

**CITY OF GLOUCESTER CITY
COUNTY OF CAMDEN**

REPORT OF AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2020**

<u>Exhibit No.</u>		<u>Page No.</u>
<u>PART I</u>		
	Independent Auditor's Report	2
	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	5
<u>CURRENT FUND</u>		
A	Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis	7
A-1	Statements of Operations and Changes in Fund Balance-- Regulatory Basis	9
A-2	Statement of Revenues--Regulatory Basis	11
A-3	Statement of Expenditures--Regulatory Basis	13
<u>TRUST FUND</u>		
B	Statements of Assets, Liabilities and Reserves--Regulatory Basis	19
<u>GENERAL CAPITAL FUND</u>		
C	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	21
C-1	Statement of General Capital Fund Balance--Regulatory Basis	22
<u>WATER AND SEWER UTILITY FUND</u>		
D	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	23
D-1	Water and Sewer Utility Operating Fund--Statements of Operations and Changes in Fund Balance--Regulatory Basis	25
D-2	Water and Sewer Utility Operating Fund--Statement of Revenues-- Regulatory Basis	26
D-3	Water and Sewer Utility Operating Fund--Statement of Expenditures-- Regulatory Basis	27
D-4	Water and Sewer Utility Capital Fund--Statement of Utility Capital Fund Balance--Regulatory Basis	28
<u>GENERAL FIXED ASSET ACCOUNT GROUP</u>		
E	Statement of General Fixed Asset Group of Accounts--Regulatory Basis	29
	Notes to Financial Statements	30

<u>Exhibit No.</u>		<u>Page No.</u>
<u>SUPPLEMENTAL EXHIBITS</u>		
<u>CURRENT FUND</u>		
SA-1	Statement of Current Cash Per N.J.S.40A:5-5--Treasurer	76
SA-2	Statement of Current Cash Per N.J.S.40A:5-5--Collector	77
SA-3	Schedule of Change Funds	78
SA-4	Statement of Due State of New Jersey Veterans' and Senior Citizens' Deductions	78
SA-5	Statement of Taxes Receivable and Analysis of Property Tax Levy	79
SA-6	Statement of Tax Title Liens Receivable	80
SA-7	Statement of Property Acquired for Taxes--Assessed Valuation	80
SA-8	Statement of Miscellaneous Charges Receivable	81
SA-9	Statement of Due CCMUA	81
SA-10	Statement of Revenue Accounts Receivable	82
SA-11	Statement of Payroll Deductions Payable	83
SA-12	Statement of 2019 Appropriation Reserves and Encumbrances	84
SA-13	Statement of Prepaid Taxes	86
SA-14	Statement of Reserve for Contract Settlements	86
SA-15	Statement of Tax Overpayments	86
SA-16	Statement of Due State of New Jersey--DCA Training Fees	87
SA-17	Statement of Due County Taxes Payable	87
SA-18	Statement of Due County for Added and Omitted Taxes	88
SA-19	Statement of Local District School Tax Prepaid / Payable	88
SA-20	Federal, State and Local Grants Fund--Statement of Federal, State and Local Grants Receivable	89
SA-21	Federal, State and Local Grant Fund--Statement of Reserve for Federal, State and Local Grants--Unappropriated	91
SA-22	Federal, State and Local Grant Fund--Statement of Reserve for Federal, State and Local Grants--Appropriated	92
SA-23	Federal, State and Local Grant Fund--Statement of Reserve for Encumbrances	94
SA-24	Federal, State and Local Grant Fund--Statement of Due Current Fund	94
<u>TRUST FUND</u>		
SB-1	Statement of Trust Cash per N.J.S. 40A:5-5--Treasurer	96
SB-2	Trust Other Fund--Statement of Trust Cash per N.J.S. 40A:5-5--Collector	97
SB-3	Animal Control Trust Fund--Statement of Reserve for Animal Control Trust Fund Expenditures	98
SB-4	Animal Control Trust Fund--Statement of Due Current Fund	98
SB-5	Trust Other Fund--Statement of Due Current Fund	99
SB-6	Trust Other Fund--Statement of Regional Contribution Agreement Loans Receivable	100
SB-7	Trust Other Fund--Statement of Accounts Payable	101
SB-8	Trust Other Fund--Statement of Reserve for Off-Duty Police	101
SB-9	Trust Other Fund--Statement of Off Duty Police Fees Receivable	101
SB-10	Trust Other Fund--Statement of Reserve for Regional Contribution Agreements	102
SB-11	Trust Other Fund--Statement of Reserve for Escrow Deposits	102

<u>Exhibit No.</u>		<u>Page No.</u>
<u>TRUST FUND (CONT'D)</u>		
SB-12	Trust Other Fund--Statement of Miscellaneous Trust Reserves	103
SB-13	Trust Other Fund--Statement of Reserve for Tax Title Lien Premiums and Redemptions	104
SB-14	Community Development Trust Fund--Statement of Loans and Mortgages Receivable	104
SB-15	Community Development Trust Fund--Statement of Due Current Fund	105
SB-16	Community Development Trust Fund--Statement of Reserve for CDBG Revolving Loan Fund	105
SB-17	Community Development Trust Fund--Statement of Due Trust Other Fund	105
SB-18	Community Development Trust Fund--Statement of Reserve for Projects and Revolving Loan Fund--U.D.A.G.	106
SB-19	Community Development Trust Fund--Statement of Accounts Payable	106
<u>GENERAL CAPITAL FUND</u>		
SC-1	Statement of General Capital Cash Per N.J.S.40A:5-5--Treasurer	108
SC-2	Analysis of General Capital Cash	109
SC-3	Statement of Deferred Charges to Future Taxation--Funded	110
SC-4	Statement of Deferred Charges to Future Taxation--Unfunded	111
SC-5	Statement of Due Current Fund	112
SC-6	Statement of Capital Improvement Fund	112
SC-7	Statement of Due From Water/Sewer Utility Capital Fund	113
SC-8	Statement of Improvement Authorizations	114
SC-9	Statement of Reserve for Encumbrances	115
SC-10	Statement of Green Trust Loans Payable	116
SC-11	Statement of Demolition Loan Payable	117
SC-12	Statement of Bond Anticipation Notes Payable	118
SC-13	Statement of General Serial Bonds	119
SC-14	Statement of Bonds and Notes Authorized But Not Issued	120
<u>WATER AND SEWER UTILITY FUND</u>		
SD-1	Statement of Water and Sewer Utility Cash Per N.J.S. 40A:5-5-- Water Treasurer	122
SD-2	Water and Sewer Utility Operating Fund--Statement of Water and Sewer Utility Cash Per N.J.S. 40A:5-5--Water Collector	123
SD-3	Water and Sewer Utility Capital Fund--Analysis of Water and Sewer Utility Capital Cash	124
SD-4	Water and Sewer Utility Operating Fund--Statement of Consumer Accounts Receivable	125
SD-5	Water and Sewer Utility Capital Fund--Statement of Due Water and Sewer Utility Operating Fund	125
SD-6	Water and Sewer Utility Operating Fund--Statement of Due Current Fund	126
SD-7	Water and Sewer Utility Operating Fund--Statement of Water and Sewer Rent Overpayments	127
SD-8	Water and Sewer Utility Operating Fund--Statement of Reserve for Contract Settlements	127
SD-9	Water and Sewer Utility Operating Fund--Statement of 2019 Appropriation Reserves and Encumbrances	128
SD-10	Water and Sewer Utility Operating Fund--Statement of Accrued Interest on Bonds, Loans and Notes and Analysis of Balance	129
SD-11	Water and Sewer Utility Capital Fund--Statement of Accounts Receivable-- Due from State of New Jersey	130

<u>Exhibit No.</u>		<u>Page No.</u>
<u>WATER AND SEWER UTILITY FUND (CONTINUED)</u>		
SD-12	Water and Sewer Utility Capital Fund--Statement of Due Current Fund	130
SD-13	Water and Sewer Utility Capital Fund--Statement of Fixed Capital	131
SD-14	Water and Sewer Utility Capital Fund--Statement of Fixed Capital Authorized and Uncompleted	132
SD-15	Water and Sewer Utility Capital Fund--Statement of Reserve for Encumbrances	133
SD-16	Water and Sewer Utility Capital Fund--Statement of Due General Capital Fund	133
SD-17	Water and Sewer Utility Capital Fund--Statement of Reserve for Amortization	134
SD-18	Water and Sewer Utility Capital Fund--Schedule of Deferred Reserve For Amortization	135
SD-19	Water and Sewer Utility Capital Fund--Statement of Improvement Authorizations	136
SD-20	Water and Sewer Utility Capital Fund--Statement of NJ Environmental Infrastructure Trust Loans	137
SD-21	Water and Sewer Utility Capital Fund--Statement of Water and Sewer Capital Serial Bonds Payable	141
SD-22	Water and Sewer Utility Capital Fund--Statement of Bond Anticipation Notes	142
SD-23	Water and Sewer Utility Capital Fund--Statement of Bonds and Notes Authorized but Not Issued	143
<u>PART II</u>		
<u>SCHEDULE OF FINDINGS AND RECOMMENDATIONS</u>		
	Schedule of Financial Statement Findings	145
	Summary Schedule of Prior Year Audit Findings and Recommendations as Prepared by Management	150
	Officials in Office and Surety Bonds	152
	APPRECIATION	153

CITY OF GLOUCESTER CITY
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Gloucester City
Gloucester City, New Jersey 08030

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City of Gloucester City, in the County of Camden, State of New Jersey, as of December 31, 2020 and 2019, 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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 City 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.

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*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Gloucester City, in the County of Camden, State of New Jersey, as of December 31, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City of Gloucester City, in the County of Camden, State of New Jersey, as of December 31, 2020 and 2019, 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, 2020, 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.

Other Matters

Other Information

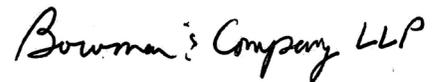
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional 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.

The supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph 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 September 15, 2021 on our consideration of the City of Gloucester City, in the County of Camden, State of New Jersey, 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 City of Gloucester City'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 City of Gloucester City'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
September 15, 2021

**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 City Council
City of Gloucester City
Gloucester City, New Jersey 08030

We have audited, in accordance with the 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 the 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 City of Gloucester City, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 15, 2021. That report indicated that the City of Gloucester City'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.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Recommendations*, as Finding No. 2020-001, Finding No. 2020-002, Finding No. 2020-003, Finding No. 2020-004 and Finding No. 2020-005 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Gloucester City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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, and which are described in the accompanying *Schedule of Findings and Recommendations* as Finding No. 2020-002, Finding No.2020-004 and Finding No. 2020-005.

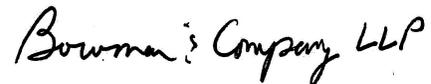
The City of Gloucester City's Response to Findings

The City of Gloucester City's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Recommendations*. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 City'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
September 15, 2021

CITY OF GLOUCESTER CITY
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Regular Fund:			
Cash - Treasurer	SA-1	\$ 3,685,549.89	\$ 5,172,729.74
Cash - Collector	SA-2	517.33	14,238.68
Petty Cash	A	1,000.00	1,000.00
Change Funds	SA-3	2,000.00	2,000.00
		<u>3,689,067.22</u>	<u>5,189,968.42</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	510,328.22	442,523.48
Tax Title Liens Receivable	SA-6	43,369.04	84,532.95
Property Acquired for Taxes - Assessed Valuation	SA-7	2,716,700.00	2,548,800.00
Miscellaneous Charges Receivable	SA-8	24,011.60	27,964.40
Revenue Accounts Receivable	SA-10	118,929.31	223,425.34
Prepaid School Taxes	SA-19		14,347.00
Due Water and Sewer Operating Fund	D	25,359.28	
Due Water and Sewer Capital Fund	D	163,993.42	
Due General Capital Fund	C	255,713.19	
Due Trust Other Fund	B	101,251.13	28,813.68
Due Animal Control Fund	B	1,884.58	4.18
		<u>3,961,539.77</u>	<u>3,370,411.03</u>
		<u>7,650,606.99</u>	<u>8,560,379.45</u>
Federal, State and Local Grant Fund:			
Due Current Fund	SA-24	699,827.88	231,039.16
Federal and State Grants Receivable	SA-20	1,202,811.07	3,779,262.54
		<u>1,902,638.95</u>	<u>4,010,301.70</u>
		<u>\$ 9,553,245.94</u>	<u>\$ 12,570,681.15</u>

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3 & SA-12	\$ 685,838.47	\$ 485,659.63
Reserve for Encumbrances	A-3 & SA-12	194,745.51	249,026.46
Payroll Taxes Payable	SA-11	104,631.98	415,569.35
Prepaid Taxes	SA-13	246,883.25	230,588.81
Tax Overpayments	SA-15	10,342.46	2,037.22
Due to School District	SA-19	12,503.00	
Due State of New Jersey			
Veterans' and Senior Citizens' Deductions	SA-4	74,535.98	73,827.08
Due County for Added and Omitted Taxes	SA-18	9,126.20	10,498.41
Due Federal and State Grant Fund	SA-24	699,827.88	231,039.16
Due Community Development Trust Fund	B	216,467.72	220,274.01
Due General Capital Fund	C		246,970.31
Due Water and Sewer Operating Fund	D		72,215.10
Due Water and Sewer Capital Fund	D		10,301.46
Due CCMUA	SA-9	1,239.76	1,239.76
Reserve for Master Plan	A	2,184.83	2,184.83
Other Reserves for:			
Deposits on Sale of Property	A	20.00	20.00
Revaluation	A	13,978.00	13,978.00
Reserve for Debt Service	A-3	57,659.52	
Contract Settlements	SA-14		71,468.99
		<u>2,329,984.56</u>	<u>2,336,898.58</u>
Reserve for Receivables and Other Assets	A	3,961,539.77	3,370,411.03
Fund Balance	A-1	<u>1,359,082.66</u>	<u>2,853,069.84</u>
		<u>7,650,606.99</u>	<u>8,560,379.45</u>
Federal, State and Local Grant Fund:			
Reserve for Encumbrances	SA-23	249,328.47	57,622.33
Due General Capital Fund	C	147,342.63	147,342.63
Reserve for Federal and State Grants:			
Unappropriated	SA-21	59,780.26	25,823.86
Appropriated	SA-22	1,446,187.59	3,779,512.88
		<u>1,902,638.95</u>	<u>4,010,301.70</u>
		<u>\$ 9,553,245.94</u>	<u>\$ 12,570,681.15</u>

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

CITY OF GLOUCESTER CITY
CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 2,220,000.00	\$ 2,220,000.00
Miscellaneous Revenue Anticipated	5,439,464.94	7,619,872.24
Receipts from Delinquent Taxes and Tax Title Liens	459,601.18	941,667.70
Receipts from Current Taxes	22,814,614.63	22,341,268.31
Non Budget Revenues	1,040,935.21	661,960.52
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	5,363.96	280,033.52
Cancel Excess Balance- Payroll Deductions Payable	21,387.06	
Cancel Excess Balance- Reserve for Contract Settlements	5,058.04	
Statutory Excess in Dog License Fund	2,423.15	
Reserves Liquidated:		
Due Water and Sewer Utility Operating Fund		21,633.07
Due Trust Other Fund		15,129.01
Prepaid School Tax	14,347.00	
	<hr/>	<hr/>
Total Income	32,023,195.17	34,101,564.37
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	8,521,065.78	8,228,728.02
Other Expenses	7,050,235.00	6,802,971.00
Deferred Charges and Statutory Expenditures Within "CAPS"	2,045,054.00	1,988,893.00
Operations - Excluded from "CAPS":		
Other Expenses	490,000.00	1,751,395.97
Capital Improvements - Excluded from "CAPS"	336,386.00	925,000.00
Municipal Debt Service - Excluded from "CAPS"	1,285,030.67	1,354,345.59
Deferred Charges - Excluded from "CAPS"		10,000.00
Transferred to Board of Education	32,115.00	32,257.00
County Taxes	4,364,132.79	4,472,331.89
County Share of Added and Omitted Taxes	9,126.20	10,498.41
Local District School Tax	6,422,109.00	6,313,631.00
Deductions Disallowed by Tax Collector - Prior Year	9,476.02	750.00
Cancellation of Accounts Receivable in General Capital Fund		43,464.51
Cancellation of Accounts Receivable in Grant Fund	213,068.15	
Reserves Created:		
Prepaid School Taxes		11,040.00
Due Animal Control Fund	1,880.40	4.18
Due Water and Sewer Operating Fund	25,359.28	
Due Water and Sewer Capital Fund	163,993.42	
Due General Capital Fund	255,713.19	
Due Trust Other Fund	72,437.45	
	<hr/>	<hr/>
Total Expenditures	31,297,182.35	31,945,310.57
Statutory Excess to Fund Balance (Carried Forward)	726,012.82	2,156,253.80

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
 Statements of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Statutory Excess to Fund Balance (Brought Forward)	\$ 726,012.82	\$ 2,156,253.80
<u>Fund Balance</u>		
Balance Jan. 1	<u>2,853,069.84</u>	<u>2,916,816.04</u>
	3,579,082.66	5,073,069.84
Utilized as Revenue	<u>2,220,000.00</u>	<u>2,220,000.00</u>
Balance Dec. 31	<u>\$ 1,359,082.66</u>	<u>\$ 2,853,069.84</u>

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

CITY OF GLOUCESTER CITY
CURRENT FUND
 Statement of Revenues - Regulatory Basis
 For the Year Ended December 31, 2020

	Anticipated		Realized	Excess (Deficit)
	Budget	Special N.J.S.A 40A:4-87		
Fund Balance Anticipated	\$ 2,220,000.00	\$ -	\$ 2,220,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	31,000.00		26,649.00	(4,351.00)
Other	3,500.00			(3,500.00)
Fees and Permits	500,000.00		479,856.87	(20,143.13)
Fines and Costs - Municipal Court	275,000.00		164,423.32	(110,576.68)
Interest and Costs on Taxes	110,000.00		88,622.66	(21,377.34)
Interest on Investments and Deposits	35,000.00		17,144.70	(17,855.30)
Anticipated Utility Operating Surplus	65,000.00		65,000.00	
State Aid without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid				
Energy Receipts Tax	2,678,496.00		2,678,496.00	
Uniform Construction Code Fees	205,000.00		237,065.00	32,065.00
Special Items of General Revenue Anticipated with Prior Written				
Consent of Director of Local Government Services:				
N.J. Transportation Trust Fund Authority Act	261,386.00		261,386.00	
Other Items of Revenue:				
Uniform Fire Safety Act	25,000.00		78,982.27	53,982.27
Cable TV Franchise Fee	40,000.00		46,217.78	6,217.78
School District for Police Services	68,000.00		70,638.00	2,638.00
Rental Revenue - Lease of Former Coast Guard Station	152,000.00		192,920.00	40,920.00
Hotel Occupancy Taxes	30,000.00		53,928.00	23,928.00
Payment in Lieu of Taxes	900,000.00		978,135.34	78,135.34
Total Miscellaneous Revenues	5,379,382.00	-	5,439,464.94	60,082.94
Receipts from Delinquent Taxes	450,000.00	-	459,601.18	9,601.18
Subtotal General Revenues	8,049,382.00	-	8,119,066.12	69,684.12
Amount to be Raised for Support of Municipal Budget:				
Local Tax for Municipal Purpose	12,338,804.18		12,644,977.04	306,172.86
Minimum Library Tax	179,269.60		179,269.60	
	12,518,073.78	-	12,824,246.64	306,172.86
Budget Totals	20,567,455.78		20,943,312.76	375,856.98
Non Budget Revenues			1,040,935.21	1,040,935.21
	\$ 20,567,455.78	\$ -	\$ 21,984,247.97	\$ 1,416,792.19

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2020

Allocation of Current Tax Collections:		
Revenue from Collections	\$ 22,814,614.63	
Allocated to:		
School and County Taxes	10,795,367.99	<u>10,795,367.99</u>
Balance for Support of Municipal Budget Appropriations		12,019,246.64
Add: Appropriation "Reserve for Uncollected Taxes"		<u>805,000.00</u>
Amount for Support of Municipal Budget Appropriations		<u><u>\$ 12,824,246.64</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	\$ 354,983.62	
Tax Title Liens	104,617.56	<u>104,617.56</u>
		<u><u>\$ 459,601.18</u></u>
Fees and Permits - Other:		
Clerk - Other	\$ 15,647.49	
Police Department - Accident Reports	1,060.00	
Planning and Zoning Board Fees	2,275.00	
Marriage/Civil Union Fees	925.00	
Housing Fees	443,809.38	
Registrar of Vital Statistics	16,140.00	<u>16,140.00</u>
		<u><u>\$ 479,856.87</u></u>
Analysis of Non Budget Revenues:		
Treasurer:		
Marina Rentals and Fees	\$ 24,935.00	
Agency Reimbursements	728,886.00	
Senior & Veterans Administration Fee	1,674.66	
Miscellaneous	9,654.26	
Sale of Municipal Property	10,210.00	<u>10,210.00</u>
		<u><u>\$ 775,359.92</u></u>
Tax Collector:		
Miscellaneous Charges Receivable	52,035.45	
Property Acquired for Taxes	20,000.00	
Miscellaneous	14,019.08	<u>14,019.08</u>
		86,054.53
Off Duty Admin Fees Realized		<u>179,520.76</u>
		<u><u>\$ 1,040,935.21</u></u>

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

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive						
Salaries and Wages						
City Administrator's Office	\$ 47,000.00	\$ 47,000.00	\$ 45,743.90		\$ 1,256.10	
Mayor and Common Council	11,000.00	11,000.00	5,783.31		5,216.69	
City Clerk's Office	160,000.00	160,000.00	144,761.51		15,238.49	
Other Expenses:						
City Administrator's Office	7,500.00	7,500.00	3,884.59		3,615.41	
City Clerk's Office	80,000.00	80,000.00	69,114.14	\$ 1,849.21	9,036.65	
Postage	35,000.00	20,000.00		10,000.00	10,000.00	
Financial Administration						
Salaries and Wages	95,000.00	105,000.00	93,481.59		11,518.41	
Other Expenses	116,885.00	116,885.00	116,809.80	48.24	26.96	
Audit Services						
Other Expenses	72,000.00	72,000.00	57,500.00		14,500.00	
Collection of Taxes						
Salaries and Wages	70,000.00	74,000.00	72,957.17		1,042.83	
Other Expenses	24,000.00	24,000.00	14,989.07	8,771.66	239.27	
Assessment of Taxes						
Salaries and Wages	59,000.00	59,000.00	50,432.72		8,567.28	
Other Expenses	9,000.00	9,000.00	2,271.72		6,728.28	
Legal Services and Costs						
Other Expenses	325,000.00	275,000.00	272,901.45	820.67	1,277.88	
Municipal Court						
Salaries and Wages	260,965.00	289,965.00	289,176.46		788.54	
Other Expenses	26,000.00	18,500.00	10,003.40	164.44	8,332.16	
Public Defender (P.L. 1997, C.256)						
Other Expenses	7,500.00	3,000.00			3,000.00	
Engineering Services and Costs						
Other Expenses	25,000.00	25,000.00	24,668.64		331.36	

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>GENERAL GOVERNMENT (CONT'D)</u>						
Community Development						
Salaries and Wages	\$ 95,000.00	\$ 101,000.00	\$ 100,695.49		\$ 304.51	
Other Expenses	75,000.00	30,500.00	1,714.98	\$ 800.00	27,985.02	
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Combined Planning and Zoning Boards						
Salaries and Wages	11,000.00	11,000.00	7,947.40		3,052.60	
Other Expenses	5,000.00	5,000.00	2,607.88		2,392.12	
<u>INSURANCE</u>						
General Liability	618,000.00	666,272.00	665,972.00		300.00	
Group Insurance for Employees	3,225,000.00	2,972,728.00	2,771,865.77		200,862.23	
Health Benefit Waiver	25,000.00	5,000.00			5,000.00	
<u>PUBLIC SAFETY FUNCTIONS</u>						
Police						
Salaries and Wages	3,653,891.30	3,783,891.30	3,778,904.04		4,987.26	
Other Expenses	296,000.00	296,000.00	239,114.05	50,072.98	6,812.97	
Crossing Guards						
Salaries and Wages	75,000.00	62,000.00	50,168.99		11,831.01	
Other Expenses	500.00	500.00			500.00	
Office of Emergency Management						
Salaries and Wages	33,000.00	33,000.00	29,994.00		3,006.00	
Other Expenses	9,750.00	9,750.00	5,537.25	4,200.00	12.75	
Fire						
Salaries and Wages	2,300,000.00	2,300,000.00	2,270,306.79		29,693.21	
Other Expenses	175,000.00	175,000.00	90,365.47	55,158.35	29,476.18	
Uniform Fire Safety Act (PL 1983, C383)						
Salaries and Wages	3,900.00	3,900.00	3,253.64		646.36	
Other Expenses	11,000.00	11,000.00	3,011.44	6,500.00	1,488.56	

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>PUBLIC WORKS FUNCTIONS</u>						
Streets and Road Maintenance						
Salaries and Wages	\$ 558,382.08	\$ 558,382.08	\$ 550,203.12		\$ 8,178.96	
Other Expenses	195,000.00	175,000.00	143,462.27	\$ 11,128.30	20,409.43	
Public Buildings and Grounds						
Salaries and Wages	439,671.70	439,671.70	370,643.26		69,028.44	
Other Expenses	85,000.00	95,000.00	90,569.88	3,166.19	1,263.93	
Solid Waste Collection						
Other Expenses	650,000.00	670,000.00	666,401.66		3,598.34	
Animal Control Services						
Other Expenses	55,000.00	55,000.00	34,686.43	160.47	20,153.10	
<u>PARKS & RECREATION FUNCTIONS</u>						
Recreation Services and Programs						
Other Expenses	11,000.00	1,000.00			1,000.00	
<u>UTILITY EXPENSES AND BULK PURCHASES</u>						
Gasoline and Diesel Fuel	100,000.00	100,000.00	75,875.00		24,125.00	
Street Lighting	225,000.00	250,000.00	247,989.60		2,010.40	
Electricity	190,000.00	205,000.00	205,000.00			
Telephone	140,000.00	140,000.00	137,699.02		2,300.98	
Fuel Oil	15,000.00	10,000.00	1,520.35		8,479.65	
Sewerage Disposal	6,500.00	6,500.00	5,731.80		768.20	
<u>LANDFILL/SOLID WASTE DISPOSAL COSTS</u>						
Landfill Costs						
Other Expenses	385,000.00	451,000.00	407,819.51	40,000.00	3,180.49	
<u>UNIFORM CONSTRUCTION CODE</u>						
Construction Officials						
Salaries and Wages	116,755.70	156,755.70	152,408.05		4,347.65	
Other Expenses	69,000.00	69,000.00	21,311.78	1,650.00	46,038.22	
Other Code Enforcement						
Salaries and Wages	312,000.00	319,500.00	318,720.35		779.65	

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
<u>OTHER COMMON OPERATING FUNCTIONS</u>						
Salary Adjustment	\$ 1,000.00	\$ 1,000.00			\$ 1,000.00	
Celebration of Public Events or Holidays						
Other Expenses	5,000.00	5,000.00	\$ 2,727.43	\$ 255.00	2,017.57	
Total Operations - Within "CAPS"	15,602,200.78	15,571,200.78	14,728,708.17	194,745.51	647,747.10	\$ -
Contingent	100.00	100.00	-	-	100.00	-
Total Operations Including Contingent - Within "CAPS"	15,602,300.78	15,571,300.78	14,728,708.17	194,745.51	647,847.10	-
Detail:						
Salaries and Wages	8,327,565.78	8,521,065.78	8,335,581.79	-	185,483.99	-
Other Expenses	7,274,735.00	7,050,235.00	6,393,126.38	194,745.51	462,363.11	-
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>						
<u>Statutory Expenditures</u>						
Contribution to:						
Social Security System (O.A.S.I.)	285,000.00	326,000.00	288,019.63		37,980.37	
Public Employees Retirement System	339,954.00	339,954.00	339,954.00			
Unemployment Compensation	10,000.00					
Police and Firemen's Retirement System	1,379,100.00	1,379,100.00	1,379,089.00		11.00	
Total Deferred Charges and Statutory Expenditures Municipal - Within "CAPS"	2,014,054.00	2,045,054.00	2,007,062.63	-	37,991.37	-
Total General Appropriations for Municipal Purposes Within "CAPS"	17,616,354.78	17,616,354.78	16,735,770.80	194,745.51	685,838.47	-
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>						
Maintenance of Free Public Library	490,000.00	490,000.00	490,000.00	-	-	-

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00			
Public and Private Programs Offset by Revenues:						
New Jersey DOT Municipal Aid Program:						
Reconstruction of Center, 8th and 9th Streets	261,386.00	261,386.00	261,386.00			
Total Capital Improvements--Excluded from "CAPS"	336,386.00	336,386.00	336,386.00	\$ -	\$ -	\$ -
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	785,000.00	785,000.00	785,000.00			
Interest on Notes	16,000.00	16,000.00	15,846.32			153.68
Interest on Bonds	281,000.00	281,000.00	280,925.36			74.64
NJ DCA Demolition Loan Program:						
Loan Repayments for Principal and Interest	60,000.00	60,000.00	57,659.52			2,340.48
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	145,600.00	145,600.00	145,599.47			0.53
Total Municipal Debt Service - Excluded from "CAPS"	1,287,600.00	1,287,600.00	1,285,030.67	-	-	2,569.33
<u>TRANSFERRED TO BOARD OF EDUCATION</u>						
Use of Local Schools (N.J.S.A. 40:48-17.1 & 17.3)	32,115.00	32,115.00	32,115.00	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	2,146,101.00	2,146,101.00	2,143,531.67	-	-	2,569.33
Subtotal General Appropriations	19,762,455.78	19,762,455.78	18,879,302.47	194,745.51	685,838.47	2,569.33
Reserve for Uncollected Taxes	805,000.00	805,000.00	805,000.00	-	-	-
Total General Appropriations (Carried Forward)	\$ 20,567,455.78	\$ 20,567,455.78	\$ 19,684,302.47	\$ 194,745.51	\$ 685,838.47	\$ 2,569.33

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>	
			<u>Paid or Charged</u>	<u>Encumbered</u>		<u>Reserved</u>
Total General Appropriations (Brought Forward)	\$ 20,567,455.78	\$ 20,567,455.78	\$ 19,684,302.47	\$ 194,745.51	\$ 685,838.47	\$ 2,569.33
<u>Analysis of Paid or Charged</u>						
Reserve for Federal and State Grants - Appropriated			\$ 261,386.00			
Payroll Deductions Payable			4,427,373.33			
Reserve for Uncollected Taxes			805,000.00			
Reserve for Debt Service			57,659.52			
Disbursed			14,132,883.62			
			<u>\$ 19,684,302.47</u>			

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

CITY OF GLOUCESTER CITY
TRUST FUND
 Statements of Assets, Liabilities and Reserves - Regulatory Basis
 As of December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Animal Control Trust Fund:			
Cash - Treasurer	SB-1	\$ 10,868.38	\$ 8,884.88
Accounts Receivable - Due Clerk	B	8.40	8.40
Total Animal Control Trust Fund		<u>10,876.78</u>	<u>8,893.28</u>
Trust Other Fund:			
Cash - Treasurer	SB-1	661,936.49	785,987.78
Cash - Collector	SB-2	225,911.66	179,433.42
Regional Contribution Agreement Loans Receivable	SB-6	1,151,428.00	1,461,847.00
Off Duty Police Fees Receivable	SB-9	71,982.50	12,702.50
Total Trust Other Funds		<u>2,111,258.65</u>	<u>2,439,970.70</u>
Community Development Fund:			
Cash - Treasurer	SB-1	487,411.25	630,564.96
Mortgages and Loans Receivable	SB-14	2,857,973.01	3,052,454.81
Due Trust Other Fund	SB-17	56,975.32	53,800.32
Due Current Fund	SB-15	216,467.72	220,274.01
Total Community Development Fund		<u>3,618,827.30</u>	<u>3,957,094.10</u>
		<u>\$ 5,740,962.73</u>	<u>\$ 6,405,958.08</u>

(Continued)

CITY OF GLOUCESTER CITY
TRUST FUND
 Statements of Assets, Liabilities and Reserves - Regulatory Basis
 As of December 31, 2020 and 2019

<u>LIABILITIES AND RESERVES</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Animal Control Trust Fund:			
Accounts Payable	SB-1		\$ 409.75
Due Current Fund	SB-4	\$ 1,884.58	4.18
Reserve for Animal Control Trust Fund Expenditures	SB-3	8,992.20	8,479.35
Total Animal Control Trust Fund		<u>10,876.78</u>	<u>8,893.28</u>
Trust Other Fund:			
Accounts Payable	SB-7	45,511.25	13,150.73
Due Current Fund	SB-5	101,251.13	28,813.68
Due Community Development Trust Fund	SB-17	56,975.32	53,800.32
Due New Jersey Unemployment Compensation Fund	SB-1		2,707.64
Miscellaneous Trust Reserves:			
Reserve for Parking Offenses Adjudication Act Funds	SB-12	2,505.83	1,563.83
Disposal of Forfeited Property	SB-12	23,278.63	24,787.46
Reserve for Public Defender	SB-12	1,016.21	4,113.25
Community Playground	SB-12	3,196.60	3,196.60
Uniform Fire Safety Act Penalties	SB-12	3,472.99	5,911.45
Unemployment Compensation Insurance	SB-12	1,620.94	15,872.66
Reserve for Escrow Deposits	SB-11	110,477.09	103,939.17
Reserve for Tax Title Lien Premiums and Redemptions	SB-13	224,566.80	176,542.54
Reserve for Regional Contribution Agreements	SB-10	384,751.68	542,518.19
Reserve for Regional Contribution Agreement Loans Receivable	B	1,151,428.00	1,461,847.00
Unallocated Deposits	B	1,000.00	1,000.00
Interest Due East Greenwich Township	B	206.18	206.18
Total Trust Other Funds		<u>2,111,258.65</u>	<u>2,439,970.70</u>
Community Development Fund:			
Reserve for Mortgages and Loans Receivable	B	2,857,973.01	3,052,454.81
Reserve for CDBG Revolving Loan Fund	SB-16	287,479.01	273,329.01
Reserve for UDAG Projects and Revolving Loan Fund	SB-18	468,227.78	611,452.78
Accounts Payable	SB-19	5,147.50	19,857.50
Total Community Development Fund		<u>3,618,827.30</u>	<u>3,957,094.10</u>
		<u>\$ 5,740,962.73</u>	<u>\$ 6,405,958.08</u>

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

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Cash - Treasurer	SC-1	\$ 66,300.63	\$ 1,361,748.87
Due Water and Sewer Utility Capital Fund	SC-7	1,877,806.79	106,074.44
Due Federal, State and Local Grant Fund	A	147,342.63	147,342.63
Due Current Fund	SC-5		246,970.31
Due State of New Jersey - Community Affairs	SC-1 & SC-2	413,102.57	424,519.90
Deferred Charges to Future Taxation:			
Funded	SC-3	8,184,687.47	9,162,689.68
Unfunded	SC-4	5,498,643.74	5,059,743.74
		<u>\$ 16,187,883.83</u>	<u>\$ 16,509,089.57</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>			
Serial Bonds Payable	SC-13	\$ 7,120,000.00	\$ 7,905,000.00
Bond Anticipation Notes Payable	SC-12	2,746,450.00	999,400.00
Green Trust Loans Payable	SC-10	380,113.18	516,067.53
Demolition Loan Payable	SC-11	684,574.29	741,622.15
Improvement Authorizations:			
Funded	SC-8	844,528.20	1,293,569.77
Unfunded	SC-8	3,724,769.10	4,771,734.45
Reserve for Encumbrances	SC-9	165,356.55	91,898.70
Due Current Fund	SC-5	255,713.19	
Capital Improvement Fund	SC-6	61,135.82	9,235.82
Reserve to Pay Debt	C	147,342.63	147,342.63
Reserve to Pay Green Trust Loans	C	7,083.39	7,083.39
Fund Balance	C-1	50,817.48	26,135.13
		<u>\$ 16,187,883.83</u>	<u>\$ 16,509,089.57</u>

There were bonds and notes authorized but not issued on December 31, 2020 totaling \$2,752,193.74 and 2019 totaling \$4,060,343.74.

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

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of General Capital Fund Balance - Regulatory Basis
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$	26,135.13
Increased by:		
Due From Water & Sewer Utility Capital Fund		
Premium on Bond Anticipation Notes		24,682.35
Balance Dec. 31, 2020	\$	50,817.48

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

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Operating Fund:			
Cash - Treasurer	SD-1	\$ 1,798,847.92	\$ 1,611,321.50
Change Fund - Collector	D	75.00	75.00
Due Current Fund	SD-6		72,215.10
		<u>1,798,922.92</u>	<u>1,683,611.60</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	<u>440,420.69</u>	<u>194,242.87</u>
Total Operating Fund		<u>2,239,343.61</u>	<u>1,877,854.47</u>
Capital Fund:			
Cash - Treasurer	SD-1	4,568,606.52	1,161,173.36
Due State of New Jersey - NJEIT	SD-11	29,971.13	56,247.13
Due Water and Sewer Operating Fund	SD-5	32,190.51	22,933.79
Due Current Fund	SD-12		10,301.46
Fixed Capital	SD-13	19,596,652.15	19,561,758.75
Fixed Capital Authorized and Uncompleted	SD-14	<u>22,271,847.40</u>	<u>21,821,847.40</u>
Total Capital Fund		<u>46,499,267.71</u>	<u>42,634,261.89</u>
		<u>\$ 48,738,611.32</u>	<u>\$ 44,512,116.36</u>

(Continued)

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2020 and 2019

<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3 & SD-8	\$ 431,909.47	\$ 330,761.61
Encumbrances Payable	D-3	42,039.75	74,754.99
Reserve for Contract Settlements	SD-8		52,491.47
Water and Sewer Rent Overpayments	SD-7	25,080.27	25,891.88
Accrued Interest on Bonds, Loans and Notes	SD-10	83,075.77	88,755.04
Due Current Fund	SD-6	25,359.28	
Due Water and Sewer Capital Fund	SD-5	32,190.51	22,933.79
		<hr/>	
		639,655.05	595,588.78
Reserves for Receivables	D	440,420.69	194,242.87
Fund Balance	D-1	1,159,267.87	1,088,022.82
		<hr/>	
Total Operating Fund		2,239,343.61	1,877,854.47
Capital Fund:			
Serial Bonds Payable	SD-21	1,190,000.00	1,570,000.00
New Jersey Environmental Infrastructure Loans	SD-20	7,718,089.39	8,534,475.01
Bond Anticipation Notes	SD-22	3,226,317.00	
Improvement Authorizations:			
Funded	SD-19	659,062.19	1,529,163.05
Unfunded	SD-19	1,586,547.02	3,565,130.30
Capital Improvement Fund	D	57,469.60	57,469.60
Reserve for Encumbrances	SD-15	1,535,750.78	32,078.48
Reserve to Pay Debt	D	81,286.72	81,286.72
Due General Capital Fund	SD-16	1,877,806.79	106,074.44
Due Current Fund	SD-12	163,993.42	
Reserve for Amortization	SD-17	26,328,088.48	25,112,722.88
Deferred Reserve for Amortization	SD-18	2,033,207.00	2,033,207.00
Fund Balance	D-4	41,649.32	12,654.41
		<hr/>	
Total Capital Fund		46,499,267.71	42,634,261.89
		<hr/>	
		\$ 48,738,611.32	\$ 44,512,116.36
		<hr/>	

There were bonds and notes authorized but not issued on December 31, 2020 totaling \$1,372,797.68 and 2019 totaling \$4,133,201.26.

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

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
 Statements of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2020 and 2019

<u>Income Realized</u>	<u>2020</u>	<u>2019</u>
Fund Balance Utilized	\$ 530,000.00	\$ 530,000.00
Rents	4,326,558.77	4,422,227.20
Miscellaneous	213,750.72	340,372.35
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	350,450.84	84,033.75
Cancellation of Reserve for Contract Settlements	48,308.10	
 Total Income	 <u>5,469,068.43</u>	 <u>5,376,633.30</u>
 <u>Expenditures</u>		
Operating	3,100,000.00	2,920,685.00
Capital Improvements	107,000.00	10,000.00
Debt Service	1,385,505.38	1,338,363.48
Statutory Expenditures	210,318.00	211,415.00
Surplus to Current Fund	65,000.00	65,000.00
 Total Expenditures	 <u>4,867,823.38</u>	 <u>4,545,463.48</u>
 Excess in Revenue	 601,245.05	 831,169.82
 <u>Fund Balance</u>		
Balance Jan. 1	<u>1,088,022.82</u>	<u>786,853.00</u>
	1,689,267.87	1,618,022.82
Decreased by:		
Realized as Revenue	<u>530,000.00</u>	<u>530,000.00</u>
Balance Dec. 31	<u>\$ 1,159,267.87</u>	<u>\$ 1,088,022.82</u>

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

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2020

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	\$ 530,000.00	\$ 530,000.00	
Rents	4,060,318.00	4,326,558.77	\$ 266,240.77
Miscellaneous	300,000.00	213,750.72	(86,249.28)
	<u>\$ 4,890,318.00</u>	<u>\$ 5,070,309.49</u>	<u>\$ 179,991.49</u>

Analysis of Realized Revenue

Rents:

Consumer Accounts Receivable:

Collected	\$ 4,303,721.89
Overpayments Applied	<u>22,836.88</u>

\$ 4,326,558.77

Miscellaneous Revenue Anticipated:

Collector:

Penalties and Delinquent Fees	\$ 129,563.93
Materials, Parts and Labor	8,921.44
Turn On / Off Fees	2,064.04
Final Readings	11,513.70
Connection and Disconnect Fees	5,000.00
NSF Fees	<u>160.00</u>

\$ 157,223.11

Treasurer:

Interest on Investments	4,914.51
Refunds	<u>2,877.49</u>

7,792.00

Tower Lease Receipts Due from Current Fund
Interest Due from Water and Sewer Utility Capital Fund

47,629.75

1,105.86

\$ 213,750.72

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

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2020

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Modification	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 1,300,000.00	\$ 1,300,000.00	\$ 1,209,453.48		\$ 90,546.52	
Other Expenses	1,800,000.00	1,800,000.00	1,535,300.57	\$ 42,039.75	222,659.68	
Total Operating	3,100,000.00	3,100,000.00	2,744,754.05	42,039.75	313,206.20	\$ -
Capital Improvements:						
Capital Outlay	182,000.00	107,000.00	-	-	107,000.00	-
Debt Service:						
Payment of Bond Principal	380,000.00	380,000.00	380,000.00			
Interest on Bonds	50,000.00	50,000.00	42,197.79			7,802.21
Interest on Bond Anticipation Notes		5,000.00	4,973.91			26.09
NJ Infrastructure Bank Loans	903,000.00	973,000.00	958,333.68			14,666.32
Total Debt Service	1,333,000.00	1,408,000.00	1,385,505.38	-	-	22,494.62
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	113,318.00	113,318.00	113,318.00			
Social Security System (O.A.S.I.)	97,000.00	97,000.00	85,296.73		11,703.27	
Surplus	65,000.00	65,000.00	65,000.00			
Total Statutory Expenditures	275,318.00	275,318.00	263,614.73	-	11,703.27	-
	\$ 4,890,318.00	\$ 4,890,318.00	\$ 4,393,874.16	\$ 42,039.75	\$ 431,909.47	\$ 22,494.62
Accrued Interest Adjustment on Bonds, Loans and Notes			\$ 210,543.80			
Disbursed			4,107,967.78			
Due Water & Sewer Utility Capital Fund			10,362.58			
Due Current Fund			65,000.00			
			\$ 4,393,874.16			

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

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Utility Capital Fund Balance - Regulatory Basis
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 12,654.41
Increased by:	
Premium Realized from Bond Anticipation Note	<u>28,994.91</u>
Balance Dec. 31, 2020	<u>\$ 41,649.32</u>

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

CITY OF GLOUCESTER CITY
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts - Regulatory Basis
For the Year Ended December 31, 2020

	Balance <u>Dec. 31, 2019</u>	<u>Additions</u>	Balance <u>Dec. 31, 2020</u>
General Fixed Assets:			
Land & Land Improvements	\$ 13,654,610.24		\$ 13,654,610.24
Building	2,001,800.16	\$ 38,030.00	2,039,830.16
Equipment	<u>6,614,765.84</u>	<u>1,038,022.37</u>	<u>7,652,788.21</u>
 Total General Fixed Assets	 <u>\$ 22,271,176.24</u>	 <u>\$ 1,076,052.37</u>	 <u>\$ 23,347,228.61</u>
 Total Investment in General Fixed Assets	 <u>\$ 22,271,176.24</u>	 <u>\$ 1,076,052.37</u>	 <u>\$ 23,347,228.61</u>

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

CITY OF GLOUCESTER CITY
Notes to Financial Statements
For the Year Ended December 31, 2020

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The City of Gloucester City (hereafter referred to as the "City") was incorporated by an act of the New Jersey Legislature on February 25, 1868, from the remaining portions of Union City, which was then dissolved. The City, which is located in Camden County, has a total area of approximately three square miles, and is centrally located directly across the Delaware River from Philadelphia and the Port of Philadelphia. The City borders the Boroughs of Brooklawn, Bellmawr, Mount Ephraim, the City of Camden and Haddon Township in addition to bordering Gloucester County. According to the 2010 census, the population is 11,456.

The City has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the City Administrator.

Component Units - The financial statements of the component units of the City are not presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statement, as amended had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the City, the primary government:

Gloucester City Library
50 North Railroad
Gloucester City, New Jersey 08030

Gloucester City Economic Development Corporation
P.O. Box 602
Gloucester City, New Jersey 08030

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the City 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.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd) - In accordance with the *Requirements*, the City 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.

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

Budgets and Budgetary Accounting - The City must adopt an annual budget for its current and water 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 City'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.

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

Cash, Cash Equivalents and Investments (Cont'd) - 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 City 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.

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* (Part 200, §200.12), except that the useful life of such property is at least five years. The City 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 City 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 City'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.

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

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 water and sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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 City's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the City's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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 City's annual budget, but also the amounts required in support of the budgets of the County of Camden, the Gloucester City School District, and the Gloucester City Library. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The City is responsible for levying, collecting, and remitting school taxes for the Gloucester City 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 City is responsible for levying, collecting, and remitting county taxes for the County of Camden. 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.

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

Library Taxes - The City is responsible for levying, collecting, and remitting library taxes to the Gloucester City Library. Effective 2011, the amount of library tax is a separate local levy tax and is remitted to the library through the municipal budget.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the City's annual budget protects the City from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate 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.

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.

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 City's deposits might not be recovered. Although the City 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, 2020, the City's bank balances of \$12,213,676.04 were insured by FDIC and GUDPA.

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$ 4.498</u>	<u>\$ 4.406</u>	<u>\$ 4.320</u>	<u>\$ 4.231</u>	<u>\$ 4.071</u>
Apportionment of Tax Rate:					
Municipal	\$ 2.381	\$ 2.289	\$ 2.219	\$ 2.154	\$ 2.080
Municipal Library	.035	0.035	0.033	0.035	0.037
County Open Space	.021	0.021	0.021	0.022	0.023
County	.821	0.842	0.846	0.868	0.923
Local School	1.240	1.219	1.201	1.152	1.008

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2020	\$ 518,138,650.00
2019	518,017,950.00
2018	517,477,250.00
2017	516,207,850.00
2016	521,431,400.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2020	\$ 23,354,515.99	\$ 22,814,614.63	97.69%
2019	22,877,306.83	22,341,268.31	97.66%
2018	22,418,895.02	21,686,180.89	96.73%
2017	21,881,950.62	21,139,359.07	96.61%
2016	21,257,002.96	20,684,996.99	97.31%

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>
2020	\$ 43,369.04	\$ 510,328.22	\$ 553,697.26	2.37%
2019	84,532.95	442,523.48	527,056.43	2.30%
2018	289,957.16	586,067.24	876,024.40	3.91%
2017	68,590.89	728,938.60	797,529.49	3.64%
2016	58,083.22	455,184.67	513,267.89	2.41%

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>
2020	9
2019	12
2018	27
2017	9
2016	1

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>
2020	\$ 2,716,700.00
2019	2,548,800.00
2018	1,958,700.00
2017	1,856,800.00
2016	2,187,700.00

Note 5: WATER AND SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Beginning Receivable</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2020	\$ 194,242.87	\$ 4,572,736.59	\$ 4,766,979.46	\$ 4,326,558.77
2019	223,604.96	4,519,197.47	4,742,802.43	4,422,227.20
2018	192,920.93	4,537,026.83	4,729,947.76	4,298,722.25
2017	222,458.86	3,743,670.79	3,966,129.65	3,739,884.16
2016	210,686.05	3,843,156.56	4,053,842.61	3,780,772.96

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>
2020	\$ 1,359,082.66	\$ 1,175,000.00	86.46%
2019	2,853,069.84	2,220,000.00	77.81%
2018	2,916,816.04	2,220,000.00	76.11%
2017	1,791,792.88	1,700,000.00	94.88%
2016	2,531,308.93	1,800,000.00	71.11%

Water & Sewer Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Succeeding Year</u>		<u>Percentage of Fund Balance Used</u>
		<u>Utility Budget</u>	<u>Current Fund Budget</u>	
2020	\$ 1,159,267.87	\$ 550,000.00	\$ 65,000.00	53.05%
2019	1,088,022.82	530,000.00	65,000.00	54.69%
2018	786,853.00	530,000.00	65,000.00	75.62%
2017	565,384.64	465,000.00	65,000.00	93.74%
2016	483,790.82	350,000.00		72.35%

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, 2020:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 548,201.60	\$ 916,295.60
Federal and State Grant	699,827.88	147,342.63
Trust - Community Development	273,443.04	
Trust - Animal Control		1,884.58
Trust - Other		158,226.45
General Capital	2,025,149.42	255,713.19
Utility - Operating		57,549.79
Utility - Capital	32,190.51	2,041,800.21
Totals	<u>\$ 3,578,812.45</u>	<u>\$ 3,578,812.45</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 2021, the City expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

A substantial number of the City'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 City 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 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 City, 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 City. 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 Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). 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. 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.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****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 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

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 21, 2010
- 4 Members who were eligible to enroll after May 21, 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

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.

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

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.

The City's contractually required contribution rate for the year ended December 31, 2020 was 13.81% of the City'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, 2020, the City's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$478,265.00, and was payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2019, the City's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$432,932.00, which was paid by April 1, 2020.

Employee contributions to the Plan during the year ended December 31, 2020 were \$264,330.11.

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.

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, 2020, the City's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$1,441,661.00, and is payable by April 1, 2021. 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, 2019, the City's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$1,306,103.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$505,864.10.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the City, for the year ended December 31, 2020 was 3.96% of the City's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2020 was \$199,129.00, and is payable by April 1, 2021. For the prior year measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2019 was \$168,355.00, which was paid on April 1, 2020.

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 City contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The City adopted a Defined Contribution Retirement Program on March 23, 2017. Currently, there are no participants in the program.

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, 2020, the City's proportionate share of the PERS net pension liability was \$7,129,443.00. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the City's proportion was .0437191088%, which was a decrease of .0007889184% from its proportion measured as of June 30, 2019.

Pension Expense - For the year ended December 31, 2020, the City's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$149,623.00. This (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the City's contribution to PERS was \$432,932.00, and was paid on April 1, 2020.

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, 2020, the City's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

City's Proportionate Share of Net Pension Liability	\$ 16,674,407.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the City	<u>2,587,792.00</u>
	<u>\$ 19,262,199.00</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2020 measurement date, the City's proportion was .1290457046%, which was a decrease of .0002572653% from its proportion measured as of June 30, 2019. Likewise, at June 30, 2020, the State of New Jersey's proportion, on-behalf of the City, was .1290457046%, which was a decrease of .0002572653% from its proportion, on-behalf of the City, measured as of June 30, 2019.

Pension Expense - For the year ended December 31, 2020, the City's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$890,877.00. This (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the City's contribution to PFRS was \$1,306,103.00, and was paid on April 1, 2020.

For the year ended December 31, 2020, the State's proportionate share of the PFRS pension (benefit) expense, associated with the City, calculated by the Plan as of the June 30, 2020 measurement date, was \$293,274.00. This on-behalf (benefit) expense is not recognized by the City 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 - At December 31, 2020, the City 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	\$ 129,815.00	\$ 168,106.00	\$ 297,921.00	\$ 25,213.00	\$ 59,842.00	\$ 85,055.00
Changes of Assumptions	231,287.00	41,961.00	273,248.00	2,985,165.00	4,470,309.00	7,455,474.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	243,690.00	977,698.00	1,221,388.00	-	-	-
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions	54,018.00	258,420.00	312,438.00	450,961.00	598,155.00	1,049,116.00
City Contributions Subsequent to the Measurement Date	239,133.00	720,831.00	959,964.00	-	-	-
	<u>\$ 897,943.00</u>	<u>\$ 2,167,016.00</u>	<u>\$ 3,064,959.00</u>	<u>\$ 3,461,339.00</u>	<u>\$ 5,128,306.00</u>	<u>\$ 8,589,645.00</u>

Deferred outflows of resources in the amounts of \$239,133.00 and \$720,831.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2021. These amounts were based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2020 to the City's year end of December 31, 2020.

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 City will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<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				
Year of Pension Plan Deferral:				
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
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	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
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
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
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

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) - 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,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2021	\$ (1,001,926.00)	\$ (1,760,655.00)	\$ (2,762,581.00)
2022	(964,210.00)	(1,141,422.00)	(2,105,632.00)
2023	(566,432.00)	(417,983.00)	(984,415.00)
2024	(223,690.00)	(216,301.00)	(439,991.00)
2025	(46,271.00)	(145,760.00)	(192,031.00)
	<u>\$ (2,802,529.00)</u>	<u>\$ (3,682,121.00)</u>	<u>\$ (6,484,650.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020. 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: ⁽¹⁾		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

⁽¹⁾ based on years of service

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****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-2020.

Police and Firemen's Retirement System

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	100.00%	

Discount Rate

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on 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. 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 would be based on 78% of the actuarially determined contributions for the State 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, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 measurement date based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State 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 City's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Public Employees' Retirement System (PERS) - The following presents the City's proportionate share of the net pension liability as of the June 30, 2020 measurement date, calculated using a discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's Proportionate Share of the Net Pension Liability	\$ 8,974,780.00	\$ 7,129,443.00	\$ 5,563,625.00

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 City's annual required contribution. As such, the net pension liability as of June 30, 2020, the Plan's measurement date, for the City 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's Proportionate Share of the Net Pension Liability	\$ 22,173,529.00	\$ 16,674,407.00	\$ 12,106,966.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the City	3,441,231.00	2,587,792.00	1,878,946.00
	<u>\$ 25,614,760.00</u>	<u>\$ 19,262,199.00</u>	<u>\$ 13,985,912.00</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; 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 City's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Eight Plan Years)

	Measurement Date Ended June 30,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net Pension Liability	0.0437191088%	0.0445080272%	0.0445939774%	0.0470573402%
City's Proportionate Share of the Net Pension Liability	\$ 7,129,443.00	\$ 8,019,671.00	\$ 8,780,332.00	\$ 10,954,197.00
City's Covered Payroll (Plan Measurement Period)	\$ 3,166,148.00	\$ 3,157,752.00	\$ 3,136,828.00	\$ 6,812,684.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	225.18%	253.97%	279.91%	160.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	Measurement Date Ended June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.0476726485%	0.0450152010%	0.0453950203%	0.0420294074%
City's Proportionate Share of the Net Pension Liability	\$ 14,119,271.00	\$ 10,105,011.00	\$ 8,499,189.00	\$ 8,032,655.00
City's Covered Payroll (Plan Measurement Period)	\$ 3,255,632.00	\$ 3,135,224.00	\$ 3,166,288.00	\$ 2,793,580.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	433.69%	322.31%	268.43%	287.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Contractually Required Contribution	\$ 478,265.00	\$ 432,932.00	\$ 443,566.00	\$ 435,936.00
City's Contribution in Relation to the Contractually Required Contribution	<u>(478,265.00)</u>	<u>(432,932.00)</u>	<u>(443,566.00)</u>	<u>(435,936.00)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 3,463,661.00	\$ 3,139,127.00	\$ 3,130,108.00	\$ 3,167,194.00
City's Contributions as a Percentage of Covered Payroll	13.81%	13.79%	14.17%	13.76%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Contractually Required Contribution	\$ 423,517.00	\$ 387,010.00	\$ 374,230.00	\$ 316,683.00
City's Contribution in Relation to the Contractually Required Contribution	<u>(423,517.00)</u>	<u>(387,010.00)</u>	<u>(374,230.00)</u>	<u>(316,683.00)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 6,777,154.00	\$ 3,243,986.00	\$ 3,131,526.00	\$ 3,071,813.00
City's Contributions as a Percentage of Covered Payroll	6.25%	11.93%	11.95%	10.31%

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net Pension Liability	0.1290457046%	0.1293029699%	0.1312327009%	0.1277907811%
City's Proportionate Share of the Net Pension Liability	\$ 16,674,407.00	\$ 15,823,863.00	\$ 17,757,948.00	\$ 19,728,426.00
State's Proportionate Share of the Net Pension Liability associated with the City	2,587,792.00	2,498,618.00	2,412,124.00	2,209,750.00
Total	<u>\$ 19,262,199.00</u>	<u>\$ 18,322,481.00</u>	<u>\$ 20,170,072.00</u>	<u>\$ 21,938,176.00</u>
City's Covered Payroll (Plan Measurement Period)	\$ 4,452,864.00	\$ 4,303,652.00	\$ 4,353,476.00	\$ 4,195,388.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	374.46%	367.68%	407.90%	470.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.1355526769%	0.1372918547%	0.1237413458%	0.1200273727%
City's Proportionate Share of the Net Pension Liability	\$ 25,894,029.00	\$ 22,868,037.00	\$ 15,565,514.00	\$ 15,956,556.00
State's Proportionate Share of the Net Pension Liability associated with the City	2,174,456.00	2,005,450.00	1,676,144.00	1,487,345.00
Total	<u>\$ 28,068,485.00</u>	<u>\$ 24,873,487.00</u>	<u>\$ 17,241,658.00</u>	<u>\$ 17,443,901.00</u>
City's Covered Payroll (Plan Measurement Period)	\$ 4,299,392.00	\$ 3,135,224.00	\$ 3,908,352.00	\$ 3,690,696.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	602.27%	729.39%	398.26%	432.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

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

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Contractually Required Contribution	\$ 1,441,661.00	\$ 1,306,103.00	\$ 1,282,993.00	\$ 1,130,972.00
City's Contribution in Relation to the Contractually Required Contribution	<u>(1,441,661.00)</u>	<u>(1,306,103.00)</u>	<u>(1,282,993.00)</u>	<u>(1,130,972.00)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 5,023,726.00	\$ 4,476,238.00	\$ 4,367,690.00	\$ 4,349,934.00
City's Contributions as a Percentage of Covered Payroll	28.70%	29.18%	29.37%	26.00%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Contractually Required Contribution	\$ 1,105,216.00	\$ 1,115,978.00	\$ 950,419.00	\$ 875,693.00
City's Contribution in Relation to the Contractually Required Contribution	<u>(1,105,216.00)</u>	<u>(1,115,978.00)</u>	<u>(950,419.00)</u>	<u>(875,693.00)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 4,146,258.00	\$ 4,294,647.00	\$ 3,131,526.00	\$ 3,915,664.00
City's Contributions as a Percentage of Covered Payroll	26.66%	25.99%	30.35%	22.36%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

Police and Firemen's Retirement System (PFRS)Changes in Benefit Terms

None

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	5.55%
2019	6.85%	2015	5.79%
2018	6.51%	2014	6.32%
2017	6.14%		

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) (Cont'd)*****Changes in Assumptions (Cont'd)**

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**STATE HEALTH BENEFITS POSTEMPLOYMENT BENEFIT PLAN**

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS 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, 2020 was not available; therefore, the information from the measurement period June 30, 2019 is disclosed below.

General Information about the OPEB Plan

Plan Description and Benefits Provided - The City does not provide postemployment benefits to its retirees, however, the State of New Jersey (the "State") provides these benefits to certain City retirees and their dependents under a special funding situation as described below.

The State of New Jersey, on-behalf of the City, 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) Comprehensive Annual Financial Report (CAFR), 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)**STATE HEALTH BENEFITS POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

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.

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. 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.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)****Contributions (Cont'd)**

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. 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, the City is 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 City does 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 City is required disclose:

- a) the State's proportion (percentage) of the collective net OPEB liability that is associated with the City,
- b) the State's proportionate share of the collective net OPEB liability that is associated with the City, and
- c) the State's proportionate share of the OPEB (benefit) expense that is associated with the City.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the City, is not known, however, under the Special Funding Situation, the State's OPEB (benefit) expense, on-behalf of the City, is \$127,758.00 for the year ended December 31, 2019 representing 2.85% of the City's covered payroll.

OPEB Liability and OPEB (Benefit) Expense

OPEB Liability - At December 31, 2019 the State's proportionate Share of the Net OPEB liability associated with the City is \$9,638,290.00. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The State's proportion of the net OPEB liability, on-behalf of the City, 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, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the State's proportion on-behalf of the City was .174426% which was a decrease of .005050% from its proportion measured as of the June 30, 2018 measurement date.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**STATE HEALTH BENEFITS POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****OPEB Liability and OPEB (Benefit) Expense (Cont'd)**

OPEB (Benefit) Expense - At December 31, 2019, the State's proportionate share of the OPEB (benefit) expense, associated with the City, calculated by the Plan as of the June 30, 2019 measurement date, is \$127,758.00. This on-behalf (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2019 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Not Applicable Under Special Funding Situation	
PFRS:	
Rate for all Years	3.25% to 15.25%

* Salary Increases are Based on Years of Service
Within the Respective Plan

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019.

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

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

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("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, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

STATE HEALTH BENEFITS POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Actuarial Assumptions (Cont'd)

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

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

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays the City's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2019, the Plan's measurement date, calculated using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the City	\$ 11,144,315.00	\$ 9,638,290.00	\$ 8,414,446.00

Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The net OPEB Liability as of June 30, 2019, the Plan's measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the City	\$ 8,133,529.00	\$ 9,638,290.00	\$ 11,557,866.00

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. For additional information about the Plan, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) 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)**STATE HEALTH BENEFITS POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Supplementary OPEB Information**

In accordance with GASB 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 State's Proportionate Share of the net OPEB Liability Associated with the City (Last Three Plan Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.000000%	0.000000%	0.000000%
State's Proportion of the Net OPEB Liability Associated with the City	100.000000%	100.000000%	100.000000%
	<u>100.000000%</u>	<u>100.000000%</u>	<u>100.000000%</u>
City's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the City	9,638,290.00	11,152,360.00	15,931,997.00
Total	<u>\$ 9,638,290.00</u>	<u>\$ 11,152,360.00</u>	<u>\$ 15,931,997.00</u>
City's Covered Payroll (Plan Measurement Period)	\$ 4,457,024.00	\$ 4,315,772.00	\$ 4,218,315.00
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	216.249%	258.409%	377.686%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

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

STATE HEALTH BENEFITS POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Supplementary OPEB Information (Cont'd)

Schedule of the State's Contributions Associated with the City (Last Three Years)

The amount of actual contributions that the State made on-behalf of the City is not known.

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms

In 2019, there were slight changes to the Chapter 48 provisions.

Changes in Assumptions

In 2019, the discount rate changed to 3.50% from 3.87%, and there were changes in the assumed health care cost trend, PPO/HMO future retiree elections, and excise tax assumptions. Further, decrements, salary scale, and mortality assumptions were updated based on the July 1, 2013 - June 30, 2018 PFRS experience study. For mortality related to PFRS members and retirees, the Pub-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used.

In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

In 2017, the discount rate changed to 3.58% from 2.85%.

CITY OF GLOUCESTER POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided - The City provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, and prescription plan. The City's provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: eligible retirees who retire from active employment with the City under various classifications and who have at least twenty five (25) years of service with the City. Coverage is provided for the retirees and their spouse up to age sixty-five, providing the retirees annually certify that they have no other medical coverage. This provision is part of a labor agreement between the City and the I.A.F.F. Locals 3198 and 2663. The Plan is administered by the City; therefore, premium payments are made directly to the insurance carriers. Reimbursements by the retirees are paid in monthly installments after the City provides the retirees with a detailed accounting of the costs.

Employees Covered by Benefit Terms - As of December 31, 2020, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

	December 31, 2020
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	85
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	93
Active Employees	93
	178

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**CITY OF GLOUCESTER POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Total OPEB Liability**

The City's total OPEB liability of \$60,366,293.00 was measured as of December 31, 2020 and was determined by an actuarial valuation as of this same date.

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% Annually
Salary Increases	2.50% Annually
Discount Rate	2.74% as of December 31, 2019 2.12% as of December 31, 2020
Healthcare Cost Trend Rates	5.6% in 2020 Reducing by 0.1% per annum, leveling at 5% per annum in 2026
Drug	9.0% in 2020 Reducing by 0.5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5% per annum in 2026
Dental	3.5% per annum
Retirees' Share of Benefit-Related Costs	Retiree's who retired before the passage of Chapter 78 or those employees who had 25 years of service on the date of passage are grandfathered. All others are subject to contribution rates in effect when they retired, but not less than 1.5% of their annual retirement allowance from PERS.

The discount rates were based on the Bond Buyer 20 Index.

Mortality rates were based on the RP-2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for General Improvement.

An experience study was not performed on the actuarial assumptions used in the December 31, 2020 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables issued by Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**CITY OF GLOUCESTER POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Changes in Total OPEB Liability**

	<u>December 31, 2020</u>
Balance at Beginning of Year	\$ 55,589,602.00
Changes for the Year:	
Service Cost	\$ 769,183.00
Interest Cost	1,526,946.00
Benefit Payments	(1,261,701.00)
Actuarial Assumption Changes	3,742,263.00
Difference between expected and actual experience	<u>-</u>
Net Changes	<u>4,776,691.00</u>
Balance at End of Year	<u>\$ 60,366,293.00</u>

Changes of benefit terms reflect no increase in the retirees' share of health insurance premiums.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.74% at December 31, 2019 to 2.12% at December 31, 2020.

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

	<u>December 31, 2020</u>		
	1.00% Decrease (1.12%)	Current Discount Rate (2.12%)	1.00% Increase (3.12%)
Total OPEB Liability	<u>\$66,135,347.00</u>	<u>\$60,366,293.00</u>	<u>\$ 55,705,713.00</u>

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

CITY OF GLOUCESTER POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	December 31, 2020		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
Total OPEB Liability	<u>\$54,808,599.00</u>	<u>\$60,366,293.00</u>	<u>\$67,194,182.00</u>

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2020, the City recognized OPEB (benefit) expense of \$2,908,913.00. As of December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions or Other Inputs	\$ 8,959,132.00	\$ -
Difference between expected and actual experience	-	-
	<u>\$ 8,959,132.00</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (benefit) expense as follows:

<u>Year Ending December 31,</u>	
2021	\$ 612,784.00
2022	612,784.00
2023	612,784.00
2024	612,784.00
2025	612,784.00
Thereafter	5,895,212.00
	<u>\$8,959,132.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**CITY OF GLOUCESTER POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Supplementary OPEB Information**

In accordance with GASB No. 75, the following information is also presented for the City's OPEB 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 Changes in the City's Total OPEB Liability and Related Ratios (Last Three Years)

	<u>Plan Measurement Date December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 769,183.00	\$ 577,890.00	\$ 577,890.00
Interest Cost	1,526,946.00	1,971,033.00	1,919,825.00
Benefit Payments	(1,261,701.00)	(1,335,648.00)	(1,161,840.00)
Actuarial Assumption Changes	3,742,263.00	6,212,427.00	-
Differences Between Expected and Actual Experience	-		
Net Change in Total OPEB Liability	4,776,691.00	7,425,702.00	1,335,875.00
Total OPEB Liability - Beginning of Fiscal Year	55,589,602.00	48,163,900.00	46,828,025.00
Total OPEB Liability - End of Fiscal Year	<u>\$ 60,366,293.00</u>	<u>\$ 55,589,602.00</u>	<u>\$ 48,163,900.00</u>
Covered-Employee Payroll	\$ 6,603,000.00	\$ 6,603,139.27	\$ 6,426,000.00
Total OPEB Liability as a Percentage of Covered-Employee Payroll	914.23%	841.87%	749.52%

Other Notes to Supplementary OPEB Information**Changes in Benefit Terms**

None

Changes in Assumptions

The discount rate changed from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020.

Note 10: COMPENSATED ABSENCES

The City permits employees to carry over vacations days from year to year. Additionally, union contracts and personnel policy allows employees to accrue unused sick days. Compensated absence packages differ according to the various union contracts.

The City does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2020, accrued benefits for compensated absences are valued at \$2,111,013.32.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

The City 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 City or its creditors. Since the City does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the City's financial statements.

Note 12: LEASE OBLIGATIONS

At December 31, 2020, the City had lease agreements in effect for the following:

- Capital:
 - Equipment and Vehicles:
 - Five (5) Vehicles
- Operating:
 - Equipment:
 - Two (2) Photocopiers
 - Mail Machine

Capital Leases - The following is an analysis of the City's capital leases:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2020</u>	<u>2019</u>
Vehicles	\$ 53,488.06	\$ 103,992.01

The following schedule represents the remaining principal and interest payments, through maturity, for capital leases:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 53,488.06	\$ 3,159.94	\$ 56,648.00

Operating Leases - Future minimum lease payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 5,832.96
2022	5,832.96
2023	5,832.96

Rental payments under operating leases for the year 2020 were \$5,832.96.

Note 13: CAPITAL DEBT**General Improvement Bonds**

General Improvement Bonds, Series 2011 – On August 31, 2011, the City issued \$4,140,000.00 of general improvement bonds, with interest rates ranging from 2.00% to 2.75%. The bonds were issued for the purpose of funding various capital projects in the City. The final maturity of the bonds is September 1, 2021.

General Improvement Bonds, Series 2018 – On April 11, 2018, the City issued \$2,708,000.00 of general improvement bonds, with interest rates ranging from 3.00% to 3.125%. The bonds were issued for the purpose of funding various capital projects in the City. The final maturity of the bonds is February 15, 2030.

Taxable General Improvement Bonds, Series 2018 – On April 11, 2018, the City issued \$4,590,000.00 of taxable general improvement bonds, with interest rates ranging from 4.00% to 4.25%. The bonds were issued for the purpose of funding various capital projects in the City. The final maturity of the bonds is February 15, 2043.

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>
2021	\$ 805,000.00	\$ 258,350.02	\$ 1,063,350.02
2022	340,000.00	233,912.52	573,912.52
2023	350,000.00	222,212.52	572,212.52
2024	360,000.00	210,187.52	570,187.52
2025	370,000.00	197,671.89	567,671.89
2026-2030	2,050,000.00	780,687.57	2,830,687.57
2031-2035	945,000.00	501,609.39	1,446,609.39
2036-2040	1,135,000.00	286,225.00	1,421,225.00
2041-2043	765,000.00	48,768.75	813,768.75
Totals	<u>\$ 7,120,000.00</u>	<u>\$ 2,739,625.18</u>	<u>\$ 9,859,625.18</u>

General Debt - New Jersey Green Acres and Demolition Loans

On April 19, 2002, the City entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$250,000.00, at an interest rate of 2.0%. The proceeds were used to fund improvements to Johnson Boulevard recreation complex. Semiannual debt payments are due January 24th and July 24th through 2022.

On January 19, 2005, the City entered into a second loan agreement with the New Jersey Department of Environmental Protection to provide \$1,250,000.00, at an interest rate of 2.0%. The proceeds were used to fund the Riverfront Park Project. Semiannual debt payments are due April 24th and October 24th through 2022.

On December 19, 2007, the City entered into a third loan agreement with the New Jersey Department of Environmental Protection to provide \$450,000.00, at an interest rate of 2.0%. The proceeds were used to fund the completion of the Riverfront Park Project. Semiannual debt payments are due March 21st and September 21st through 2024.

Note 13: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Green Acres and Demolition Loans (Cont'd)**

On September 10, 2012, the City entered into a fourth loan agreement with the New Jersey Department of Environmental Protection to provide \$170,000.00, at an interest rate of 2.0%. The proceeds were used to fund the construction of a walkway at Freedom Pier. Semiannual debt payments are due June 13th and December 13th through 2031.

On October 15, 2018, the City entered into an agreement with the New Jersey Department of Community Affairs to provide \$856,329.53 at an interest rate of 1.0%. The proceeds were used to fund the demolition of various structures. Annual debt payments are due October 13th through 2032.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres and Demolition loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 195,734.89	\$ 7,523.96	\$ 203,258.85
2022	147,199.05	4,736.34	151,935.39
2023	97,175.60	3,437.52	100,613.12
2024	97,982.19	2,630.95	100,613.14
2025	66,489.49	1,968.95	68,458.44
2026-2030	335,371.53	6,920.63	342,292.16
2031-2032	<u>124,734.74</u>	<u>1,383.17</u>	<u>126,117.91</u>
Totals	<u>\$ 1,064,687.47</u>	<u>\$ 28,601.52</u>	<u>\$ 1,093,288.99</u>

Water and Sewer Utility Debt – Serial Bonds

Water and Sewer Utility Bonds, Series 2011 - On August 31, 2011, the City issued \$2,935,000.00 of water and sewer utility bonds, with interest rates ranging from 2.00% to 2.75%. The bonds were issued for the purpose of funding various water and sewer utility improvements. The final maturity of the bonds is March 1, 2021.

Water and Sewer Utility Bonds, Series 2018 – On April 11, 2018, the City issued \$904,000.00 of water and sewer utility bonds, with interest rates ranging from 3.00% to 3.50%. The bonds were issued for the purpose of funding various water and sewer utility improvements. The final maturity of the bonds is February 15, 2039.

Note 13: CAPITAL DEBT (CONT'D)**Water and Sewer Utility Debt – Serial Bonds (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for the Water and Sewer Utility serial bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 380,000.00	\$ 35,831.26	\$ 415,831.26
2022	35,000.00	25,231.26	60,231.26
2023	35,000.00	24,181.26	59,181.26
2024	35,000.00	23,131.26	58,131.26
2025	35,000.00	22,059.38	57,059.38
2026-2030	200,000.00	92,562.54	292,562.54
2031-2035	240,000.00	58,000.01	298,000.01
2036-2039	230,000.00	15,987.50	245,987.50
Totals	<u>\$ 1,190,000.00</u>	<u>\$ 296,984.47</u>	<u>\$ 1,486,984.47</u>

Water and Sewer Utility Debt – New Jersey Environmental Infrastructure Loans

On October 13, 2001, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$678,128.00, at no interest, from the fund loan, and \$645,000.00 at interest rates ranging from 4.0% to 5.5% from the trust loan. The proceeds were used to fund the upgrading of various water and sewer mains. Semiannual debt payments are due February 1st and August 1st through 2021.

On October 15, 2002, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$274,572.00, at no interest, from the fund loan, and \$275,000.00 at interest rates ranging from 3.00% to 5.25% from the trust loan. The proceeds were used to fund the upgrading of various water and sewer mains. Semiannual debt payments are due February 1st and August 1st through 2022.

On November 6, 2008, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$4,562,738.00, at no interest, from the fund loan, and \$4,765,000.00 at interest rates ranging from 5.0% to 5.5% from the trust loan. The proceeds were used to fund the replacement of the City's water treatment plant. Semiannual debt payments are due February 1st and August 1st through 2028.

On May 21, 2014, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$901,614.00, at no interest, from the fund loan, and \$295,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund the removal and replacement of water mains and automatic water meter reading system. Semiannual debt payments are due February 1st and August 1st through 2033.

In addition, on May 21, 2014, the City entered into a second loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,005,218.00 with principal forgiveness of \$670,415.00 leaving a remaining balance of \$335,073.00, at no interest, from the fund loan, and \$330,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund the removal and replacement of sanitary sewer main systems. Semiannual debt payments are due February 1st and August 1st through 2033.

Note 13: CAPITAL DEBT (CONT'D)**Water and Sewer Utility Debt – New Jersey Environmental Infrastructure Loans (Cont'd)**

On May 26, 2016, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$338,377.00, at no interest, from the fund loan, and \$110,000.00 at interest rates ranging from 2.0% to 5.0% from the trust loan. The proceeds were used to fund the removal and replacement of water mains. Semiannual debt payments are due February 1st and August 1st through 2035.

In addition, on May 26, 2016, the City entered into a second loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$452,626.00, at no interest, from the fund loan, and \$145,000.00 at interest rates ranging from 2.0% to 5.0% from the trust loan. The proceeds were used to fund the removal and replacement of sanitary sewer main systems. Semiannual debt payments are due February 1st and August 1st through 2035.

On November 21, 2017, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$164,784.00 at no interest, from the fund loan, and \$55,000.00 at interest rates ranging from 2.125% to 5.000% from the trust loan. The proceeds were used to fund the removal and/or replacement of water mains and the looping of said water mains to Freedom Pier. Semiannual debt payments are due February 1st and August 1st through 2029.

In addition, on November 21, 2017, the City entered into a second loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$136,874.00 at no interest, from the fund loan, and \$45,000.00 at interest rates ranging from 2.125% to 5.000% from the trust loan. The proceeds were used to fund the removal and/or replacement of sanitary sewer mains and relate appurtenances at Freedom Pier. Semiannual debt payments are due February 1st and August 1st through 2027.

On May 23, 2019, the City entered into a loan agreement with the New Jersey Infrastructure Bank to provide \$660,270.00 at no interest, from the fund loan, and \$215,000.00 at interest rates ranging from 2.000% to 5.000% from the trust loan. The proceeds were used to fund the removal and/or replacement of water meters. Semiannual debt payments are due February 1st and August 1st through 2038.

In addition, on May 23, 2019, the City entered into a second loan agreement with the New Jersey Infrastructure Bank to provide \$399,019.00 at no interest, from the fund loan, and \$135,000.00 at interest rates ranging from 2.00% to 5.00% from the trust loan. The proceeds were used to fund the various improvements to sanitary sewer system. Semiannual debt payments are due February 1st and August 1st through 2038.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 831,790.55	\$ 153,289.60	\$ 985,080.15
2022	775,347.36	134,980.57	910,327.93
2023	754,688.11	118,157.54	872,845.65
2024	756,074.37	101,657.54	857,731.91
2025	782,501.61	84,657.54	867,159.15
2026-2030	2,874,427.64	179,337.68	3,053,765.32
2031-2035	706,672.92	37,912.54	744,585.46
2036-2038	236,586.83	4,500.00	241,086.83
Totals	<u>\$ 7,718,089.39</u>	<u>\$ 814,493.01</u>	<u>\$ 8,532,582.40</u>

Note 13: CAPITAL DEBT (CONT'D)

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 10,931,137.47	\$ 10,162,089.68	\$ 11,173,072.57
Water & Sewer Utility:			
Bonds, Loans and Notes	12,134,406.39	10,104,475.01	11,348,128.45
Total Issued	<u>23,065,543.86</u>	<u>20,266,564.69</u>	<u>22,521,201.02</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	2,752,193.74	4,060,343.74	2,572,193.74
Water & Sewer Utility:			
Bonds, Loans and Notes	1,372,797.68	4,133,201.26	3,104,890.70
Total Authorized but not Issued	<u>4,124,991.42</u>	<u>8,193,545.00</u>	<u>5,677,084.44</u>
Total Issued and Authorized but not Issued	<u>27,190,535.28</u>	<u>28,460,109.69</u>	<u>28,198,285.46</u>
<u>Deductions</u>			
General:			
Excess Proceeds from Issuance of Notes	154,426.02	154,426.02	7,083.39
Water & Sewer Utility:			
Self-Liquidating	13,507,204.07	14,207,887.71	14,453,019.15
Total Deductions	<u>13,661,630.09</u>	<u>14,362,313.73</u>	<u>14,460,102.54</u>
Net Debt	<u>\$ 13,528,905.19</u>	<u>\$ 14,097,795.96</u>	<u>\$ 13,738,182.92</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 2.516%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 2,975,000.00	\$ 2,975,000.00	
Self-Liquidating	13,507,204.07	13,507,204.07	
General	13,683,331.21	154,426.02	\$ 13,528,905.19
	<u>\$ 30,165,535.28</u>	<u>\$ 16,636,630.09</u>	<u>\$ 13,528,905.19</u>

Net debt \$13,528,905.19 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$537,815,444.00, equals 2.516%.

Note 13: CAPITAL DEBT (CONT'D)**Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 18,823,540.54
Less: Net Debt	<u>13,528,905.19</u>
Remaining Borrowing Power	<u><u>\$ 5,294,635.35</u></u>

Calculation of "Self-Liquidating Purpose," Water & 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	\$ 5,070,309.49
Deductions:	
Operating and Maintenance Costs	\$ 3,310,318.00
Debt Service	<u>1,385,505.38</u>
Total Deductions	<u>4,695,823.38</u>
Excess in Revenue	<u><u>\$ 374,486.11</u></u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Note 14: RISK MANAGEMENT

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

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

The following is a summary of City contributions, reimbursements to the State for benefits paid and the ending balance of the City's trust fund for the current and previous two years:

<u>Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 13,625.60	\$ 19.93	\$ 27,897.25	\$ 1,620.94
2019	12,638.39	205.48	22,745.18	15,872.66
2018	21,987.65	265.25	46,390.57	25,773.97

Note 14: RISK MANAGEMENT (CONT'D)

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

Workers' Compensation including Employer's Liability
 General Liability including Police Professional and Employee Benefit Liability
 Automobile Liability
 Blanket Crime including Public Employee Dishonesty
 Property Including Boiler and Machinery
 Public Officials and Employment Practices Liability
 Volunteer Directors and Officers Liability
 Cyber Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation
 Excess General Liability
 Non-Owned Aircraft Liability
 Excess Auto Liability
 Fidelity and Performance (Blanket)
 Excess Property including Boiler and Machinery
 Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

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 Banking and 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 City'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, 2020, which can be obtained from:

Camden County Municipal Joint Insurance Fund
 PERMA, Inc.
 Park 80 West – Plaza One
 Saddle Brook, New Jersey 07662

Liability Insurance - The City maintains commercial insurance coverage for various other types of risk.

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 City expects such amount, if any, to be immaterial.

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

Note 16: CONCENTRATIONS

The City 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 City is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 17: SUBSEQUENT EVENTS

COVID-19 - As a result of the spread of the COVID-19 coronavirus in New Jersey, economic uncertainties have arisen which could negatively impact the financial position of the City. While the impact that COVID-19 will have is expected to be temporary, as of the date of the financial statements, the related financial impact and duration cannot be reasonably estimated.

The Federal American Rescue Plan Act of 2021 (the Act), was signed into law on March 11, 2021, was enacted to provide funding for COVID-19 pandemic response and recovery. Among the key elements of the Act is the Coronavirus Local Fiscal Recovery Fund (LFRF). All municipalities and counties will receive LFRF funds in two tranches, with the federal government releasing the second tranche next year. Municipalities and counties with populations greater than 50,000 will receive funds directly from the Federal government. Those municipalities and counties with populations less than 50,000 will receive their funds through their respective State. Since the City of Gloucester's population is less than 50,000, LFRF funds will be passed through the State of New Jersey.

The City has been allocated \$1,174,276.51 in LFRF funding with half of it received in August 2021 and the other half before December 31, 2022.

The United States Department of Treasury (U.S. Treasury) has issued an Interim Final Rule regulating county and municipal use of LFRF funds. Permitted use of LFRF funds for municipalities and counties may be for the one or more of the following purposes:

- Replacing lost public sector revenue
- Investing in water, sewer, and broadband infrastructure
- Providing premium pay for essential workers
- Supporting public health expenditures
- Addressing COVID-19 related negative economic impacts
- Addressing the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households

For expenditures outside of revenue replacement to be LFRF-eligible under the U.S. Treasury Interim Final Rule, costs must be incurred on or after March 3, 2021 but must be obligated no later than December 31, 2024. The "period of performance" will run until December 31, 2026 to allow recipients a reasonable amount of time to complete LFRF-funded projects.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Current Cash
Per N.J.S. 40A:5-5 - Treasurer
For the Year Ended December 31, 2020

		Regular Fund
Balance Dec. 31, 2019		\$ 5,172,729.74
Increased by Receipts:		
Collector	\$ 23,396,751.25	
Revenue Accounts Receivable	5,020,549.77	
Miscellaneous Revenue Not Anticipated	775,359.92	
Due State of NJ - Veterans' and Senior Citizens' Deductions	83,732.88	
Due State of NJ - DCA Training Fees	13,660.00	
Due Water and Sewer Utility Operating Fund	282,465.15	
Due Water and Sewer Utility Capital Fund	25,705.12	
Due General Capital Fund	528,273.47	
Due Community Development Trust Fund	3,075.71	
Due Trust Other Fund	1,084,015.30	
Due Animal Control Fund	549.00	
Federal and State Grants Receivable	1,125,613.01	
		32,339,750.58
		37,512,480.32
Decreased by Disbursements:		
2020 Appropriations	14,132,883.62	
2019 Appropriation Reserves and Encumbrances	729,322.13	
Payroll Deductions Payable	4,716,923.64	
Due State of NJ - DCA Fees	13,660.00	
Local School District Tax	6,395,259.00	
County Taxes Payable	4,364,132.79	
Due County Added & Omitted Taxes	10,498.41	
Tax Overpayments	2,037.22	
Reserve for Contract Settlements	66,410.95	
Due Trust Other Fund	975,547.49	
Due General Capital Fund	1,030,087.90	
Due Water/Sewer Utility Capital Fund	200,000.00	
Due Water/Sewer Utility Operating Fund	315,039.53	
Refund of Prior Year Expenses	5,235.31	
Federal and State Grants Appropriated	869,892.44	
		33,826,930.43
Balance Dec. 31, 2020		\$ 3,685,549.89

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Current Cash
Per N.J.S. 40A:5-5 - Collector
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 14,238.68
Increased by Receipts:		
Taxes Receivable	\$ 22,846,509.44	
Tax Title Liens	104,617.56	
Prepaid Taxes	246,883.25	
CCMUA Charges Collected	104,425.43	
Tax Overpayments	10,342.46	
Interest and Costs on Taxes	88,622.66	
Miscellaneous Revenue Not Anticipated	<u>86,054.53</u>	
		<u>23,487,455.33</u>
		23,501,694.01
Decreased by Disbursements:		
Payments to CCMUA	104,425.43	
Payments to Treasurer	<u>23,396,751.25</u>	
		<u>23,501,176.68</u>
Balance Dec. 31, 2020		<u><u>\$ 517.33</u></u>

All funds are deposited directly to the Treasurer's bank account.

CITY OF GLOUCESTER CITY
CURRENT FUND
 Schedule of Change Funds
 As of December 31, 2020

Balance Dec. 31, 2020	\$ 2,000.00
<hr/>	
<u>Analysis of Balance Dec. 31, 2020</u>	<u>Amount</u>
Tax Office	\$ 1,400.00
Municipal Court	400.00
Municipal Clerk	200.00
	<hr/>
	\$ 2,000.00
	<hr/>

Exhibit SA-4

CURRENT FUND
 Statement of Due State of New Jersey Veterans' and Senior Citizens' Deductions
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 73,827.08
Increased by:	
Receipts	\$ 83,732.88
Deductions Disallowed by Tax Collector - Prior Year Taxes	<u>9,476.02</u>
	<hr/>
	93,208.90
	<hr/>
	167,035.98
Decreased by:	
Accrued in 2020:	
Senior Citizens' and Veterans' Deductions per Billings	\$ 92,500.00
Deductions Allowed by Collector	<u>1,250.00</u>
	<hr/>
	93,750.00
Less:	
Deductions Disallowed by Collector - Current Year Taxes	<u>1,250.00</u>
	<hr/>
	92,500.00
	<hr/>
Balance Dec. 31, 2020	\$ 74,535.98
	<hr/>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2020

Year	Balance	2020 Levy	Added Taxes	Collections		Due from State of New Jersey	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2020
	Dec. 31, 2019			2019	2020				
2018	\$ 1,596.52				\$ 1,596.52				
2019	440,926.96		\$ 9,476.02		353,387.10		\$ 53,484.38	\$ 31,572.33	\$ 11,959.17
	442,523.48		9,476.02		354,983.62		53,484.38	31,572.33	11,959.17
2020		\$ 23,354,515.99		\$ 230,588.81	22,491,525.82	\$ 92,500.00	10,311.68	31,220.63	498,369.05
	<u>\$ 442,523.48</u>	<u>\$ 23,354,515.99</u>	<u>\$ 9,476.02</u>	<u>\$ 230,588.81</u>	<u>\$ 22,846,509.44</u>	<u>\$ 92,500.00</u>	<u>\$ 63,796.06</u>	<u>\$ 62,792.96</u>	<u>\$ 510,328.22</u>

Analysis of 2020 Property Tax Levy
Tax Yield

General Property Tax	\$23,305,876.79
Added Taxes (54:4-63.1 et. seq.)	<u>48,639.20</u>
	<u><u>\$23,354,515.99</u></u>

Tax Levy

Local School Tax	\$ 6,422,109.00
County Taxes:	
County Tax	\$ 4,364,132.79
Due County for Added and Omitted Taxes	<u>9,126.20</u>
Total County Taxes	4,373,258.99
Local Tax for Municipal Purposes	12,518,073.78
Add: Additional Tax Levied	<u>41,074.22</u>
Local Tax for Municipal Purposes Levied	<u>12,559,148.00</u>
	<u><u>\$23,354,515.99</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Tax Title Liens Receivable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$	84,532.95
Increased by:			
Transfer from Taxes Receivable	\$ 62,792.96		
Transfer from Consumer Accounts Receivable	28,461.30		
Transfers from City Charges	9,863.28		
Charges from CCMUA	54,646.20		
Interest and Costs	35,639.97		
			191,403.71
			275,936.66
Decreased by:			
Transfer to Property Acquired for Taxes	75,007.14		
Due to CCMUA	52,942.92		
Receipts	104,617.56		
			232,567.62
Balance Dec. 31, 2020		\$	43,369.04

Exhibit SA-7

CURRENT FUND
Statement of Property Acquired for Taxes - Assessed Valuation
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$	2,548,800.00
Increased by:			
Transfer from Tax Title Liens	\$ 75,007.14		
Adjustment to Assessed Valuation	243,192.86		
			318,200.00
			2,867,000.00
Decreased by:			
Property Sold - Miscellaneous Revenue Not Anticipated	20,000.00		
Loss on Sale of Property	130,300.00		
			150,300.00
Balance Dec. 31, 2020		\$	2,716,700.00

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Miscellaneous Charges Receivable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 27,964.40
Increased by:		
Charges Assessed		<u>57,945.93</u>
		85,910.33
Decreased by:		
Received - Collector -- Miscellaneous Revenue Not Anticipated	\$ 52,035.45	
Transferred to Tax Title Liens	<u>9,863.28</u>	
		<u>61,898.73</u>
Balance Dec. 31, 2020		<u><u>\$ 24,011.60</u></u>

Exhibit SA-9

CURRENT FUND
Statement of Due CCMUA
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 1,239.76
Increased by:		
Receipts		<u>104,425.43</u>
		105,665.19
Decreased by:		
Disbursed to CCMUA		
Tax Title Liens	\$ 52,942.92	
Collections	<u>51,482.51</u>	
		<u>104,425.43</u>
Balance Dec. 31, 2020		<u><u>\$ 1,239.76</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2020

	Balance	Accrued	Collected By		Balance
	<u>Dec. 31, 2019</u>	<u>in 2020</u>	<u>Treasurer</u>	<u>Collector</u>	<u>Dec. 31, 2020</u>
<u>Miscellaneous Revenue Anticipated:</u>					
Licenses:					
Alcoholic Beverages		\$ 26,649.00	\$ 26,649.00		
Other					
Fees and Permits	\$ 109,561.25	431,334.54	479,856.87		\$ 61,038.92
Fines and Costs:					
Municipal Court	24,029.09	172,172.62	164,423.32		31,778.39 *
Interest on Costs and Taxes		88,622.66		\$ 88,622.66	
Interest on Investments		17,144.70	17,144.70		
Anticipated Utility Operating Surplus		65,000.00	65,000.00		
Energy Receipts Tax		2,678,496.00	2,678,496.00		
Uniform Construction Code Official	89,835.00	173,342.00	237,065.00		26,112.00
Uniform Fire Safety Act		78,982.27	78,982.27		
Cable TV Franchise Fee		46,217.78	46,217.78		
School District for Police Services		70,638.00	70,638.00		
Rentals - Lease of Former Coast					
Guard Station		192,920.00	192,920.00		
Hotel Occupancy Taxes		53,928.00	53,928.00		
Payments in Lieu of Taxes on					
Real Property		978,135.34	978,135.34		
	<u>\$ 223,425.34</u>	<u>\$ 5,073,582.91</u>	<u>\$ 5,089,456.28</u>	<u>\$ 88,622.66</u>	<u>\$ 118,929.31</u>
			\$ 5,020,549.77		
			65,000.00		
			869.07		
			1,622.13		
			1,409.06		
			6.25		
			<u>\$ 5,089,456.28</u>		

* Includes October and December 2020

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 415,569.35
Increased by:		
Payroll Deductions Charged to Budget		<u>4,427,373.33</u>
		4,842,942.68
Decreased by:		
Disbursements	\$ 4,716,923.64	
Canceled to Operations	<u>21,387.06</u>	
		<u>4,738,310.70</u>
Balance Dec. 31, 2020		<u><u>\$ 104,631.98</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of 2019 Appropriation Reserves and Encumbrances
For the Year Ended December 31, 2020

	<u>Balance Dec. 31, 2019</u>		<u>Balance After</u> <u>Transfers</u>	<u>Paid or</u> <u>Disbursed</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Reserve for</u> <u>Encumbrances</u>	<u>Appropriation</u> <u>Reserves</u>			
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries and Wages					
City Administrator's Office		\$ 325.11			
Mayor and Common Council		2,090.04			
City Clerk's Office		4,653.70			
Other Expenses:					
City Administrator's Office	\$ 185.00	15.68	\$ 95.00	\$ 95.00	
City Clerk's Office	6,469.82	3,991.61	6,737.48	6,737.48	
Financial Administration					
Salaries and Wages					
Other Expenses	4,688.94	916.40	13,088.94	13,088.94	
Audit Services					
Other Expenses	53,805.00		53,805.00	53,805.00	
Collection of Taxes					
Salaries and Wages					
Other Expenses	210.00	467.33	210.00	210.00	
Assessment of Taxes					
Salaries and Wages					
Other Expenses	1,500.00	732.87	1,500.00	1,500.00	
Legal Services and Costs					
Other Expenses	4,452.09	629.98	30,981.67	30,981.67	
Municipal Court					
Salaries and Wages					
Other Expenses	541.25	886.68	60.44	60.44	
Public Defender					
Other Expenses		235.00			
Engineering Services and Costs					
Other Expenses	1,435.73	5,364.03	1,435.73	1,435.73	
Community Development					
Salaries and Wages					
Other Expenses	44.82	963.56	44.82	44.82	
Municipal Land Use Law (N.J.S.A. 40:55D-1)					
Combined Planning and Zoning Boards					
Salaries and Wages					
Other Expenses		1,605.60	80.38		\$ 80.38
INSURANCE					
Workers Compensation Insurance					
Group Insurance for Employees	813.00	5,165.24	813.00		813.00
Health Benefit Waiver		36,516.45			
		8,269.77			
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages					
Other Expenses	43,375.26	27,545.72	187,433.22	187,433.22	
Crossing Guards					
Salaries and Wages					
Other Expenses		1,685.33	38,355.92	38,355.92	
Office of Emergency Management					
Salaries and Wages					
Other Expenses	2,635.00	22,344.64	2,635.00	2,635.00	
Fire					
Salaries and Wages					
Other Expenses	20,088.06	500.00	211,000.00	209,884.49	1,115.51
		130,208.14	19,390.71	18,556.86	833.85

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of 2019 Appropriation Reserves and Encumbrances
For the Year Ended December 31, 2020

	<u>Balance Dec. 31, 2019</u>		<u>Balance After</u> <u>Transfers</u>	<u>Paid or</u> <u>Disbursed</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Reserve for</u> <u>Encumbrances</u>	<u>Appropriation</u> <u>Reserves</u>			
Uniform Fire Safety Act (PL 1983, C383)					
Salaries and Wages		\$ 396.79			
Other Expenses	\$ 825.00	2,457.88	\$ 806.08	\$ 806.08	
PUBLIC WORKS FUNCTIONS					
Streets and Road Maintenance					
Salaries and Wages		3,281.48			
Other Expenses	20,298.38	413.64	16,829.47	16,829.47	
Public Buildings and Grounds					
Salaries and Wages		4,811.33			
Other Expenses	1,931.54	4,996.08	1,749.03	1,499.03	\$ 250.00
Solid Waste Collection					
Other Expenses		24.08			
Animal Control Services					
Other Expenses	2,590.30	9,131.25	4,234.06	2,537.33	1,696.73
PARKS & RECREATION FUNCTIONS					
Recreation Services and Programs					
Other Expenses	50.00	1,267.37	50.00		50.00
UTILITY EXPENSES AND BULK PURCHASES					
Gasoline and Diesel Fuel	4,000.00	18,294.18	4,386.38	4,386.38	
Street Lighting					
Electricity	32,421.74	11,999.54	32,421.74	32,421.74	
Telephone	8,295.74	913.94	8,060.20	8,060.20	
Fuel Oil		15,874.48			
Sewerage Disposal	1,320.00	370.14	1,320.00	1,320.00	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Landfill Costs					
Other Expenses	31,000.00	7,757.32	35,116.38	35,116.38	
UNIFORM CONSTRUCTION CODE					
Construction Officials					
Salaries and Wages		8,046.95			
Other Expenses	5,974.56	3,539.58	6,039.25	5,514.76	524.49
Other Code Enforcement					
Salaries and Wages		6,810.65			
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events or Holidays					
Other Expenses	75.23	9,433.35	9,447.23	9,447.23	
CONTINGENT		946.75			
STATUTORY EXPENDITURES					
Contribution to:					
Social Security System (O.A.S.I.)		10,058.96	10,058.96	10,058.96	
Unemployment Compensation		13,000.00			
Maintenance of Free Public Library		36,500.00	36,500.00	36,500.00	
	<u>\$ 249,026.46</u>	<u>\$ 485,659.63</u>	<u>\$ 734,686.09</u>	<u>\$ 729,322.13</u>	<u>\$ 5,363.96</u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 230,588.81
Increased by:		
Collections		<u>246,883.25</u>
		477,472.06
Decreased by:		
Application to 2020 Taxes		<u>230,588.81</u>
Balance Dec. 31, 2020		<u><u>\$ 246,883.25</u></u>

Exhibit SA-14

CURRENT FUND
Statement of Reserve for Contract Settlements
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 71,468.99
Decreased by:		
Disbursed	\$ 66,410.95	
Canceled	<u>5,058.04</u>	
		<u>\$ 71,468.99</u>

Exhibit SA-15

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 2,037.22
Increased by:		
Collections		<u>10,342.46</u>
		12,379.68
Decreased by:		
Refunds		<u>2,037.22</u>
Balance Dec. 31, 2020		<u><u>\$ 10,342.46</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Due State of New Jersey - DCA Training Fees
For the Year Ended December 31, 2020

Receipts	\$ 13,660.00
Decreased by: Disbursed	<u>\$ 13,660.00</u>

CURRENT FUND
Statement of Due County Taxes Payable
For the Year Ended December 31, 2020

2020 Levy	\$ 4,364,132.79
Decreased by: Payments	<u>\$ 4,364,132.79</u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	
2019 Added Taxes (R.S. 54:4-63.1 and seq.)	\$ 10,498.41
Increased by:	
County Share of Levy:	
2020 Added Taxes (R.S. 54:4-63.1 and seq.)	9,126.20
	19,624.61
Decreased by:	
Payments	10,498.41
Balance Dec. 31, 2020	\$ 9,126.20

CURRENT FUND
Statement of Local District School Tax Prepaid / Payable
For the Year Ended December 31, 2020

Balance Dec 31, 2019 (Prepaid)	\$ 14,347.00
Increased by:	
Payments	6,395,259.00
	6,409,606.00
Decreased by:	
2020 Levy	6,422,109.00
Balance Dec 31, 2020 (Payable)	\$ 12,503.00

CITY OF GLOUCESTER CITY
FEDERAL, STATE AND LOCAL GRANT FUND
Statement of Federal, State and Local Grants Receivable
For the Year Ended December 31, 2020

<u>Program</u>	<u>Balance Dec. 31, 2019</u>	<u>Accrued</u>	<u>Received in Current Fund</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2020</u>
Federal Grants:					
Brownfield Redevelopment Cleanup Project	\$ 4,879.25			\$ 4,879.25	
Bulletproof Vest Partnership Grant	5,620.29		\$ 1,798.00	3,822.29	
Federal Emergency Management Agency:					
Assistance to Firefighters Grant	4,237.00			4,237.00	
Assistance to Firefighters Grant	269,698.00		77,500.00		\$ 192,198.00
New Jersey Department of Transportation					
Enhancement Program:					
Broadway Streetscape	43,606.88			43,606.88	
New Jersey Department of Environmental Protection:					
Licensed Operator Internship Program	23,272.51			23,272.51	
Cops Hiring Program Grant	41,666.00		41,666.00		
Safe Routes to Schools	343,000.00				343,000.00
Safe Routes to Schools - Planning & Design	173,635.31		28,051.26	17,915.91	127,668.14
Distracted Driving Grant	2,522.50			2,522.50	
COPS in Shops	1,800.00			1,800.00	
Small Cities - Facilities- Seawall	400,000.00			400,000.00	
Total Federal Grants	1,313,937.74	\$ -	149,015.26	502,056.34	662,866.14
State Grants:					
Body Armor Replacement Fund		3,185.90	3,185.90		
Clean Communities Program		20,911.16	20,911.16		
Economic Development Site Fund	825,130.42			825,130.42	
Hazardous Discharge Site Remediation Grants:					
BP/ARCO Site	40,169.98			40,169.98	
Former Amspec Chemical Site	17,646.00			17,646.00	
Railroad & VA Property Site	114,923.00			114,923.00	
Gloucester Point Site	370.06			370.06	
Municipal Alliance on Alcohol and Drug Abuse	34,561.02		6,626.50	27,934.52	

(Continued)

CITY OF GLOUCESTER CITY
FEDERAL, STATE AND LOCAL GRANT FUND
Statement of Federal, State and Local Grants Receivable
For the Year Ended December 31, 2020

<u>Program</u>	<u>Balance Dec. 31, 2019</u>	<u>Accrued</u>	<u>Received in Current Fund</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2020</u>
State Grants (Cont'd):					
New Jersey Department of Transportation:					
Municipal Aid Program:					
Centers of Place - Broadway Decorative Street Lighting	\$ 38,759.49			\$ 38,759.49	
Cumberland Street	20,469.30			20,469.30	
Monmouth Street - Phase II	124,096.76			124,096.76	
Chestnut Avenue and Walnut Avenue	24,303.77			24,303.77	
Reconstruction of Filmore Street	312,395.00		\$ 207,628.50	10,321.22	\$ 94,445.28
Reconstruction of Center, 8th and 9th Streets		\$ 261,386.00	162,400.47		98,985.53
Local Freight Impact Fund:					
Charles Street Roadway Improvements	850,000.00		503,485.88		346,514.12
Total State Grants	2,402,824.80	285,483.06	904,238.41	1,244,124.52	539,944.93
Local Grants:					
Delaware Valley Planning Commission - TCDI Grant	62,500.00	9,859.34	72,359.34		
Total Local Grants	62,500.00	9,859.34	72,359.34	-	-
Total All Grants	\$ 3,779,262.54	\$ 295,342.40	\$ 1,125,613.01	\$ 1,746,180.86	\$ 1,202,811.07
Reserve for Federal, State and Local Grants				\$ 1,533,112.71	
Due to Current Fund				213,068.15	
				<u>\$ 1,746,180.86</u>	

CITY OF GLOUCESTER CITY
FEDERAL, STATE AND LOCAL GRANT FUND
Statement of Reserve for Federal, State and Local Grants - Unappropriated
For the Year Ended December 31, 2020

<u>Program</u>	<u>Balance Dec. 31, 2019</u>	<u>Grants Receivable</u>	<u>Realized as Miscellaneous Revenue in 2020 Budget</u>	<u>Balance Dec. 31, 2020</u>
Federal Grants:				
Federal Emergency Management Agency: SAFER Retention Grant Program	\$ 270.00			\$ 270.00
Total Federal Grants	270.00	\$ -	\$ -	270.00
State Grants:				
Drunk Driving Enforcement Fund	2,500.00			2,500.00
Body Armor Replacement Fund		3,185.90		3,185.90
Clean Communities Program		20,911.16		20,911.16
Recycling Tonnage Grant	14,278.86			14,278.86
New Jersey Department of Transportation: Municipal Aid Program: Reconstruction of Center, 8th and 9th Streets		261,386.00	261,386.00	
Total State Grants	16,778.86	285,483.06	261,386.00	40,875.92
Local Grants:				
Delaware Valley Regional Planning Commission - TCDI Grant		9,859.34		9,859.34
County of Camden - Recreation - Proprietor's Park	8,775.00			8,775.00
Total Local Grants	8,775.00	9,859.34	-	18,634.34
Total All Grants	\$ 25,823.86	\$ 295,342.40	\$ 261,386.00	\$ 59,780.26

CITY OF GLOUCESTER CITY
FEDERAL , STATE AND LOCAL GRANT FUND
Statement of Reserve for Federal, State and Local Grants - Appropriated
For the Year Ended December 31, 2020

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Encumbrances</u> <u>Canceled</u>	<u>Transferred from</u> <u>2020 Budget</u> <u>Appropriation</u>	<u>Paid or</u> <u>Charged</u>	<u>Canceled</u>	<u>Encumbered</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Federal Grants:							
Brownfield Redevelopment Cleanup Project	\$ 19,713.22			\$ 3,611.25	\$ 16,101.97		
Federal Emergency Management Agency:							
Assistance to Firefighters Grant	1,387.29			794.92	592.37		
Assistance to Firefighters Grant - Local Match	342.00				342.00		
Assistance to Firefighters Grant- 2019	269,698.00			65,642.22	3,302.63	\$ 66,846.04	\$ 133,907.11
Homeland Security Emergency Management Performance Grant		\$ 812.00		812.00			
New Jersey Department of Environmental Protection:							
Licensed Operator Internship Program	24,681.44			1,408.93	23,272.51		
New Jersey Department of Transportation Enhancement Program:							
Broadway Streetscape	27,465.08				27,465.08		
Cops Hiring Program Grant	3,060.96			3,060.96			
New Jersey Division of State Police Office of Emergency Management:							
Homeland Security Management Performance Grant	9,400.00			9,400.00			
Distracted Driving Grant	2,222.50			2,222.50			
COPS in Shops	3,600.00			1,800.00	1,800.00		
Safe Routes to School Program	343,000.00						343,000.00
Safe Routes to Schools - Planning & Design	173,635.31			66,393.12		107,242.19	
Small Cities 2019- Public Facilities (Seawall)	400,000.00				400,000.00		
Small Cities 2012 - Public Facilities	2,414.95				2,414.95		
Small Cities 2015 - Public Facilities	125.60			125.13	0.47		
Small Cities 2017	122,291.44				122,291.44		
Total Federal Grants	1,403,037.79	812.00	\$ -	155,271.03	597,583.42	174,088.23	476,907.11
State Grants:							
Body Armor Replacement Fund	3,411.96						3,411.96
Clean Communities Program	22,780.34	800.00		8,020.38		4,200.00	11,359.96
Hazardous Discharge Site Remediation Grants:							
Sewer Treatment Plan	9,920.32				9,920.32		
Empire Vending INC Site	29,593.20				29,593.20		
Hazardous Discharge Site Remediation Grants:							
Railroad & VA Property Site	122,798.00				122,798.00		
Former Amspec Chemical Site	36,714.75				36,714.75		
Gloucester Point Site	370.06				370.06		
BP/ARCO Site	38,564.23				38,564.23		

(Continued)

CITY OF GLOUCESTER CITY
FEDERAL , STATE AND LOCAL GRANT FUND
Statement of Reserve for Federal, State and Local Grants - Appropriated
For the Year Ended December 31, 2020

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Encumbrances</u> <u>Canceled</u>	<u>Transferred from</u> <u>2020 Budget</u> <u>Appropriation</u>	<u>Paid or</u> <u>Charged</u>	<u>Canceled</u>	<u>Encumbered</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
State Grants (Cont'd):							
Drunk Driving Enforcement Fund	\$ 20,053.44			\$ 20,053.44			
Economic Development Site Fund	478,360.68				\$ 478,360.68		
Municipal Alliance on Alcohol and Drug Abuse	58,370.62	\$ 1,264.50		1,403.00	27,934.52	\$ 1,091.00	\$ 29,206.60
Municipal Court Alcohol Education and Rehabilitation Fund	10,123.87					2,125.00	7,998.87
New Jersey Department of Transportation:							
Municipal Aid Program:							
Centers of Place - Broadway Decorative Street Lighting	24,787.22				24,787.22		
Cumberland Street	20,469.30				20,469.30		
Monmouth Street Phase II	124,096.76				124,096.76		
Chestnut Avenue and Walnut Avenue	21,920.25				21,920.25		
Reconstruction of Filmore Street	312,395.00			309,036.54		3,358.46	
Reconstruction of Center, 8th and 9th Streets			\$ 261,386.00	224,985.02		15,161.53	21,239.45
Local Freight Impact Fund							
Charles Street Roadway Improvements	850,000.00			85,035.15		46,364.85	718,600.00
Recycling Tonnage Grant	113,178.88	366.50		7,426.55		2,939.40	103,179.43
Recycling Tonnage Grant - Abandoned Tires	2,500.00						2,500.00
Urban Enterprise Zone - Administration	23,163.47						23,163.47
Total State Grants	2,323,572.35	2,431.00	261,386.00	655,960.08	935,529.29	75,240.24	920,659.74
Local Grants:							
Delaware River Port Authority - Resheathing Freedom Pier Grant	39,062.00						39,062.00
Delaware Valley Regional Planning Commission - TCDI Grant		49,379.33		49,379.33			
CONRAIL Grant	4,282.00			4,282.00			
County of Camden - Office of Emergency Management Grant		5,000.00		5,000.00			
County of Camden - Recreation - Proprietor's Park	9,558.74						9,558.74
Total Local Grants	52,902.74	54,379.33	-	58,661.33	-	-	48,620.74
Total Grants:	\$ 3,779,512.88	\$ 57,622.33	\$ 261,386.00	\$ 869,892.44	\$ 1,533,112.71	\$ 249,328.47	\$ 1,446,187.59
Disbursed by Current Fund				<u>\$ 869,892.44</u>			

CITY OF GLOUCESTER CITY
FEDERAL, STATE AND LOCAL GRANT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 57,622.33
Increased by:		
Encumbrances Charged		<u>249,328.47</u>
		306,950.80
Decreased by:		
Encumbrances Canceled		<u>57,622.33</u>
Balance Dec. 31, 2020		<u><u>\$ 249,328.47</u></u>

Exhibit SA-24

FEDERAL, STATE AND LOCAL GRANT FUND
Statement of Due Current Fund
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 231,039.16
Increased by:		
Grants Receivable Received in the Current Fund	\$ 1,125,613.01	
Grant Receivable Cancelation	<u>213,068.15</u>	
		<u>1,338,681.16</u>
		1,569,720.32
Decreased by:		
Grants Appropriated Disbursed by Current Fund		<u>869,892.44</u>
Balance Dec. 31, 2020		<u><u>\$ 699,827.88</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

CITY OF GLOUCESTER CITY
TRUST FUND
Statement of Trust Cash
Per N.J.S. 40A: 5-5 - Treasurer
For the Year Ended December 31, 2020

	<u>Animal Control</u>	<u>Trust Other</u>	<u>Community Development</u>
Balance Dec. 31, 2019	\$ 8,884.88	\$ 785,987.78	\$ 630,564.96
Increased by Receipts:			
Animal Control Licenses Issued	\$ 3,130.00		
Due Current Fund	6.25	\$ 1,384.50	\$ 6,882.00
Reserve for U.D.A.G.			41,154.14
Due Trust Other			10,975.00
Due Community Development		14,150.00	
Reserve for Regional Contribution Agreement		34,167.12	
Reserve for Escrow Deposits		24,365.42	
Reserve for Miscellaneous Trust Reserves		2,789.93	
	<u>3,136.25</u>	<u>76,856.97</u>	<u>59,011.14</u>
	12,021.13	862,844.75	689,576.10
Decreased by Disbursements:			
Animal Control Expenses	743.00		
Accounts Payable	409.75	13,150.73	8,800.00
Due Current Fund		3,358.16	3,075.71
Reserve for U.D.A.G.			190,289.14
Reserve for Regional Contribution Agreement		157,397.38	
Reserve for Escrow Deposits		17,827.50	
Reserve for Miscellaneous Trust Reserves		6,466.85	
Due New Jersey Unemployment Compensation Insurance Fund		2,707.64	
	<u>1,152.75</u>	<u>200,908.26</u>	<u>202,164.85</u>
Balance Dec. 31, 2020	<u>\$ 10,868.38</u>	<u>\$ 661,936.49</u>	<u>487,411.25</u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Trust Cash
Per N.J.S. 40A:5-5 - Collector
For the Year Ended December 31, 2020

<hr/>	
Balance Dec. 31, 2019	\$ 179,433.42
Increased by Receipts:	
Prepaid Tax Sale Deposits	\$ 10,000.00
Redemption of Tax Certificates	1,348,291.98
Premiums Received for Tax Sale	<u>346,700.00</u>
	<u>1,704,991.98</u>
	1,884,425.40
Decreased by Disbursements:	
Due Current Fund	1,546.02
Redemption of Tax Certificates	1,355,167.72
Premiums Received for Tax Sale	<u>301,800.00</u>
	<u>1,658,513.74</u>
Balance Dec. 31, 2020	<u><u>\$ 225,911.66</u></u>

CITY OF GLOUCESTER CITY
ANIMAL CONTROL TRUST FUND
Statement of Reserve for Animal Control Trust Fund Expenditures
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 8,479.35
Increased by:		
Receipts	\$ 3,130.00	
License Fees Due from Current Fund	549.00	
		3,679.00
		12,158.35
Decreased by:		
Disbursed	743.00	
Statutory Excess Due Current Fund	2,423.15	
		3,166.15
Balance Dec. 31, 2020		\$ 8,992.20

License Fees Collected

<u>Year</u>	<u>Amount</u>
2019	\$ 4,385.20
2018	4,607.00
	\$ 8,992.20

Exhibit SB-4

ANIMAL CONTROL TRUST FUND
Statement of Due Current Fund
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 4.18
Increased by:		
Interest Earned	\$ 6.25	
Statutory Excess	2,423.15	
		2,429.40
		2,433.58
Decreased by:		
License Fees Deposited In Current Fund		549.00
Balance Dec. 31, 2020		\$ 1,884.58

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Due Current Fund
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 28,813.68
Increased by:		
Interest Earned - Treasurer Cash	\$ 1,384.50	
Off Duty Admin Fees Realized	179,520.76	
Disbursed by Current Fund on Behalf of Trust Other Fund:		
Off Duty Police Fees	\$ 931,045.24	
Miscellaneous Trust Reserves	<u>44,502.25</u>	
	<u>975,547.49</u>	
		<u>1,156,452.75</u>
		1,185,266.43
Decreased by:		
Disbursed Treasurer - Due to Current Fund	3,358.16	
Disbursed Collector - Due to Current Fund - Collector	1,546.02	
Trust Receipts Collected by Current Fund Treasurer:		
Off Duty Police:		
Reserve	1,038,583.50	
Receivable	12,702.50	
Miscellaneous Trust Reserves	<u>27,825.12</u>	
	<u>1,079,111.12</u>	
		<u>1,084,015.30</u>
Balance Dec. 31, 2020		<u><u>\$ 101,251.13</u></u>
<u>Analysis of Balance Dec. 31, 2020</u>		
Tax Sale Premium		\$ 152.65
Redemption		192.21
Off Duty Police		71,982.50
POAA		(2,505.83)
Law Enforcement Trust		(606.00)
Regional Contribution Agreements		(10,646.66)
Public Defender		(1,016.21)
Community Playground		(3,196.60)
Unemployment		5,384.03
Uniform Fire Code		(4,003.73)
Escrow		<u>45,514.77</u>
		<u><u>\$ 101,251.13</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Regional Contribution Agreement Loans Receivable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 1,461,847.00
Decreased by:		
Receipts for Payment of Loans	\$ 32,850.00	
Loans Receivable - Community Development Receipts	10,975.00	
Loans Canceled	<u>266,594.00</u>	
		<u>310,419.00</u>
Balance Dec. 31, 2020		<u><u>\$ 1,151,428.00</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Accounts Payable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 13,150.73
Increased by:	
Charged:	
Reserve for Regional Contribution Agreements	<u>45,511.25</u>
	58,661.98
Decreased by:	
Disbursements	<u>13,150.73</u>
Balance Dec. 31, 2020	<u><u>\$ 45,511.25</u></u>

Exhibit SB-8

TRUST OTHER FUND
Statement of Reserve for Off Duty Police
For the Year Ended December 31, 2020

Off Duty Police Fees Received By Current Fund	\$ 1,038,583.50	
Off Duty Police Fees Receivable	<u>71,982.50</u>	
		\$ 1,110,566.00
Decreased by:		
Off Duty Police Fees Disbursed by Current Fund	931,045.24	
Off Duty Police Admin Fees Realized in Current Fund	<u>179,520.76</u>	
		<u><u>\$ 1,110,566.00</u></u>

Exhibit SB-9

TRUST OTHER FUND
Statement of Off Duty Police Fees Receivable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 12,702.50
Increased by:	
Reserve for Traffic Control	<u>71,982.50</u>
	84,685.00
Decreased by:	
Collected in Current Fund	<u>12,702.50</u>
Balance Dec. 31, 2020	<u><u>\$ 71,982.50</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Reserve for Regional Contribution Agreements
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 542,518.19
Increased by:		
Receipts:		
Interest	\$ 1,317.12	
Loans Receivable Collected	<u>32,850.00</u>	
		\$ 34,167.12
Loans Receivable - Community Development Receipts		<u>10,975.00</u>
		<u>45,142.12</u>
		587,660.31
Decreased by:		
Disbursements:		
Administrative and Other Expenses	157,397.38	
Accounts Payable	<u>45,511.25</u>	
		<u>202,908.63</u>
Balance Dec. 31, 2020		<u><u>\$ 384,751.68</u></u>

TRUST OTHER FUND
Statement of Reserve for Escrow Deposits
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 103,939.17
Increased by:		
Receipts:		
Reserve for Escrow Deposits		<u>24,365.42</u>
		128,304.59
Decreased by:		
Disbursements		<u>17,827.50</u>
Balance Dec. 31, 2020		<u><u>\$ 110,477.09</u></u>

Analysis of Balance Dec. 31, 2020

Escrow Deposits		\$ 110,473.42
Remediation Escrow		<u>3.67</u>
		<u><u>\$ 110,477.09</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2020

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Due From</u> <u>Current Fund</u>	<u>Due to</u> <u>Current Fund</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Disposal of Forfeited Property	\$ 24,787.46	\$ 2,782.02	\$ 4,896.85	\$ 606.00		\$ 23,278.63
Unemployment Compensation Insurance	15,872.66	7.91	1,570.00	13,637.62	\$ 26,327.25	1,620.94
Reserve for Parking Offenses						
Adjudication Act Funds	1,563.83			942.00		2,505.83
Reserve for Public Defender	4,113.25			12,639.50	15,736.54	1,016.21
Uniform Fire Safety Act Penalties	5,911.45				2,438.46	3,472.99
Community Playground	3,196.60					3,196.60
	<u>\$ 55,445.25</u>	<u>\$ 2,789.93</u>	<u>\$ 6,466.85</u>	<u>\$ 27,825.12</u>	<u>\$ 44,502.25</u>	<u>\$ 35,091.20</u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Reserve for Tax Title Lien Premiums and Redemptions
For the Year Ended December 31, 2020

	Balance Dec. 31, 2019	Collector		Balance Dec. 31, 2020
		Receipts	Disbursements	
Premiums Received at Tax Sale	\$ 80,500.00	\$ 346,700.00	\$ 301,800.00	\$ 125,400.00
Prepaid Tax Sale Deposits		10,000.00		10,000.00
Tax Certificates	96,042.54	1,348,291.98	1,355,167.72	89,166.80
	<u>\$ 176,542.54</u>	<u>\$ 1,704,991.98</u>	<u>\$ 1,656,967.72</u>	<u>\$ 224,566.80</u>

CITY OF GLOUCESTER CITY
COMMUNITY DEVELOPMENT TRUST FUND
Statement of Loans and Mortgages Receivable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 3,052,454.81
Increased by:	
Reserve for UDAG Revolving Loan Fund - Loans Issued	<u>125,000.00</u>
	3,177,454.81
Decreased by:	
Reserve for UDAG Revolving Loan Fund - Receipts	\$ 19,189.80
Reserve for Small Cities Rehabilitation - Trust Other Receipts	14,150.00
Reserve for Small Cities Rehabilitation - Cancellation of Receivable	<u>286,142.00</u>
	<u>319,481.80</u>
Balance Dec. 31, 2020	<u>\$ 2,857,973.01</u>
<u>Analysis of Balance Dec. 31, 2020</u>	
Loans Receivable - Urban Development Action Grant	\$ 1,918,050.36
Mortgages Receivable - Small Cities Rehabilitation Grant	<u>939,922.65</u>
	<u>\$ 2,857,973.01</u>

CITY OF GLOUCESTER CITY
COMMUNITY DEVELOPMENT TRUST FUND
Statement of Due Current Fund
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 220,274.01
Increased by:	
Disbursed to Current Fund	3,075.71
	223,349.72
Decreased by:	
Receipts Due to Current Fund	6,882.00
Balance Dec. 31, 2020	\$ 216,467.72

Exhibit SB-16

CITY OF GLOUCESTER CITY
COMMUNITY DEVELOPMENT TRUST FUND
Statement of Reserve for CDBG Revolving Loan Fund
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 273,329.01
Increased by:	
Small Cities Mortgage Payoffs Collected by Trust Other Fund Fund	14,150.00
Balance Dec. 31, 2020	\$ 287,479.01

Exhibit SB-17

CITY OF GLOUCESTER CITY
COMMUNITY DEVELOPMENT TRUST FUND
Statement of Due Trust Other Fund
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 53,800.32
Increased by:	
Small Cities Mortgage Payoffs Collected by Trust Other Fund Fund	14,150.00
	67,950.32
Decreased by:	
Regional Contribution Agreements Loan Payoffs Collected by Community Development Fund	10,975.00
Balance Dec. 31, 2020	\$ 56,975.32

CITY OF GLOUCESTER CITY
COMMUNITY DEVELOPMENT TRUST FUND
Statement of Reserve for Projects and Revolving Loan Fund - U.D.A.G.
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 611,452.78
Increased by:		
Receipts:		
Loans Receivable - Collected	\$ 19,189.80	
Interest and Late Fees	<u>21,964.34</u>	
		\$ 41,154.14
Cancelled Prior Year Accounts Payable		<u>10,250.00</u>
		<u>51,404.14</u>
		662,856.92
Decreased by:		
Disbursements:		
Loans Issued	125,000.00	
Administrative & Other Expenses	<u>65,289.14</u>	
		190,289.14
Accounts Payable		<u>4,340.00</u>
		<u>194,629.14</u>
Balance Dec. 31, 2020		<u><u>\$ 468,227.78</u></u>

CITY OF GLOUCESTER CITY
COMMUNITY DEVELOPMENT TRUST FUND
Statement of Accounts Payable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 19,857.50
Increased by:		
Accounts Payable Created:		
Reserve for UDAG Revolving Loan Fund		<u>4,340.00</u>
		24,197.50
Decreased by:		
Accounts Payable Canceled:		
Reserve for UDAG Revolving Loan Fund	\$ 10,250.00	
Disbursements	<u>8,800.00</u>	
		<u>19,050.00</u>
Balance Dec. 31, 2020		<u><u>\$ 5,147.50</u></u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of General Capital Cash
Per N.J.S. 40A:5-5 - Treasurer
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 1,361,748.87
Increased by Receipts:		
Due Current Fund	\$ 1,000,869.07	
Authorization Refunds	150.00	
Capital Improvement Fund	75,000.00	
Due State of New Jersey - Community Affairs	<u>11,417.33</u>	
		<u>1,087,436.40</u>
		2,449,185.27
Decreased by Disbursements:		
Due Current Fund	528,273.47	
Improvement Authorizations	<u>1,854,611.17</u>	
		<u>2,382,884.64</u>
Balance Dec. 31, 2020		<u><u>\$ 66,300.63</u></u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2020

Ordinance Number	Balance (Deficit)	Receipts		Disbursements		Transfers		Balance (Deficit)
	Dec. 31, 2019	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	Dec. 31, 2020	
Fund Balance	\$ 26,135.13							\$ 50,817.48
Capital Improvement Fund	9,235.82	\$ 75,000.00			\$ 23,100.00			61,135.82
Accounts Receivable - Community Affairs	(424,519.90)	11,417.33						(413,102.57)
Due Current Fund	(246,970.31)	1,000,869.07		\$ 528,273.47				255,713.19
Due Federal, State and Local Grant Fund	(147,342.63)							(147,342.63)
Due Water and Sewer Utility Capital Fund	(106,074.44)				2,771,132.35	999,400.00		(1,877,806.79)
Reserve to Pay Debt	147,342.63							147,342.63
Reserve to Pay Green Loan	7,083.39							7,083.39
Reserve for Encumbrances	91,898.70				91,898.70	165,356.55		165,356.55
Improvement Authorizations:								
Various Improvements	14-00	6,337.85						6,337.85
Acquisition of Apartments	05-08	112.92						112.92
Walkway Along Freedom Pier	09-10	23,904.27						23,904.27
Various Improvements	06-11	379.42						379.42
Improvements to City Clerk's Office	19-11	2,470.05						2,470.05
Southport Redevelopment Project	03-12	23,008.00						23,008.00
Various Improvements	10-12	88,847.23						88,847.23
Various Improvements	12-13	42,204.89						42,204.89
Landscaping Improvements	21-13	0.96	150.00					150.96
Various Improvements	14-14	1,157.59						1,157.59
Various Improvements	13-15	23,450.58						23,450.58
Various Improvements	19-15	30,078.17						30,078.17
Various Improvements	17-16	99,696.16			98,092.37			1,603.79
Acquisition and Installation of HVAC Systems	25-16	15,943.96						15,943.96
Demolition of Existing City Structures	26-16	376,115.62		\$ 75,100.00	5,810.80	5,810.80		301,015.62
Acquisition of Public Works Tractor	20-17	1,887.98						1,887.98
Various Improvements	21-17	311,650.27		7,545.01	27,320.79	4,786.80		281,571.27
Various Improvements	11-18	960,110.00		409,042.40	1,009,276.15	1,045,940.10		587,731.55
Various Improvements	14-18	403.65						403.65
Various Improvements	10-19	(248,719.29)		843,540.25	43,759.75	1,342,830.00		206,810.71
Various Improvements	29-19	245,920.20		235,416.61	10,503.59			
Various Improvements	10-20			283,966.90		462,000.00		178,033.10
		<u>\$ 1,361,748.87</u>	<u>\$ 1,087,436.40</u>	<u>\$ 1,854,611.17</u>	<u>\$ 528,273.47</u>	<u>\$ 4,080,894.50</u>	<u>\$ 4,080,894.50</u>	<u>\$ 66,300.63</u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 9,162,689.68
Decreased By:		
Budget Appropriations:		
Payment of Serial Bonds	\$ 785,000.00	
Payment of Loans Payable	<u>193,002.21</u>	
		<u>978,002.21</u>
Balance Dec. 31, 2020		<u><u>\$ 8,184,687.47</u></u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2020

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Analysis of Balance Dec. 31, 2020</u>				
		<u>Balance Dec. 31, 2019</u>	<u>2020 Authorizations</u>	<u>Balance Dec. 31, 2020</u>	<u>Financed by Bond Anticipation Notes</u>	<u>Unexpended Improvement Authorizations</u>
Various Improvements	14-00	\$ 405.74		\$ 405.74		\$ 405.74
Various Improvements	06-11	383.00		383.00		383.00
Southport Redevelopment Project	03-12	2,750,000.00		2,750,000.00		2,750,000.00
Various Improvements	19-15	600.00		600.00		600.00
Various Improvements	17-16	805.00		805.00		805.00
Various Improvements	11-18	999,400.00		999,400.00	\$ 999,400.00	
Various Improvements	10-19	1,308,150.00		1,308,150.00	1,308,150.00	
Various Improvements	10-20		\$ 438,900.00	438,900.00	438,900.00	
		<u>\$ 5,059,743.74</u>	<u>\$ 438,900.00</u>	<u>\$ 5,498,643.74</u>	<u>\$ 2,746,450.00</u>	<u>\$ 2,752,193.74</u>
Improvement Authorizations Unfunded						\$ 3,724,769.10
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:						
	Ordinance 11-2018				\$ 587,731.55	
	Ordinance 10-2019				206,810.71	
	Ordinance 10-2020				178,033.10	
						972,575.36
						\$ 2,752,193.74

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Due Current Fund
For Year Ended December 31, 2020

Balance Dec. 31, 2019 (Due from)		\$ 246,970.31
Increased by:		
Disbursed to Current Fund		<u>528,273.47</u>
		775,243.78
Decreased by:		
Interest Earned on Deposits	\$ 869.07	
Received from Current Fund	<u>1,000,000.00</u>	
	\$ 1,000,869.07	
Disbursed by Current Fund		<u>30,087.90</u>
		<u>1,030,956.97</u>
Balance Dec. 31, 2020 (Due to)		<u><u>\$ 255,713.19</u></u>

Exhibit SC-6

GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 9,235.82
Increased by:		
Receipts - Budget Appropriation		<u>75,000.00</u>
		84,235.82
Decreased by:		
Appropriations to Improvement Authorizations		<u>23,100.00</u>
Balance Dec. 31, 2020		<u><u>\$ 61,135.82</u></u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Due from Water & Sewer Utility Capital Fund
For Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 106,074.44
Increased by:		
Bond Anticipation Note Proceeds	\$ 2,746,450.00	
Premium on Bond Anticipation Note	<u>24,682.35</u>	
		<u>2,771,132.35</u>
		2,877,206.79
Decreased by:		
Bond Anticipation Notes Paid by Utility Capital Fund		<u>999,400.00</u>
Balance Dec. 31, 2020		<u><u>\$ 1,877,806.79</u></u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2020

Improvement Description	Ordinance Number	Date	Amount	Balance Dec. 31, 2019		2020 Authorizations	Authorizations Refunded	Paid or Charged	Balance Dec. 31, 2020	
				Funded	Unfunded				Funded	Unfunded
Various Improvements:	14-00	07-06-00	\$ 486,000.00	\$ 6,337.85	\$ 405.74				\$ 6,337.85	\$ 405.74
Acquisition of Apartments	05-08	03-20-08	4,350,000.00	112.92					112.92	
Walkway Along Freedom Pier	09-10	04-30-10	600,000.00	23,904.27					23,904.27	
Various Improvements	06-11	06-16-11	1,638,666.00	379.42	383.00				379.42	383.00
Improvements to City Clerk's Office	19-11	12-05-11	6,000.00	2,470.05					2,470.05	
Southport Redevelopment Project	03-12	02-16-12	5,000,000.00	23,008.00	2,750,000.00				23,008.00	2,750,000.00
Various Improvements	10-12	06-28-12	716,000.00	88,847.23					88,847.23	
Various Improvements	12-13	07-25-13	543,500.00	42,204.89					42,204.89	
Landscaping Improvements	21-13	09-26-13	79,555.00	0.96			\$ (150.00)		150.96	
Various Improvements	14-14	07-24-14	634,000.00	1,157.59					1,157.59	
Various Improvements	13-15	05-28-15	820,000.00	23,450.58					23,450.58	
Various Improvements	19-15	06-25-15	131,500.00	30,078.17	600.00				30,078.17	600.00
Various Improvements	17-16	07-21-16	610,400.00	99,696.16	805.00			\$ 98,092.37	1,603.79	805.00
Acquisition and Installation of HVAC Systems	25-16	10-27-16	76,671.08	15,943.96					15,943.96	
Demolition of Existing City Structures	26-16	11-22-16	856,329.53	376,115.62				75,100.00	301,015.62	
Acquisition of Public Works Tractor	20-17	07-20-17	31,787.98	1,887.98					1,887.98	
Various Improvements	21-17	09-05-17	538,000.00	311,650.27				30,079.00	281,571.27	
Various Improvements	11-18	07-19-18	1,052,000.00		960,110.00			372,378.45		587,731.55
Acquisition of Sport Utility Vehicles	14-18	08-16-18	74,767.15	403.65					403.65	
Various Improvements	10-19	06-27-19	1,377,000.00		1,059,430.71			852,620.00		206,810.71
Various Improvements	29-19	12-23-19	245,920.20	245,920.20				245,920.20		
Various Improvements	10-20	07-23-20	462,000.00			\$ 462,000.00		283,966.90		178,033.10
				<u>\$ 1,293,569.77</u>	<u>\$ 4,771,734.45</u>	<u>\$ 462,000.00</u>	<u>\$ (150.00)</u>	<u>\$ 1,958,156.92</u>	<u>\$ 844,528.20</u>	<u>\$ 3,724,769.10</u>
Disbursed								\$ 1,854,611.17		
Due Current Fund								30,087.90		
Restored to Improvement Authorizations								(91,898.70)		
Charged to Improvement Authorizations								<u>165,356.55</u>		
								<u>\$ 1,958,156.92</u>		
Deferred Charges to Future Taxation - Unfunded						\$ 438,900.00				
Capital Improvement Fund						<u>23,100.00</u>				
						<u>\$ 462,000.00</u>				

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 91,898.70
Increased by:	
Charged to Improvement Authorizations	<u>165,356.55</u>
	257,255.25
Decreased by:	
Restored to Improvement Authorizations	<u>91,898.70</u>
Balance Dec. 31, 2020	<u><u>\$ 165,356.55</u></u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Green Trust Loans Payable
For the Year Ended December 31, 2020

	<u>Johnson Blvd</u>	<u>Point Riverfront</u>	<u>Riverfront</u>	<u>Freedom Pier</u>	<u>Total</u>
Balance Dec. 31, 2019	\$ 37,724.61	\$ 211,366.77	\$ 152,273.46	\$ 114,702.69	\$ 516,067.53
Decreased by:					
Loan Payments	14,865.25	83,286.95	29,254.77	8,547.38	135,954.35
Balance Dec. 31, 2020	<u>\$ 22,859.36</u>	<u>\$ 128,079.82</u>	<u>\$ 123,018.69</u>	<u>\$ 106,155.31</u>	<u>\$ 380,113.18</u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
 Statement of Demolition Loan Payable
 For the Year Ended December 31, 2020

	<u>Ordinance Number</u>	<u>Date</u>	Maturities of Loan Outstanding <u>Dec. 31, 2020</u> <u>Amount</u>	<u>Balance Dec. 31, 2019</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2020</u>
Demolition of Existing City Structures	26-16	10-15-21-32	\$ 57,047.86	\$ 741,622.15	\$ 57,047.86	\$ 684,574.29

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
 Statement of Bond Anticipation Notes Payable
 For the Year Ended December 31, 2020

	<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2020</u>
Various Improvements	11-18	12-20-18	12-19-19	12-19-20		\$ 999,400.00		\$ 999,400.00	
Various Improvements	11-18	12-20-18	11-24-20	11-23-21	1.500%		\$ 999,400.00		\$ 999,400.00
Various Improvements	10-19	11-24-20	11-24-20	11-23-21	1.500%		1,308,150.00		1,308,150.00
Various Improvements	10-20	11-24-20	11-24-20	11-23-21	1.500%		438,900.00		438,900.00
						<u>\$ 999,400.00</u>	<u>\$ 2,746,450.00</u>	<u>\$ 999,400.00</u>	<u>\$ 2,746,450.00</u>
Renewals							\$ 999,400.00	\$ 999,400.00	
Issued - Due from Water & Sewer Utility Capital Fund							1,747,050.00		
							<u>\$ 2,746,450.00</u>	<u>\$ 999,400.00</u>	

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2020

Purpose	Date of Issue	Amount of Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2019	Paid by Budget Appropriation	Balance Dec. 31, 2020
			Date	Amount				
General Obligation Bonds	8-31-11	\$ 4,140,000.00	9-1-21	\$ 475,000.00	2.75%	\$ 930,000.00	\$ 455,000.00	\$ 475,000.00
General Obligation Bonds, Series 2018	4-11-18	2,708,000.00	2-15-21	200,000.00	3.00%			
			2-15-22	205,000.00	3.00%			
			2-15-23	215,000.00	3.00%			
			2-15-24	220,000.00	3.00%			
			2-15-25	225,000.00	3.125%			
			2-15-26	235,000.00	3.125%			
			2-15-27	240,000.00	3.125%			
			2-15-28	250,000.00	3.125%			
			2-15-29	260,000.00	3.125%			
			2-15-30	265,000.00	3.125%	2,515,000.00	200,000.00	2,315,000.00
Taxable General Obligation Bonds, Series 2018	4-11-18	4,590,000.00	2-15-21	130,000.00	4.00%			
			2-15-22-23	135,000.00	4.00%			
			2-15-24	140,000.00	4.00%			
			2-15-25	145,000.00	4.00%			
			2-15-26	150,000.00	4.125%			
			2-15-27	155,000.00	4.125%			
			2-15-28	160,000.00	4.125%			
			2-15-29	165,000.00	4.125%			
			2-15-30	170,000.00	4.125%			
			2-15-31	175,000.00	4.125%			
			2-15-32	180,000.00	4.125%			
			2-15-33	190,000.00	4.125%			
			2-15-34	195,000.00	4.125%			
			2-15-35	205,000.00	4.125%			
			2-15-36	210,000.00	4.125%			
			2-15-37	220,000.00	4.125%			
			2-15-38	225,000.00	4.25%			
			2-15-39	235,000.00	4.25%			
			2-15-40	245,000.00	4.25%			
			2-15-41-43	255,000.00	4.25%	4,460,000.00	130,000.00	4,330,000.00
						<u>\$ 7,905,000.00</u>	<u>\$ 785,000.00</u>	<u>\$ 7,120,000.00</u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2020

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2019</u>	<u>2020 Authorization</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2020</u>
<u>General Improvements:</u>					
Various Improvements	14-00	\$ 405.74			\$ 405.74
Various Improvements	06-11	383.00			383.00
Southport Redevelopment Project	03-12	2,750,000.00			2,750,000.00
Various Improvements	19-15	600.00			600.00
Various Improvements	17-16	805.00			805.00
Various Improvements	10-19	1,308,150.00		\$ 1,308,150.00	
Various Improvements	10-20		\$ 438,900.00	438,900.00	
		<u>\$ 4,060,343.74</u>	<u>\$ 438,900.00</u>	<u>\$ 1,747,050.00</u>	<u>\$ 2,752,193.74</u>

SUPPLEMENTAL EXHIBITS
WATER & SEWER UTILITY FUND

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY FUND
Statement of Water and Sewer Utility Cash
Per N.J.S. 40A:5-5 - Water Treasurer
For the Year Ended December 31, 2020

	Operating	Capital
Balance Dec. 31, 2019	\$ 1,611,321.50	\$ 1,161,173.36
Increased by Receipts:		
Transfer from Collector	\$ 4,486,025.27	
Miscellaneous Revenues	7,792.00	
Premium on Bond Anticipation Notes		\$ 28,994.91
Bond Anticipation Note Proceeds		3,226,317.00
Due Current Fund	315,039.53	200,000.00
Due General Capital Fund		2,771,132.35
Due Water and Sewer Utility Operating Fund		1,105.86
	4,808,856.80	6,227,550.12
	6,420,178.30	7,388,723.48
Decreased by Disbursements:		
2020 Budget Appropriations	4,107,967.78	
2019 Appropriation Reserves and Encumbrances	55,065.76	
Refund of Overpayments	3,055.00	
Reserve for Contract Settlements	4,183.37	
Due Current Fund	234,835.40	25,705.12
Due General Capital		999,400.00
Accrued Interest on Bonds, Loans and Notes	216,223.07	
Improvement Authorizations		1,795,011.84
	4,621,330.38	2,820,116.96
Balance Dec. 31, 2020	\$ 1,798,847.92	\$ 4,568,606.52

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Water and Sewer Utility Cash
Per N.J.S. 40A:5-5 - Water Collector
For the Year Ended December 31, 2020

Consumer Accounts Receivable	\$ 4,303,721.89	
Overpayments	25,080.27	
Miscellaneous Revenues	<u>157,223.11</u>	
		\$ 4,486,025.27
Disbursed to Treasurer		<u><u>\$ 4,486,025.27</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
 Analysis of Water and Sewer Utility Capital Cash
 For the Year Ended December 31, 2020

	Balance (Deficit) Dec. 31, 2019	Bond		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2020
		Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Capital Improvement Fund	\$ 57,469.60							\$ 57,469.60
Fund Balance	12,654.41		\$ 28,994.91					41,649.32
Due State of New Jersey - NJEIT	(56,247.13)					\$ 26,276.00		(29,971.13)
Due Current Fund	(10,301.46)		200,000.00		\$ 25,705.12			163,993.42
Due General Capital Fund	106,074.44		2,771,132.35		999,400.00			1,877,806.79
Due Water Utility Operating Fund	(22,933.79)		1,105.86			\$ 10,362.58		(32,190.51)
Encumbrances Payable	32,078.48					32,078.48	1,535,750.78	1,535,750.78
Reserve to Pay Debt	81,286.72							81,286.72
Improvement Authorizations:								
WATER:								
09-07 Replacement of Water Treatment Plant	106,730.98			\$ 209,315.28		14,677.70		(117,262.00)
03-09 Water Plant Supplement	64,785.90							64,785.90
24-10 Acquisition of Utility Vehicle	1,013.00							1,013.00
07-11 Improvements to the Broadway Water Tank	2,000.00							2,000.00
11-12a Replacement of Water Valves	14,252.40			12,750.00				1,502.40
11-12c Acquisition of Various Equipment	2,866.06							2,866.06
09-13a Water Mains	80,512.61	\$ 453,531.00		489,478.62		135,588.99		(91,024.00)
09-13b Automatic Water Meter Reading System	105,485.52			89,411.24		3,588.76		12,485.52
11-13b Well No. 42 Upgrades	79,720.80							79,720.80
15-14b Upgrades to Wells 42 and 43	74,265.92			66,908.16		5,191.84		2,165.92
20-15c Acquisition of SCADA System	50,000.00							50,000.00
11-16b Water Main Improvements to Freedom Pier	130,434.70			25,460.89		139,161.94		(34,188.13)
18-16b Acquisition of Equipment and Various Improvements	52,000.00							52,000.00
24-16 Removal and Replacement of Water Mains	(1,150.67)			(4,929.40)		5,182.30	252.90	(1,150.67)
SEWER:								
11-12b Improvements to Gravity Sewers	1,115.12							1,115.12
08-13a Main Systems - Cumberland, Monmouth and Hudson	76,123.47					335,649.47		(259,526.00)
08-13b Sewer System - Water Street	39,846.23					234,291.53		(194,445.30)
11-13d SCADA Sewer System Upgrades	21,000.00							21,000.00
13-13 King Street Pumping Station	135,770.47							135,770.47
15-14a Improvements to Wet Wells and Gravity Sewers	44,000.00							44,000.00
20-15b Pump Station Improvements	14,022.50							14,022.50
11-16a Sanitary Sewer Main Improvements to Freedom Pier	(36,615.08)	143,146.00				5,000.00		101,530.92
18-16a Various Improvements to Goldy Street Pump Station	19,840.00							19,840.00
23-16 Various Improvements to Sanitary Sewer System	(17,442.43)	1,269,640.00		703,553.47		19,641.12	252.89	529,255.87
09-19a Replacement of Various Sewer Mains	(77,900.00)	550,000.00		203,063.58		26,047.15	31,572.69	274,561.96
EQUIPMENT:								
11-13c Back Hoe and Various Equipment	34,129.00							34,129.00
15-14d Pole Barn	40,000.00							40,000.00
15-14e Various Vehicles	61,792.19							61,792.19
09-19b Various Equipment	(127,506.60)	330,000.00				202,493.40		
09-19c Pickup Truck and Various Equipment	(30,000.00)	30,000.00						
09-20 Acq. Of Heavy Equipment incl Jet Vac		450,000.00				425,150.00		24,850.00
	\$ 1,161,173.36	\$ 3,226,317.00	\$ 3,001,233.12	\$ 1,795,011.84	\$ 1,025,105.12	\$ 1,594,105.26	\$ 1,594,105.26	\$ 4,568,606.52

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 194,242.87
Increased by:		
Utility Rents Levied		<u>4,601,197.89</u>
		4,795,440.76
Decreased by:		
Rent Collections	\$ 4,303,721.89	
Overpayments Applied	<u>22,836.88</u>	
	\$ 4,326,558.77	
Transfer to Tax Title Liens	<u>28,461.30</u>	
		<u>4,355,020.07</u>
Balance Dec. 31, 2020		<u><u>\$ 440,420.69</u></u>

WATER & SEWER UTILITY CAPITAL FUND
Statement of Due Water and Sewer Utility Operating Fund
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 22,933.79
Increased by:		
Water & Sewer Budget Appropriation		<u>10,362.58</u>
		33,296.37
Decreased by:		
Interest Earned on Investments		<u>1,105.86</u>
Balance Dec. 31, 2020		<u><u>\$ 32,190.51</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
 Statement of Due Current Fund
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019 (due from)		\$ 72,215.10
Increased by:		
Disbursements	\$ 234,835.40	
Tower Lease - Due From Current	<u>47,629.75</u>	
		<u>282,465.15</u>
		354,680.25
Decreased by:		
Receipts	315,039.53	
Current Fund Charges:		
Water and Sewer Utility Appropriations	<u>65,000.00</u>	
		<u>380,039.53</u>
Balance Dec. 31, 2020 (due to)		<u><u>\$ 25,359.28</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Water and Sewer Rent Overpayments
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 25,891.88
Increased by:		
Collections		<u>25,080.27</u>
		50,972.15
Decreased by:		
Disbursements	\$ 3,055.00	
Applied to 2020 Rents	<u>22,836.88</u>	
		<u>25,891.88</u>
Balance Dec. 31, 2020		<u><u>\$ 25,080.27</u></u>

WATER & SEWER UTILITY OPERATING FUND
Statement of Reserve for Contract Settlements
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 52,491.47
Decreased by:		
Cancelled to Operations	\$ 48,308.10	
Disbursements	<u>4,183.37</u>	
		<u><u>\$ 52,491.47</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of 2019 Appropriation Reserves and Encumbrances
For the Year Ended December 31, 2020

	<u>Balance Dec. 31, 2019</u>			<u>Balance Lapsed</u>
	<u>Reserves</u>	<u>Encumbrances</u>	<u>Expended</u>	
Operating:				
Salaries and Wages	\$ 114,851.02			\$ 114,851.02
Other Expenses	199,135.21	\$ 74,754.99	\$ 51,553.89	222,336.31
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I)	16,775.38		3,511.87	13,263.51
	<u>\$ 330,761.61</u>	<u>\$ 74,754.99</u>	<u>\$ 55,065.76</u>	<u>\$ 350,450.84</u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds, Loans and Notes and Analysis of Balance
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 88,755.04
Increased by:		
Budget Appropriation for:		
Interest on Bonds	\$ 42,197.79	
Interest on Bond Anticipation Notes	4,973.91	
Interest on Loans	<u>163,372.10</u>	
		<u>210,543.80</u>
		299,298.84
Decreased by:		
Interest Paid		<u>216,223.07</u>
Balance Dec. 31, 2020		<u><u>\$ 83,075.77</u></u>

Analysis of Accrued Interest Dec. 31, 2020

Principal Outstanding Dec. 31, 2020		Interest Rate	From	To	Period		Amount
NJ Environmental Infrastructure Trust Loan:							
\$ 35,110.61	2001 Project	4.828%	8/1/2020	12/31/2020	152 days	\$	885.99
38,091.60	2002 Project	4.938%	8/1/2020	12/31/2020	152 days		795.65
2,296,000.00	2008 Project	5.198%	8/1/2020	12/31/2020	152 days		46,431.78
230,000.00	2014 Project	3.696%	8/1/2020	12/31/2020	152 days		3,451.67
245,000.00	2014 Project	3.676%	8/1/2020	12/31/2020	152 days		3,712.92
90,000.00	2016 Project	3.506%	8/1/2020	12/31/2020	152 days		1,269.31
130,000.00	2016 Project	3.375%	8/1/2020	12/31/2020	152 days		1,712.64
45,000.00	2017 Project	4.273%	8/1/2020	12/31/2020	152 days		781.11
35,000.00	2017 Project	4.681%	8/1/2020	12/31/2020	152 days		678.20
210,000.00	2019 Project	3.587%	8/1/2020	12/31/2020	152 days		3,150.83
130,000.00	2019 Project	3.435%	8/1/2020	12/31/2020	152 days		<u>1,852.50</u>
Total NJ Environmental Infrastructure Trust Loan							<u>64,722.60</u>
Bonds							
350,000.00		2.750%	09/01/20	12/31/20	121 days		3,235.07
135,000.00		3.000%	08/16/20	12/31/20	137 days		1,541.25
425,000.00		3.125%	08/16/20	12/31/20	137 days		5,054.25
160,000.00		3.250%	08/16/20	12/31/20	137 days		1,978.89
60,000.00		3.375%	08/16/20	12/31/20	137 days		770.63
60,000.00		3.500%	08/16/20	12/31/20	137 days		<u>799.17</u>
Total Bond Accrued Interest							<u>13,379.26</u>
Bond Anticipation Note							
3,226,317.00		1.50%	11/24/2020	12/31/2020	37 days		<u>4,973.91</u>
Total Accrued Interest							<u><u>\$ 83,075.77</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Accounts Receivable - Due from State of New Jersey
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 56,247.13
Decreased by:		
Canceled - Due Operating	\$ 10,362.58	
Loan Deobligated	<u>15,913.42</u>	
		<u>26,276.00</u>
Balance Dec. 31, 2020		<u><u>\$ 29,971.13</u></u>

WATER & SEWER UTILITY CAPITAL FUND
Statement of Due Current Fund
For the Year Ended December 31, 2020

Balance Dec. 31, 2019 (Due from)		\$ 10,301.46
Increased by:		
Disbursed to the Current Fund		<u>25,705.12</u>
		36,006.58
Decreased by:		
Receipts		<u>200,000.00</u>
Balance Dec. 31, 2020 (Due to)		<u><u>\$ 163,993.42</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2020

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
WATER:			
Distribution System Land	\$ 10,400.00		\$ 10,400.00
Springs and Wells	650,947.84		650,947.84
Collecting Reservoir	26,125.40		26,125.40
Settling Basins	3,425.00		3,425.00
Filters	161,484.13		161,484.13
Chemical Treatment Plant	2,051,657.24		2,051,657.24
Aerating Plant	41,772.47		41,772.47
Pumping Station Structures	158,880.03		158,880.03
Electric Power Pumping Equipment	140,738.19		140,738.19
Miscellaneous Pumping Equipment	41,170.80		41,170.80
Storage, Reservoirs, Tanks, and Standpipes	136,659.47		136,659.47
Distribution Mains and Accessories	4,708,536.94		4,708,536.94
Service Pipes & Stops	23,847.45		23,847.45
Meters	1,316,191.06		1,316,191.06
Fire Hydrants	26,772.28		26,772.28
General Equipment	56,910.70		56,910.70
Engineering and Superintendent	100,320.78		100,320.78
Expenditures During Construction	5,985.41		5,985.41
Interest During Construction	22,436.20		22,436.20
Miscellaneous Construction	11,682.21		11,682.21
Emergency Generator	28,820.05		28,820.05
Backwash System	184,000.00		184,000.00
Water Works Building	120,000.00		120,000.00
Rehab of Wells	292,000.00		292,000.00
Design Costs for Water Treatment Plant	460,000.00		460,000.00
Acquisition of Utility Vehicles	302,526.11		302,526.11
Southport Redevelopment Project	270,175.19		270,175.19
SEWER:			
Sewer Plant and Equipment	2,376,738.16		2,376,738.16
Distribution Mains and Accessories	2,780,139.39		2,780,139.39
Sewer System Improvements	1,007,373.61		1,007,373.61
Pumping Station Structures	1,886,536.04		1,886,536.04
EQUIPMENT:			
Various Equipment	157,506.60	\$ 34,893.40	192,400.00
	<u>\$ 19,561,758.75</u>	<u>\$ 34,893.40</u>	<u>\$ 19,596,652.15</u>

The Fixed Capital reported is as Taken from the Municipal Records and Does not Necessarily Reflect the True Condition of Such Fixed Capital.

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2020

<u>Improvement Description</u>	<u>Ordinance</u>			<u>Balance</u>	<u>2020</u>	<u>Balance</u>
	<u>Number</u>	<u>Date</u>	<u>Amount</u>	<u>Dec. 31, 2019</u>	<u>Authorizations</u>	<u>Dec. 31, 2020</u>
WATER:						
Replacement of Water Treatment Plant	09-07	05-24-07	\$ 9,445,000.00	\$ 9,445,000.00		\$ 9,445,000.00
Water Plant Supplement	03-09	02-19-09	1,500,000.00	1,500,000.00		1,500,000.00
Acquisition of Utility Vehicle	24-10	10-21-10	78,000.00	78,000.00		78,000.00
Improvements to Broadway Water Tank	07-11	06-06-11	625,000.00	401,481.00		401,481.00
Replacement of Water Valves	11-12a	06-28-12	37,000.00	37,000.00		37,000.00
Acquisition of Various Equipment	11-12c	06-28-12	80,800.00	80,800.00		80,800.00
Water Mains	09-13a	05-23-13	1,155,774.00	1,155,774.00		1,155,774.00
Automatic Water Meter Reading System	09-13b	05-23-13	936,923.00	936,923.00		936,923.00
Well No. 42 Upgrades	11-13b	07-25-13	90,000.00	90,000.00		90,000.00
Upgrades to Wells 42 and 43	15-14b	07-24-14	95,500.00	95,500.00		95,500.00
Replacement of Water Mains	20-15a	06-24-15	88,000.00	88,000.00		88,000.00
Acquisition of SCADA System	20-15c	06-24-15	50,000.00	50,000.00		50,000.00
Water Main Improvements to Freedom Pier	11-16b	06-06-16	310,000.00	310,000.00		310,000.00
Acquisition of Equipment and Various Improvements	18-16b	07-21-16	52,000.00	52,000.00		52,000.00
Removal and Replacement of Water Mains	24-16	10-20-16	1,100,000.00	1,100,000.00		1,100,000.00
Various Utility Improvements on 5th Street	27-16c	12-05-16	223,519.00	223,519.00		223,519.00
SEWER						
Improvements to Chestnut Street Pumping Station	07-11	06-06-11	280,000.00	116,182.93		116,182.93
Improvements to Gravity Sewers Main Systems - Cumberland, Monmouth & Hudson	11-12b	06-28-12	65,000.00	65,000.00		65,000.00
Sewer System - Water Street	08-13a	05-23-13	1,568,921.00	1,468,921.00		1,468,921.00
Pump Station Improvements	08-13b	05-23-13	588,596.00	688,596.00		688,596.00
SCADA Sewer System Upgrades	11-13a	07-25-13	42,000.00	42,000.00		42,000.00
King Street Pumping Station	11-13d	07-25-13	21,000.00	21,000.00		21,000.00
Improvements to Wet Wells and Gravity Sewers	13-13	07-25-13	163,817.07	163,817.07		163,817.07
Emergency Generators for Pump Stations	15-14a	07-24-14	44,000.00	44,000.00		44,000.00
Sanitary Sewer Main Improvements to Freedom Pier	20-15b	06-24-15	75,000.00	75,000.00		75,000.00
Various Improvements to Goldy Street Pump Station	11-16a	06-06-16	210,000.00	210,000.00		210,000.00
Various Improvements to Sanitary Sewer System	18-16a	07-21-16	19,840.00	19,840.00		19,840.00
Replacement of Various Sewer Mains	23-16	10-20-16	2,150,000.00	2,150,000.00		2,150,000.00
	09-19a	06-27-19	550,000.00	550,000.00		550,000.00
EQUIPMENT:						
Improvements to Gravity Sewers	11-13c	07-25-13	85,000.00	85,000.00		85,000.00
Calcium Hypo Chlorine System and Various Equipment	15-14c	07-24-14	56,000.00	56,000.00		56,000.00
Pole Barn	15-14d	07-24-14	40,000.00	40,000.00		40,000.00
Various Vehicles	15-14e	07-24-14	180,000.00	180,000.00		180,000.00
Various Equipment	09-19b	06-27-19	330,000.00	202,493.40		202,493.40
Acq. Of Heavy Equipment, Incl Jet Vactor	09-20	07-23-20	450,000.00		\$ 450,000.00	450,000.00
				\$ 21,821,847.40	\$ 450,000.00	\$ 22,271,847.40

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
 Statement of Reserve for Encumbrances
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 32,078.48
Increased by:	
Charged to Improvement Authorizations	1,535,750.78
	1,567,829.26
Decreased by:	
Canceled to Improvement Authorization	32,078.48
Balance Dec. 31, 2020	\$ 1,535,750.78

WATER & SEWER UTILITY CAPITAL FUND
 Statement of Due General Capital Fund
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 106,074.44
Increased by:	
Receipts	2,771,132.35
	2,877,206.79
Decreased by:	
Disbursements	999,400.00
Balance Dec. 31, 2020	\$ 1,877,806.79

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 25,112,722.88
Increased by:		
Paid by Budget Appropriation:		
NJ Environmental Infrastructure Trust	\$ 800,472.20	
Serial Bonds	380,000.00	
Assets Acquired	<u>34,893.40</u>	
		<u>1,215,365.60</u>
Balance Dec. 31, 2020		<u><u>\$ 26,328,088.48</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
 Schedule of Deferred Reserve for Amortization
 As of December 31, 2020

	<u>Ordinance Number</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2020</u>
WATER:			
Various Improvements	21-05	08-04-05	\$ 305,000.00
Preliminary Design Costs for Water Treatment Plant	02-07	02-22-07	99,617.00
Replacement of Water Treatment Plant	09-07	05-24-07	23,000.00
Water Plant Supplement	03-09	02-19-09	1,500,000.00
Acquisition of Utility Vehicle	24-10	10-21-10	3,900.00
Improvements to the Broadway Water Tank	07-11	06-16-11	20,074.00
Replacement of Water Valves	11-12	06-28-12	1,850.00
Acquisition of Various Equipment	11-12	06-28-12	4,040.00
Well No. 42 Upgrades	11-13b	07-25-13	4,500.00
Upgrades to Wells 42 and 43	15-14b	07-24-14	4,775.00
Replacement of Water Mains	20-15a	06-25-15	4,400.00
Acquisition of SCADA System	20-15c	06-25-15	2,500.00
Acquisition of Equipment and Various Improvements	18-16b	07-21-16	2,600.00
Various Utility Improvements on 5th Street	27-16c	12-05-16	11,176.00
SEWER:			
Various Improvements	25-06	11-20-06	383.00
Improvements to Chestnut Street Pumping Station	07-11	06-16-11	14,000.00
Improvements to Gravity Sewers	11-12	06-28-12	3,250.00
Pump Station Improvements	11-13a	07-25-13	2,100.00
SCADA Sewer System Upgrades	11-13d	07-25-13	1,050.00
Improvements to Wet Wells and Gravity Sewers	15-14a	07-24-14	2,200.00
Pump Station Improvements	20-15b	06-25-15	3,750.00
Various Improvements to Goldy Street Pump Station	18-16b	07-21-16	992.00
EQUIPMENT:			
Back Hoe and Various Equipment	11-13c	07-25-13	4,250.00
Calcium Hypo Chlorine System and Various Equipment	15-14c	07-24-14	2,800.00
Pole Barn	15-14d	07-24-14	2,000.00
Various Vehicles	15-14e	07-24-14	9,000.00
			\$ 2,033,207.00

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2020

Improvement Description	Ordinance			Balance Dec. 31, 2019		2020 Authorizations	Paid or Charged	Balance Dec. 31, 2020	
	Number	Date	Amount	Funded	Unfunded			Funded	Unfunded
General Improvements:									
WATER:									
Replacement of Water Treatment Plant	09-07	05-24-07	\$ 9,445,000.00	\$ 106,730.98	\$ 117,262.00		\$ 223,992.98		
Water Plant Supplement	03-09	02-19-09	1,500,000.00	64,785.90				\$ 64,785.90	
Acquisition of Utility Vehicle	24-10	10-21-10	78,000.00	1,013.00				1,013.00	
Improvements to Broadway Water Tank	07-11b	06-16-11	401,481.00	2,000.00				2,000.00	
Replacement of Water Valves	11-12a	06-28-12	37,000.00	14,252.40			12,750.00	1,502.40	
Acquisition of Various Equipment	11-12c	06-28-12	80,800.00	2,866.06				2,866.06	
Water Mains	09-13a	05-23-13	1,155,774.00	166,536.61	453,531.00		620,067.61		
Automatic Water Meter Reading System	09-13b	05-23-13	936,923.00	120,704.52	56,440.00		93,000.00	27,704.52	\$ 56,440.00
Well No. 42 Upgrades	11-13b	07-25-13	90,000.00	79,720.80				79,720.80	
Upgrades to Wells 42 and 43	15-14b	07-24-14	95,000.00	74,265.92			72,100.00	2,165.92	
Acquisition of SCADA System	20-15c	06-25-15	50,000.00	50,000.00				50,000.00	
Water Main Improvements to Freedom Pier	11-16b	06-06-16	310,000.00	162,976.73	8,342.00		163,709.41		7,609.32
Acquisition of Equipment and Various Improvements	18-16b	07-21-16	52,000.00	52,000.00				52,000.00	
Removal and Replacement of Water Mains	24-16	10-20-16	1,100,000.00		564,830.33				564,830.33
SEWER:									
Improvements to Gravity Sewers	11-12b	06-28-12	65,000.00	1,115.12				1,115.12	
Main Systems - Cumberland, Monmouth and Hudson	08-13a	05-23-13	1,468,921.00	103,775.47	231,874.00		335,649.47		
Sewer System - Water Street	08-13b	05-23-13	688,596.00	152,231.07	90,970.00		229,291.53		13,909.54
SCADA Sewer System Upgrades	11-13d	07-25-13	21,000.00	21,000.00				21,000.00	
King Street Pumping Station	07-11;13-13	07-25-13	163,817.07	135,770.47				135,770.47	
Improvements to Wet Wells and Gravity Sewers	15-14a	07-24-14	44,000.00	44,000.00				44,000.00	
Pump Station Improvements	20-15b	06-25-15	75,000.00	14,022.50				14,022.50	
Sanitary Sewer Main Improvements to Freedom Pier	11-16a	06-06-16	210,000.00	3,634.31	110,000.00			3,634.31	110,000.00
Various Improvements to Goldy Street Pump Station	18-16a	07-21-16	19,840.00	19,840.00				19,840.00	
Various Improvements to Sanitary Sewer System	23-16	10-20-16	2,150,000.00		1,257,287.57		722,941.70		534,345.87
Replacement of Various Sewer Mains	09-19a	06-27-19	550,000.00		472,100.00		197,538.04		274,561.96
EQUIPMENT:									
Back Hoe and Various Equipment	13-11c	07-25-13	85,000.00	34,129.00				34,129.00	
Pole Barn	14-15d	07-24-14	40,000.00	40,000.00				40,000.00	
Various Vehicles	14-15e	07-24-14	180,000.00	61,792.19				61,792.19	
Various Equipment	09-19b	06-27-19	330,000.00		202,493.40		202,493.40		
Acq. Of Heavy Equipment incl Jet Vac	09-20	07-23-20	450,000.00			\$ 450,000.00	425,150.00		24,850.00
				<u>\$ 1,529,163.05</u>	<u>\$ 3,565,130.30</u>	<u>\$ 450,000.00</u>	<u>\$ 3,298,684.14</u>	<u>\$ 659,062.19</u>	<u>\$ 1,586,547.02</u>
Disbursed							\$ 1,795,011.84		
Prior Year Encumbrances Canceled							(32,078.48)		
Reserve for Encumbrances							<u>1,535,750.78</u>		
							<u>\$ 3,298,684.14</u>		

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
 Statement of NJ Environmental Infrastructure Trust Loans
 For the Year Ended December 31, 2020

	<u>Year Issued</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2020</u>
			<u>Year</u>	<u>Amount</u>				
NJEIT Trust Loan	2001	\$ 645,000.00	2021	\$ 35,110.61	4.630%	\$ 70,394.66	\$ 35,284.05	\$ 35,110.61
NJEIT Fund Loan	2001	678,128.00	2021	33,958.38		69,456.41	35,498.03	33,958.38
NJEIT Trust Loan	2002	275,000.00	2021	19,041.94	4.880%			
			2022	19,049.66	4.750%	57,130.41	19,038.81	38,091.60
NJEIT Fund Loan	2002	274,572.00	2021	14,006.57				
			2022	13,368.63		42,019.88	14,644.68	27,375.20
NJEIT Trust Loan	2008	4,765,000.00	2021	240,000.00	5.500%			
			2022	253,000.00	5.500%			
			2023	265,000.00	5.500%			
			2024	277,000.00	5.000%			
			2025	295,000.00	5.000%			
			2026	309,000.00	5.000%			
			2027	320,000.00	5.000%			
			2028	337,000.00	5.000%	2,524,000.00	228,000.00	2,296,000.00
NJEIT Fund Loan	2008	4,562,738.00	2021	239,424.38				
			2022	239,680.40				
			2023	239,439.44				
			2024	238,701.50				
			2025	241,412.31				
			2026	240,508.71				
			2027	239,153.30				
			2028	240,358.31		2,157,349.73	238,671.38	1,918,678.35

(Continued)

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of NJ Environmental Infrastructure Trust Loans
For the Year Ended December 31, 2020

	<u>Year Issued</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding</u> <u>December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2020</u>
			<u>Year</u>	<u>Amount</u>				
NJEIT Fund Loan	2014	\$ 901,614.00	2021-2031 2032	\$ 45,844.77 29,424.73		\$ 579,561.97	\$ 45,844.77	\$ 533,717.20
NJEIT Trust Loan	2014	295,000.00	2021-2026 2027-2032 2033	15,000.00 20,000.00 20,000.00	3.000% 3.125% 3.250%	245,000.00	15,000.00	230,000.00
NJEIT Fund Loan	2014	1,005,218.00	2021-2031 2032	17,037.60 1,351.40		205,802.60	17,037.60	188,765.00
NJEIT Trust Loan	2014	330,000.00	2021-2024 2025-2031 2032 2033	15,000.00 20,000.00 25,000.00 25,000.00	5.000% 3.000% 3.125% 3.250%	265,000.00	15,000.00	250,000.00
NJEIT Fund Loan	2016	338,377.00	2021-2030 2031	17,205.60 4.20		189,265.80	17,205.60	172,060.20
NJEIT Trust Loan	2016	110,000.00	2021-2023 2024-2027 2028-2031 2032 2033-2035	5,000.00 5,000.00 5,000.00 5,000.00 10,000.00	5.000% 4.000% 2.000% 2.125% 3.000%	95,000.00	5,000.00	90,000.00
NJEIT Fund Loan	2016	452,626.00	2021-2030 2031	23,014.87 23,015.09		266,863.14	23,014.87	243,848.27

(Continued)

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of NJ Environmental Infrastructure Trust Loans
For the Year Ended December 31, 2020

	<u>Year Issued</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding December 31, 2020</u>			<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2020</u>
			<u>Year</u>	<u>Amount</u>					
NJEIT Trust Loan	2016	\$ 145,000.00	2021-2023	\$ 5,000.00	5.000%				
			2024	5,000.00	4.000%				
			2025-2027	10,000.00	4.000%				
			2028-2030	10,000.00	2.000%				
			2031	5,000.00	2.125%				
			2032-2035	10,000.00	3.000%	\$ 130,000.00	\$ 5,000.00	\$ 125,000.00	
NJEIT Fund Loan - Sewer Series 2017A-2 CW	2017	136,874.00	2021-23	14,159.37					
			2024	4,283.57		60,921.05	14,159.37	46,761.68	
NJEIT Trust Loan - Sewer Series 2017A-2 CW	2017	45,000.00	2021-2026	5,000.00	5.000%				
			2027	5,000.00	2.125%	40,000.00	5,000.00	35,000.00	
NJEIT Fund Loan - Water Series 2017A-2 DW	2017	164,784.00	2021-27	14,124.33					
			2028	333.81		113,328.45	14,124.33	99,204.12	
NJEIT Trust Loan - Water Series 2017A-2 DW	2017	55,000.00	2021-2026	5,000.00	5.000%				
			2027	5,000.00	2.125%				
			2028	5,000.00	2.375%				
			2029	5,000.00	2.500%	50,000.00	5,000.00	45,000.00	
NJIB Fund Loan - Sewer Series 2019A-1 CW	2019	660,270.00	2021-2037	33,573.04					
			2038	33,573.25		637,887.97	33,573.04	604,314.93	
NJIB Trust Loan - Sewer Series 2019A-1 CW	2019	215,000.00	2021-2028	10,000.00	5.000%				
			2029-2030	10,000.00	2.000%				
			2031	10,000.00	2.125%				
			2032	10,000.00	2.250%				
			2033	15,000.00	2.500%				
			2034-2038	15,000.00	3.000%	215,000.00	5,000.00	210,000.00	

(Continued)

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
 Statement of NJ Environmental Infrastructure Trust Loans
 For the Year Ended December 31, 2020

	<u>Year Issued</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2020</u>
			<u>Year</u>	<u>Amount</u>				
NJIB Fund Loan - Water Series 2019A-1 DW	2019	\$ 399,019.00	2021-2037 2038	\$ 20,289.09 20,289.32		\$ 385,492.94	\$ 20,289.09	\$ 365,203.85
NJIB Trust Loan - Water Series 2019A-1 DW	2019	135,000.00	2021-2028 2029-2030 2031 2032 2033 2034-2038	5,000.00 5,000.00 10,000.00 10,000.00 10,000.00 10,000.00	5.000% 2.000% 2.125% 2.250% 2.500% 3.000%	135,000.00	5,000.00	130,000.00
						<u>\$ 8,534,475.01</u>	<u>\$ 816,385.62</u>	<u>\$ 7,718,089.39</u>
Budget Appropriation							\$ 800,472.20	
Loans Deobligated							<u>15,913.42</u>	
							<u>\$ 816,385.62</u>	

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Water & Sewer Capital Serial Bonds Payable
For the Year Ended December 31, 2020

	<u>Date Issued</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2020</u>
			<u>Year</u>	<u>Amount</u>				
Water and Sewer Obligation Bond Non Callable	08-31-11	\$ 2,935,000.00	09-01-21	\$ 350,000.00	2.75%	\$ 700,000.00	\$ 350,000.00	\$ 350,000.00
Water and Sewer Obligation Bond	04-11-18	904,000.00	02-15-21	30,000.00	3.000%			
			02-15-22	35,000.00	3.000%			
			02-15-23	35,000.00	3.000%			
			02-15-24	35,000.00	3.000%			
			02-15-25	35,000.00	3.125%			
			02-15-26	35,000.00	3.125%			
			02-15-27	40,000.00	3.125%			
			02-15-28	40,000.00	3.125%			
			02-15-29	40,000.00	3.125%			
			02-15-30	45,000.00	3.125%			
			02-15-31	45,000.00	3.125%			
			02-15-32	45,000.00	3.125%			
			02-15-33	50,000.00	3.125%			
			02-15-34	50,000.00	3.125%			
			02-15-35	50,000.00	3.250%			
			02-15-36	55,000.00	3.250%			
			02-15-37	55,000.00	3.250%			
			02-15-38	60,000.00	3.375%			
			02-15-39	60,000.00	3.500%			
						870,000.00	30,000.00	840,000.00
						<u>\$ 1,570,000.00</u>	<u>\$ 380,000.00</u>	<u>\$ 1,190,000.00</u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2020

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Issued</u>	<u>Balance Dec. 31, 2020</u>
Various Improvements to Water Mains	09-13a	11/24/20	11/24/20	11/23/21	1.50%	\$ 453,531.00	\$ 453,531.00
Sanitary Sewer Main Improvements to Freedom Pier	11-16a	11/24/20	11/24/20	11/23/21	1.50%	143,146.00	143,146.00
Various Improvements to the Sanitary Sewer Utility System	23-16	11/24/20	11/24/20	11/23/21	1.50%	1,269,640.00	1,269,640.00
Replacement of Various Sewer Mains	09-19a	11/24/20	11/24/20	11/23/21	1.50%	550,000.00	550,000.00
Acquisition of Various Equipment	09-19b	11/24/20	11/24/20	11/23/21	1.50%	330,000.00	330,000.00
Acquisition of Pickup Truck and Various Equipment	09-19c	11/24/20	11/24/20	11/23/21	1.50%	30,000.00	30,000.00
Acquisition of Heavy Equipment including Jet Vac	09-20	11/24/20	11/24/20	11/23/21	1.50%	450,000.00	450,000.00
						<u>\$ 3,226,317.00</u>	<u>\$ 3,226,317.00</u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Bonds and Notes Authorized but Not Issued
For the Year Ended December 31, 2020

	Ordinance Number	Balance Dec. 31, 2019	2020 Authorizations	Bond Anticipation Notes Issued	Loans Deobligated	Balance Dec. 31, 2020
General Improvements:						
WATER:						
Replacement of Water Treatment Plant	07-09	\$ 117,262.00				\$ 117,262.00
Water Mains	09-13a	539,555.00		\$ 453,531.00	\$ 5,000.00	91,024.00
Automatic Water Meter Reading System	09-13b	71,659.00				71,659.00
Water Main Improvements to Freedom Pier	11-16b	40,884.03			913.42	41,797.45
Removal and Replacement of Water Mains	24-16	565,981.00				565,981.00
SEWER:						
Main Systems - Cumberland, Monmouth and Hudson	08-13a	259,526.00				259,526.00
Sewer System - Water Street	08-13b	203,354.84			5,000.00	208,354.84
Sanitary Sewer Main Improvements to Freedom Pier	11-16a	150,249.39		143,146.00	5,000.00	12,103.39
Various Improvements to Sanitary Sewer System	23-16	1,274,730.00		1,269,640.00		5,090.00
Replacement of Various Sewer Mains	09-19a	550,000.00		550,000.00		
EQUIPMENT:						
Various Equipment	09-19b	330,000.00		330,000.00		
Pickup Truck and Various Equipment	09-19c	30,000.00		30,000.00		
09-2020- Acq. Of Heavy Equipment incl Jet Vac	09-20		\$ 450,000.00	450,000.00		
		<u>\$ 4,133,201.26</u>	<u>\$ 450,000.00</u>	<u>\$ 3,226,317.00</u>	<u>\$ 15,913.42</u>	<u>\$ 1,372,797.68</u>

PART II

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2020

CITY OF GLOUCESTER CITY
Schedule of Findings and Recommendations
For the Year Ended December 31, 2020

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.

Finding No. 2020-001

Criteria or Specific Requirement

As a function of effective internal controls, interfunds should be liquidated within a reasonable period of time.

Condition

The City had several interfunds as of December 31, 2020.

Context

Significant interfund transactions occurred during the year that were not liquidated by December 31, 2020. These transaction resulted in interfunds totaling \$3,578,812.45 as of December 31, 2020.

Effect or Potential Effect

Current Fund operations were charged for \$519,383.74 as a result of various interfunds between the Current Fund and the Federal, State and Local Grant fund, Trust funds and the Capital and Utility funds.

Cause

During the year there were several transactions that occurred in the Trust, State and Federal Grant, Capital and Utility funds that were not liquidated at year end. This appears to be an oversight of the responsible official.

Recommendation

That all transactions and balances between funds of the City be liquidated by the end of the calendar year.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

CITY OF GLOUCESTER CITY
Schedule of Findings and Recommendations
For the Year Ended December 31, 2020

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2020-002

Criteria or Specific Requirement

Internal controls with respect to the expenditure of funds should be designed for effectiveness and efficiency. The Local Public Contracts Law requires that quotes be obtained for expenditures that exceed 15% of the entity's bid threshold.

Condition

There were several instances of noncompliance with the expenditure of funds and the Local Public Contracts Law.

Context

The following items were found with respect to the expenditure of funds:

1. Several vouchers did not have the proper authorization signature, claimant certification and / or supporting documentation
2. Three invoices did not foot properly and the City paid the invoice based off the incorrect total listed
3. Eighteen NJ Business Registration Certificates were not on file
4. In one instance, the City utilized Regional Contribution Agreement funds improperly in the acquisition of a property, however the funds were subsequently reimbursed to the account.

The following items were found with respect to the award of various bids and contracts:

1. The City failed to provide proof of an advertisement for the award of one professional service contract and two solicitations for bids.
2. In one instance, the City incorrectly awarded a national cooperative contract as a State contract. In addition, proper documentation was not obtained for use of the national cooperative contract.

Effect or Potential Effect

The City did not fully comply with their internal control procedures related to the expenditure of funds and did not fully comply with the Local Public Contracts Law.

Cause

During the calendar year there were several individuals that were responsible for compliance with the City's procedures related to the expenditure of funds and the Local Public Contracts Law.

Recommendation

That greater care be exercised in complying with the expenditure of funds and the Local Public Contracts Law.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

CITY OF GLOUCESTER CITY
Schedule of Findings and Recommendations
For the Year Ended December 31, 2020

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2020-003

Criteria or Specific Requirement

Strong internal control practices dictate that liabilities be reconciled in a timely manner to prevent misappropriations of cash.

Condition

The City's reconciliation for payroll deductions payable was not completed.

Context

During our audit of payroll deduction liabilities, we noted that the detailed analysis was not completed.

Effect or Potential Effect

There is an increased possibility of errors not being detected.

Cause

As a result of a change in personnel in the finance office, the reconciliations of payroll deductions payable was not performed.

Recommendation

The City should review their internal controls over payroll deductions and establish procedures to ensure that the liabilities are reconciled on a monthly basis.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

CITY OF GLOUCESTER CITY
Schedule of Findings and Recommendations
For the Year Ended December 31, 2020

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2020-004

Criteria or Specific Requirement

Strong internal control practices dictate that outside police billings to vendors should reconcile with the amounts paid to the officers per the City's payroll records. In addition, the City should ensure invoices are properly tracked and classified correctly.

Condition

Due to a lack of proper documentation and record keeping, vendor billings were unable to be reconciled with the payroll records and receivables at the end of the year were not accurately recorded.

Context

During our audit of the City's outside Police Off Duty billings, we noted the following issues:

- Numerous discrepancies between hours worked per invoices to vendors and hours worked per the officer's timesheets.
- Discrepancies in billings to exempt entities that resulted in being unable to determine which rate should be used.
- There were two rates that were utilized in billings but were not included in the approved rate ordinance.
- Two instances where we were unable to determine which company the officers had worked for
- One instance where an administrative fee was not waived when it should have been.
- Several instances when the City had not properly recorded an invoice as accounts receivable

There were ten billings for Police Off Duty that should have been classified as A/R in 2020.

Effect or Potential Effect

There is an increased possibility of the City not properly billing outside vendors for police services provided. The proper amount of revenue is not being recognized.

Cause

There was a breakdown in internal controls over the reconciliation between billings and the work that was performed.

Recommendation

The City should review their internal controls over Police Off Duty billings and payments through payroll to ensure the records are properly reconciled and receivables are properly recorded.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

CITY OF GLOUCESTER CITY
Schedule of Findings and Recommendations
For the Year Ended December 31, 2020

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2020-005

Criteria or Specific Requirement

Per N.J.S.A. 40A:4-58, "the governing body may, by resolution setting forth the facts, adopted by not less than 2/3 vote of the full membership thereof, transfer the amount of such excess to those appropriations deemed to be insufficient."

Condition

The City did not approve all budget transfers by resolution of the governing body.

Context

During our review of the City's minutes abstract, we noted one budget transfer that was not approved by the governing body.

Effect or Potential Effect

The City did not comply with N.J.S.A. 40A:4-58.

Cause

As a result of client oversight, the governing body was not aware of one of the budget transfers that was made.

Recommendation

The City should ensure compliance with N.J.S.A. 40A:4-58 and have all budget transfers approved by the governing body.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

CITY OF GLOUCESTER CITY
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

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

FINANCIAL STATEMENT FINDINGS

Finding No. 2019-001

Condition

The City had several interfunds as of December 31, 2019.

Current Status

The condition still exists. See Finding No. 2020-001.

Planned Corrective Action

The City will address this finding in the corrective action plan.

Finding No. 2019-002

Condition

Construction office receipts were not deposited within forty-eight hours and monthly revenues were not turned over timely to the Treasurer.

Current Status

The finding has been resolved.

Finding No. 2019-003

Condition

There were several instances of noncompliance with the expenditure of funds and the Local Public Contracts Law.

Current Status

The condition still exists. See Finding No. 2020-002.

Planned Corrective Action

The City will address this finding in the corrective action plan.

Finding No. 2019-004

Condition

The City's record of general fixed assets was not updated in a timely fashion.

Current Status

The finding has been resolved.

CITY OF GLOUCESTER CITY
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

FINANCIAL STATEMENT FINDINGS (CONT'D)

Finding No. 2019-005

Condition

The City's cash reconciliations for several accounts and for payroll deductions payable were not completed in a timely manner.

Current Status

The finding has been partially resolved. The City reconciled their cash accounts timely, but did not complete reconciliations for payroll deductions payable during the year under audit. See Finding 2020-003.

Planned Corrective Action

The City will address this finding in the corrective action plan.

CITY OF GLOUCESTER CITY
 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 Bond</u>
Daniel T. Spencer, Jr.	Mayor	
Nancy Baus	Councilperson	
Dayl Baile	Councilperson	
George Berglund	Councilperson	
John Hutchinson	Councilperson	
James Johnson	Councilperson	
Patrick Keating	Councilperson	
James V. Davis	Tax Collector	\$1,000,000.00 (B)
Lois Riding	Tax Search Officer	(A)
Frank J. Robertson	Chief Financial Officer, January 1, 2020 – July 31, 2020	1,000,000.00 (B)
PM Consultants	Chief Financial Officer, July 31, 2020 – December 31, 2020	***
Vanessa Parent	Registered Municipal Clerk and Registrar of Vital Statistics	(A)
Jack Lipsett	Administrator	(A)
William Golden	Municipal Judge	1,000,000.00 (A)
Donna Florich	Municipal Court Administrator	1,000,000.00 (A)
Leonard Wood	Solicitor	
John Dymond	Tax Assessor	(A)
Brian Morrell	Police Chief	(A)
Edward Gorman	Construction Code Official and Electrical Sub Code Official	(A)
Michael Hagan	Fire Chief	(A)

(A) Covered by a Public Employee Bond of \$1,000,000.00, with Camden County Joint Insurance Fund as participants in the Municipal Excess Liability Joint Insurance Fund.

(B) Covered by a Public Employee Statutory Position Bond with Camden County Joint Insurance Fund as participants in the Municipal Excess Liability Joint Insurance Fund.

*** PM Consultants carries E&O insurance.

19700

APPRECIATION

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

Respectfully submitted,

Handwritten signature in cursive script that reads "Bowman & Company LLP".

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Handwritten signature in cursive script that reads "Robert L. Moore".

Certified Public Accountant
Registered Municipal Accountant

