,673.68	310,000.00	92.91%
2019	488,975.30	410,000.00	83.85%

Sewer Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2023	\$ 234,195.20	\$ 200,000.00	85.40%
2022	181,032.51	125,000.00	69.05%
2021	237,361.60	115,000.00	48.45%
2020	154,286.06	50,000.00	32.41%
2019	148,605.17	60,000.00	40.38%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2023:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 3,730.35	\$ 621,492.71
Federal and State Grant	166,620.37	
Trust - Animal Control		76.63
Trust - Other		3,653.72
General Capital	529,302.65	
Sewer Utility - Operating	59,875.61	20,703.08
Sewer Utility - Capital		113,602.84
	<u>\$ 759,528.98</u>	<u>\$ 759,528.98</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2024, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pensions reporting on GASB No. 68, *Accounting and Financial Reporting for Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2023 was not available; therefore, the information from the measurement period June 30, 2022 is disclosed below.

A substantial number of the Borough's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, certain Borough employees may be eligible to participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Empower (formerly Prudential Financial) for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Borough, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Borough. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)**

Defined Contribution Retirement Program (Cont'd) - Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

The Borough's contractually required contribution rate for the year ended December 31, 2022 was 12.30% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2022 was \$45,133.00, and was paid by April 1, 2023. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2021, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$37,538.00, which was paid on April 1, 2022.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Employee contributions to the Plan for the year ended December 31, 2022 were \$33,602.55.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, under Chapter 133, P.L. 2001, for the year ended December 31, 2022 was .31% of the Borough's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Borough, to the pension plan for the year ended December 31, 2022 was \$1,136.00, and was payable by April 1, 2023.

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. 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.

Special Funding Situation Component - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: 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 amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Borough's contractually required contribution rate for the year ended December 31, 2022 was 63.49% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2022, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2022 was \$114,392.00, and was payable by April 1, 2023. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2021, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$108,056.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$18,018.00.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2022 was 12.38% of the Borough's covered payroll.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2022 the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2022 was \$22,307.00, and was payable by April 1, 2023. For the prior year measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2021 was \$16,557.00, which was paid on April 1, 2022.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough contributes 3% of the employees' base salary, for each pay period.

For the year ended December 31, 2022, there were no Borough employees participating in this plan.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Public Employees' Retirement System**

Pension Liability - As of December 31, 2022, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Borough's proportionate share of the PERS net pension liability was \$540,121.00. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the Borough's proportion was .0035790072%, which was an increase of .0003736891% from its proportion measured as of June 30, 2021.

Pension (Benefit) Expense - For the year ended December 31, 2022, the Borough's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was \$53,727.00. This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the Borough's contribution to PERS was \$37,538.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PERS pension (benefit) expense, associated with the Borough, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2022 measurement date, was \$1,136.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**Police and Firemen's Retirement System**

Pension Liability - As of December 31, 2022, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 1,006,780.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>179,177.00</u>
	<u>\$ 1,185,957.00</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2022 measurement date, the Borough's proportion was .0087956400%, which was a decrease of (.0004758580%) from its proportion measured as of June 30, 2021. Likewise, at June 30, 2022, the State of New Jersey's proportion, on-behalf of the Borough, was .0087957500%, which was a decrease of (.0004758807%) from its proportion, on-behalf of the Borough, measured as of June 30, 2021.

Pension (Benefit) Expense - For the year ended December 31, 2022, the Borough's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was \$123,146.00. This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the Borough's contribution to PFRS was \$108,056.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Borough, calculated by the Plan as of the June 30, 2022 measurement date, was \$20,672.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2022, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 3,898.00	\$ 45,570.00	\$ 49,468.00	\$ 3,438.00	\$ 61,679.00	\$ 65,117.00
Changes of Assumptions	1,673.00	2,759.00	4,432.00	80,878.00	126,734.00	207,612.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	22,355.00	92,192.00	114,547.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	71,319.00	318,212.00	389,531.00	66,271.00	112,174.00	178,445.00
Contributions Subsequent to the Measurement Date	22,567.00	57,196.00	79,763.00	-	-	-
	<u>\$ 121,812.00</u>	<u>\$ 515,929.00</u>	<u>\$ 637,741.00</u>	<u>\$ 150,587.00</u>	<u>\$ 300,587.00</u>	<u>\$ 451,174.00</u>

Deferred outflows of resources in the amounts of \$22,567.00 and \$57,198.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2023. These amounts were based on an estimated April 1, 2024 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2022 to the Borough's year end of December 31, 2022.

Note 8: PENSION PLANS (CONT'D)Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Borough will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04	-	6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
June 30, 2021	5.00	-	5.00	-
June 30, 2022	5.00	-	5.00	-
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22

Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending Dec 31,	PERS	PFRS	Total
2023	\$ (50,930.00)	\$ 59,412.00	\$ 8,482.00
2024	(28,371.00)	(7,350.00)	(35,721.00)
2025	(10,163.00)	(1,917.00)	(12,080.00)
2026	37,616.00	109,706.00	147,322.00
2027	506.00	(104.00)	402.00
Thereafter	-	(1,601.00)	(1,601.00)
	<u>\$ (51,342.00)</u>	<u>\$ 158,146.00</u>	<u>\$ 106,804.00</u>

Note 8: **PENSION PLANS (CONT'D)**

Actuarial Assumptions

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 6.55%	3.25% - 16.25%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

Public Employees' Retirement System

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 disabled 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 a generational basis. Mortality improvement is based on Scale MP-2021.

Police and Firemen's Retirement System

Pre-retirement mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

Note 8: PENSION PLANS (CONT'D)Actuarial Assumptions (Cont'd)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the 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. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Police and Firemen's Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the 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.

Note 8: PENSION PLANS (CONT'D)Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the Borough's proportionate share of the net pension liability as of the June 30, 2022 measurement date, calculated using a discount rate of 7.00%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate Share of the Net Pension Liability	\$ 693,898.00	\$ 540,121.00	\$ 409,252.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Borough's annual required contribution. As such, the net pension liability as of the June 30, 2022 measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate Share of the Net Pension Liability	\$ 1,381,411.00	\$ 1,006,780.00	\$ 694,898.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>245,851.00</u>	<u>179,177.00</u>	<u>123,671.00</u>
	<u>\$ 1,627,262.00</u>	<u>\$ 1,185,957.00</u>	<u>\$ 818,569.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 8: PENSION PLANS (CONT'D)Supplementary Pension Information

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. These schedules are presented to illustrate the requirements to show information for 10 years.

Schedule of the Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Ten Plan Years)

	Measurement Date Ended June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.0035790072%	0.0032053181%	0.0034948595%	0.0035588369%	0.0039715408%
Proportionate Share of the Net Pension Liability	\$ 540,121.00	\$ 379,718.00	\$ 569,920.00	\$ 641,248.00	\$ 781,977.00
Covered Payroll (Plan Measurement Period)	\$ 263,776.00	\$ 234,900.00	\$ 252,900.00	\$ 252,900.00	\$ 261,568.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	2.047650279	161.65%	225.35%	253.56%	298.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
	Measurement Date Ended June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion of the Net Pension Liability	0.0034033065%	0.0030330294%	0.0030248968%	0.0026845448%	0.0012356008%
Proportionate Share of the Net Pension Liability	\$ 792,235.00	\$ 898,296.00	\$ 679,029.00	\$ 502,620.00	\$ 236,148.00
Covered Payroll (Plan Measurement Period)	\$ 235,780.00	\$ 208,652.00	\$ 191,320.00	\$ 185,652.00	\$ 85,232.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	336.01%	430.52%	354.92%	270.73%	277.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

Note 8: PENSION PLANS (CONT'D)Supplementary Pension Information (Cont'd)*Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)*

	Year Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 45,133.00	\$ 37,538.00	\$ 38,232.00	\$ 34,617.00	\$ 39,504.00
Contribution in Relation to the Contractually Required Contribution	(45,133.00)	(37,538.00)	(38,232.00)	(34,617.00)	(39,504.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 366,977.00	\$ 271,411.00	\$ 246,012.00	\$ 252,900.00	\$ 252,900.00
Contributions as a Percentage of Covered Payroll	12.30%	13.83%	15.54%	13.69%	15.62%
	Year Ended December 31,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 31,528.00	\$ 26,945.00	\$ 26,006.00	\$ 22,131.00	\$ 9,310.00
Contribution in Relation to the Contractually Required Contribution	(31,528.00)	(26,945.00)	(26,006.00)	(22,131.00)	(9,310.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 255,067.00	\$ 234,541.00	\$ 219,738.00	\$ 194,319.00	\$ 217,489.00
Contributions as a Percentage of Covered Payroll	12.36%	11.49%	11.84%	11.39%	4.28%

Note 8: PENSION PLANS (CONT'D)Supplementary Pension Information (Cont'd)*Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Ten Plan Years)*

	Measurement Date Ended June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.0087956400%	0.0092714980%	0.0070479819%	0.0077455875%	0.0078278739%
Proportionate Share of the Net Pension Liability	\$ 1,006,780.00	\$ 677,668.00	\$ 910,692.00	\$ 947,891.00	\$ 1,059,240.00
State's Proportionate Share of the Net Pension Liability	179,177.00	190,594.00	141,335.00	149,674.00	143,880.00
Total	<u>\$ 1,185,957.00</u>	<u>\$ 868,262.00</u>	<u>\$ 1,052,027.00</u>	<u>\$ 1,097,565.00</u>	<u>\$ 1,203,120.00</u>
Covered Payroll (Plan Measurement Period)	\$ 327,216.00	\$ 303,584.00	\$ 243,188.00	\$ 262,520.00	\$ 259,696.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	307.68%	223.22%	374.48%	361.07%	407.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.33%	77.26%	63.52%	65.00%	62.48%
	Measurement Date Ended June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion of the Net Pension Liability	0.0035885127%	0.0042980811%	0.0051527289%	0.0017550505%	0.0000000000%
Proportionate Share of the Net Pension Liability	\$ 553,997.00	\$ 821,043.00	\$ 858,265.00	\$ 220,769.00	\$ -
State's Proportionate Share of the Net Pension Liability	62,052.00	68,947.00	75,267.00	23,773.00	-
Total	<u>\$ 616,049.00</u>	<u>\$ 889,990.00</u>	<u>\$ 933,532.00</u>	<u>\$ 244,542.00</u>	<u>\$ -</u>
Covered Payroll (Plan Measurement Period)	\$ 116,160.00	\$ 137,380.00	\$ 191,568.00	\$ 36,952.00	\$ -
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	476.93%	597.64%	448.02%	597.45%	-
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%	62.41%	58.70%

Note 8: PENSION PLANS (CONT'D)Supplementary Pension Information (Cont'd)*Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Ten Years)*

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Contractually Required Contribution	\$ 114,392.00	\$ 108,056.00	\$ 78,738.00	\$ 78,239.00	\$ 76,529.00
Contribution in Relation to the Contractually Required Contribution	(114,392.00)	(108,056.00)	(78,738.00)	(78,239.00)	(76,529.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 180,180.00	\$ 302,571.00	\$ 303,584.00	\$ 242,867.00	\$ 259,920.00
Contributions as a Percentage of Covered Payroll	63.49%	35.71%	25.94%	32.21%	29.44%

	Year Ended December 31,				
	2017	2016	2015	2014	2013
Contractually Required Contribution	\$ 31,759.00	\$ 35,044.00	\$ 41,884.00	\$ 13,480.00	\$ -
Contribution in Relation to the Contractually Required Contribution	(31,759.00)	(35,044.00)	(41,884.00)	(13,480.00)	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 263,602.00	\$ 149,296.00	\$ 134,208.00	\$ 175,734.00	\$ 70,154.00
Contributions as a Percentage of Covered Payroll	12.05%	23.47%	31.21%	7.67%	0.00%

Other Notes to Supplementary Pension Information*Public Employees' Retirement System (PERS)*Changes in Benefit Terms

The June 30, 2022 measurement date included three changes to the plan provisions, only one of which had an impact on the Total Pension Liability (TPL). Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Changes in Assumptions

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

Discount Rate				Long-term Expected Rate of Return			
Year	Rate	Year	Rate	Year	Rate	Year	Rate
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%
2019	6.28%	2014	5.39%	2019	7.00%	2014	7.90%
2018	5.66%			2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS)*****Changes in Benefit Terms**

None.

Changes in Assumptions

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%
2019	6.85%	2014	6.32%	2019	7.00%	2014	7.90%
2018	6.51%			2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2023 was not available; therefore, the information from the measurement period June 30, 2022 is disclosed below.

General Information about the State Health Benefit Local Government Retired Employees Plan

Plan Description and Benefits Provided - The Borough contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit ("OPEB") plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the "State"), Division of Pensions and Benefits' (the "Division") annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the State Health Benefit Local Government Retired Employees Plan**

Plan Description and Benefits Provided (Cont'd) - 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 postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The Borough was billed monthly by the Plan and paid \$9,208.56, for the year ended December 31, 2022, representing 1.68% of the Borough's covered payroll. During the year ended December 31, 2022, retirees were not required to contribute to the Plan.

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB Plan.

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% 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.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)

Special Funding Situation Component (Cont'd) - The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer 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 nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to disclose in their respective notes to the financial statements, an expense and corresponding revenue, and their proportionate share of the OPEB expense allocated to the State under the special funding situation.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Borough, is not known; however, under the special funding situation, the State's OPEB expense, on-behalf of the Borough, is (\$33,662.00) for the year ended December 31, 2022, representing -6.15% of the Borough's covered payroll.

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2022, the Borough's and State's proportionate share of the net OPEB liability were as follows:

Proportionate Share of Net OPEB Liability	\$ 1,671,806.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Employer	<u>205,229.00</u>
	<u>\$ 1,877,035.00</u>

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

The Borough's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022. For the June 30, 2022 measurement date, the Borough's proportion was .010352%, which was a decrease of .002033% from its proportion measured as of the June 30, 2021 measurement date, as adjusted.

The State's proportion of the net OPEB liability, on-behalf of the Borough was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2021 through June 30, 2022. For the June 30, 2022 measurement date, the State's proportion on-behalf of the Borough was .006083%, which was an increase of .000097% from its proportion measured as of the June 30, 2021 measurement date, as adjusted.

OPEB (Benefit) Expense - At December 31, 2022, the Borough's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date, is \$128,769.00. This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the Borough made contributions to the Plan totaling \$9,208.56.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2022, the Borough had deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 86,334.00	\$ 309,882.00
Changes of Assumptions	223,109.00	570,555.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	440.00	-
Changes in Proportion	1,067,816.00	522,243.00
Contributions Subsequent to the Measurement Date	<u>4,604.28</u>	<u>-</u>
	<u>\$ 1,382,303.28</u>	<u>\$ 1,402,680.00</u>

Deferred outflows of resources in the amount of \$4,604.28 will be included as a reduction of the Borough's net OPEB liability during the year ending December 31, 2023. The Borough will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience			Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2018	-	8.14	June 30, 2018	5.00	-
June 30, 2019	-	8.05	June 30, 2019	5.00	-
June 30, 2020	7.87	-	June 30, 2020	5.00	-
June 30, 2021	-	7.82	June 30, 2021	5.00	-
June 30, 2022	7.82	-	June 30, 2022	5.00	-
Changes of Assumptions			Changes in Proportion		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04	June 30, 2017	8.04	8.04
June 30, 2018	-	8.14	June 30, 2018	8.14	8.14
June 30, 2019	-	8.05	June 30, 2019	8.05	8.05
June 30, 2020	7.87	-	June 30, 2020	7.87	7.87
June 30, 2021	7.82	-	June 30, 2021	7.82	7.82
June 30, 2022	-	7.82	June 30, 2022	7.82	7.82

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

<u>Year Ending</u> <u>Dec. 31,</u>		
2023	\$	(38,630.00)
2024		(38,764.00)
2025		(40,712.00)
2026		44,884.00
2027		101,520.00
Thereafter		<u>(53,279.00)</u>
	<u>\$</u>	<u>(24,981.00)</u>

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases *

PERS - Rates for all future years	2.75% to 6.55% based on years of service
PFRS - Rates for all future years	3.25% to 16.25% based on years of service

Mortality:

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

* salary increases are based on years of service within the respective Plan

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions (Cont'd)**

All of the Plan's investments are in the State of New Jersey Cash Management Fund (the "CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. government and agency obligations, commercial paper, corporate obligations and certificates of deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2022 was 3.54%. 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.

Health Care Trend Assumptions - The health care trend assumptions used is as follows:

Fiscal Year <u>Ending</u>	<u>Annual Rate of Increase</u>			
	<u>Medical Trend</u>			<u>Prescription Drug Trend</u>
	<u>Pre-65</u>	<u>PPO Post-65</u>	<u>HMO Post-65</u>	
2023	6.25%	-1.89%	-1.99%	8.00%
2024	6.00%	-6.00%	-6.15%	7.50%
2025	5.75%	6.99%	7.02%	7.00%
2026	5.50%	15.04%	15.18%	6.50%
2027	5.25%	13.00%	13.11%	6.00%
2028	5.00%	11.47%	11.56%	5.50%
2029	4.75%	10.27%	10.35%	5.00%
2030	4.50%	9.29%	9.35%	4.50%
2031	4.50%	8.50%	8.55%	4.50%
2032	4.50%	6.25%	6.27%	4.50%
2033 and Later	4.50%	4.50%	4.50%	4.50%

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

The net OPEB liability, calculated using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Proportionate Share of the Net OPEB Liability	\$ 1,937,960.00	\$ 1,671,806.00	\$ 1,457,660.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	237,902.00	205,229.00	178,941.00
	<u>\$ 2,175,862.00</u>	<u>\$ 1,877,035.00</u>	<u>\$ 1,636,601.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

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

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Proportionate Share of the Net OPEB Liability	\$ 1,418,243.00	\$ 1,671,806.00	\$ 1,996,548.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>174,102.00</u>	<u>205,229.00</u>	<u>245,094.00</u>
	<u>\$ 1,592,345.00</u>	<u>\$ 1,877,035.00</u>	<u>\$ 2,241,642.00</u>

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information**

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Proportionate Share of the Net OPEB Liability (Last Six Plan Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>
Proportion of the Net OPEB Liability	0.010352%	0.012385%	0.006718%
Proportionate Share of the Net OPEB Liability	\$ 1,671,806.00	\$ 2,229,273.00	\$ 1,205,653.00
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>205,229.00</u>	<u>231,141.00</u>	<u>1,573,908.00</u>
Total	<u>\$ 1,877,035.00</u>	<u>\$ 2,460,414.00</u>	<u>\$ 2,779,561.00</u>
Covered Payroll (Plan Measurement Period)	\$ 524,682.00	\$ 598,089.00	\$ 512,216.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	318.63%	372.73%	235.38%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	-0.36%	0.28%	0.91%
	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the Net OPEB Liability	0.006259%	0.006759%	0.007625%
Proportionate Share of the Net OPEB Liability	\$ 847,849.00	\$ 1,058,907.00	\$ 1,556,704.00
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>926,774.00</u>	<u>1,530,718.00</u>	<u>1,874,383.00</u>
Total	<u>\$ 1,774,623.00</u>	<u>\$ 2,589,625.00</u>	<u>\$ 3,431,087.00</u>
Covered Payroll (Plan Measurement Period)	\$ 500,187.00	\$ 520,644.00	\$ 467,051.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	169.51%	203.38%	333.30%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

(a) The Proportionate Share of the June 30, 2021 Net OPEB Liability was adjusted within the June 30, 2022 Plan Audit.

Note 9: **POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

Supplementary OPEB Information (Cont'd)

Schedule of Contributions (Last Six Years)

	Year Ended December 31,		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Required Contributions	\$ 9,208.56	\$ 9,208.56	\$ 7,908.72
Actual Contributions in Relation to the Required Contribution	(9,208.56)	(9,208.56)	(7,908.72)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 547,157.00	\$ 573,982.00	\$ 549,596.00
Contributions as a Percentage of Covered Payroll	1.68%	1.60%	1.44%

	Year Ended December 31,		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Required Contributions	\$ 7,992.24	\$ 12,608.16	\$ 16,933.32
Actual Contributions in Relation to the Required Contribution	(7,992.24)	(12,608.16)	(16,933.32)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 495,767.00	\$ 512,820.00	\$ 518,669.00
Contributions as a Percentage of Covered Payroll	1.61%	2.46%	3.26%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, included changes due to employers adopting and /or changing Chapter 48 provisions.

Changes in Assumptions - The discount rate used as of the June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend and updated experience study.

There were no changes to mortality projections.

Note 10: COMPENSATED ABSENCES

Under the existing policy of the Borough, full-time employees are entitled to twelve paid sick leave days each year. Any unused sick leave may be accumulated and carried indefinitely. Unused vacation time can only be carried into the following calendar year. These policies cover non-union and union employees to the extent that their collective bargaining agreements do not cover these issues.

The Borough compensates employees for unused sick leave upon termination or retirement. The current policy provides that upon separation of service in good standing from the Borough, employees may either utilize or sell back to the Borough, at the then current rate of pay of the employees, up to fifty percent (50%) of the employee's unused accumulated sick days up to a maximum of ten thousand (\$10,000.00) dollars.

The Borough has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2023, the balance of the fund was \$40,250.00. It is estimated that, at December 31, 2023, accrued benefits for compensated absences are valued at \$200,393.00.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

The Borough offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

Note 12: FINANCED PURCHASE OBLIGATIONS

The Borough has entered into the following agreements which meet the requirements of financed purchases under the provisions of GASB Statement No. 87, *Leases*.

Vehicles - As of December 31, 2023, the Borough is financing a 2022 Chevy Silverado with a total cost of \$53,574.85. The monthly payments are \$1,030.12. The agreement is for a term of sixty months (60) with an interest rate of 5.77%. The final maturity of the financed purchase is August 15, 2027. The Borough is also financing a 2023 Chevy Tahoe with a total cost of \$71,061.05. The quarterly annual payments are \$19,527.94. The agreement is for a term of four (4) years with an interest rate of 8.03%. The final maturity of the financed purchase is November 15, 2026. Finally, the Borough is financing a 2023 Ford Police Interceptor Utility with equipment with a total cost of \$53,655.00. The quarterly payments are \$5,095.49. The agreement is for a term of three (3) years with an interest rate of 9.09%. The final maturity of the financed purchase is August 27, 2026.

The following is an analysis of the financed purchase obligation liability at December 31, 2023:

Description

Vehicles	<u>\$ 148,006.95</u>
	<u>\$ 148,006.95</u>

Note 12: FINANCED PURCHASE OBLIGATIONS (CONT'D)

The following schedule represents the remaining future minimum payments under the financed purchase obligations, and the present value of the net minimum payments as of December 31, 2023:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 46,014.92	\$ 6,256.42	\$ 52,271.34
2025	48,284.26	3,987.08	52,271.34
2026	45,648.59	1,527.26	47,175.85
2027	8,059.18	181.78	8,240.96
	<u>\$ 148,006.95</u>	<u>\$ 11,952.54</u>	<u>\$ 159,959.49</u>

Under the provisions of GASB 87, for the year ended December 31, 2023, the Borough would have reported assets in the amount of \$178,290.90 and a financed purchase obligation in the amount of \$148,006.95. In addition, for the year ended December 31, 2023, the Borough would have recognized a reduction of the financed purchase obligation of \$33,962.87 and interest expense of \$3,022.00.

As a result of the regulatory basis of accounting previously described in note 1, the above noted cost of the assets, along with the financed purchase obligation liability, have not been recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund, instead, the annual payment of the financed purchase obligation of \$36,984.87 were budgeted and paid from the current fund. In addition, the assets have been recorded in the general fixed asset group of accounts at historical cost at the inception of each finance purchase agreement.

Note 13: CAPITAL DEBT

General Improvement Bonds

General Improvement Bonds, Series 2014 - On February 6, 2014, the Borough issued \$1,765,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 3.0%. The bonds were issued for the purpose of funding various capital ordinances in the Borough. The final maturity of the bonds is February 1, 2024.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

General Debt - Serial Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 200,000.00</u>	<u>\$ 3,000.00</u>	<u>\$ 203,000.00</u>

Sewer Utility Debt - General Improvement Bonds

General Improvement Bonds, Series 1992 - On September 17, 1992, the Borough issued \$562,600.00 of general improvement bonds, with a net interest cost of 5.625%. The bonds were issued for the purpose of funding various utility capital projects in the Borough. The final maturity of the bonds is September 8, 2032.

Note 13: CAPITAL DEBT (CONT'D)Sewer Utility Debt - General Improvement Bonds (Cont'd)

General Improvement Bonds, Series 1994 - On August 12, 1994, the Borough issued \$1,000,000.00 of general improvement bonds, with a net interest cost of 4.5%. The bonds were issued for the purpose of funding various utility capital projects in the Borough. The final maturity of the bonds is August 12, 2034.

General Improvement Bonds, Series 2022 - On March 21, 2022, the Borough issued \$983,000.00 of general improvement bonds, with a net interest cost of 1.75%. The bonds were issued for the purpose of funding various utility capital projects in the Borough. The final maturity of the bonds is March 21, 2062.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 73,094.80	\$ 50,845.20	\$ 123,940.00
2025	76,181.52	47,758.47	123,939.99
2026	79,414.50	44,525.51	123,940.01
2027	82,800.99	41,139.01	123,940.00
2028	86,348.72	37,591.28	123,940.00
2029-2033	454,364.29	129,049.53	583,413.82
2034-2038	159,646.09	64,566.56	224,212.65
2039-2043	118,472.27	52,967.73	171,440.00
2044-2048	129,256.44	42,183.56	171,440.00
2049-2053	141,022.25	30,417.75	171,440.00
2054-2058	153,859.07	17,580.93	171,440.00
2059-2062	115,196.63	4,811.37	120,008.00
	<u>\$ 1,669,657.57</u>	<u>\$ 563,436.90</u>	<u>\$ 2,233,094.47</u>

The following schedule represents the Borough's summary of debt for the current and two previous years:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 2,749,755.00	\$ 3,272,034.00	\$ 4,546,627.00
Sewer Utility:			
Bonds and Notes	4,980,157.57	2,462,604.88	3,125,668.69
Total Issued	<u>7,729,912.57</u>	<u>5,734,638.88</u>	<u>7,672,295.69</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	1,419,163.88	368.88	368.88
Sewer Utility:			
Bonds and Notes	-	-	-
Total Authorized but not Issued	<u>1,419,163.88</u>	<u>368.88</u>	<u>368.88</u>
Total Issued and Authorized but not Issued	<u>9,149,076.45</u>	<u>5,735,007.76</u>	<u>7,672,664.57</u>
<u>Deductions</u>			
General:			
Cash Pledged to Payment of Notes	465,687.63	138,754.35	875,898.35
Sewer Utility:			
Self-Liquidating	4,980,157.57	2,462,604.88	3,125,668.69
Total Deductions	<u>5,445,845.20</u>	<u>2,601,359.23</u>	<u>4,001,567.04</u>
Net Debt	<u>\$ 3,703,231.25</u>	<u>\$ 3,133,648.53</u>	<u>\$ 3,671,097.53</u>

Note 13: CAPITAL DEBT (CONT'D)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.118%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Self-Liquidating	\$ 4,980,157.57	\$ 4,980,157.57	
General	4,168,918.88	465,687.63	\$ 3,703,231.25
	<u>\$ 9,149,076.45</u>	<u>\$ 5,445,845.20</u>	<u>\$ 3,703,231.25</u>

Net debt \$3,703,231.25 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$331,209,975.33, equals 1.118%.

Summary of Statutory Debt Condition - Annual Debt Statement**Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 11,592,349.14
Less: Net Debt	<u>3,703,231.25</u>
Remaining Borrowing Power	<u>\$ 7,889,117.89</u>

**Calculation of "Self-Liquidating Purpose,"
Sewer Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 952,298.82
Deductions:	
Operating and Maintenance Costs	\$ 690,000.00
Debt Service	<u>142,740.13</u>
Total Deductions	<u>832,740.13</u>
Excess in Revenue	<u>\$ 119,558.69</u>

Note 14: RISK MANAGEMENT

The Borough 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.

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

Note 14: RISK MANAGEMENT (CONT'D)

New Jersey Unemployment Compensation Insurance (Cont'd) - The following is a summary of the activity and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ -	\$ -	\$ -	\$ 2,087.39	\$ 4,307.03
2022	-	-	-	-	6,394.42
2021	-	-	-	-	6,394.42

It is estimated that there are no unreimbursed payments on behalf of the Borough at December 31, 2023.

Joint Insurance Pool - The Borough is a member of the Atlantic County Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

Property	General & Automobile Liability	Cyber Liability
Boiler & Machinery	Workers' Compensation	Volunteer Directors Officials
Non-owned Aircraft Liability	Crime & Employee Dishonesty	Public Officials / Employment

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Borough's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended December 31, 2023 which can be obtained from:

Atlantic County Municipal Joint Insurance Fund
P.O. Box 488
Marlton, New Jersey 08053

Note 15: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Borough expects such amount, if any, to be immaterial.

Litigation - The Borough is a defendant in legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 16: CONCENTRATIONS

The Borough depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Borough is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of Current Cash
Per N.J.S. 40A:5-5 - Collector
For the Year Ended December 31, 2023

Increased by:

Taxes Receivable	\$ 4,163,816.12
Tax Title Liens	59,788.32
Prepaid Taxes	96,059.83
Tax Overpayments	3,045.46
Revenue Accounts Receivable:	
Interest and Costs on Taxes	<u>85,378.49</u>
	4,408,088.22
Payments to Treasurer	<u>\$ 4,408,088.22</u>

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Schedule of Change Funds
As of December 31, 2023

Office
Treasurer

Balance December 31, 2023

\$ 100.00

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of Due from State of New Jersey
Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 4,127.80
Increased by:		
Accrued in 2023:		
Deductions per Tax Billing	\$ 7,500.00	
Deduct:		
Deductions Disallowed by Tax Collector	<u>750.00</u>	
		<u>6,750.00</u>
		10,877.80
Decreased by:		
Receipts		<u>6,750.00</u>
Balance December 31, 2023		<u><u>\$ 4,127.80</u></u>

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of Taxes Receivable
 For the Year Ended December 31, 2023

Year	Balance December 31, 2022	2023 Levy	2022 Collections	2023 Collections	Due from State of New Jersey	Transferred to Tax Title Liens	Over- Payments Applied	Canceled	Balance December 31, 2023
2013	\$ 1,265.00					\$ 1,265.00			
2014	1,356.28					1,356.28			
2015	1,427.14					1,427.14			
2016	1,424.15					1,424.15			
2017	1,612.68					1,612.68			
2018	1,609.12					1,609.12			
2019	1,626.92					1,626.92			
2020	1,594.88					1,594.88			
2021	1,871.58					1,871.58			
2022	56,221.12		\$ 54,857.55			1,363.57			
	70,008.87		54,857.55			15,151.32			
2023	\$ 4,300,825.31	\$ 4,300,825.31	\$ 89,587.14	4,108,958.57	\$ 6,750.00	4,985.48	\$ 9,825.40	\$ 5,277.45	\$ 75,441.27
	\$ 70,008.87	\$ 4,300,825.31	\$ 89,587.14	\$ 4,163,816.12	\$ 6,750.00	\$ 20,136.80	\$ 9,825.40	\$ 5,277.45	\$ 75,441.27

Analysis of 2023 Property Taxes

Tax Yield:	
General Purpose Tax	\$ 4,247,905.60
Added Taxes (54-4-63.1 et seq.)	52,919.71
	<u>\$ 4,300,825.31</u>

Tax Levy:	
Local District School Tax	\$ 703,270.00
County Taxes:	
Net County Taxes	\$ 694,447.71
County Library Tax	113,423.62
County Open Space Tax	33,351.06
Due County for Added and Omitted Taxes	<u>9,795.12</u>

Total County Taxes	851,017.51
Local Tax for Municipal Purposes	2,703,413.21
Add: Additional Tax Levied	<u>43,124.59</u>
	<u>2,746,537.80</u>
	<u>\$ 4,300,825.31</u>

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 87,721.32
Increased by:		
Interest and Costs Accrued	\$ 14,156.78	
Transfers from Taxes Receivable	<u>20,136.80</u>	
		<u>34,293.58</u>
		122,014.90
Decreased by:		
Collections		<u>59,788.32</u>
Balance December 31, 2023		<u><u>\$ 62,226.58</u></u>

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of Revenue Accounts Receivable
 For the Year Ended December 31, 2023

	Balance December 31, 2022	Accrued in 2023	Collector	Collections Treasurer	Due from Dog License Fund	Due from Trust - Other Fund	Due from General Capital Fund	Balance December 31, 2023
Clerk:								
Licenses:								
Alcohol Beverages		\$ 1,482.00		\$ 1,482.00				
Other		9,510.00		9,510.00				
Tax Collector:								
Interest and Costs on Taxes		85,378.49	\$ 85,378.49					
Treasurer:								
Energy Receipts Tax		40,811.16		40,811.16				
Fire Prevention Revenue		6,164.00		6,164.00				
Interest on Investments and Deposits		59,415.04		42,731.40	\$ 18.28	\$ 5,854.42	\$ 10,810.94	
Sale of Municipal Assets		28,950.00		28,950.00				
General Capital Fund Surplus		213,000.00		213,000.00				
Non Budgeted Revenue:								
Cable Television Franchise Tax		7,327.31		7,327.31				
Clerk:								
Other		18,232.11		18,232.11				
Municipal Court:								
Fines and Costs	\$ 252.52	4,216.74		4,316.26			\$ 153.00	
	\$ 252.52	\$ 474,486.85	\$ 85,378.49	\$ 372,524.24	\$ 18.28	\$ 5,854.42	\$ 10,810.94	\$ 153.00

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of 2022 Appropriation Reserves
For the Year Ended December 31, 2023

	Balance December 31, 2022		Balance After Modification	Expended	Balanced Lapsed
	Encumbered	Reserved			
OPERATIONS -- WITHIN "CAPS"					
General Government Functions:					
General Administration					
Salaries and Wages		\$ 2.15	\$ 2.15		\$ 2.15
Other Expenses	\$ 150.00	25,384.71	25,534.71	\$ 4,504.41	21,030.30
Municipal Clerk					
Salaries and Wages		26.92	26.92		26.92
Other Expenses		7,024.37	7,024.37		7,024.37
Financial Department					
Salaries and Wages		1.33	1.33		1.33
Other Expenses		570.24	570.24		570.24
Computerized Data Processing					
Other Expenses		7,553.45	7,553.45		7,553.45
Collection of Taxes					
Salaries and Wages		210.31	210.31		210.31
Other Expenses		1,462.84	1,462.84		1,462.84
Assessment of Taxes					
Salaries and Wages		1,250.00	1,250.00		1,250.00
Legal Services and Costs					
Other Expenses		11,909.81	11,909.81	221.36	11,688.45
Engineering Services					
Other Expenses		7,973.50	7,973.50	2,851.00	5,122.50
Land Use Administration					
Planning Board					
Salaries and Wages		35.41	35.41		35.41
Other Expenses		2,647.60	2,647.60		2,647.60
Insurance					
Liability Insurance		1,600.00	1,600.00	1,215.91	384.09
Worker's Compensation		78.93	78.93		78.93
Group Employee Insurance		26,483.21	26,483.21		26,483.21
Police Department					
Salaries and Wages		101,272.29	86,438.39		86,438.39
Other Expenses	28,820.59	17,066.10	60,720.59	60,720.59	
Office of Emergency Management					
Other Expenses		0.05	0.05		0.05
Fire Department					
Other Expenses		1,690.00	1,690.00		1,690.00
Fire Hydrant Services		1,648.00	1,648.00		1,648.00
Fire Prevention		46.47	46.47		46.47
Storm Debris Management					
Other Expenses		3,435.42	3,435.42		3,435.42
Solid Waste Collections					
Other Expenses		0.05	0.05		0.05
Public Works					
Salaries and Wages		53,301.03	53,301.03		53,301.03
Other Expenses	5,053.91	5,721.43	10,775.34	5,118.46	5,656.88
Buildings and Grounds					
Other Expenses	1,200.00	1,344.27	2,544.27		2,544.27
Animal Control Services					
Other Expenses		702.50	702.50		702.50
Parks and Recreation Functions:					
Other Expenses		3,093.26	3,093.26		3,093.26
Maintenance of Parks					
Other Expenses		2,428.54	2,428.54		2,428.54
Celebration of Public Events					
Other Expenses		815.00	815.00		815.00
Wildwood Municipal Alliance Program					
Construction Official		1,000.00	1,000.00		1,000.00
Salaries and Wages		0.72	0.72		0.72

(Continued)

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of 2022 Appropriation Reserves
For the Year Ended December 31, 2023

	Balance December 31, 2022		Balance After Modification	Expended	Balanced Lapsed	
	<u>Encumbered</u>	<u>Reserved</u>				
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Utility Expenses and Bulk Purchases:						
Electricity	\$	0.87	\$		\$	0.87
Street Lighting		0.92				0.92
Telephone / Communications		0.54				0.54
Natural Gas		1,195.46				1,195.46
Gasoline/Diesel		7,979.73		\$	477.40	7,502.33
Water		4,447.95				4,447.95
Landfill/Solid Waste Disposal Costs						
Landfill Fees		9,001.92		1,132.23		7,869.69
Total Operations -- Within "CAPS"	\$	35,224.50	310,407.30	345,631.80	76,241.36	269,390.44
Regulatory Expenditures						
Contribution to:						
Unemployment Insurance		2,000.00		2,000.00		2,000.00
Social Security System (O.A.S.I)		7,263.66		7,263.66		7,263.66
Defined Contribution Retirement Plan		704.96		704.96		704.96
Total Deferred Charges -- Within "CAPS"		9,968.62		9,968.62		9,968.62
Total General Appropriations	\$	35,224.50	320,375.92	355,600.42	76,241.36	279,359.06
Disbursed				\$	76,241.36	

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of Prepaid Taxes
 For the Year Ended December 31, 2023

Balance December 31, 2022 (2023 Taxes)		\$ 89,587.14
Increased by:		
Receipts -- Collector		96,059.83
		185,646.97
Decreased by:		
Application to Taxes Receivable		89,587.14
Balance December 31, 2023 (2024 Taxes)		\$ 96,059.83

Exhibit SA-10

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of Tax Overpayments
 For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 9,790.20
Increased by:		
Receipts -- Collector		3,045.46
		12,835.66
Decreased by:		
Disbursements -- Refunded	\$ 3,010.26	
Applied to:		
2023 Taxes Receivable	9,825.40	
		12,835.66
Balance December 31, 2023		\$ -

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of County Taxes Payable
 For the Year Ended December 31, 2023

2023 Levy:		
Net County Taxes	\$	694,447.71
County Library Tax		113,423.62
Open Space Tax		<u>33,351.06</u>
		<u>\$ 841,222.39</u>
Decreased by:		
Disbursements		<u>\$ 841,222.39</u>

Exhibit SA-12

BOROUGH OF WEST WILDWOOD
CURRENT FUND
 Statement of Due County for Added and Omitted Taxes
 For the Year Ended December 31, 2023

Balance December 31, 2022	\$	12,984.96
Increased by:		
County Share of 2023 Levy:		
Added Assessments (R.S. 54:4-63.1 et seq.)		<u>9,795.12</u>
		22,780.08
Decreased by:		
Disbursements		<u>12,984.96</u>
Balance December 31, 2023	\$	<u>9,795.12</u>

BOROUGH OF WEST WILDWOOD
CURRENT FUND
Statement of Local School District Taxes Payable
For the Year Ended December 31, 2023

Balance December 31, 2022	\$	0.50
Increased by:		
2023 Levy -- Calendar Year		<u>703,270.00</u>
		703,270.50
Decreased by:		
Disbursements		<u>703,270.00</u>
Balance December 31, 2023	\$	<u><u>0.50</u></u>

BOROUGH OF WEST WILDWOOD
FEDERAL AND STATE GRANT FUND
Statement of Federal, State and Other Grants Receivable
For the Year Ended December 31, 2023

	<u>Balance</u> <u>December 31, 2022</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>December 31, 2023</u>
Federal Grants:				
Emergency Management Agency Assistance	_____	\$ 10,000.00	\$ 10,000.00	_____
State Grants:				
UEZ Bike Racks and Trash Receptacles		12,626.00	12,626.00	
UEZ Corridor Parking		89,292.00	89,292.00	
UEZ Administration		16,969.00	16,969.00	
Body Armor Replacement Fund		1,075.89	1,075.89	
Clean Communities Program		4,462.01	4,462.01	
Recycling Tonnage Grant	_____	1,125.42	1,125.42	_____
Total State Programs	_____	125,550.32	125,550.32	_____
Total All Grants	<u>\$ -</u>	<u>\$ 135,550.32</u>	<u>\$ 135,550.32</u>	<u>\$ -</u>

BOROUGH OF WEST WILDWOOD
FEDERAL AND STATE GRANT FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 135,229.80
Increased by:	
Disbursements	<u>31,390.57</u>
Balance December 31, 2023	<u>\$ 166,620.37</u>

BOROUGH OF WEST WILDWOOD
FEDERAL AND STATE GRANT FUND
Statement of Reserves for Federal, State and Other Grants - Unappropriated
For the Year Ended December 31, 2023

<u>Grant</u>	<u>Balance December 31, 2022</u>	<u>Federal, State and Other Grants Receivable</u>	<u>Realized as Revenue in 2023</u>	<u>Balance December 31, 2023</u>
Federal Grants:				
Emergency Management Agency Assistance		\$ 10,000.00		\$ 10,000.00
State Grants:				
UEZ Corridor Parking		89,292.00	\$ 89,292.00	
UEZ Bike Racks and Trash Receptacles		12,626.00	12,626.00	
UEZ Administration		16,969.00	16,969.00	
UEZ Security Camera Project	\$ 31,315.00		31,315.00	
Body Armor Replacement Fund	876.02	1,075.89	876.02	1,075.89
Clean Communitites Program		4,462.01	4,462.01	
Recycling Tonnage Grant		1,125.42	1,125.42	
Total Federal & State Programs	<u>32,191.02</u>	<u>125,550.32</u>	<u>156,665.45</u>	<u>1,075.89</u>
Total All Grants	<u>\$ 32,191.02</u>	<u>\$ 135,550.32</u>	<u>\$ 156,665.45</u>	<u>\$ 11,075.89</u>

BOROUGH OF WEST WILDWOOD
FEDERAL AND STATE GRANT FUND
 Statement of Reserves for Federal, State and Other Grants - Appropriated
 For the Year Ended December 31, 2023

Grant	Balance December 31, 2022		Transferred - 2023 Budget Appropriations	Expenditures	Encumbered	Balance December 31, 2023
	Appropriated	Reserve for Encumbrances				
Federal Grants:						
American Rescue Plan Fiscal Recovery Act	\$ 52,265.46			\$ 52,265.46		
Emergency Management Agency Assistance	10,000.00	\$ 10,000.00		10,000.00		\$ 10,000.00
Total Federal Grants	62,265.46	10,000.00		62,265.46		10,000.00
State Grants:						
Urban Enterprise Zone - Administration	1,814.93		\$ 16,969.00	16,969.00		1,814.93
Urban Enterprise Zone - Projects	263.65					263.65
UEZ Informational Sign Project	20,045.00			521.56	\$ 17,995.00	1,528.44
UEZ Bike Racks and Trash Receptacles			12,626.00	9,298.00		3,328.00
UEZ Security Camera Project			31,315.00			31,315.00
UEZ Corridor Parking			89,292.00	6,265.00		83,027.00
Municipal Stormwater Regulation Program	3,369.00					3,369.00
Clean Communities Program	2,209.08		4,462.01	3,799.71		2,871.38
Recycling Tonnage Grant	2,352.10		1,125.42	3,473.02		4.50
Body Armor Fund	719.56		876.02	1,568.00		27.58
Total State Grants	30,773.32		156,665.45	41,894.29	17,995.00	127,549.48
Total All Grants	\$ 93,038.78	\$ 10,000.00	\$ 156,665.45	\$ 104,159.75	\$ 17,995.00	\$ 137,549.48

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF WEST WILDWOOD
TRUST FUNDS
Statement of Trust Fund Cash
Per N.J.S.A. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2023

	<u>Dog License</u>	<u>Other</u>
Balance December 31, 2022	\$ 822.65	\$ 303,994.37
Increased by Receipts:		
Reserve for Dog License Fund Expenditures	\$ 252.00	
State Registration Fees	34.80	
Due Current Fund	18.28	\$ 5,854.42
Reserve for Payroll Deductions Payable		1,297,821.73
Miscellaneous Trust Reserves:		
Tax Title Lien Redemption		50,488.23
Uniform Fire Safety Act Penalty Monies		500.00
Parking Offense Adjudication Act		8.00
Confiscated Funds		60.27
Planning and Zoning		3,000.00
Street Openings		51,116.39
West Wildwood American Family Festival		151.00
Affordable Housing		46,230.33
Beautification of Public Properties - Donations		215.00
	305.08	1,455,445.37
	1,127.73	1,759,439.74
Decreased by Disbursements:		
Reserve for Dog License Fund Expenditures	344.00	
State Registration Fees	37.80	
Due Current Fund		3,843.22
Reserve for Payroll Deductions Payable		1,298,315.29
Miscellaneous Trust Reserves:		
Unemployment Compensation Insurance		2,087.39
Tax Title Lien Redemption		77,988.23
Uniform Fire Safety Act Penalty Monies		1,900.00
Street Openings		19,993.75
Planning and Zoning		4,058.00
Affordable Housing		1,643.14
Beautification of Public Properties - Donations		1,492.12
	381.80	1,411,321.14
Balance December 31, 2023	\$ 745.93	\$ 348,118.60

BOROUGH OF WEST WILDWOOD
DOG LICENSE FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 58.35
Increased by:	
Receipts--Interest Earned on Deposits	<u>18.28</u>
Balance December 31, 2023	<u>\$ 76.63</u>

BOROUGH OF WEST WILDWOOD
DOG LICENSE FUND
 Statement of Reserve for Dog License Fund Expenditures
 For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 761.30
Increased by:	
Dog License Fees Collected	252.00
	1,013.30
Decreased by:	
Expenditures under R.S. 4:19-15.11:	
Disbursements	344.00
Balance December 31, 2023	\$ 669.30
<u>Dog License Fees Collected:</u>	
<u>Year</u>	
2021	\$ 393.61
2022	294.00
	\$ 687.61

BOROUGH OF WEST WILDWOOD
DOG LICENSE FUND
Statement of Due to State of New Jersey -- Registration Fees
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 3.00
Increased by:	
Receipts	<u>34.80</u>
	37.80
Decreased by:	
Disbursements	<u>37.80</u>
Balance December 31, 2023	<u><u>\$ -</u></u>

BOROUGH OF WEST WILDWOOD
TRUST - OTHER FUND
 Statement of Due Current Fund
 For the Year Ended December 31, 2023

	<u>Total</u>	<u>Tax Title Lien Redemption</u>	<u>Unemployment Compensation Insurance</u>	<u>Payroll Deductions Payable</u>	<u>Pavers, Park Benches, and Park Equipment</u>	<u>Planning and Zoning</u>	<u>Uniform Fire Safety Act</u>	<u>Confiscated Funds</u>	<u>Trust Other</u>
Balance December 31, 2021	\$ 1,642.52	\$ 8,863.29	\$ 77.43	\$ (3,596.80)	\$ 1.71	\$ 19.88	\$ 44.10	\$ 69.49	\$ (3,836.58)
Decreased by:									
Disbursements:									
Interfund Loans Returned	3,843.22	496.68	108.12		3.64		39.75		3,195.03
	(2,200.70)	8,366.61	(30.69)	(3,596.80)	(1.93)	19.88	4.35	69.49	(7,031.61)
Increased by:									
Receipts:									
Interest Earned on Deposits	5,854.42	1,577.24	110.27	640.97	3.83		39.86	4.19	3,478.06
	5,854.42	1,577.24	110.27	640.97	3.83		39.86	4.19	3,478.06
Balance December 31, 2022	\$ 3,653.72	\$ 9,943.85	\$ 79.58	\$ (2,955.83)	\$ 1.90	\$ 19.88	\$ 44.21	\$ 73.68	\$ (3,553.55)

BOROUGH OF WEST WILDWOOD
TRUST - OTHER FUND
Statement of Reserve for Payroll Deductions Payable
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 26,323.85
Increased by:	
Receipts	<u>1,297,821.73</u>
	1,324,145.58
Decreased by:	
Disbursements	<u>1,298,315.29</u>
Balance December 31, 2023	<u>\$ 25,830.29</u>

BOROUGH OF WEST WILDWOOD
TRUST - OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2023

	Balance <u>Dec. 31, 2022</u>	Increased by <u>Receipts</u>	Decreased by <u>Disbursements</u>	Balance <u>Dec. 31, 2023</u>
Unemployment Compensation Insurance	\$ 6,394.42		\$ 2,087.39	\$ 4,307.03
Tax Title Lien Redemption	93,600.00	\$ 50,488.23	77,988.23	66,100.00
Uniform Fire Safety Act Penalty Monies	2,244.32	500.00	1,900.00	844.32
Parking Offense Adjudication Act	50.00	8.00		58.00
Planning and Zoning	12,298.73	3,000.00	4,058.00	11,240.73
Confiscated Funds	3,511.54	60.27		3,571.81
Accumulated Absences	40,250.00			40,250.00
Outside Employment of Off-Duty Police	13,777.26			13,777.26
Street Openings	13,616.58	51,116.39	19,993.75	44,739.22
West Wildwood American Family Festival	7,449.75	151.00		7,600.75
Pavers, Park Benches & Park Equipment Donations	12,160.40			12,160.40
Reserve for Affordable Housing	68,139.00	46,230.33	1,643.14	112,726.19
Beautification of Public Properties - Donations	2,536.00	215.00	1,492.12	1,258.88
	<u>\$ 276,028.00</u>	<u>\$ 151,769.22</u>	<u>\$ 109,162.63</u>	<u>\$ 318,634.59</u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
 Statement of General Capital Cash
 Per N.J.S. 40A:5-5 -- Treasurer
 For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 1,132,510.52
Increased by Receipts:		
Due Current Fund	\$ 317,954.92	
Capital Improvement Fund	10,000.00	
Deferred Charge to Future Taxation - Unfunded	465,683.28	
Premium Collected on Bond Anticipation Note	10,925.67	
Bond Anticipation Notes	<u>3,029,755.00</u>	
		<u>3,834,318.87</u>
		4,966,829.39
Decreased by Disbursements:		
Statement of Fund Balance --		
Payment to Current Fund as Anticipated Revenue	213,000.00	
Improvement Authorizations	1,110,791.55	
Bond Anticipation Notes	<u>3,168,505.00</u>	
		<u>4,492,296.55</u>
Balance December 31, 2023		<u>\$ 474,532.84</u>

BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2023

	Receipts				Disbursements				Balance (Deficit) December 31, 2023
	Balance (Deficit) December 31, 2022	Miscellaneous	Bond Anticipation Notes	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	Transfers From	To	
Due Current Fund	\$ (772,827.26)	\$ 317,954.92							\$ (454,872.34)
Due Sewer Operating Fund	(20,703.08)								(20,703.08)
Due Sewer Capital Fund	(53,727.23)								(53,727.23)
Due from NJ DOT	(30,000.00)								(30,000.00)
Capital Improvement Fund	50,912.00	10,000.00					\$ 57,305.00		3,607.00
Cash Pledged to Payment of Bond Anticipation Notes	138,754.35	465,683.28			\$ 138,750.00				465,687.63
Reserve for Encumbrances	60,555.00						60,555.00	\$ 8,972.00	8,972.00
Fund Balance	416,312.98	10,925.67				\$ 213,000.00			214,238.65
Note Renewals			\$ 3,029,755.00		3,029,755.00				
Ordinance Number									
Improvement Authorizations:									
482 Improvements to Bay Avenue and Other Streets	(368.88)								(368.88)
522 Various Capital Improvements	101.65								101.65
555 Various Capital Improvements	1,587.67								1,587.67
579 Housing Element and Fair Share Plan	13,472.75			\$ 1,110,791.55			8,972.00	60,555.00	13,472.75
592/604 Various Capital Improvements	1,328,440.57								269,232.02
617 Various Capital Improvements								57,305.00	57,305.00
Total	\$ 1,132,510.52	\$ 804,563.87	\$ 3,029,755.00	\$ 1,110,791.55	\$ 3,168,505.00	\$ 213,000.00	\$ 126,832.00	\$ 126,832.00	\$ 474,532.84

BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 400,000.00
Decreased by:	
Budget Appropriation to Pay Serial Bonds	<u>200,000.00</u>
Balance December 31, 2023	<u><u>\$ 200,000.00</u></u>

BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Unfunded
For the Year Ended December 31, 2023

Ordinance Number	Improvement Description	Increased by			Decreased by			Analysis of Balance December 31, 2023	
		Balance December 31, 2022	2023 Authorizations	Other Financing Sources	Notes Paid by Budget by Appropriation	Balance December 31, 2023	Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
	General Improvements:								
482	Improvements to Bayonne Avenue and Other Streets	\$ 368.88				\$ 368.88		\$ 368.88	
512	Various Capital Improvements	273,917.36			\$ 39,933.00	233,984.36	\$ 233,984.36		
522	Various Capital Improvements	73,413.36			28,132.00	45,281.36	45,281.36		
539	Various Capital Improvements	156,734.08			21,935.00	134,799.08	134,799.08		
546	Reconstruction and Repaving of Various Streets	317,967.89			40,264.00	277,703.89	277,703.89		
549	Renovations of Various Bulkheads	119,992.31			19,656.00	100,336.31	100,336.31		
555	Various Capital Improvements	86,254.65			33,609.00	52,645.65	52,645.65		
579	Housing Element and Fair Share Plan	20,900.00				20,900.00	20,900.00		
592/604	Various Capital Improvements	1,684,100.00		\$ 465,663.28		1,218,436.72	1,218,416.72		
593	Refunding Bond Ordinance - Litigation Judgment	640,000.00			160,000.00	480,000.00	480,000.00		
617	Various Capital Improvements		\$ 1,418,795.00			1,418,795.00			\$ 1,418,795.00
		<u>\$ 3,373,648.53</u>	<u>\$ 1,418,795.00</u>	<u>\$ 465,663.28</u>	<u>\$ 343,529.00</u>	<u>\$ 3,983,231.25</u>	<u>\$ 2,564,067.37</u>	<u>\$ 368.88</u>	<u>\$ 1,418,795.00</u>
	NJ Department of Community Affairs			\$ 179,433.28					
	NJ Department of Transportation Grant			286,250.00					
				<u>\$ 465,683.28</u>					
	Bond Anticipation Notes (Exh. SC-10)					\$ 3,029,755.00			
	Less: Excess Cash Pledged to the Payment of Notes					465,687.63			
						<u>\$ 2,564,067.37</u>			
	Improvement Authorizations - Unfunded								\$ 1,703,189.09
	Less:								
	Unexpended proceeds of Bond Anticipation Notes:							\$ 101.65	
	Ordinance - 522							1,587.67	
	Ordinance - 555							13,472.75	
	Ordinance - 579							269,232.02	
	Ordinance - 592								284,394.09
									<u>\$ 1,418,795.00</u>

BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 772,827.26
Decreased by:		
Receipts	\$ 307,143.98	
Interest Earned Due Current Fund	10,810.94	
		317,954.92
Balance December 31, 2023		\$ 454,872.34

Exhibit SC-6

BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
Statement of Due from NJ DOT
For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 30,000.00
Decreased by:		
Receipts		-
Balance December 31, 2023		\$ 30,000.00

BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2023

Ordinance Number	Improvement Descriptions	Ordinance Date	Amount	Balance December 31, 2022		Capital Improvement Fund	Future Taxation Unfunded	Transfer from Reserve for Encumbrances	Paid or Charged	Balance December 31, 2023	
				Funded	Unfunded					Funded	Unfunded
522	General Improvements: Various Capital Improvements	5/20/13	\$ 495,000.00	\$	101.65					\$	101.65
555	Various Capital Improvements	3/3/17	600,000.00		1,587.67						1,587.67
579	Housing Element and Fair Share Plan	2/24/20	22,000.00		13,472.75						13,472.75
592/604	Various Capital Improvements	6/4/2021;9/21/22	1,861,000.00		1,328,440.57			\$ 60,555.00	\$ 1,119,763.55		269,232.02
617	Various Capital Improvements	11/3/23	1,476,100.00			\$ 57,305.00	\$ 1,418,795.00			\$ 57,305.00	1,418,795.00
				\$ -	\$ 1,343,602.64	\$ 57,305.00	\$ 1,418,795.00	\$ 60,555.00	\$ 1,119,763.55	\$ 57,305.00	\$ 1,703,189.09
	Reserve for Encumbrances Disbursements							\$	\$ 8,972.00		
									1,110,791.55		
									\$ 1,119,763.55		

BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 50,912.00
Increased by:	
Receipts:	
2023 Budget Appropriation	<u>10,000.00</u>
	60,912.00
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>57,305.00</u>
Balance December 31, 2023	<u><u>\$ 3,607.00</u></u>

BOROUGH OF WEST WILDWOOD
 GENERAL CAPITAL FUND
 Statement of General Serial Bonds
 For the Year Ended December 31, 2023

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2023</u>		<u>Rate</u>	<u>Balance December 31, 2022</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2023</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Bonds	2/6/2014	\$ 1,765,000.00	2/1/2024	\$ 200,000.00	3.00%	\$ 400,000.00	\$ 200,000.00	\$ 200,000.00

BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
 Statement of Bonds Anticipation Notes
 For the Year Ended December 31, 2023

Ordinance Number	Improvement Description	Original Amount of Issue	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2022		Balance December 31, 2023	
							Increased	Decreased	Increased	Decreased
General Improvements:										
512	Various Capital Improvements	\$ 988,726.00	7/26/2013	3/17/2022 3/1/2023	3/1/2023 2/27/2024	1.0888% 4.5000%	\$ 273,918.00	\$ 233,985.00	\$ 273,918.00	\$ 233,985.00
522	Various Capital Improvements	470,250.00	12/23/2014	3/17/2022 3/1/2023	3/1/2023 2/27/2024	1.0888% 4.5000%	73,414.00	45,282.00	73,414.00	45,282.00
539	Various Capital Improvements	440,000.00	5/14/2015	3/17/2022 3/1/2023	3/1/2023 2/27/2024	1.0888% 4.5000%	156,735.00	134,800.00	156,735.00	134,800.00
546	Reconstruction and Repaving of Various Streets	765,000.00	3/31/2016	3/17/2022 3/1/2023	3/1/2023 2/27/2024	1.0888% 4.5000%	317,969.00	277,705.00	317,969.00	277,705.00
549	Renovations of Various Bulkheads	570,000.00	3/31/2016	3/17/2022 3/1/2023	3/1/2023 2/27/2024	1.0888% 4.5000%	119,993.00	100,337.00	119,993.00	100,337.00
555	Various Capital Improvements	570,000.00	5/4/2017	3/17/2022 3/1/2023	3/1/2023 2/27/2024	1.0888% 4.5000%	86,255.00	52,646.00	86,255.00	52,646.00
579	Housing Element and Fair Share Plan	20,900.00	8/4/2021	3/17/2022 3/1/2023	3/1/2023 2/27/2024	1.0888% 4.5000%	20,900.00	20,900.00	20,900.00	20,900.00
592/604	Various Capital Improvements	1,822,850.00	8/4/2021	3/17/2022 3/1/2023	3/1/2023 2/27/2024	1.0888% 4.5000%	1,822,850.00	1,684,100.00	1,822,850.00	1,684,100.00
593	Refunding Bond Ordinance - Litigation Judgment	800,000.00	9/9/2021	3/1/2022 3/1/2023	3/1/2023 2/27/2024	0.9375% 4.2800%	640,000.00	480,000.00	640,000.00	480,000.00
							<u>\$ 3,512,034.00</u>	<u>\$ 3,029,755.00</u>	<u>\$ 3,512,034.00</u>	<u>\$ 3,029,755.00</u>
									Paid by Capital Cash	\$ 138,750.00
									Paid by Budget Appropriation	343,529.00
									Renewals	3,029,755.00
										<u>\$ 3,029,755.00</u>
										<u>\$ 3,512,034.00</u>

BOROUGH OF WEST WILDWOOD
GENERAL CAPITAL FUND
 Schedule of Bonds and Notes Authorized but not Issued
 For the Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2022</u>	<u>2023 Authorizations</u>	<u>Balance December 31, 2023</u>
General Improvements:				
482	Improvements to Bay Avenue and Other Streets	\$ 368.88		\$ 368.88
617	Various Capital Improvements	<u> </u>	<u>\$ 1,418,795.00</u>	<u>1,418,795.00</u>
		<u>\$ 368.88</u>	<u>\$ 1,418,795.00</u>	<u>\$ 1,419,163.88</u>

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

BOROUGH OF WEST WILDWOOD
SEWER UTILITY FUND
Statement of Sewer Utility Cash
Per N.J.S.A. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2023

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2022	\$ 217,509.69	\$ 554,969.88
Increased by Receipts:		
Premium Collected on Bond Anticipation Note		\$ 1,236.29
Due Sewer Utility Operating Fund		9,803.75
Collector	\$ 801,378.18	
Bond Anticipation Notes		3,310,500.00
Refund of Prior Year Expenditures	53,900.00	
Interest Earned on Deposits	<u>10,479.83</u>	
	<u>865,758.01</u>	<u>3,321,540.04</u>
	1,083,267.70	3,876,509.92
Decreased by Disbursements:		
2023 Appropriations	688,299.45	
Improvement Authorizations		201,942.50
Bond Anticipation Notes		722,800.00
Accrued Interest on Bonds and Notes	<u>48,991.76</u>	<u>12,430.31</u>
	<u>737,291.21</u>	<u>937,172.81</u>
Balance December 31, 2023	<u><u>\$ 345,976.49</u></u>	<u><u>\$ 2,939,337.11</u></u>

BOROUGH OF WEST WILDWOOD
SEWER UTILITY OPERATING FUND
Statement of Sewer Utility Cash
Per N.J.S.A. 40A:5-5 Collector
For the Year Ended December 31, 2023

Receipts:

Sewer Consumer Accounts Receivable	\$ 745,633.39	
Prepaid Sewer Rents	31,200.84	
Miscellaneous Revenue:		
Interest and Costs on Delinquent Rents	<u>24,543.95</u>	
		\$ 801,378.18
Decreased by:		
Payments to Treasurer		<u>\$ 801,378.18</u>

BOROUGH OF WEST WILDWOOD
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Utility Capital Cash
 For the Year Ended December 31, 2023

	Receipts		Disbursements			Transfers	Balance (Deficit) Dec. 31, 2023
	Bond Anticipation Notes	Miscellaneous	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations		
Due Sewer Utility Operating Fund		\$ 9,803.75					\$ 59,875.61
Due General Capital Fund							53,727.23
Capital Improvement Fund							16,000.00
Accrued Interest on Bonds and Notes				\$ 12,430.31		\$ 28,802.54	16,372.23
Reserve for Payment of Notes							13.68
Fund Balance							2,308.53
Note Renewals	\$ 435,400.00	1,236.29	\$ 435,400.00			\$ 287,400.00	
Improvement Authorizations:							
Ordinance Number							
580-2020 Sewer Utility Improvements on Poplar Avenue and on G Avenue			287,400.00		\$ 81,400.00	28,802.54	36,482.33
607-2023 Replacement of Sanitary Sewer System on Maple Avenue	2,875,100.00				120,542.50		2,754,557.50
	\$ 3,310,500.00	\$ 11,040.04	\$ 722,800.00	\$ 12,430.31	\$ 201,942.50	\$ 316,202.54	\$ 2,939,337.11

BOROUGH OF WEST WILDWOOD
SEWER UTILITY OPERATING FUND
Statement of Sewer Consumer Accounts Receivable
For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 46,998.41
Increased by:		
Sewer Rents Levied		<u>768,704.00</u>
		815,702.41
Decreased by:		
Receipts -- Collector	\$ 745,633.39	
Prepaid Rents -- Applied	<u>36,837.90</u>	
		<u>782,471.29</u>
Balance December 31, 2023		<u><u>\$ 33,231.12</u></u>

BOROUGH OF WEST WILDWOOD
SEWER UTILITY CAPITAL FUND
Schedule of Fixed Capital
As of December 31, 2022

<u>Description</u>	Balance <u>Dec. 31, 2023</u>
General Improvements	<u>\$ 4,128,427.85</u>

BOROUGH OF WEST WILDWOOD
SEWER UTILITY OPERATING FUND
 Statement of Appropriation Reserves
 For the Year Ended December 31, 2023

	Balance December 31, 2022		Balance After Modification	Disbursed	Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Operating:					
Salary and Wages		\$ 0.08	\$ 0.08		\$ 0.08
Other Expenses		4,703.92	4,703.92		4,703.92
	\$ -	\$ 4,704.00	\$ 4,704.00	\$ -	\$ 4,704.00

BOROUGH OF WEST WILDWOOD
SEWER UTILITY OPERATING FUND
Statement of Prepaid Sewer Rents
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 36,837.90
Increased by:	
Receipts -- Collector	<u>31,200.84</u>
	68,038.74
Decreased by:	
Prepayments Applied	<u>36,837.90</u>
Balance December 31, 2023	<u><u>\$ 31,200.84</u></u>

BOROUGH OF WEST WILDWOOD
SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds and Notes
For the Year Ended December 31, 2023

Balance December 31, 2022					\$ 24,304.06
Increased by:					
Interest on Notes Charged to Improvement Authorizations				\$ 28,802.54	
Charged to Budget Appropriation:					
Interest on Bonds				41,754.42	
Interest on Notes				30,838.40	
				<u>101,395.36</u>	101,395.36
					125,699.42
Decreased by:					
Interest Paid:					
Operating Fund				48,991.76	
Capital Fund				12,430.31	
				<u>61,422.07</u>	61,422.07
Balance December 31, 2023					<u>\$ 64,277.35</u>
<u>Analysis of Balance Dec. 31, 2023</u>					
Sewer Utility Operating Fund					\$ 47,905.12
Sewer Utility Capital Fund					<u>16,372.23</u>
					<u>\$ 64,277.35</u>

Analysis of Accrued Interest Dec. 31, 2023

<u>Principal Outstanding</u> <u>December 31, 2023</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u> <u>(Days)</u>	<u>Amount</u>
Serial Bonds:					
1992 Issue:					
\$ 247,654.05	5.625%	9/8/2023	12/31/2023	114	\$ 4,350.91
1994 Issue:					
464,856.67	4.500%	8/12/2023	12/31/2023	141	8,080.86
2022 Issue:					
957,146.85	1.750%	9/21/2023	12/31/2023	101	<u>4,634.95</u>
					<u>17,066.72</u>
Bond Anticipation Notes:					
\$ 435,400.00	4.500%	3/1/2023	12/31/2023	305	16,372.23
2,875,100.00	4.500%	10/5/2023	12/31/2023	87	<u>30,838.40</u>
					<u>47,210.63</u>
					<u>\$ 64,277.35</u>

BOROUGH OF WEST WILDWOOD
SEWER UTILITY CAPITAL FUND
Statement of Due To Sewer Utility Operating Fund
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 50,071.86
Increased by:	
Receipts --	
Interest Earned on Deposits	<u>9,803.75</u>
Balance December 31, 2023	<u>\$ 59,875.61</u>

Exhibit SD-10

BOROUGH OF WEST WILDWOOD
SEWER UTILITY CAPITAL FUND
Schedule of Capital Improvement Fund
As of December 31, 2023

Balance December 31, 2023	<u>\$ 16,000.00</u>
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BOROUGH OF WEST WILDWOOD
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 3,371,622.97
Increased by:	
Serial Bonds Paid by:	
Budget Appropriation	<u>70,147.31</u>
Balance December 31, 2023	<u><u>\$ 3,441,770.28</u></u>

BOROUGH OF WEST WILDWOOD
SEWER UTILITY CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2023

Ordinance Number	Improvement Description	Original Amount of Issue	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
580-2020	Sewer Utility Improvements on Poplar Avenue and on G Avenue	\$ 2,310,000.00	1/22/2021	3/17/2022 3/1/2023	3/1/2023 2/27/2024	1.0888% 4.50%	\$ 722,800.00	\$ 435,400.00	\$ 722,800.00	\$ 435,400.00
607-2023	Replacement of Sanitary Sewer System on Maple Avenue	2,875,100.00	10/5/2023	10/5/2023	6/13/2024	4.50%		2,875,100.00		2,875,100.00
							<u>\$ 722,800.00</u>	<u>\$ 3,310,500.00</u>	<u>\$ 722,800.00</u>	<u>\$ 3,310,500.00</u>
	Issued for Cash							\$ 2,875,100.00		
	Reserve for Payment of Bond Anticipation Notes							\$ 287,400.00		
	Renewals							435,400.00		435,400.00
								<u>\$ 3,310,500.00</u>	<u>\$ 722,800.00</u>	<u>\$ 3,310,500.00</u>

BOROUGH OF WEST WILDWOOD
SEWER UTILITY CAPITAL FUND
 Statement of Waste and Water Disposal Systems for Rural Communities Serial Bonds
 For the Year Ended December 31, 2023

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2022	Decreased	Balance Dec. 31, 2023
			Date	Amount				
General Obligation Bond	9/17/1992	\$ 562,600.00	3/8/2024	\$ 10,790.73	5.625%	\$ 268,358.02	\$ 20,703.97	\$ 247,654.05
			9/8/2024	11,094.22				
			3/8/2025	11,406.24				
			9/8/2025	11,727.04				
			2025 to 2032	202,635.82				
General Obligation Bond	8/12/1994	1,000,000.00	2/12/2024	16,610.72	4.500%	496,989.61	32,132.94	464,856.67
			8/12/2024	16,984.47				
			2/12/2025	17,366.62				
			8/12/2025	17,757.36				
			2025 to 2034	396,137.50				
General Obligation Bond	3/21/2022	983,000.00	3/21/2024	8,768.97	1.750%	974,457.25	17,310.40	957,146.85
			9/21/2024	8,845.69				
			3/21/2025	8,923.09				
			9/21/2025	9,001.17				
			2025 to 2062	921,607.93				
2023 Budget Appropriation						\$ 1,739,804.88	\$ 70,147.31	\$ 1,669,657.57
						<u>\$ 70,147.31</u>		

BOROUGH OF WEST WILDWOOD
SEWER UTILITY CAPITAL FUND
 Statement of Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2023

Ordinance Number	Improvement Description	Balance Dec. 31, 2022	Increased by		Decreased by		Balance Dec. 31, 2023
			2023 Authorizations	Notes Paid from Grant Funds	Notes Issued	Funded by Grants	
580-2020	Sewer Utility Improvements on Poplar Avenue and on G Avenue			\$ 287,400.00		\$ 287,400.00	
607-2023	Replacement of Sanitary Sewer System on Maple Avenue		\$ 2,875,100.00		\$ 2,875,100.00		
		\$ -	\$ 2,875,100.00	\$ 287,400.00	\$ 2,875,100.00	\$ 287,400.00	\$ -

BOROUGH OF WEST WILDWOOD
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2022</u>	<u>2023 Authorizations Deferred Charges to Future Revenues</u>	<u>Balance Dec. 31, 2023</u>
580-2020	Sewer Utility Improvements on Poplar Avenue and on G Avenue	6/8/2020	\$ 2,310,000.00	\$ 2,310,000.00		\$ 2,310,000.00
607-2023	Replacement of Sanitary Sewer System on Maple Avenue	3/15/2023	2,875,100.00		\$ 2,875,100.00	2,875,100.00
				<u>\$ 2,310,000.00</u>	<u>\$ 2,875,100.00</u>	<u>\$ 5,185,100.00</u>

BOROUGH OF WEST WILDWOOD
SEWER UTILITY CAPITAL FUND
Statement of Deferred Reserve for Amortization
For the Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2022</u>	<u>Increased by Notes Paid from Grant Funds</u>	<u>Balance Dec. 31, 2023</u>
580-2020	Sewer Utility Improvements on Poplar Avenue and on G Avenue	6/8/2020	\$ 604,200.00	\$ 287,400.00	\$ 891,600.00

PART II
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

BOROUGH OF WEST WILDWOOD
Schedule of Findings and Recommendations
For the Year Ended December 31, 2023

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

None.

BOROUGH OF WEST WILDWOOD
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and Federal Awards that are required to be reported in accordance with *Government Auditing Standards* and the Uniform Guidance.

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

None.

BOROUGH OF WEST WILDWOOD
 Officials in Office and Surety Bonds

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bonds</u>
Matthew J. Ksiazek	Mayor	(A)
John J. Banning	Commissioner	(A)
Joseph D. Segrest	Commissioner	(A)
Donna L. Frederick	Borough Administrator/Municipal Clerk	(A)
Carl O'Hala	Deputy Clerk	(A)
Elaine Crowley	Chief Financial Officer	(A)
Terence Graff	Tax/Utility Collector	(A)
Andrew Cafiero	Judge of the Municipal Court	(A)
Kelly Gallagher	Court Administrator	(A)
Matthew P. Lyons	Solicitor	
Joseph M. Gallagher	Tax Assessor	

(A) These officials were covered by the Atlantic County Joint Insurance Fund for \$50,000.00. Amount in excess of the of \$50,000.00 are covered under the Municipal Excess Liability Joint Insurance Fund to \$950,000.00 less the amount of individual bond coverage where applicable.

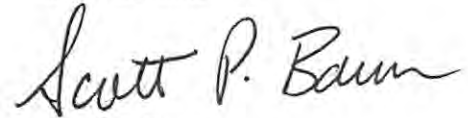
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APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Borough officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink that reads "Scott P. Barron". The signature is written in a cursive, flowing style.

Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant