

**CITY OF SOMERS POINT**

**ATLANTIC COUNTY**

**NEW JERSEY**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2014**



# CITY OF SOMERS POINT

## TABLE OF CONTENTS

	<b>Exhibit</b>	<b>Page</b>
<b>PART 1</b>		
Independent Auditor's Report		1-4
<b>CURRENT FUND</b>		
Comparative Balance Sheet - Regulatory Basis	A	5-6
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	A-1	7-8
Statement of Revenues - Regulatory Basis	A-2	9-12
Statement of Expenditures - Regulatory Basis	A-3	13-19
<b>TRUST FUND</b>		
Comparative Balance Sheet - Regulatory Basis	B	20
<b>CAPITAL FUND</b>		
Comparative Balance Sheet - Regulatory Basis	C	21
Schedule of Fund Balance - Regulatory Basis	C-1	22
<b>SEWER UTILITY FUND</b>		
Comparative Balance Sheet - Regulatory Basis	D	23-24
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	D-1	25
Statement of Capital Fund Balance - Statutory Basis	D-2	26
Statement of Revenues - Regulatory Basis	D-3	27
Statement of Expenditures - Regulatory Basis	D-4	28
<b>GENERAL FIXED ASSET GROUP OF ACCOUNTS</b>		
Statement of General Fixed Assets - Regulatory Basis	G	29
<b>NOTES TO FINANCIAL STATEMENTS</b>		30-49
<b>SUPPLEMENTARY DATA</b>		
Independent Auditor's Report - Government Auditing Standards		50-51
Schedule of Federal Awards		52
Schedule of State Financial Assistance		53

# CITY OF SOMERS POINT

## TABLE OF CONTENTS

	<b>Exhibit</b>	<b>Page</b>
Notes to Schedule of Expenditures of Federal and State Awards		54
<b>CURRENT FUND</b>		
Schedule of Cash - Treasurer	A-4	55
Schedule of Current Cash - Collector	A-5	56
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-6	57
Schedule of Tax Title Liens	A-7	58
Schedule of Revenue Accounts Receivable	A-8	59
Schedule of Prior Year Appropriation Reserves	A-9	60-63
Schedule of Local District School Tax	A-10a	64
Schedule of Regional High School Tax	A-10b	65
Schedule of Federal and State Grants Receivable	A-11	66-67
Schedule of Reserve for State Grants - Appropriated	A-12	68
Schedule of Reserve for State Grants - Unappropriated	A-13	69
<b>TRUST FUNDS</b>		
Schedule of Cash - Treasurer	B-1	70
Schedule of Reserve for Dog Fund Expenditures	B-2	71
Schedule of Amount Due to Current Fund - Dog License Fund	B-3	72
Schedule of Amount Due to State of New Jersey	B-4	72
Schedule of Miscellaneous Reserves	B-5	73

# CITY OF SOMERS POINT

## TABLE OF CONTENTS

	Exhibit	Page
<b>CAPITAL FUNDS</b>		
Schedule of Cash - Treasurer	C-2	74
Analysis of Cash	C-3	75
Schedule of Capital Improvement Fund	C-4	76
Statement of Deferred Charges to Future Taxation - Funded	C-5	77
Unfunded	C-6	78
Schedule of Improvement Authorizations	C-7	79
Schedule of General Serial Bonds Payable	C-8	80
Schedule of Bond Anticipation Notes	C-9	81
Schedule of Bonds and Notes Authorized But Not Issued	C-10	82
<b>SEWER UTILITY FUND</b>		
Schedule of Cash - Treasurer	D-5	83
Analysis of Cash	D-6	84
Schedule of Consumer Accounts Receivable	D-7	85
Schedule of Fixed Capital	D-8	86
Schedule of Fixed Capital Authorized and Uncompleted	D-9	87
Schedule of Appropriation Reserves	D-10	88
Schedule of Accrued Interest on Bonds and Notes and Analysis of Balance	D-11	89
Schedule of Improvement Authorizations	D-12	90
Schedule of Bond Anticipation Notes Payable	D-13	91
Schedule of Sewer Serial Bonds Payable	D-14	92
Schedule of Sewer NJEIT Bonds Payable	D-15	93
Schedule of Reserve for Amortization	D-16	94
Schedule of Deferred Reserve for Amortization	D-17	95
Schedule of Bonds and Notes Authorized But Not Issued	D-18	96
<b>PART II</b>		
General Comments		97-101
Status of Prior Recommendations		102
Recommendations		102

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**CITY OF SOMERS POINT**

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2014**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538  
PHONE 609.399.6333 • FAX 609.399.3710  
www.ford-scott.com

## Independent Auditor's Report

The Honorable Mayor and  
Members of City Council  
City of Somers Point, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Somers Point, as of December 31, 2014 and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2014, 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 basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Somers Point as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

As described in Note 17 of the financial statements, the City participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$173,355.55 and \$165,212.99 for 2014 and 2013 respectively were not audited and, therefore, we express no opinion on the LOSAP program.

## ***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2014 and 2013, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

## ***Other Matters***

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Somers Point’s basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of federal awards and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates 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. The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements. Because of the significance of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2015 on our consideration of the City of Somers Point's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Somers Point's internal control over financial reporting and compliance.

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

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

*Kenneth Moore*

**Kenneth Moore  
Certified Public Accountant  
Registered Municipal Accountant  
No. 231**

**April 10, 2015**

**EXHIBIT A - CURRENT FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 5,016,527.22	3,063,364.59
Cash - Collector	777,878.28	218,544.07
Cash - Change and Petty Cash	450.00	450.00
Total Cash	<u>5,794,855.50</u>	<u>3,282,358.66</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	22,996.69	22,711.50
Total Other Receivables	<u>22,996.69</u>	<u>22,711.50</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	664,380.43	874,125.23
Tax Title and Other Liens	132,629.63	98,836.65
Special Assessments	-	728.37
Property Acquired for Taxes - at Assessed Valuation	19,412.00	19,412.00
Revenue Accounts Receivable	16,116.36	13,951.45
Interfund Receivable:		
General Capital Fund		83,933.52
Dog License Fund	17,704.32	5,838.84
Trust Fund	252,816.30	6.47
Other Receivables		
Total Receivables and Other Assets	<u>1,103,059.04</u>	<u>1,096,832.53</u>
Deferred Charges:		
Emergency Appropriation	16,250.00	-
Special Emergency Appropriation- Revaluation	180,000.00	240,000.00
	-	-
Total Deferred Charges	<u>196,250.00</u>	<u>240,000.00</u>
Total Regular Fund	<u>7,117,161.23</u>	<u>4,641,902.69</u>
Federal and State Grant Fund:		
Federal and State Grants Receivable	254,618.20	165,309.75
Due from Current Fund	39,878.78	78,992.57
Total Federal and State Grant Fund	<u>294,496.98</u>	<u>244,302.32</u>
Total Current Fund	<u>\$ 7,411,658.21</u>	<u>4,886,205.01</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 511,103.39	585,914.75
Reserve for Encumbrances	223,591.56	202,868.44
Accounts Payable	-	1,548.95
Prepaid Taxes	313,083.71	279,296.15
Overpaid Taxes	122,914.18	64,845.22
Local School Tax Payable	3.00	2.00
Regional School Tax Payable	10.43	10.43
Payroll Taxes Payable	43,844.51	1,279.98
County Added Tax Payable	10,260.36	51,460.95
Due to State:		
Marriage Licenses	475.00	475.00
CCO Fees	2,698.00	1,636.00
Interfund Payable:		
Federal and State Grant Fund	39,878.78	78,992.57
General Capital	964,614.38	
Sewer Operating	694,579.61	
Sewer Capital	475,000.00	
Other Trust Funds	5,995.84	120.00
Other		
Reserve for Revaluation	93,298.80	161,721.41
Reserve for Hurricane Sandy	806,866.91	19,824.03
Reserve for Tax Appeals	100,000.00	100,000.00
Emergency Notes Payable	180,000.00	240,000.00
	4,588,218.46	1,789,995.88
Reserve for Receivables and Other Assets	1,103,059.04	1,096,832.53
Fund Balance	1,425,883.73	1,755,074.28
Total Regular Fund	7,117,161.23	4,641,902.69
Federal and State Grant Fund:		
Unappropriated Reserves	13,737.22	17,458.76
Appropriated Reserves	240,927.78	203,613.71
Due to Trust Fund	5,789.43	-
Encumbrances Payable	34,042.55	23,229.85
	294,496.98	244,302.32
Total Federal and State Grant Fund	294,496.98	244,302.32
Total Current Fund	\$ 7,411,658.21	4,886,205.01

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

	2014	2013
Revenue and Other Income Realized		
Fund Balance	\$ 1,105,000.00	950,000.00
Miscellaneous Revenue Anticipated	3,000,337.08	2,838,300.44
Receipts from Delinquent Taxes	714,237.42	656,411.71
Receipts from Current Taxes	31,298,402.06	31,076,078.79
Non Budget Revenue	196,080.80	515,626.20
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	497,835.79	554,839.86
Interfund Returned	83,933.52	166,066.48
Canceled Grants	8,399.69	78,984.55
Canceled Reserves		57,712.91
Total Income	<u>36,904,226.36</u>	<u>36,894,020.94</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	5,420,040.00	5,206,000.00
Other Expenses	4,332,161.00	4,159,050.00
Deferred Charges & Statutory Expenditures	1,207,698.86	1,171,498.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	174,896.00	163,615.00
Other Expenses	566,348.27	186,943.91
Capital Improvements	242,250.00	207,000.00
Debt Service	1,542,481.19	1,446,556.22
Deferred Charges	214,825.00	312,350.00
Local District School Tax	9,124,565.00	8,921,957.00
Regional District School Tax	7,391,450.00	7,329,116.00
County Tax	5,599,348.43	6,017,161.74
County Share of Added Tax	10,260.36	51,460.95
Interfund Created	254,766.83	3.43
Refund of Prior Year's Revenue	63,575.97	99,946.21
Total Expenditures	<u>36,144,666.91</u>	<u>35,272,658.46</u>
Excess/(Deficit) in Revenue	<u>759,559.45</u>	<u>1,621,362.48</u>

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

	2014	2013
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year		
Emergency Appropriation	16,250.00	
Total Adjustments	16,250.00	-
Statutory Excess to Fund Balance	775,809.45	1,621,362.48
Fund Balance January 1	1,755,074.28	1,083,711.80
	2,530,883.73	2,705,074.28
Decreased by:		
Utilization as Anticipated Revenue	1,105,000.00	950,000.00
Fund Balance December 31	\$ 1,425,883.73	1,755,074.28

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated		Excess or
	Budget	N.J.S. 40A:4-87	(Deficit)
Fund Balance Anticipated	\$ 1,105,000.00		(155,000.00)
Total Fund Balance Anticipated	<u>1,105,000.00</u>	<u>-</u>	<u>(155,000.00)</u>
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Alcoholic Beverages	22,500.00		570.00
Fees and Permits	15,000.00		1,313.00
Fines and Costs:			
Municipal Court	260,000.00		(1,574.75)
Interest and Costs on Taxes	145,000.00		196,237.37
Interest Earned on Investments	25,000.00		25,639.38
Fees and Permits - Chapter 115 Inspections	140,000.00		127,250.00
Cable TV Franchise Fee	45,000.00		49,947.63
Hotel Fee	150,000.00		14,890.97
Total Section A: Local Revenues	<u>802,500.00</u>	<u>-</u>	<u>59,273.60</u>
Section B: State Aid Without Offsetting Appropriations			
Consolidated Municipal Property Tax Relief	97,410.00		-
Energy Receipts Tax	869,686.00		-
Total Section B: State Aid Without Offsetting Appropriations	<u>967,096.00</u>	<u>-</u>	<u>-</u>
Section C: Uniform Construction Code Fees			
Uniform Construction Code Fees	150,000.00		(18,968.00)
Total Section C: Uniform Construction Code Fees	<u>150,000.00</u>	<u>-</u>	<u>(18,968.00)</u>

**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Section F: Special Items - Public and Private Programs			
Off-Set with Appropriations			
Municipal Alliance on Alcoholism and Drug Abuse	7,178.00	15,038.00	-
Safe and Secure Communities Program	23,373.00		-
CDBG 2013	49,759.00		-
Local Arts Program	3,600.00		-
Clean Communities		23,395.83	-
Safe Roads	10,000.00		-
Click IT Ticket		4,000.00	-
Drive Sober Labor Day		5,000.00	-
Drive Sober YE 2013		4,400.00	-
Drive Sober YE 2014		7,500.00	-
Body Armor		3,030.54	-
New Jersey Department of Transportation Trust		190,000.00	-
Federal Body Armor Partnership	3,811.00		-
DWI		10,025.90	-
Recycling Tonnage	12,017.00		-
Distracted Driving Crackdown	5,000.00		-
PSPG - Master Plan	50,000.00		-
PSPG - Zoning Ordinance Revisions	50,000.00		-
PSPG - Historic District Design Standards	20,000.00		-
PSPG - Bay Avenue Infrastructure Design	50,000.00		-
PSPG - Capital Improvement Plan	30,000.00		-
PSPG - Route 9 West Design	50,000.00		-
PSPG - Route 9 Business District Design	50,000.00		-
PSPG - Shared Services Capital Imp Plan	30,000.00		-
		-	-
<b>Total Section F: Special Items - Public and Private Programs</b>	<b>444,738.00</b>	<b>262,390.27</b>	<b>707,128.27</b>
Off-Set with Appropriations			-

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Section G: Other Special Items			
Uniform Fire Safety Act	29,000.00		2,744.18
Reserve to Pay Bonds	26,739.00		-
General Capital Surplus	155,000.00		-
Shore Medical Center	100,000.00		-
Reserve for Windstorm	19,824.00		0.03
<b>Total Section G: Other Special Items</b>	<b>330,563.00</b>	<b>-</b>	<b>2,744.21</b>
<b>Total Miscellaneous Revenues:</b>	<b>2,694,897.00</b>	<b>262,390.27</b>	<b>43,049.81</b>
<b>Receipts from Delinquent Taxes</b>	<b>725,000.00</b>		<b>(10,762.58)</b>
<b>Amount to be Raised by Taxes for Support of Municipal Budget</b>			
Local Tax for Municipal Purposes	9,962,140.00		275,570.27
<b>Total Amount to be Raised by Taxes for Support of Municipal Budget</b>	<b>9,962,140.00</b>	<b>-</b>	<b>275,570.27</b>
<b>Budget Totals</b>	<b>14,487,037.00</b>	<b>262,390.27</b>	<b>152,857.50</b>
<b>Non- Budget Revenues:</b>			
Other Non- Budget Revenues:			
		196,080.80	196,080.80
	<b>14,487,037.00</b>	<b>262,390.27</b>	<b>348,938.30</b>

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

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections 31,298,402.06

Less: Reserve for Tax Appeals Pending -

Net Revenue from Collections 31,298,402.06

Allocated to:

School, County and Other Taxes 22,125,623.79

Balance for Support of Municipal Budget Appropriations 9,172,778.27

Increased by:

Appropriation "Reserved for Uncollected Taxes" 1,064,932.00

Amount for Support of Municipal Budget Appropriations 10,237,710.27

Receipts from Delinquent Taxes:

Delinquent Tax Collection 714,237.42

Tax Title Lien Collections -

Total Receipts from Delinquent Taxes 714,237.42

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Bingo and Raffle Licenses 1,880.00

Copies and Maps 2,088.97

Police Reports

Vital Statistics 74,045.06

Mercantile Licenses 21,745.00

Election Fee 150.00

Planning Board Fees 10,250.00

Zoning Board Fees 7,075.00

Street Openings 15,600.00

Tax Collector Miscellaneous 2,467.83

Yard Sale 10.00

Miscellaneous 51,458.57

Voided Checks 9,310.37

Total Miscellaneous Revenue Not Anticipated: 196,080.80

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations			Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications			Encumbered	Reserved	
\$							
<b>OPERATIONS WITHIN "CAPS"</b>							
<b>GENERAL GOVERNMENT:</b>							
Mayor and Council							
Salaries and Wages	69,000.00	69,000.00	68,500.00		500.00		-
Other Expenses	36,800.00	30,800.00	16,003.34	43.00	14,753.66		-
Veteran Events	1,250.00	1,250.00	300.00		950.00		-
Department of General Administration							
Salaries and Wages	139,000.00	139,000.00	127,250.61	11,000.00	749.39		-
Other Expenses	39,000.00	39,000.00	33,420.36	5,431.74	147.90		(0.00)
Department of City Clerk							
Salaries and Wages	175,500.00	181,500.00	178,812.52		2,687.48		0.00
Other Expenses	40,200.00	51,200.00	38,907.28	10,377.40	1,915.32		-
Data Processing							
Other Expenses	30,000.00	30,000.00	27,148.56		2,851.44		-
Department of Finance							
Salaries and Wages	52,000.00	52,000.00	42,281.44		9,718.56		-
Other Expenses	15,000.00	16,000.00	14,300.35	1,583.20	116.45		(0.00)
Annual Audit							
Other Expenses	35,000.00	35,000.00	33,750.00		1,250.00		-
Department of Tax Assessment							
Salaries and Wages	82,000.00	84,000.00	82,285.99		1,714.01		(0.00)
Other Expenses	20,000.00	20,000.00	13,850.21	4,291.59	1,858.20		-
Department of Tax Collections							
Salaries and Wages	82,000.00	82,000.00	75,590.42		6,409.58		-
Other Expenses	20,000.00	20,000.00	15,412.41	2,000.00	2,587.59		-
Legal Services and Costs							
Other Expenses	240,000.00	220,000.00	194,389.80	13,885.50	11,724.70		-
Municipal Prosecutor							
Other Expenses	18,000.00	20,000.00	19,649.96		350.04		0.00
Engineering Services and Costs							
Other Expenses	8,000.00	8,000.00			8,000.00		-
Public Buildings and Grounds							
Salaries and Wages	132,000.00	132,000.00	126,199.26		5,800.74		-
Other Expenses	73,000.00	78,000.00	76,337.45	699.84	962.71		0.00
Vehicle Maintenance							
Planning Board							
Vehicle Maintenance	102,000.00	102,000.00	69,972.88	27,321.65	4,705.47		-
Salaries and Wages	11,000.00	11,000.00	11,000.00				-
Other Expenses	15,000.00	15,000.00	9,253.34	1,181.25	4,565.41		-
Zoning Board							
Salaries and Wages	9,000.00	9,000.00	9,000.00				-
Other Expenses	10,000.00	10,000.00	4,197.80	1,000.00	4,802.20		-

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

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Budget After Modifications	Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications			Encumbered	Reserved	
<b>PUBLIC SAFETY</b>							
Department of Fire							
Salaries and Wages	41,600.00	41,600.00	40,600.00		1,000.00		-
Other Expenses	75,000.00	75,000.00	65,693.98		9,146.73	159.29	0.00
Department of the Police							
Salaries and Wages	2,855,000.00	2,855,000.00	2,798,281.73		28,000.00	28,718.27	-
Other Expenses	117,000.00	117,000.00	89,446.47		8,552.77	19,000.76	-
Department of Communications							
Salaries and Wages	282,000.00	282,000.00	275,230.58		6,769.42		(0.00)
Other Expenses	18,500.00	18,500.00	90.93		18,409.07		-
Department of Emergency Management							
Salaries and Wages	8,500.00	8,500.00	8,500.00				-
Other Expenses	6,000.00	6,000.00	1,501.64		40.05	4,458.31	-
Bureau of Fire Prevention							
Salaries and Wages	27,700.00	27,700.00	22,380.00		5,320.00		-
Other Expenses	5,000.00	5,000.00	1,792.17		2,392.46	815.37	-
Department of Zoning/Code Enforcement							
Salaries and Wages	53,000.00	53,000.00	45,774.00		7,226.00		-
Other Expenses	12,000.00	10,000.00			2,000.00	8,000.00	-
<b>PUBLIC WORKS</b>							
Department of Public Works							
Salaries and Wages	500,000.00	500,000.00	491,321.84		8,678.16		(0.00)
Other Expenses	63,000.00	63,000.00	59,300.84		1,890.59	1,808.57	0.00
Division of Sanitation							
Salaries and Wages	475,000.00	446,740.00	385,934.21		60,805.79		-
Other Expenses	203,300.00	203,300.00	171,351.83		14,602.00	17,346.17	-
Sanitation - Transfer Fees	258,400.00	258,400.00	228,462.93		21,430.84	8,506.23	-
<b>HEALTH AND WELFARE</b>							
Animal Control Services							
Other Expenses	9,000.00	9,000.00	8,250.00		750.00		-
<b>RECREATION AND EDUCATION</b>							
Department of Parks and Recreation Programs							
Salaries and Wages	9,000.00	6,000.00	2,805.00		3,195.00		-
Other Expenses	34,000.00	34,000.00	22,355.44		2,693.13	8,951.43	-
Department of Parks and Recreation Facilities							
Salaries and Wages	149,000.00	149,000.00	137,549.95		11,450.05		-
Other Expenses	30,000.00	30,000.00	21,686.27		2,885.23	5,428.50	-

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

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Budget After Modifications	Paid or Charged	Expended		Reserved	(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications			Encumbered	Reserved		
Environmental Commission	2,000.00	2,000.00	580.00				1,420.00	-
Other Expenses								
Economic Development and Advisory Commission	50,000.00	50,000.00	34,726.06		9,860.00		5,413.94	-
Other Expenses								
Historic Preservation Commission	3,000.00	3,000.00					3,000.00	-
Other Expenses								
<b>MUNICIPAL COURT</b>								
Municipal Court	167,000.00	174,000.00	171,472.84				2,527.16	0.00
Salaries and Wages	23,875.00	23,875.00	13,065.91		790.74		10,018.35	-
Other Expenses								
Public Defender (P.L. 1997, C.256)	12,000.00	12,000.00	10,050.00				1,950.00	-
Other Expenses								
<b>INSURANCE</b>								
General Liability	151,744.00	151,744.00	148,457.00				3,287.00	-
Workers Compensation Insurance	338,680.00	338,680.00	338,633.00				47.00	-
Employee Group Health	1,418,912.00	1,418,912.00	1,347,235.56		756.75		70,919.69	-
Surety Bond Premiums	1,000.00	1,000.00					1,000.00	-
Health waiver - Employee Opt Out	35,000.00	35,500.00	35,890.00				610.00	-
<b>Municipal Service Act</b>								
Municipal Service Act	70,000.00	70,000.00	30,063.51			26,760.38	13,176.11	-
Other Expenses								
Apartment Trash Collection	42,000.00	42,000.00	38,990.74				3,009.26	-
Other Expenses								
<b>UNIFORM CONSTRUCTION CODE</b>								
State Uniform Construction Code	117,000.00	117,000.00	117,000.00					-
Salaries and Wages	9,000.00	9,000.00	7,740.50			127.10	1,132.40	-
Other Expenses								
<b>UNCLASSIFIED</b>								
Utility Expenses and Bulk Purchases	105,000.00	105,000.00	89,009.71			2,796.28	13,194.01	-
Gasoline	70,000.00	70,000.00	56,792.83			3,507.75	9,699.42	-
Diesel Fuel	100,000.00	100,000.00	96,867.95				3,132.05	-
Fire Hydrant Water	146,000.00	162,000.00	160,313.44				1,686.56	(0.00)
Electric	78,000.00	80,000.00	79,800.87				199.13	0.00
Street Lighting	44,000.00	44,000.00	38,217.83			5,760.91	21.26	(0.00)
Telephone	40,000.00	40,000.00	29,122.37				10,877.63	-
Natural Gas	30,000.00	32,000.00	30,332.71				1,667.29	-
Water								

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

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Fuel #2	1,000.00	1,000.00		1,000.00		-
Waste Water	6,000.00	6,000.00	5,562.63	437.37		-
Telecommunications Costs	7,000.00	7,000.00	4,943.16	556.73	1,500.11	-
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>9,754,961.00</b>	<b>9,751,201.00</b>	<b>9,050,992.41</b>	<b>223,365.61</b>	<b>476,842.98</b>	<b>(0.00)</b>
Contingent	1,000.00	1,000.00			1,000.00	-
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<b>9,755,961.00</b>	<b>9,752,201.00</b>	<b>9,050,992.41</b>	<b>223,365.61</b>	<b>477,842.98</b>	<b>(0.00)</b>
Detail:						
Salaries and Wages	5,436,300.00	5,420,040.00	5,217,770.39	39,000.00	163,269.61	(0.00)
Other Expenses	4,319,661.00	4,332,161.00	3,833,222.02	184,365.61	314,573.37	(0.00)
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>						
Deferred Charges:						
Prior Years PERS	7,428.00	7,428.00	7,427.69			0.31
Prior Years PFRS	39,395.00	39,395.00	39,394.17			0.83
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	284,798.00	284,798.00	284,798.00			-
Social Security System (O.A.S.I.)	380,000.00	380,000.00	369,697.01		10,302.99	-
Consolidated Police and Firemen's Pension Fund						-
Police and Firemen's Retirement System	466,079.00	466,079.00	466,079.00			-
Unemployment	20,000.00	20,000.00	20,000.00			-
Defined Contribution Retirement Program	10,000.00	10,000.00	6,816.63	225.95	2,957.42	-
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>	<b>1,207,700.00</b>	<b>1,207,700.00</b>	<b>1,194,212.50</b>	<b>225.95</b>	<b>13,260.41</b>	<b>1.14</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>10,963,661.00</b>	<b>10,959,901.00</b>	<b>10,245,204.91</b>	<b>223,591.56</b>	<b>491,103.39</b>	<b>1.14</b>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
(A) Operations - Excluded from "CAPS"						
Insurance - Employee Group Health	35,438.00	35,438.00	35,438.00			-
LOSAP	20,000.00	20,000.00			20,000.00	-
Recycling Tax	11,600.00	11,600.00	11,600.00			-

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

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(A) Public and Private Programs Off-Set by Revenues	67,038.00	67,038.00	47,038.00	-	20,000.00	-
Municipal Alliance on Drug and Alcohol Abuse						
State Share	7,178.00	22,216.00	22,216.00			-
City Share	1,795.00	5,555.00	5,555.00			-
Safe and Secure Communities Program						
State Share	23,373.00	23,373.00	23,373.00			-
City Share	151,523.00	151,523.00	151,523.00			-
CDBG 2013	49,759.00	49,759.00	49,759.00			-
Local Arts Development Program	3,600.00	3,600.00	3,600.00			-
Clean Communities		23,395.83	23,395.83			-
Recycling Tonnage Grant	12,017.00	12,017.00	12,017.00			-
Federal Body Armor Partnership	3,811.00	6,841.54	6,841.54			-
DWI						
Drive Sober Pull Over		4,400.00	4,400.00			-
Drive Sober Labor Day		5,000.00	5,000.00			-
Drive Sober Year End		7,500.00	7,500.00			-
Click It or Ticket		4,000.00	4,000.00			-
Safe Roads	10,000.00	10,000.00	10,000.00			-
Drunk Driving Enforcement		10,025.90	10,025.90			-
Distracted Driving Crackdown		5,000.00	5,000.00			-
PSPG - Master Plan	50,000.00	50,000.00	50,000.00			-
PSPG - Zoning Ordinance Revisions	50,000.00	50,000.00	50,000.00			-
PSPG - Historic District Design Standards	20,000.00	20,000.00	20,000.00			-
PSPG - Bay Avenue Infrastructure Design	50,000.00	50,000.00	50,000.00			-
PSPG - Capital Improvement Plan	30,000.00	30,000.00	30,000.00			-
PSPG - Route 9 West Design	50,000.00	50,000.00	50,000.00			-
PSPG - Route 9 Business District Design	50,000.00	50,000.00	50,000.00			-
PSPG - Shared Services Capital Imp Plan	30,000.00	30,000.00	30,000.00			-
Total Public and Private Programs Off-Set by Revenues	598,056.00	674,206.27	674,206.27	-	-	-
Total Operations - Excluded from "CAPS"	665,094.00	741,244.27	721,244.27	-	20,000.00	-
Detail:						
Salaries and Wages	174,896.00	174,896.00	174,896.00			-
Other Expenses	490,198.00	566,348.27	546,348.27		20,000.00	-

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

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(C) Capital Improvements						
Capital Improvement Fund	36,000.00	36,000.00	36,000.00	-	-	-
Down Payment on Improvements		16,250.00	16,250.00	-	-	-
NJ Department of Transportation		190,000.00	190,000.00	-	-	-
<b>Total Capital Improvements</b>	<u>36,000.00</u>	<u>242,250.00</u>	<u>242,250.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
(D) Debt Service						
Payment of Bond Principal	1,196,500.00	1,196,500.00	1,196,500.00	-	-	-
Payment of Bond Anticipation Notes		-	-	-	-	-
Interest on Bonds	330,525.00	330,525.00	330,524.25	-	-	0.75
Interest on Notes	15,500.00	15,500.00	15,456.94	-	-	43.06
<b>Total Debt Service</b>	<u>1,542,525.00</u>	<u>1,542,525.00</u>	<u>1,542,481.19</u>	<u>-</u>	<u>-</u>	<u>43.81</u>
(E) Deferred Charges						
Emergency Authorizations	60,000.00	-	60,000.00	-	-	-
Special Emergency Authorizations - 5 years		60,000.00	-	-	-	-
Deferred Charges to Future Taxation Unfunded	125,000.00	125,000.00	125,000.00	-	-	-
Tax Appeal Refunding Ordinance	29,825.00	29,825.00	29,825.00	-	-	-
Ordinance 21-00						
<b>Total Deferred Charges</b>	<u>214,825.00</u>	<u>214,825.00</u>	<u>214,825.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	<u>2,458,444.00</u>	<u>2,740,844.27</u>	<u>2,720,800.46</u>	<u>-</u>	<u>20,000.00</u>	<u>43.81</u>
SUBTOTAL GENERAL APPROPRIATIONS	<u>13,422,105.00</u>	<u>13,700,745.27</u>	<u>12,966,005.37</u>	<u>223,591.56</u>	<u>511,103.39</u>	<u>44.95</u>
(M) Reserve for Uncollected Taxes	<u>1,064,932.00</u>	<u>1,064,932.00</u>	<u>1,064,932.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL GENERAL APPROPRIATIONS</b>	<u>\$ 14,487,037.00</u>	<u>14,765,677.27</u>	<u>14,030,937.37</u>	<u>223,591.56</u>	<u>511,103.39</u>	<u>44.95</u>

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

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Budget		14,487,037.00				
Appropriations by 40A:4-87		262,390.27			Cancelled	44.95
Emergency Appropriations		16,250.00			Overexpended	(0.00)
		<u>14,765,677.27</u>				<u>44.95</u>
Reserve for Uncollected Taxes			1,064,932.00			
Federal and State Grants			864,206.27			
Deferred Charges			214,825.00			
Due to Unemployment Trust			20,000.00			
Due to Capital			52,250.00			
Disbursements			11,814,724.10			
			<u>14,030,937.37</u>			

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**EXHIBIT B - TRUST FUNDS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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

<u>Assets</u>	<u>2014</u>	<u>2013</u>
Dog License Fund:		
Cash	\$ 32,676.53	12,869.44
	<u>32,676.53</u>	<u>12,869.44</u>
Length of Service Award Program (unaudited)		
Investment held for LOSAP	173,355.55	165,212.99
	<u>173,355.55</u>	<u>165,212.99</u>
Other Funds:		
Cash - Treasurer	1,195,208.69	739,900.25
Due from Grant Fund	5,789.43	-
Due from Current Fund	5,995.84	120.00
	<u>1,206,993.96</u>	<u>740,020.25</u>
	<u>1,413,026.04</u>	<u>918,102.68</u>
 <u>Liabilities, Reserves, and Fund Balance</u>		
Dog License Fund:		
Due to Current Fund	17,704.32	5,838.84
Due to State of New Jersey	24.60	-
Reserve for Dog Fund Expenditures	14,947.61	7,030.60
	<u>32,676.53</u>	<u>12,869.44</u>
Length of Service Award Program (unaudited)		
Investment held for LOSAP	173,355.55	165,212.99
	<u>173,355.55</u>	<u>165,212.99</u>
Other Funds:		
Encumbrances	1,310.00	1,310.00
Due to Current Fund	252,816.30	6.47
Miscellaneous Reserves	952,867.66	738,703.78
	<u>1,206,993.96</u>	<u>740,020.25</u>
Total	\$ <u>1,413,026.04</u>	<u>918,102.68</u>

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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**EXHIBIT C - GENERAL CAPITAL FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Cash	\$ 245,502.93	1,344,910.69
Deferred Charges to Future Taxation -		
Funded	9,222,450.00	10,418,950.00
Unfunded	2,372,750.00	1,182,000.00
Due from Current Fund	964,614.38	-
	<u>12,805,317.31</u>	<u>12,945,860.69</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	101,458.40	178,031.11
Interfunds:		
Due to Current Fund		83,933.52
Bond Anticipation Notes Payable	2,060,000.00	1,000,000.00
Serial Bonds Payable	9,222,450.00	10,418,950.00
Improvement Authorizations:		
Funded	621,596.90	789,868.96
Unfunded	628,552.41	111,430.43
Reserve for Payment of Bonds	-	26,739.47
Reserve for Bequest - JFK Park	23,000.00	23,000.00
Reserve for Acquisition of Vehicle	10,000.00	10,000.00
Capital Improvement Fund	350.00	20,350.00
Fund Balance	137,909.60	283,557.20
	<u>\$ 12,805,317.31</u>	<u>12,945,860.69</u>

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

2013	182,000.00
2014	312,750.00

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

	2014	2013
Beginning Balance January 1	\$ 283,557.20	543,557.20
Increased by:		
Premiums from Bond Sale	9,352.40	
Decreased by:		
Anticipated Revenue in Current Fund	155,000.00	260,000.00
Ending Balance December 31	\$ 137,909.60	283,557.20

**EXHIBIT D - SEWER UTILITY**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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

	<u>2014</u>	<u>2013</u>
<b><u>ASSETS</u></b>		
Operating Fund:		
Cash and Investments	\$ <u>165,178.66</u>	<u>625,721.79</u>
	<u>165,178.66</u>	<u>625,721.79</u>
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	127,125.92	161,419.89
Sewer Liens	<u>1,549.04</u>	<u>961.00</u>
	<u>128,674.96</u>	<u>162,380.89</u>
Due from Current Fund	<u>694,579.61</u>	<u>-</u>
Deferred Charges		
Deficit in Operations	-	56,019.14
	<u>-</u>	<u>56,019.14</u>
 Total of Operating Fund	 <u>988,433.23</u>	 <u>844,121.82</u>
Capital Fund:		
Due from Sewer Operating	398,279.77	507,484.22
Due from Current Fund	475,000.00	-
Fixed Capital - Completed	9,491,184.92	9,491,184.92
Fixed Capital - Authorized and Uncompleted	1,109,000.00	609,000.00
 Total of Capital Fund	 <u>11,473,464.69</u>	 <u>10,607,669.14</u>
 Total Assets	 <u>\$ <u>12,461,897.92</u></u>	 <u>11,451,790.96</u>

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

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

	2014	2013
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>		
<b>Operating Fund:</b>		
<b>Liabilities:</b>		
Appropriation Reserves	\$ 43,228.36	44,662.79
Encumbrances Payable	-	12,583.35
Accounts Payable	-	500.00
Sewer Rent Overpayments	35,220.65	50,434.16
Due to Sewer Capital Fund	398,279.77	507,484.22
Accrued Interest on Bonds and Notes	36,206.14	39,627.46
	512,934.92	655,291.98
 Reserve for Receivables	 128,674.96	 162,380.89
Fund Balance	346,823.35	26,448.95
Total of Operating Fund	988,433.23	844,121.82
 <b>Capital Fund:</b>		
Encumbrances Payable	78,531.21	35,654.62
Improvement Authorizations		
Funded	91,445.91	107,294.45
Unfunded	338,767.50	-
Bond Anticipation Notes Payable	475,000.00	-
Serial Bonds Payable	1,622,550.00	1,826,050.00
NJEIT Bonds Payable	1,396,147.25	1,523,252.50
Reserves for Amortization	6,999,115.76	6,717,933.42
Deferred Reserve for Amortization	107,371.91	32,949.00
Fund Balance	364,535.15	364,535.15
Total of Capital Fund	11,473,464.69	10,607,669.14
 Total Liabilities, Reserves and Fund Balance	 \$ 12,461,897.92	 11,451,790.96

There were Bonds and Notes Authorized But Not Issued at December 31,

2014	-
2013	-

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

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

	2014	2013
<u>Revenue and Other Income Realized</u>		
Fund Balance Anticipated	\$ -	230,000.00
Rents	2,714,088.27	2,135,038.02
Miscellaneous	43,009.73	14,725.25
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	49,436.14	6,171.39
Total Income	2,806,534.14	2,385,934.66
<u>Expenditures</u>		
Operations:		
Salaries and Wages	510,000.00	500,000.00
Other Expenses	320,072.00	294,230.00
Atlantic County Utility Authority	1,112,680.00	1,035,000.00
Debt Service	423,388.60	549,794.14
Capital Improvements	25,000.00	-
Deferred Charges and Statutory Expenditures	95,019.14	62,929.66
Total Expenditures	2,486,159.74	2,441,953.80
Excess(Deficit) in Revenues	320,374.40	(56,019.14)
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute deferred charges to budget of succeeding year		
Statutory Excess to Fund Balance	320,374.40	
Fund Balance January 1	26,448.95	256,448.95
Decreased by:		
Utilization as Anticipated Revenue	-	230,000.00
Fund Balance December 31	\$ 346,823.35	26,448.95

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

**SEWER UTILITY CAPITAL FUND  
STATEMENT OF CAPITAL FUND BALANCE  
REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
Balance January 1,	\$ 364,535.15	98,854.02
Increased By:		
Canceled Improvement Authorizations		265,681.13
Balance December 31,	\$ <u>364,535.15</u>	<u>364,535.15</u>

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

**SEWER OPERATING FUND  
STATEMENT OF REVENUES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Antic. Budget	Realized	Excess Or (Deficit)
Operating Surplus Anticipated	\$		-
Rents - Sewer	2,086,293.00	2,322,803.27	236,510.27
Miscellaneous Receipts	14,000.00	43,009.73	29,009.73
Additional Sewer Rents	391,285.00	391,285.00	-
	<u>\$ 2,491,578.00</u>	<u>2,757,098.00</u>	<u>265,520.00</u>

**Analysis of Realized Revenue**Rents

Consumer Accounts Receivable	\$	<u>2,714,088.27</u>
------------------------------	----	---------------------

Miscellaneous

Interest on Deposits	\$	1,187.47
Interest on Delinquent Rents		29,870.49
Cancellation of Prior Payables		70.55
Miscellaneous		<u>11,881.22</u>
		<u>\$ 43,009.73</u>

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

**SEWER OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Expended			Unexpended Balance Cancelled	Over- Expended
	Budget	Budget After Modification	Paid Or Charged	Encumbered	Reserved		
<b>OPERATING</b>							
Salaries and Wages	\$ 510,000.00	510,000.00	483,554.64		26,445.36		
Other Expenses	320,072.00	320,072.00	305,320.00		14,752.00		
ACMUA- Treatment Costs	1,112,680.00	1,112,680.00	1,110,649.00		2,031.00		
	<u>1,942,752.00</u>	<u>1,942,752.00</u>	<u>1,899,523.64</u>	<u>-</u>	<u>43,228.36</u>	<u>-</u>	<u>-</u>
<b>CAPITAL IMPROVEMENTS</b>							
Capital Improvement Fund	25,000.00	25,000.00	25,000.00		-		
	<u>25,000.00</u>	<u>25,000.00</u>	<u>25,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEBT SERVICE</b>							
Principal	330,606.00	330,606.00	330,604.38		1.62		
Interest on Bonds	98,200.00	98,200.00	92,784.22		5,415.78		
Interest on Notes		-			-		
	<u>428,806.00</u>	<u>428,806.00</u>	<u>423,388.60</u>	<u>-</u>	<u>-</u>	<u>5,417.40</u>	<u>-</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>							
Deferred Charges	56,020.00	56,020.00	56,019.14		0.86		
Deficit in Operation							
Contribution to:							
Social Security System (O.A.S.I.)	39,000.00	39,000.00	39,000.00		-		
	<u>95,020.00</u>	<u>95,020.00</u>	<u>95,019.14</u>	<u>-</u>	<u>-</u>	<u>0.86</u>	<u>-</u>
	<u>2,491,578.00</u>	<u>2,491,578.00</u>	<u>2,442,931.38</u>	<u>-</u>	<u>43,228.36</u>	<u>5,418.26</u>	<u>-</u>
\$							

Deficit in Operations	\$ 56,019.14
Capital Improvement Fund	25,000.00
Disbursed	<u>2,361,912.24</u>
	<u>\$ 2,442,931.38</u>

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

**EXHIBIT G - GENERAL FIXED ASSETS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS**  
**REGULATORY BASIS**  
**AS OF DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
General Fixed Assets:		
Land and Improvements	\$ 8,284,500.00	8,284,500.00
Buildings and Improvements	3,328,250.00	3,328,250.00
Machinery and Equipment	8,347,911.00	8,214,761.00
Total General Fixed Assets	<u>19,960,661.00</u>	<u>19,827,511.00</u>
Investment in General Fixed Assets	<u>\$ 19,960,661.00</u>	<u>19,827,511.00</u>

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

**CITY OF SOMERS POINT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

**B. Description of Funds**

The accounting policies of the City of Somers Point conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with the respect to public funds. Under this method of accounting, the City of Somers Point accounts for its financial transactions through the following separate funds:

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

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

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

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

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

**CITY OF SOMERS POINT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**C. Basis of Accounting**

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

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

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

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

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

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

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

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

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

Fixed assets used in governmental operations (general fixed assets) are accounted for in the

**CITY OF SOMERS POINT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$3,000 are capitalized.

No depreciation has been provided for in the financial statements.

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

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

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

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

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

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

Levy of Utility Charges – The City operates a sewer utility fund. Rates are determined by ordinance and changed as necessary. Sewer charges are based on flat fees and usage based on the type of entity. Charges are billed annually and due in semi-annually installments on March 1, and September 1.

Interest on Delinquent Utility Charges -- It is the policy of the City to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Utility Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of

**CITY OF SOMERS POINT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

charges becoming delinquent after due date and eighteen percent (18%) per annum on any amount of charges in excess of \$1,500.00 becoming delinquent after due date.

Capitalization of Interest -- It is the policy of the City of Somers Point to treat interest on projects as a current expense and the interest is included in both the current and utility operating budgets.

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

**D. Required Financial Statements**

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

**E. Comparative Data**

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

**F. Recent Accounting Pronouncements Not Yet Effective**

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the City's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the City's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

**CITY OF SOMERS POINT  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2014 and 2013 statutory budgets included a reserve for uncollected taxes in the amount of \$1,064,932.00 and \$996,497.00. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2014 and 2013 statutory budgets was \$1,105,000.00 and \$950,000.00. In addition, the City operates a self liquidating sewer utility. Under New Jersey Statutes a separate budget for the utility must be adopted concurrently with the operating budget of the City. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2014 and 2013 statutory budgets was \$.00 and \$230,000.00.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by City Council. The following significant budget transfers were approved in the 2013 and 2012 calendar years:

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
<u>Current Fund:</u>		
Legal Service and Costs		
Other Expenses		(20,000)
Planning Board		
Other Expenses		(10,000)
Department of Sanitation		
Salaries & Wages	(28,260)	
Gasoline		(10,000)
Diesel Fuel		
Electric		16,000

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
<u>Utility Fund</u>		
Mo Material Transfers		

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2014 and 2013, the following significant budget insertions were approved:

**CITY OF SOMERS POINT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
Drunk Driving Enforcement	\$ 10,025.90	7,572.09
Drive Sober or Pull Over	16,900.00	8,800.00
Click It Ticket	4,000.00	4,000.00
Body Armor		3,605.57
NJ Transportation Trust Fund	190,000.00	187,000.00
Clean Communities	3,395.83	24,947.25
Access Planning		8,100.00
Post Sandy Planning Assistance		30,000.00

The City may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The City approved two special emergencies appropriation in 2012 for \$1,500,000.00. The first emergency for \$300,000.00 was for a revaluation of the City. The second emergency for \$1,200,000.00 was a result of Hurricane Sandy. The unfunded balance as of December 31, 2014 was \$180,000.00. During 2014 the City approved an emergency appropriation for \$16,250.00. Required appropriations are included in the 2015 budget.

**Note 3: INVESTMENTS**

As of December 31, 2014 and 2013, the municipality had no investments.

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

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

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

**Note 4: CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions

**CITY OF SOMERS POINT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2014 and 2013, \$0 of the municipality's bank balance of \$7,547,774.36 and \$6,078,542.85 was exposed to custodial credit risk.

**Note 5: FIXED ASSETS**

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2014 and 2013:

	Balance 12/31/2012	Additions	Retirements/ Adjustments	Balance 12/31/2013
Land and Improvements	\$ 8,284,500			8,284,500
Buildings and Improvements	3,328,250			3,328,250
Machinery and Equipment	8,050,262	479,496	(314,997)	8,214,761
	<u>\$ 19,663,012</u>	<u>479,496</u>	<u>(314,997)</u>	<u>19,827,511</u>

	Balance 12/31/2013	Additions	Retirements	Balance 12/31/2014
Land and Improvements	\$ 8,284,500			8,284,500
Buildings and Improvements	3,328,250			3,328,250
Machinery and Equipment	8,214,761	133,150		8,347,911
	<u>\$ 19,827,511</u>	<u>133,150</u>	<u>-</u>	<u>19,960,661</u>

**Note 6: SHORT-TERM OBLIGATIONS**

	Balance 12/31/12	Issued	Retired	Balance 12/31/13
Bond Anticipation Notes payable: General	\$ -	1,000,000.00		1,000,000.00
	<u>\$ -</u>	<u>1,000,000.00</u>	<u>-</u>	<u>1,000,000.00</u>

The City has one bond anticipation note outstanding as of December 31, 2013 with Jefferies, LLC due December 14, 2014 with interest at 1.25% per annum.

**CITY OF SOMERS POINT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	Balance 12/31/13	Issued	Retired	Balance 12/31/14
Bond Anticipation Notes payable:				
General	\$ 1,000,000	2,060,000.00	1,000,000.00	2,060,000.00
Utility		475,000.00		475,000.00
	<u>\$ 1,000,000</u>	<u>2,535,000.00</u>	<u>1,000,000.00</u>	<u>2,535,000.00</u>

The City has three bond anticipation notes in the general capital fund outstanding as of December 31, 2014. \$675,000 with the Township of South Brunswick due January 11, 2015 with interest at .080% was redeemed. \$375,000 with TD Securities LLC due December 13, 2015 with interest at 1.02% per annum. And \$1,060,000 with TD Securities LLC due December 28, 2015 with interest at 1.03% per annum.

The City has one bond anticipation note in the sewer capital fund outstanding as of December 31, 2014 with TD Securities LLC due December 13, 2015 with interest at 1.02% per annum.

**Emergency Notes**

The City has outstanding at December 31, 2014 an emergency note in the amount of \$180,000.00. The note is payable to TD Securities LLC due December 13, 2015 with interest at 1.02% per annum.

**Note 7: LONG TERM DEBT.**

Long-term debt as of December 31, 2014 and 2013 consisted of the following:

	Balance 12/31/12	Issued	Retired	Balance 12/31/13	Amounts Due Within One Year
Bonds payable:					
General	\$ 11,488,250.00		1,069,300.00	10,418,950.00	1,196,500.00
Utility	4,879,644.75		1,530,342.25	3,349,302.50	279,201.75
Total	<u>16,367,894.75</u>	-	<u>2,599,642.25</u>	<u>13,768,252.50</u>	<u>1,475,701.75</u>
Other liabilities:					
Compensated Absences Payable	1,317,262.60	159,642.49	165,254.07	1,311,651.02	-
Total long-term liabilities	<u>\$ 17,685,157.35</u>	<u>159,642.49</u>	<u>2,764,896.32</u>	<u>15,079,903.52</u>	<u>1,475,701.75</u>

**CITY OF SOMERS POINT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	Balance 12/31/13	Issued	Retired	Balance 12/31/14	Amounts Due Within One Year
Bonds payable:					
General	\$ 10,418,950.00		1,196,500.00	9,222,450.00	1,245,500.00
Utility	3,349,302.50		330,605.25	3,018,697.25	371,605.25
Total	<u>13,768,252.50</u>	-	<u>1,527,105.25</u>	<u>12,241,147.25</u>	<u>1,617,105.25</u>
Other liabilities:					
Compensated					
Absences Payable	1,311,651.02	45,719.62	72,181.20	1,285,189.44	-
Total long-term liabilities	<u>\$ 15,079,903.52</u>	<u>45,719.62</u>	<u>1,599,286.45</u>	<u>13,526,336.69</u>	<u>1,617,105.25</u>

**Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the City:**

\$6,266,000 General Improvement Bond dated 7/1/09 payable in annual installments through 7/1/19. Interest is paid semiannually at rates varying from 3.00% to 4.00% per annum. Bonds maturing on or after 10/1/10 are redeemable at the option of the City in whole or in part on any date on or after 10/1/09. The balance remaining as of December 31, 2014 was \$4,356,450.00.

\$5,691,000 General Obligation Bonds dated 9/15/12 payable in annual installments through 9/15/22. Interest is paid semiannually at rates from 2.00% to 3.00% per annum. The balance remaining at December 31, 2014 was \$4,866,000.00.

**Outstanding bonds whose principal and interest are paid from the Utility Operating Fund of the City:**

\$954,000 Sewer Refunding Bonds dated 7/1/09 payable in annual installments through 7/1/19. Interest is paid semiannually at rates varying from 3.00% of 4.00% per annum. \$105,700.00 of principal was paid on 7/1/13. The balance remaining as of December 31, 2014 was \$663,550.00.

\$910,000 New Jersey Environmental Infrastructure Trust Bonds dated 12/2/10 payable in annual installments through 8/1/30. Interest is paid semiannually at a rate of 5.00% per annum. The balance remaining as of December 31, 2014 was \$765,000.00. \$1,410,000.00 of bonds were originally anticipated to be issued however the project was complete and \$500,000.00 of the bonds were canceled.

\$862,463.00 New Jersey Environmental Infrastructure Trust Bonds dated 12/2/10 payable in annual installments through 8/1/30 bearing no interest. The balance remaining as of December 31, 2014 was \$631,147.25. \$1,465,000.00 of bonds were originally anticipated to be issued however the project was complete and \$602,537.00 of the bonds were canceled.

\$1,109,000 Water-Sewer Utility Bond dated 9/15/12 payable in annual installments through 9/15/22. Interest is paid semiannually at rates varying from 2.00% to 3.00% per annum. The balance remaining as of December 31, 2014 was \$959,000.00.

**CITY OF SOMERS POINT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

<u>Year</u>	<u>General</u>		<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2015	\$ 1,245,500.00	292,763.00	371,605.25	89,274.51	1,999,142.76
2016	1,338,750.00	253,434.25	378,355.25	79,040.76	2,049,580.26
2017	1,401,500.00	207,056.13	390,605.25	67,956.39	2,067,117.77
2018	1,459,250.00	158,437.38	397,855.25	56,350.14	2,071,892.77
2019	1,566,450.00	107,728.00	405,655.25	44,472.01	2,124,305.26
2020-2024	2,211,000.00	96,360.00	984,621.00	97,040.00	3,389,021.00
2025			90,000.00	4,500.00	94,500.00
	<u>\$ 9,222,450.00</u>	<u>1,115,778.76</u>	<u>3,018,697.25</u>	<u>438,633.81</u>	<u>13,795,559.82</u>

As of December 31, 2014 the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$330,524.25 and to the utility budget was \$92,784.22.

<u>Summary of Municipal Debt</u>	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 11,282,450.00	11,418,950.00	11,488,250.00
Sewer Utility - Bonds and Notes	3,493,697.25	3,349,302.50	4,879,644.75
Total Issued	<u>14,776,147.25</u>	<u>14,768,252.50</u>	<u>16,367,894.75</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	312,750.00	182,000.00	334,350.00
Sewer Utility - Bonds and Notes			95,000.00
Total Authorized But Not Issued	<u>312,750.00</u>	<u>182,000.00</u>	<u>429,350.00</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>15,088,897.25</u>	<u>14,950,252.50</u>	<u>16,797,244.75</u>
<u>Deductions:</u>			
Reserve for Payment of Bonds		26,739.47	56,739.47
Self-Liquidating Debt	3,493,697.25	3,288,807.50	86,740.00
Total Deductions	<u>3,493,697.25</u>	<u>3,315,546.97</u>	<u>143,479.47</u>
Net Debt	<u>\$ 11,595,200.00</u>	<u>11,634,705.53</u>	<u>16,653,765.28</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.958%.

**CITY OF SOMERS POINT  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2014 AND 2013**

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 3,626,000.00	3,626,000.00	-
Sewer Utility Debt	3,493,697.25	3,493,697.25	-
General Debt	11,595,200.00		11,595,200.00
	<u>\$ 18,714,897.25</u>	<u>7,119,697.25</u>	<u>11,595,200.00</u>

Net Debt \$11,595,200.00 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,210,590,720.00 = 0.958%.

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

3 1/2 % of Equalized Valuation Basis ( Municipal)	\$ 42,370,675.00
Net Debt	11,595,200.00
Remaining Borrowing Power	<u>\$ 30,775,475.00</u>

The City of Somers Point School District, as a K-12 school district, is permitted to borrow up to 3% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amount approved by the voters in excess of the limit is treated as an impairment of the municipal limit.

**Note 8: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2014 and 2013, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Current Fund	\$ 1,050,000.00	1,105,000.00
Sewer Utility Fund	-	-

The 2015 Budget has not been adopted as of the date of this report

**CITY OF SOMERS POINT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 9: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2014	2015 Budget Appropriation	Balance to Succeeding
Current fund:			
Emergency Appropriation	\$ 16,250.00	16,250.00	
Special Emergency - Revaluation	180,000.00	60,000.00	120,000.00
	<u>\$ 196,250.00</u>	<u>76,250.00</u>	<u>120,000.00</u>
 Sewer Utility Fund:			
Deficit in Operations	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

The appropriations in the 2015 Budget are not less than that required by statute.

**Note 10: SCHOOL TAXES**

Local District School Tax in the amounts of \$9,124,565.00 and \$8,921,957.00 have been raised for the 2014 and 2013 calendar years, respectively and \$9,124,564.00 and \$8,921,956.00 remitted to the school district leaving a \$3.00 balance payable.

Regional High School Tax in the amounts of \$7,391,450.00 and \$7,329,116.00 have been raised for the 2014 and 2013 calendar years, respectively and \$7,391,450.00 and \$7,329,114.00 remitted to the school district leaving a \$10.43 balance payable.

**Note 11: TAXES COLLECTED IN ADVANCE**

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

	Balance 12/31/14	Balance 12/31/13
Prepaid Taxes	<u>\$ 313,083.71</u>	<u>279,296.15</u>
Cash Liability for Taxes Collected in Advance	<u>\$ 313,083.71</u>	<u>279,296.15</u>

**Note 12: PENSION FUNDS**

Description of Plans

Substantially all of the City's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS), a cost sharing multiple-employer defined benefit pension plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New

**CITY OF SOMERS POINT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at - <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

*Public Employees' Retirement System*

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

*Police and Fireman's Retirement System*

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

*Funding Policy*

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 6.78% through June 30, 2014 and 6.92% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The City's contributions to PERS for the years ended December 31, 2014, 2013, and 2012 were \$284,798.00, \$291,962.00 and \$260,275.00.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The City's contributions to PFRS for the years ended December 31, 2014, 2013, and 2012 were \$466,079.00, \$487,536.00 and \$498,883.00.

The total payroll for the year ended December 31, 2014, 2013 and 2012 was \$5,946,952.81, \$5,801,720.14 and \$5,747,509.00. Payroll covered by PFRS was \$2,505,689, \$2,321,063.00 and \$2,048,448.00. Payroll covered by PERS was \$2,655,703, \$2,575.852.00 and \$2,600.653.00.

**CITY OF SOMERS POINT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Significant Legislation

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

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

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

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to  $\frac{1}{60}$ <sup>th</sup> from  $\frac{1}{55}$ <sup>th</sup>, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This

**CITY OF SOMERS POINT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7<sup>th</sup> of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**Note 13: POST-RETIREMENT BENEFITS**

**Plan Description** The City of Somers Point contributes to the State Health Benefits Program (SHBP) a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at to <http://www.state.nj.us/treasury/pensions/shbp.htm>

**Plan Coverage** The City currently has 4 collective bargaining units as well as several non-union employees. The employee's post employment benefits are dependent upon the collective bargaining unit to which they are a member as well as the year of retirement. The benefits by collective bargaining unit are:

Policemen Benevolent Association Mainland Local 77 – Superior Officers – Individuals who retired following years of service in the Police and Fireman's Retirement System receive hospitalization, major medical, dental, prescription and optical for the employee and spouse in effect at the time of retirement as follows:

**CITY OF SOMERS POINT  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2014 AND 2013**

25 years	1 year of coverage
26 years	2 years of coverage
27 years	3 years of coverage
28 years	4 years of coverage
29 years	5 years of coverage
30 years	covered until age 65

Policemen Benevolent Association Mainland Local 77 – Supervisors – Individuals who retired in the Police and Fireman’s Retirement System, after fulfilling the requirements for full retirement, receive hospitalization, major medical, dental, prescription and optical for the employee and spouse in effect at the time of retirement as follows:

1 year of coverage

Policemen Benevolent Association Mainland Local 77 – Patrol Officers and Dispatchers – Individuals who retired in the Police and Fireman’s Retirement System, after fulfilling the requirements for full retirement, receive hospitalization, major medical, dental, prescription and optical for the employee and spouse in effect at the time of retirement as follows:

1 year of coverage

Teamsters #115 – No Benefits

Individuals with contracts will receive hospitalization, major medical, dental, prescription and optical benefits similar to what they were receiving at retirement as follows:

Administrator – with 25 years of service in PERS system life time benefits

Police Chief – with the following:

25 years	1 year of coverage
26 years	2 years of coverage
27 years	3 years of coverage
28 years	4 years of coverage
29 years	5 years of coverage
30 years	until eligible for Medicare

City Clerk – with 30 years of service full coverage until Medicare eligible

Tax Collector – with 25 years of service 5 years of coverage

Tax Assessor – 1 year of coverage

Court Administrator – with 30 years of service or age 62 1 year of coverage

Planning and Zoning Officer – service years already met payments for supplemental Medicare until age 72 to a maximum of \$2,500 per year

**Funding Policy** Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

**CITY OF SOMERS POINT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the City of Somers Point on a monthly basis. The rates charged by the system for the year ended December 31, 2014 vary according to the type of coverage selected by the retiree and range from \$899.90 to \$2,330.75 monthly per retiree.

The City of Somers Point contributions to SHBP for post-retirement benefits for the year ended December 31, 2014 and 2013, were \$113,213.18 and \$113,824.35 respectively, which equaled the required contribution for the year.

**Note 14: ACCRUED SICK AND VACATION BENEFITS**

In accordance with Civil Service regulations, the City has permitted employees to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$1,285,189.44 in 2014 and \$1,311,651.02 in 2013. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. It is the City's policy to negotiate the final amount of each payment of accrued sick and vacation pay on an individual basis. Although more days may be accrued, the final amount cannot exceed: 180 days for members of Police Mainland Local #77; \$20,000 for members of Teamsters Local #115; and contractual limitations for individuals with personal service contracts. The amount shown above represents the total number of days of unpaid compensation without taking the 180 day limitation into account. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The City does not accrue the liability.

**Note 15: ECONOMIC DEPENDENCY**

The City of Somers Point is not economically dependent on any one business or industry as a major source of tax revenue for the City.

**Note 16: 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.

**Property and Liability Insurance** - The City maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2013 and 2012 the City did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

**CITY OF SOMERS POINT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**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, employee contributions, reimbursements to the State for benefits and the ending balance of the City’s trust fund for the previous three years:

<u>Calendar Year</u>	<u>City Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$ 20,000.00	8,436.72		18,490.01	37,114.95
2013	20,000.00	8,432.13	-	34,135.39	27,168.24
2012	20,000.00	8,294.47	-	37,089.42	32,871.50

**Note 17: LENGTH OF SERVICE AWARDS PROGRAM (UNAUDITED)**

During the year 2001 the voters of the City of Somers Point approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This plan is made available to all bona fide eligible volunteers who are performing qualified services which are defined as fire fighting and prevention services, emergency medical services and ambulance services pursuant to Section 457 of the Internal Revenue Code of 1986, as amended except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP will also comply with New Jersey Public Law 1997, Chapter 388 and the LOSAP Document.

**Note 18: DEFERRED COMPENSATION**

Employees of the City of Somers Point may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the City has an obligation of due care in selecting the third party administrator. In the opinion of the City’s legal counsel, the City has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

**CITY OF SOMERS POINT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 19: CONTINGENT LIABILITIES**

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

**Note 20: INTERFUND BALANCES**

During the most current calendar year ended December 31, 2014, the following interfunds were included on the balance sheets of the various funds of the City of Somers Point:

	Due From	Due To
Current Fund:		
General Capital Fund	\$	964,614.38
Sewer Operating Fund		694,579.61
Sewer Capital Fund		475,000.00
Federal and State Grant Fund		39,878.78
Dog License Fund	17,704.32	
Trust Funds - Other	252,816.30	5,995.84
Grant Fund:		
Current Fund	39,878.78	
Trust Fund		5,789.43
Dog License Fund:		
Current Fund		17,704.32
Trust Fund - Other:		
Federal and State Grant Fund	5,789.43	
Current Fund	5,995.84	252,816.30
General Capital Fund:		
Current Fund	964,614.38	
Sewer Utility Operating Fund:		
Current Fund	694,579.61	
Sewer Utility Capital Fund		398,279.77
Sewer Utility Capital Fund:		
Current Fund	475,000.00	
Sewer Utility Operating Fund	398,279.77	
	\$ <u>2,854,658.43</u>	<u>2,854,658.43</u>

Neither the Grant Fund nor the Sewer Utility Capital Fund have bank accounts. This has caused the interfunds to be created. The remaining interfunds are due to amounts that should have been transferred to the proper bank accounts.

**CITY OF SOMERS POINT  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 21: SUBSEQUENT EVENTS**

The City has evaluated subsequent events through April 10, 2015, the date which the financial statements were available to be issued and identified no events requiring disclosure.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **SUPPLEMENTARY INFORMATION**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538

PHONE 609.399.6333 • FAX 609.399.3710

[www.ford-scott.com](http://www.ford-scott.com)

## Independent Auditor's Report

The Honorable Mayor and  
Members of City Council  
City of Somers Point, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 10, 2015, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

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

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

*Kenneth Moore*

**Kenneth Moore**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 231**

**April 10, 2015**

**SCHEDULE OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal or State Grantor/Pass - Through Grantor/Program Title	Pass-Through Grantor's #	Grant Period	Program or Award Amount	Unexpended Balance at 1/1/14	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance at 12/31/14	MEMO ONLY Cumulative Expenditures
<b>FEDERAL</b>									
Passed through the State of New Jersey Department of Community Affairs Small Cities	14.228		11,490	\$ 11,490.00				11,490.00	-
Community Development Block Grant - 2013									
Entitlement - 2013	14.228	1/1/13 - 12/31/13	47,274	47,274.00		47,274.00		-	47,274.00
Entitlement - 2014	14.228	1/1/14 - 12/31/14	49,759		49,759.00	49,759.00		-	49,759.00
Post Sandy Planning Assistance	14.228	1/1/13 - 12/31/13	30,000	16,392.00		16,391.99		0.01	13,608.00
PSPG - Master Plan	14.228	1/1/14 - 12/31/14	50,000		50,000.00	50,000.00			
PSPG - Zoning Ordinance	14.228	1/1/14 - 12/31/14	50,000		50,000.00	5,940.00		44,060.00	5,940.00
PSPG - Historic District Design Standards	14.228	1/1/14 - 12/31/14	20,000		20,000.00	20,000.00			20,000.00
PSPG - Bay Avenue Infrastructure Design	14.228	1/1/14 - 12/31/14	50,000		50,000.00	50,000.00			50,000.00
PSPG - Capital Improvement Plan	14.228	1/1/14 - 12/31/14	30,000		30,000.00	26,569.00		3,441.00	26,569.00
PSPG - Route 9 West Design	14.228	1/1/14 - 12/31/14	50,000		50,000.00	23,075.00		26,925.00	23,075.00
PSPG - Route 9 Business District Design	14.228	1/1/14 - 12/31/14	50,000		50,000.00	28,095.50		21,904.50	28,095.50
PSPG - Shared Service Capital Impr. Plan	14.228	1/1/14 - 12/31/14	30,000		30,000.00	3,031.00		26,969.00	3,031.00
Total Community Development Block Grant				63,666.00	379,759.00	320,125.49		123,299.51	
Total Department of Community Affairs				75,156.00	379,759.00	320,125.49		134,789.51	
Department of Justice									
Bullet Proof Vest Partnership	16.607	1/1/14 - 12/31/14	3,811		3,810.79			3,810.79	
Bullet Proof Vest Partnership	16.607	1/1/13 - 12/31/13	3,606	3,605.57				3,605.57	
Total Department of Justice				3,605.57	3,810.79			7,416.36	
NJ Division of Traffic Safety									
Click It Ticket	20.602	1/1/14 - 12/31/14	4,000		4,000.00	4,000.00			4,000.00
Drive Sober Year End - 2013	20.602	1/1/13 - 12/31/13	4,400		4,400.00	4,400.00			4,400.00
Drive Sober Year End - 2014	20.602	1/1/14 - 12/31/14	7,500		7,500.00	3,900.00		3,600.00	3,900.00
Drive Sober or Pull Over - Labor Day	20.602	1/1/14 - 12/31/14	5,000		5,000.00	5,000.00			5,000.00
Total NJ Division of Traffic Safety					20,900.00	17,300.00		3,600.00	
Total Federal Assistance				78,761.57	404,469.79	337,425.49		145,805.87	

**SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal or State Grantor/Pass - Through Grantor/Program Title	Pass-Through Grantor's #	Grant Period	Program or Award Amount	Unexpended Balance at 1/1/14	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance at 12/31/14	MEMO ONLY Cumulative Expenditures
<b>STATE</b>									
State of New Jersey									
Department of Environmental Protection									
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/13-12/31/13	12,017	-	12,017.00	5,789.43	-	6,227.57	5,789.43
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/11-12/31/11	25,752	14,096.39	-	-	-	14,096.39	11,655.93
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/09-12/31/09	29,684	21,754.94	-	-	-	21,754.94	7,928.06
Clean Communities Act	4900-765-178920	1/1/14 - 12/13/14	23,396	-	23,395.83	23,395.83	-	-	23,395.00
Public Access Plan Development		1/1/13 - 12/13/13	8,100	8,100.00	-	5,290.00	-	2,810.00	5,290.00
Total Department of Environmental Protection				<u>43,951.33</u>	<u>35,412.83</u>	<u>34,475.26</u>	<u>-</u>	<u>44,888.90</u>	<u>-</u>
Division of Motor Vehicles									
Drunk Driving Enforcement Fund	1110-101-030000-129040	1/1/14-12/31/14	10,026	-	10,025.90	44.75	-	9,981.15	44.85
Drunk Driving Enforcement Fund	1110-101-030000-129040	1/1/13-12/31/13	7,572	6,425.09	-	2,389.40	-	4,035.69	3,536.31
Distraiced Driver Crackdown		1/1/14-12/31/14	5,000	-	5,000.00	5,000.00	-	-	5,000.00
Safe Roads		1/1/14-12/31/14	10,000	-	10,000.00	10,000.00	-	-	10,000.00
Total Division of Motor Vehicles				<u>6,425.09</u>	<u>25,025.90</u>	<u>17,434.15</u>	<u>-</u>	<u>14,016.84</u>	<u>-</u>
New Jersey Department of Transportation									
Reconstruction of Connecticut	6320-480-601385-61	1/1/13-12/31/13	187,000	50,013.42	190,000.00	50,013.42	-	0.00	187,000.00
Reconstruction of Bala Drive	6320-480-601385-61	1/1/14-12/31/14	190,000	-	190,000.00	190,000.00	-	-	190,000.00
Total New Jersey Department of Transportation				<u>50,013.42</u>	<u>190,000.00</u>	<u>240,013.42</u>	<u>-</u>	<u>0.00</u>	<u>-</u>
New Jersey Department of Law and Public Safety									
Body Armor	N/A	1/1/14-12/31/14	3,031	-	3,030.54	-	-	3,030.54	-
Body Armor	N/A	1/1/12-12/31/12	2,952	2,951.64	-	-	-	2,951.64	-
Body Armor	N/A	1/1/11-12/31/11	2,625	2,625.00	-	-	-	2,625.00	-
Body Armor	N/A	1/1/10-12/31/10	3,891	1,858.48	-	-	-	1,858.48	-
Body Armor	N/A	Prior	630	629.87	-	-	-	629.87	-
Safe and Secure Communities	100-066-1020-107-090940	1/1/14-12/31/14	174,896	6,720.59	174,896.00	170,009.71	(6,720.59)	4,886.29	169,866.11
Safe and Secure Communities	100-066-1020-107-090940	1/1/13-12/31/13	163,615	14,785.58	177,926.54	170,009.71	(6,720.59)	15,981.82	163,471.40
Total New Jersey Department of Law and Public Safety				<u>115,175.42</u>	<u>428,365.27</u>	<u>461,932.54</u>	<u>(6,720.59)</u>	<u>74,887.56</u>	<u>-</u>
Total State Assistance				<u>\$ 193,936.99</u>	<u>\$ 832,835.06</u>	<u>\$ 799,358.03</u>	<u>\$ (6,720.59)</u>	<u>\$ 220,693.43</u>	<u>\$ -</u>

The accompanying Notes to Schedules of Federal and State Awards are an integral part of this statement.

**Notes to Schedule of Expenditures of Federal and State Awards  
December 31, 2014**

**Note 1: General**

The accompanying schedule of financial assistance present the activity of all state financial assistance programs of the City of Somers Point. The City is defined in Note 1 to the City's financial statements.

**Note 2: Basis of Accounting**

The accompanying schedule of financial assistance is presented using the modified accrual basis of accounting in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for its financial transactions through separate funds, which differ from the funds required by accounting principles generally accepted in the United States of America (GAAP).

**Note 3: Relationship to General-Purpose Financial Statements**

Amounts reported in the accompanying schedules agree with amounts reported in the City's financial statements. The financial statements present the Grant Fund on a budgetary basis. The Grant Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

	<u>Federal</u>	<u>State</u>
Expenditure per Schedule of Federal and State Awards	\$ 337,425.49	\$ 461,932.54
Add local funding		17,053.00
Expenditure per Audit Schedule A-13	<u>\$ 337,425.49</u>	<u>\$ 478,985.54</u>

**Note 4: Relationship to State Financial Reports**

Amounts reported in the accompanying schedules agree with the amounts reported in the related state financial reports.

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

		Current Fund
Balance December 31, 2013	\$	3,063,364.59
Increased by Receipts:		
Tax Collector		31,597,776.62
Clerk		
Revenue Accounts Receivable		1,895,408.41
Miscellaneous Revenue		193,612.97
Due from State - Senior Citizens and Veterans		116,485.36
Due from General Capital Fund		1,023,211.90
Due to Utility Capital Fund		475,000.00
Due to Sewer Operating Fund		694,579.61
Due to State - Marriage Licenses		
Due to State - CCO		1,062.00
Payroll Taxes		42,564.53
Reserve for Sandy		806,866.91
Federal and State Unanticipated		13,476.49
Federal and State Receivables		598,540.31
		37,458,585.11
		40,521,949.70
Decreased by Disbursements:		
Current Year Appropriation		11,814,724.10
Prior Year Appropriations		290,947.40
County Taxes		5,650,809.39
Local District School Taxes		9,124,564.00
Regional School Taxes		7,391,450.00
Refund of Tax Overpayments		34,256.15
Emergency Note		60,000.00
Trust Other		120.00
Due from Unemployment Trust		14,004.16
Interfund Created		254,766.83
Accounts Payable		1,548.95
Reserve for Revaluation		68,422.61
Federal and State Disbursements		799,808.90
		35,505,422.49
Balance December 31, 2014	\$	5,016,527.22

**CURRENT FUND  
SCHEDULE OF CURRENT CASH - COLLECTOR**

Balance December 31, 2013		\$ 218,544.07
Increased by Receipts:		
Prepaid Taxes	313,083.71	
Taxes Receivable	31,645,321.92	
Revenue Accounts Receivable	196,237.37	
Miscellaneous Revenue	2,467.83	
Tax Title and Other Liens	-	
	<hr/>	<hr/>
		32,157,110.83
		32,375,654.90
Payments to Treasurer		<hr/>
		31,597,776.62
Balance December 31, 2014		\$ <u><u>777,878.28</u></u>

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

Year	Balance Dec. 31, 2013	Current Year Levy	Collections by Cash		Adjustments	Overpayments	Transferred To Tax Title Lien	Arrears	Balance Dec. 31, 2014
			2013	2014					
Arrears \$	32,780.59			21,805.38	10,975.21				(0.00)
2011	8,099.65			8,099.65					-
2012	16,356.09			16,356.09					-
2013	816,888.90			745,279.77	120,596.10	(77,303.47)	16,903.96		11,412.54
	874,125.23	-	-	791,540.89	131,571.31	(77,303.47)	16,903.96		11,412.54
2014		32,086,038.60	58,602.91	279,296.15	30,970,551.58	48,554.33	9,730.68		652,967.89
\$	874,125.23	32,086,038.60	58,602.91	279,296.15	31,762,092.47	(28,749.14)	26,634.64		664,380.43

Cash Receipts  
Senior Citizens and Veterans

31,645,321.92
116,770.55
<u>31,762,092.47</u>
32,086,038.60
58,602.91
<u>32,144,641.51</u>

**Analysis of Current Year Tax Levy**

Tax Yield:

General Property Tax	32,086,038.60
Added Taxes (54:4-63.1 et. Seq.)	58,602.91
	<u>32,144,641.51</u>

**Tax Levy:**

General County Taxes	4,699,980.04
County Library Taxes	465,037.59
County Open Space Taxes	368,118.71
County Health Taxes	66,212.09
County Added and Omitted Taxes	10,260.36
Total County Taxes	<u>5,609,608.79</u>

Local School District Tax	9,124,565.00
Additional Local School District Tax	-
Regional School District Tax	7,391,450.00
	<u>10,019,017.72</u>

Local Tax for Municipal Purposes	9,962,140.00
Add: Additional Tax Levied	56,877.72
	<u>10,019,017.72</u>
	<u>32,144,641.51</u>

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

Balance December 31, 2013		\$ 98,836.65
Increased by:		
Transfers from Taxes Receivable	26,634.64	
Interest and Costs Accrued by Sale of December 11, 2014	7,158.34	
	<hr/>	<hr/>
		33,792.98
		132,629.63
Decreased by:		
Collections		
Other		
	<hr/>	<hr/>
		-
Balance December 31, 2014		\$ <u><u>132,629.63</u></u>

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2013	Accrued in 2013	Collected by		Balance Dec. 31, 2014
			Collector	Treasurer	
Licenses:					
Alcoholic Beverages	\$	23,070.00		23,070.00	-
Fees and Permits		16,313.00		16,313.00	-
Municipal Court	13,951.45	260,590.16		258,425.25	16,116.36
Interest and Costs on Taxes		196,237.37	196,237.37		-
Interest Earned on Investments		25,639.38		25,639.38	-
Fees and Permits - Chapter 115 Inspections		127,250.00		127,250.00	-
Cable Television Franchise Fees		49,947.63		49,947.63	-
Hotel Fee		164,890.97		164,890.97	-
Consolidated Municipal Property Tax Relief Act		97,410.00		97,410.00	-
Energy Receipts Tax		869,686.00		869,686.00	-
Uniform Construction Code Fees		131,032.00		131,032.00	-
Uniform Fire Safety Act		31,744.18		31,744.18	-
Reserve to Pay Bonds		26,739.00		26,739.00	-
General Capital Surplus		155,000.00		155,000.00	-
Shore Memorial Hospital		100,000.00		100,000.00	-
Reserve for Wind Storm		19,824.03		19,824.03	-
Miscellaneous Revenue Not Anticipated		196,080.80		196,080.80	-
	<u>\$ 13,951.45</u>	<u>2,491,454.52</u>	<u>196,237.37</u>	<u>2,293,052.24</u>	<u>16,116.36</u>
			Cash	2,091,489.21	
			Due from Capital	181,739.00	
			Received in Prior Year	19,824.03	
				<u>2,111,313.24</u>	

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS" GENERAL GOVERNMENT:					
Mayor and Council	\$				
Salaries and Wages	500.00	500.00		500.00	-
Other Expenses	15,169.30	15,169.30	694.49	14,474.81	-
Department of General Administration					
Salaries and Wages	16,894.27	16,894.27	10,439.00	6,455.27	-
Other Expenses	14,998.34	14,998.34	9,790.87	5,207.47	-
Department of City Clerk					
Salaries and Wages	2,389.90	2,389.90		2,389.90	-
Other Expenses	6,510.35	6,510.35	2,943.10	3,567.25	-
Data Processing					
Other Expenses	3,965.00	3,965.00		3,965.00	-
Department of Finance					
Salaries and Wages	13,384.21	13,384.21		13,384.21	-
Other Expenses	1,069.34	1,069.34	98.44	970.90	-
Department of Tax Assessment					
Salaries and Wages	1,562.00	1,562.00		1,562.00	-
Other Expenses	2,339.36	2,339.36		2,339.36	-
Department of Tax Collection					
Salaries and Wages	7,632.03	7,632.03		7,632.03	-
Other Expenses	4,215.13	4,215.13	86.55	4,128.58	-
Legal Services and Costs					
Other Expenses	47,883.72	41,383.72	30,153.05	11,230.67	-
Municipal Prosecutor					
Other Expenses	6,333.36	6,333.36	4,374.99	1,958.37	-
Engineering Services and Costs					
Other Expenses	3,475.00	8,475.00	7,680.00	795.00	-
Public Buildings and Grounds					
Salaries and Wages	6,111.27	6,111.27		6,111.27	-
Other Expenses	179.11	179.11		179.11	-
Vehicle Maintenance	7,187.59	7,187.59	2,461.11	4,726.48	-
Planning Board					
Other Expenses	12,747.49	12,747.49	981.14	11,766.35	-
Zoning Board					
Other Expenses	2,986.69	2,986.69	1,190.30	1,796.39	-

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>PUBLIC SAFETY</b>					
Department of Fire					
Salaries and Wages	2,650.00	2,650.00		2,650.00	-
Other Expenses	3,629.61	3,629.61	64.00	3,565.61	-
Department of Police					
Salaries and Wages	39,483.98	39,483.98	10,274.46	29,209.52	-
Other Expenses	19,476.30	19,476.30	8,447.44	11,028.86	-
Department of Communications					
Salaries and Wages	26,726.52	26,726.52		26,726.52	-
Other Expenses	12,240.00	12,240.00	599.98	11,640.02	-
Department of Emergency Management					
Other Expenses	2,751.17	2,751.17	(87.49)	2,838.66	-
Bureau of Fire Prevention					
Salaries and Wages	5,320.00	5,320.00		5,320.00	-
Other Expenses	2,961.59	2,961.59		2,961.59	-
Department of Zoning/Code Enforcement					
Salaries and Wages	8,260.35	8,260.35		8,260.35	-
Other Expenses	9,664.82	9,664.82		9,664.82	-
<b>PUBLIC WORKS</b>					
Department of Public Works					
Salaries and Wages	33,108.23	33,108.23		33,108.23	-
Other Expenses	16,732.08	16,732.08	6,616.30	10,115.78	-
Division of Sanitation					
Salaries and Wages	49,539.85	43,039.85		43,039.85	-
Other Expenses	53,564.52	53,564.52	46,708.49	6,856.03	-
Sanitation - Transfer Fee	39,761.72	46,261.72	45,875.93	385.79	-
<b>HEALTH AND WELFARE</b>					
Animal Control Services					
Other Expenses	750.00	750.00	750.00	-	-
<b>RECREATION AND EDUCATION</b>					
Department of Parks and Recreation Programs					
Salaries and Wages	5,838.75	5,838.75		5,838.75	-
Other Expenses	10,270.92	10,270.92	6,269.90	4,001.02	-
Department of Parks and Recreation Facilities					

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Salaries and Wages	8,684.40	8,684.40		8,684.40	-
Other Expenses	9,431.07	9,431.07		9,431.07	-
Environmental Commission					
Other Expenses	1,660.00	1,660.00		1,660.00	-
Economic Development and Advisory Commission					
Other Expenses	3,679.20	3,679.20		3,679.20	-
Historic Preservation Commission					
Other Expenses	3,000.00	3,000.00		3,000.00	-
<b>MUNICIPAL COURT</b>					
Municipal Court					
Salaries and Wages	2,372.69	2,372.69		2,372.69	-
Other Expenses	5,385.24	5,385.24	120.00	5,265.24	-
Public Defender (P.L. 1997, C.256)					
Other Expenses	500.00	500.00		500.00	-
<b>INSURANCE</b>					
General Liability	6,130.00	2,630.00		2,630.00	-
Workers Compensation Insurance	4,799.00	4,799.00		4,799.00	-
Employee Group Health	46,604.99	46,604.99	708.57	45,896.42	-
Surety Bond Premiums	1,000.00	1,000.00		1,000.00	-
Health Waiver - Employee Opt Out	893.78	893.78		893.78	-
Municipal Services Act					
Other Expenses	40,392.68	40,392.68	28,136.35	12,256.33	-
Apartment Trash Collection					
Other Expenses	18,034.94	18,034.94	12,542.74	5,492.20	-
<b>STATE UNIFORM CONSTRUCTION CODE</b>					
Construction Official					
Other Expenses	359.01	359.01	317.69	41.32	-
<b>UNCLASSIFIED</b>					
Gasoline	18,567.14	18,567.14	5,655.76	12,911.38	-
Diesel Fuel	10,198.28	10,198.28	3,970.38	6,227.90	-
Fire Hydrant Water	16,994.06	16,994.06	16,219.20	774.86	-
Electric	7,199.19	7,199.19	4,312.13	2,887.06	-

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Street Lighting	768.52	4,268.52	4,137.73	130.79	-
Telephone	2,185.73	3,685.73	1,426.10	2,259.63	-
Natural Gas	768.70	768.70		768.70	-
Water	8,771.98	8,771.98	1,653.85	7,118.13	-
Fuel #2	1,000.00	1,000.00		1,000.00	-
Waste Water	1,500.00	1,500.00		1,500.00	-
Telecommunications Costs	654.48	654.48	134.85	519.63	-
Contingent	1,000.00	1,000.00		1,000.00	-
<b>STATUTORY EXPENDITURES</b>					
Contribution to					
Social Security System (O.A.S.I.)	8,006.95	8,006.95		8,006.95	-
Defined Contribution Retirement Plan	6,288.93	6,288.93		6,288.93	-
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>					
Length of Service Awards Program	20,000.00	20,000.00	15,200.00	4,800.00	-
All Other Accounts - No Change	11,688.36	11,688.36		11,688.36	-
	<u>\$ 788,783.19</u>	<u>788,783.19</u>	<u>290,947.40</u>	<u>497,835.79</u>	<u>-</u>
Reserves	585,914.75				
Encumbrances	<u>202,868.44</u>				
	<u>788,783.19</u>				<u>-</u>

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

Balance December 31, 2013			
School Tax Payable	\$	2.00	
School Tax Deferred			
		2.00	\$ 2.00
Increased by:			
Levy - Calender Year January 1, 2014 to December 31, 2014		9,124,565.00	
		9,124,567.00	
Decreased by:			
Payments		9,124,564.00	
Balance December 31, 2014			
School Tax Payable		3.00	3.00
Current Year Liability for Local School District School Tax:			
Tax Paid		9,124,564.00	
Tax Payable Ending		3.00	
		9,124,567.00	
Less: Tax Payable Beginning		2.00	
Amount charged to Current Year Operations			\$ 9,124,565.00

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

Balance December 31, 2013		
School Tax Payable	\$	10.43
School Tax Deferred		
		\$ 10.43
Increased by:		
Levy - Calender Year January 1, 2014 to December 31, 2014		7,391,450.00
		7,391,460.43
Decreased by:		
Payments		7,391,450.00
Balance December 31, 2014		
School Tax Payable	10.43	10.43
Current Year Liability for Local School District School Tax:		
Tax Paid		7,391,450.00
Tax Payable Ending		10.43
		7,391,460.43
Less: Tax Payable Beginning		10.43
Amount charged to Current Year Operations		\$ 7,391,450.00

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

Purpose	Balance	Transferred	Received	Adjustments	Balance
	Dec. 31, 2013	From 2014 Revenues			Dec. 31, 2014
<b>FEDERAL GRANTS:</b>					
Community Development Block Grant - 2013	\$ 47,274.00		47,274.00		-
Community Development Block Grant - 2014		49,759.00	49,759.00		-
CDBG - Post Sandy Planning Assistance	30,000.00		30,000.00		-
Bullet Proof Vest Partnership	3,605.57				3,605.57
Bullet Proof Vest Partnership		3,810.79	3,810.79		-
Drive Sober or Get Pulled Over - Labor Day		5,000.00	5,000.00		-
Drive Sober Year End - 2014		7,500.00			7,500.00
Drive Sober Year End - 2013		4,400.00	4,400.00		-
Click It Ticket		4,000.00	4,000.00		-
<b>Total Federal</b>	<b>80,879.57</b>	<b>74,469.79</b>	<b>144,243.79</b>	<b>-</b>	<b>11,105.57</b>
<b>STATE GRANTS:</b>					
Safe and Secure Program	-	23,373.00			23,373.00
Clean Communities	423.67				423.67
Clean Communities	-	23,395.83	23,395.83		-
Department of Transportation					
Connecticut					
Bala Blvd.	57,100.00		57,100.00		-
Municipal Alliance - 2014	-	190,000.00	142,500.00		47,500.00
Municipal Alliance - 2013	-	22,216.00	7,178.00		15,038.00
Municipal Alliance - 2012	14,355.00		10,876.79	2,081.27	3,478.21
Safe Roads	2,081.27				-
PSPG - Master Plan	-	10,000.00	10,000.00		-
PSPG - Zoning Ordinance	-	50,000.00	45,077.25		4,922.75
PSPG - Historic District Design Standards		50,000.00	5,400.00		44,600.00
PSPG - Bay Avenue Infrastructure Design		20,000.00	20,000.00		-
PSPG - Capital Improvement Plan		50,000.00	50,000.00		-
PSPG - Route 9 West Design		30,000.00	26,559.00		3,441.00
PSPG - Route 9 Business District Design		50,000.00	22,615.00		27,385.00
PSPG - Shared Service Capital Impr. Plan		50,000.00	12,570.50		37,429.50
Body Armor		30,000.00	2,828.50		27,171.50
		3,030.54	3,030.54		-

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

<u>Purpose</u>	<u>Balance Dec. 31, 2013</u>	<u>Transferred From 2014 Revenues</u>	<u>Received</u>	<u>Adjustments</u>	<u>Balance Dec. 31, 2014</u>
Recycling Tonnage Grant	-	12,017.00	13,387.24		-
Local Arts Development Program	1,370.24		750.00		-
Local Arts Development Program	750.00		2,950.00		650.00
Local Arts Development Program	-	3,600.00	250.00		-
Local Arts Development Program	250.00		10,025.90		-
Drunk Driving Enforcement 2014	-	10,025.90	5,000.00		-
Distracted Driver Crackdown	-	5,000.00			-
Municipal Access Planning	8,100.00				8,100.00
<b>Total State</b>	<u>84,430.18</u>	<u>632,658.27</u>	<u>471,494.55</u>	<u>2,081.27</u>	<u>243,512.63</u>
<b>\$</b>	<u>165,309.75</u>	<u>707,128.06</u>	<u>615,738.34</u>	<u>2,081.27</u>	<u>254,618.20</u>
		<u>Cash</u>	598,540.31		
		<u>Unappropriated Reserves</u>	17,198.03		
			<u>615,738.34</u>		

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

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

	Balance December 31, 2013		2014		Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2014
	Appropriated	Reserve for Encumbrances	Appropriations					
<b>FEDERAL GRANTS:</b>								
Small Cities	\$							
Community Development Block Grant - 2013	11,490.00				47,274.00			11,490.00
Community Development Block Grant - 2014	47,274.00		49,759.00		49,759.00			-
CDBG - Post Sandy Planning Assistance	16,392.00				16,391.99			0.01
PSPG - Master Plan			50,000.00		47,202.25	2,797.75		-
PSPG - Zoning Ordinance			50,000.00		5,940.00			44,060.00
PSPG - Historic District Design Standards			20,000.00		20,000.00			-
PSPG - Bay Avenue Infrastructure Design			50,000.00		50,000.00			-
PSPG - Capital Improvement Plan			30,000.00		26,559.00			3,441.00
PSPG - Route 9 West Design			50,000.00		23,075.00			26,925.00
PSPG - Route 9 Business District Design			50,000.00		21,818.00	6,277.50		21,904.50
PSPG - Shared Service Capital Impr. Plan			30,000.00		2,828.50	202.50		26,969.00
Bullet Proof Vest Partnership	3,605.57							3,605.57
Bullet Proof Vest Partnership			3,810.79					3,810.79
Click It Ticket			4,000.00		4,000.00			-
Drive Sober or Get Pulled Over - Labor Day			5,000.00		5,000.00			-
Drive Sober Year End - 2014			7,500.00		3,900.00			3,600.00
Drive Sober Year End - 2013			4,400.00		4,400.00			-
<b>Total Federal</b>	<b>78,761.57</b>	<b>-</b>	<b>404,469.79</b>		<b>328,147.74</b>	<b>9,277.75</b>	<b>-</b>	<b>145,805.87</b>

<b>STATE GRANTS:</b>								
Municipal Alliance - 2012	3,760.37				4,793.37		3,760.37	-
Municipal Alliance - 2013	5,916.35	4,713.37	27,771.00		3,122.59	10,250.41		5,836.35
Municipal Alliance - 2014	(0.00)	1,234.48	23,395.83		24,630.31			14,398.00
Clean Communities			3,030.54					-
Body Armor - 2013	2,951.64							3,030.54
Body Armor - 2012	2,625.00							2,951.64
Body Armor - 2011	1,858.48							2,625.00
Body Armor - 2010	629.87							1,858.48
Body Armor - prior								629.87
Department of Transportation								
Connecticut	50,013.42	1,685.00			51,698.42			0.00
Bala Drive	-		190,000.00		181,485.61	8,514.39		0.00
Safe Roads	-		10,000.00		10,000.00			-
Distracted Driver Crackdown	-		5,000.00		5,000.00			-
Drunk Driving Enforcement - 2014		397.00	10,025.90		44.75			9,981.15
Drunk Driving Enforcement - 2013	6,425.09				2,786.40			4,035.69
Municipal Access Planning Grant	8,100.00				5,290.00			2,810.00
Safe and Secure Communities	6,720.59		174,896.00		164,009.71	6,000.00		4,886.29
Recycling Tonnage Grant	35,851.33	15,200.00	12,017.00		20,989.43		6,720.59	42,078.90
Local Arts Development Program	-		3,600.00		3,600.00			-
<b>Total State</b>	<b>124,852.14</b>	<b>23,229.85</b>	<b>459,736.27</b>		<b>477,450.59</b>	<b>24,764.80</b>	<b>10,480.96</b>	<b>95,121.91</b>
	<b>203,613.71</b>	<b>23,229.85</b>	<b>864,206.06</b>		<b>805,596.33</b>	<b>34,042.55</b>	<b>10,480.96</b>	<b>240,927.78</b>
			<b>Due to Trust Fund</b>					
			<b>Cash Disbursement</b>					
					<b>5,789.43</b>			
					<b>799,808.90</b>			
					<b>805,598.33</b>			

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

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

Purpose	Balance Dec. 31, 2013	Transferred To 2014 Appropriations	Received	Adjustments	Balance Dec. 31, 2014
<b>FEDERAL GRANTS:</b>					
None	-				-
Total Federal	-	-	-	-	-
<b>STATE GRANTS:</b>					
Recycling Tonnage Grant	13,387.16	13,387.24	13,476.49		13,476.41
Body Armor - 2011	260.81				260.81
Body Armor - 2013	3,810.79	3,810.79			-
Total State	<u>17,458.76</u>	<u>17,198.03</u>	<u>13,476.49</u>	<u>-</u>	<u>13,737.22</u>
	\$ <u>17,458.76</u>	<u>17,198.03</u>	<u>13,476.49</u>	<u>-</u>	<u>13,737.22</u>

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

**TRUST FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Dog Licenses</u>	<u>Other</u>
Balance December 31, 2013	\$ 12,869.44	739,900.25
Increased by Receipts:		
Dog License Fees 2014	19,808.20	
Due to State of New Jersey	1,288.80	
Interest		
Miscellaneous Trust Reserves		783,575.82
Due to Current	44.97	266,933.99
	<u>21,141.97</u>	<u>1,050,509.81</u>
	34,011.41	1,790,410.06
Decreased by Disbursements		
Statutory Expenditures	70.68	
Due to State of New Jersey	1,264.20	
Miscellaneous Trust Reserves		589,411.94
Due from Grant Fund		5,789.43
	<u>1,334.88</u>	<u>595,201.37</u>
Balance December 31, 2014	<u>\$ 32,676.53</u>	<u>1,195,208.69</u>

**TRUST FUND  
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES**

Balance December 31, 2013		\$	7,030.60
Increased by:			
Dog License Fees Collected	\$	19,808.20	
			19,808.20
			26,838.80
Decreased by:			
Statutory Excess		11,820.51	
Expenditures under N.J.S. 4:19-15:11		70.68	
			11,891.19
Balance December 31, 2014		\$	14,947.61

License Fees Collected:

Year	Amount
2013	\$ 11,379.61
2012	3,568.00
	\$ 14,947.61

**TRUST FUND**  
**SCHEDULE OF AMOUNT DUE TO CURRENT FUND - DOG LICENSE FUND**

Balance December 31, 2013		\$	5,838.84
Increased by:			
Interest	\$		44.97
Statutory Excess			<u>11,820.51</u>
			<u>11,865.48</u>
			17,704.32
Decreased by:			
Payment			<u>-</u>
Balance December 31, 2014		\$	<u><u>17,704.32</u></u>

**TRUST FUND**  
**SCHEDULE OF AMOUNT DUE TO(FROM) STATE OF NEW JERSEY - DEPARTMENT OF HEALTH**

Balance December 31, 2013		\$	-
Increased by:			
Prepaid License Fees	\$		
2014 State License Fees			<u>1,288.80</u>
			<u>1,288.80</u>
			1,288.80
Decreased by:			
Disbursements to the State			<u>1,264.20</u>
Balance December 31, 2014		\$	<u><u>24.60</u></u>

**TRUST - OTHER FUNDS  
SCHEDULE OF MISCELLANEOUS RESERVES  
FOR THE YEAR ENDED December 31, 2014**

Reserve	Balance 12/31/13	Increased by		Decreased by		Balance 12/31/14
		Receipts	Due from Current	Disbursements	Transfer Interest	
Affordable Housing	\$ 12,613.33	7,783.29		497.00		19,899.62
Escrow	238,702.03	266,614.18		172,111.23		333,204.98
Law Enforcement Trust	50,076.45	3,061.23		2,653.00		50,484.68
Police Off Duty	45,258.96	12,400.15		10,875.33		46,783.78
Parking Offense Adjudication Act	2,308.00	196.00				2,504.00
Recreation	111,728.35	56,570.24		43,854.90		124,443.69
Bayfest	79,836.22	51,337.50		61,618.66		69,555.06
Unemployment Trust	27,168.24	8,436.72	20,000.00	18,490.01		37,114.95
Recycling	469.58	1,076.00				1,545.58
Tax Sale Premiums	160,900.01	164,662.59		67,147.51		258,415.09
Tax Title Lien Redemptions	6,546.98	197,467.92		199,714.30		4,300.60
Street Openings	3,095.63	13,970.00		12,450.00		4,615.63
	<u>\$ 738,703.78</u>	<u>783,575.82</u>	<u>20,000.00</u>	<u>589,411.94</u>	<u>-</u>	<u>952,867.66</u>

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

Balance December 31, 2013		\$ 1,344,910.69
Increased by:		
Receipts	46,140.03	
	<hr/>	<hr/>
		46,140.03
		1,391,050.72
Decreased by:		
Disbursements	1,145,547.79	
	<hr/>	<hr/>
		1,145,547.79
Balance December 31, 2014		\$ <u>245,502.93</u>

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance Dec. 31, 2014
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 283,557.20							137,909.60
Capital Improvement Fund	20,350.00							350.00
Downpayment on Improvement Authorization								-
Encumbrances Payable	178,031.11							101,458.40
Due to/from Current Fund	83,933.52	(108,684.97)	(1,060,000.00)					(964,614.38)
Reserve for Bequest - JFK Park	23,000.00							23,000.00
Reserve to Pay Bonds	26,739.47							-
Reserve for the Acquisition of Vehicle	10,000.00							10,000.00
<b>Improvement Authorizations:</b>								
8-01 Various Improvements:								
(E) Parking Lots & Improvements	-					80.00		80.00
12-04 Various Improvements	1,869.44				1,476.00			393.44
6-05 Improvements & Acquisitions	17,695.36			2,312.50				15,382.86
11-08 Various Improvements	50,274.73			16,123.00		6,000.10		40,151.83
20-08 Various Improvements	23,984.28							23,984.28
05-09 Various Improvements and Acquisitions	72,724.00							72,724.00
09-09 Various Improvements and Acquisitions	(88,485.90)							36,514.10
2009 Tax Refund Payments	51,251.55							21,470.56
05-11 Various Improvements	1,125.00			29,780.99				1,125.00
07-11 Various Improvements	64,855.70							52,495.76
7-12 Various Improvements	397,476.08			95,931.08		3,726.90		338,689.57
13-12 Various Improvements	47,741.33			142,095.98		1,343.50		47,741.33
4-13 Various Improvements	108,612.82							2,335.50
5-13 Purchase Vehicles				106,277.32				268,061.08
16-14 Various Improvements			1,060,000.00	753,026.92				16,250.00
25-14 Dredging								-
21-00 Water Distribution System	(29,825.00)	29,825.00						-
<b>Total</b>	<b>\$ 1,344,910.69</b>	<b>46,140.03</b>	<b>-</b>	<b>1,145,547.79</b>	<b>595,081.38</b>	<b>595,081.38</b>	<b>595,081.38</b>	<b>245,502.93</b>

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

	<u>Ref.</u>	
Balance December 31, 2013		\$ 20,350.00
Increased by:		
2014 Budget Appropriation	36,000.00	
	36,000.00	36,000.00
		56,350.00
Decreased by:		
Ordinance 16-2014	56,000.00	
	56,000.00	56,000.00
Balance December 31, 2014		\$ <u><u>350.00</u></u>

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

Balance December 31, 2013		\$ 10,418,950.00
Increased by:		
None		
	_____	-
		10,418,950.00
Decreased by:		
2014 Budget Appropriations:		
General Serial Bonds	1,196,500.00	
	_____	1,196,500.00
Balance December 31, 2014		\$ 9,222,450.00

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

Ord #	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Raised in 2014 Budget	Canceled	Balance Dec. 31, 2014	Analysis of Balance			
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations	
2009	Tax Refund Payments	\$ 125,000.00		125,000.00		-				
4-13	Various Improvements	1,000,000.00				1,000,000.00	1,000,000.00			
16-14	Various Improvements		1,064,000.00			1,064,000.00	1,060,000.00		4,000.00	
25-14	Dredging		308,750.00			308,750.00			308,750.00	
<u>Local Improvements</u>										
21-00	Water Distribution System	57,000.00		29,825.00		27,175.00				
		<u>\$ 1,182,000.00</u>	<u>1,372,750.00</u>	<u>154,825.00</u>	<u>27,175.00</u>	<u>2,372,750.00</u>	<u>2,060,000.00</u>	<u>-</u>	<u>312,750.00</u>	
							Improvement Authorizations Unfunded	628,552.41		
							Less:			
							Unexpended Proceeds of Bond			
							Anticipation Notes Issued:			
							<u>Ord. Number</u>			
							4-13	47,741.33		
							16-14	268,061.08		
								<u>315,802.41</u>		
								<u>312,750.00</u>		



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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2014		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
General Improvements	7/1/2009	6,266,000	7/1/2015	785,500.00	3% \$	5,102,950.00		746,500.00	4,356,450.00
			7/1/2016	828,750.00	4%				
			7/1/2017	876,500.00	4%				
			7/1/2018	924,250.00	4%				
			7/1/2019	941,450.00	4%				
General Improvements	9/15/2012	5,691,000	9/15/2015	460,000.00	3%	5,316,000.00		450,000.00	4,866,000.00
			9/15/2016	510,000.00	3%				
			9/15/2017	525,000.00	3%				
			9/15/2018	535,000.00	3%				
			9/15/2019	625,000.00	3%				
			9/15/2020	710,000.00	3%				
			9/15/2021	750,000.00	2%				
		9/15/2022	751,000.00	2%					
					\$	10,418,950.00	-	1,196,500.00	9,222,450.00

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

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
Hurricane Sandy	4-13	3/14/2013	12/13/2013	12/12/2014	1.250% \$	1,000,000.00		1,000,000.00	-
Hurricane Sandy	4-13	3/14/2013	12/12/2014	1/11/2015	0.800%		675,000.00		675,000.00
Hurricane Sandy	4-13	3/14/2013	12/12/2014	12/11/2015	1.020%		325,000.00		325,000.00
Various Improvements	16-14	12/29/2014	12/29/2014	12/28/2015	1.030%		1,060,000.00		1,060,000.00
						\$ 1,000,000.00	2,060,000.00	1,000,000.00	2,060,000.00

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Cancelled	Debt Issued	Raised in Budget	Balance Dec. 31, 2014
2009 13-12	Tax Refund Payments	\$ 125,000.00				125,000.00	-
4-13	Various Improvements	-					-
16-14	Various Improvements		1,064,000.00		1,060,000.00		4,000.00
25-14	Dredging		308,750.00				308,750.00
<u>Local Improvements</u>							
21-00	Water Distribution System	57,000.00		27,175.00		29,825.00	-
		<u>\$ 182,000.00</u>	<u>1,372,750.00</u>	<u>27,175.00</u>	<u>1,060,000.00</u>	<u>154,825.00</u>	<u>312,750.00</u>

**SEWER OPERATING FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Operating</u>
Balance as of December 31, 2013		\$ 625,721.79
Increased by Receipts:		
Sewer Rents Receivable	D-7	\$ 2,697,215.87
Sewer Liens	D-8	-
Due to Sewer Capital		
Miscellaneous Anticipated	D-3	42,939.18
		<u>2,740,155.05</u>
		3,365,876.84
Decreased by Disbursements:		
2014 Appropriations	D-4	2,361,912.24
2013 Appropriation Reserves	D-9	7,810.00
Due from Sewer Capital		134,204.45
Due from Current Fund		694,579.61
Overpayments Refunded		<u>2,191.88</u>
		<u>3,200,698.18</u>
Balance as of December 31, 2014	D	\$ <u><u>165,178.66</u></u>



**SEWER OPERATING FUND  
SCHEDULE OF SEWER CONSUMER ACCOUNTS RECEIVABLE**

Balance as of December 31, 2013		\$ 161,419.89
Increased by:		
Utility Rents Levied	\$ <u>2,689,308.00</u>	<u>2,689,308.00</u>
		2,850,727.89
Decreased by:		
Collections	2,697,215.87	
Overpayments Applied	16,872.40	
Prepayment		
Canceled	9,143.70	
Transferred to Liens	<u>370.00</u>	
		<u>2,723,601.97</u>
Balance as of December 31, 2014		\$ <u><u>127,125.92</u></u>

**SEWER OPERATING FUND  
SCHEDULE OF FIXED CAPITAL**

Account	Balance Dec. 31, 2013	Additions By Budget Capital Outlay	By Ordinance	Balance Dec. 31, 2014
Sewer System Improvements	\$ 9,491,184.92			9,491,184.92
	<u>\$ 9,491,184.92</u>	<u>-</u>	<u>-</u>	<u>9,491,184.92</u>

**SEWER UTILITY CAPITAL FUND  
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2013	2014 Authorizations			Balance Dec. 31, 2014
					Deferred Reserve for Amortization	Deferred Charge to Future Taxation	Costs to Fixed Capital	
8-12	Various Sewer Capital Improvements	05/10/12	\$ 309,000	\$ 309,000.00				309,000.00
14-12	Various Sewer Capital Improvements	07/26/12	300,000	300,000.00				300,000.00
17-14	Various Sewer Capital Improvements	05/08/14	500,000		25,000.00	475,000.00		500,000.00
				<u>\$ 609,000.00</u>	<u>25,000.00</u>	<u>475,000.00</u>	<u>0.00</u>	<u>1,109,000.00</u>

**SEWER OPERATING FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES**

	Balance Dec. 31, 2013	Balance After Transfers	Paid Or Charged	Balance Lapsed	Over- Expended
Operating:					
Salaries and Wages	\$ 42,786.75	42,786.75		42,786.75	
Other Expenses	9,108.39	9,108.39	7,810.00	1,298.39	
ACMUA - Treatment Costs	5,351.00	5,351.00		5,351.00	
Other Accounts No Change	-	-		-	
	<u>\$ 57,246.14</u>	<u>57,246.14</u>	<u>7,810.00</u>	<u>49,436.14</u>	<u>-</u>
		Disbursements \$	7,810.00		

**SEWER OPERATING UTILITY FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS  
AND NOTES - ANALYSIS OF BALANCE -  
DECEMBER 31, 2014**

Balance as of December 31, 2013		\$	39,627.46
Increased by:			
Accrued interest charged to 2014 budget appropriation - Interest on bonds and notes			92,784.23
			132,411.69
Decreased by:			
Disbursements			96,205.55
Balance as of December 31, 2014		\$	36,206.14

**ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2014**

Description	Principal Outstanding Dec. 31, 2014	Interest Rate	From	To	# of Days	Amount
2009 Issue	663,550	Var	07/01/14	12/31/14	180	12,322.26
2012 Issue	959,000	Var	09/15/14	12/31/14	105	7,694.17
NJ EIT Bonds	765,000	5%	08/01/14	12/31/14	150	15,937.50
Bond Anticipation Note	475,000	1.02%	12/12/14	12/31/14	19	252.21
						\$ 36,206.14

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

Ord Number	Improvement Authorization	Ordinance Date	Amount	Balance Dec. 31, 2013		Down Payment Or Capital Improv. Fund	2014 Authorizations		Deferred Charges To Future Taxation	Prior Year Encumbrances	Paid Or Charged	Balance Dec. 31, 2014	
				Funded	Unfunded		Canceled	Unfunded					
8-12	Various Sewer Capital Improvements	05/10/12	309,000 \$	9,181.00					2,452.00	2,095.00		9,538.00	
14-12	Various Sewer Capital Improvements	07/26/12	300,000	98,113.45					33,202.62	49,408.16		81,907.91	
17-14	Various Sewer Capital Improvements	05/08/14	500,000			25,000.00		475,000.00		161,232.50			338,767.50
			\$	107,294.45	-	25,000.00		475,000.00	35,654.62	212,735.66	-	91,445.91	\$ 338,767.50
									Encumbered Disbursements	78,631.21			
										134,204.45			
										<u>212,735.66</u>			

**SEWER CAPITAL UTILITY FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**

Purpose	Date of Original Issue	Date of Issue	Amount of Original Issue	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
Various Sewer Improvements	12/12/2014	12/12/2014	475,000	1.02%	\$ -	475,000.00	-	475,000.00
					\$ -	475,000.00	-	475,000.00

**SEWER CAPITAL UTILITY FUND  
STATEMENT OF SEWER SERIAL BONDS PAYABLE**

Purpose	Date Of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2014		Int. Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
Sewer Utility Bonds	06/23/09	954,000	07/01/15	119,500	3.25%				
			07/01/16	126,250	3.75%				
			07/01/17	133,500	3.75%				
			07/01/18	140,750	3.75%				
			07/01/19	143,550	4.00%	\$ 777,050.00		113,500.00	663,550.00
Sewer Utility Bonds	09/15/12	1,109,000	09/15/15	120,000	3.00%				
			09/15/16	120,000	3.00%				
			09/15/17	120,000	3.00%				
			09/15/18	120,000	3.00%				
			09/15/19	120,000	3.00%				
			09/15/20	120,000	3.00%				
			09/15/21	120,000	2.00%				
			09/15/22	119,000	2.00%	1,049,000.00		90,000.00	959,000.00
						\$ 1,826,050.00		203,500.00	1,622,550.00



**SEWER CAPITAL UTILITY FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION**

Balance as of December 31, 2013		\$ 6,717,933.42
Increased by:		
Capital Outlay:		
Funded by Budget Appropriation		
NJ EIT Bonds Payable	127,105.25	
Serial Bonds Paid by Operating Budget	<u>154,077.09</u>	
		<u>281,182.34</u>
		6,999,115.76
Decreased by:		
Authorizations Canceled		<u>-</u>
Balance as of December 31, 2014		\$ <u><u>6,999,115.76</u></u>

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2013	Fixed Capital Authorized	Paid in Operating Budget Bond	Transfer to Reserve for Amortization	Balance Dec. 31, 2014
8-12	Various Sewer Capital Improvements	05/10/12	\$ 16,718.00		25,076.65		41,794.65
14-12	Various Sewer Capital Improvements	07/26/12	16,231.00		24,346.26		40,577.26
17-14	Various Sewer Capital Improvements	05/08/14		25,000.00			25,000.00
			<u>\$ 32,949.00</u>	<u>25,000.00</u>	<u>49,422.91</u>	<u>-</u>	<u>107,371.91</u>

**SEWER CAPITAL UTILITY FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorization	BANS Issued	Canceled	Deferred Reserve for Amortization	Balance Dec. 31, 2014
17-2014	Various Sewer Improvements	\$ -	475,000.00	475,000.00	-	-	-
		\$ -	475,000.00	475,000.00	-	-	-

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**CITY OF SOMERS POINT**

**PART II**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2014**



## **GENERAL COMMENTS**

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

N.J.S. 40A:11-4 states, "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 except by contract or agreement."

The governing body of the City has the responsibility of determining whether the expenditures in any category will exceed \$36,000 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the City Committee's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal any payments in excess of \$36,000 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

The minutes indicate that bids were requested by public advertising for the following items:

- IT Service Contract
- Road Reconstruction
- Police SUV's
- Street Hockey Court Improvements

### **Contracts and Agreements Requiring Solicitation of Quotations**

N.J.S. 40A:11-6.1 states, "Prior to the award of any other purchase, contract or agreement, the contracting agent shall, except in the case of the performance of professional services, solicit quotations, whenever practical, on any such purchase, contract or agreement the estimated cost or price of which is \$5,400 or more."

## Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body, on January 6, 2014, adopted the following resolution authorizing interest to be charged on delinquent taxes:

**WHEREAS**, N.J.S.A. 54:4-67 permits the governing body of a municipality to fix the rate of interest to be charged for the nonpayment of taxes of assessments;

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Somers Point, County of Atlantic, State of New Jersey, that:

1. In the event that payments of taxes or assessments are not paid on the due date, but are paid within a period of ten (10) days in the case of taxes, or thirty (30) days in the case of assessments, the Tax Collector is hereby authorized to charge no interest on all such delinquent payments.
2. In the event that payment of taxes or assessments are not paid within ten (10) days in the case of taxes, or thirty (30) in the case of assessments, the Tax Collector is hereby authorized to charge interest at the rate of eight percent per annum on the first \$1,500 of the delinquency and 18 percent per annum on any amount in excess of \$1,500 to be calculated from the date the tax or assessment was payable until the date of actual payment.
3. N.J.S.A. 54:6-67 specifically provides that a governing body may fix a penalty to be charged to a taxpayer where there is a tax and/or other municipal charge delinquency in excess of \$10,000 at the end of any calendar year on a given parcel of real estate; and
4. That a penalty equal to six (6) percent per annum of any delinquency in taxes and other municipal charges on a given parcel of real property shall be and hereby imposed where the delinquency exceeds \$10,000 at the end of each calendar year.

This Resolution shall take effect January 1, 2014.

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

### Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 17, 2014 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2014	12
2013	14
2012	11

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

**Verification of Delinquent Taxes and Other Charges**

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

<u>Type:</u>	<u>Number Mailed</u>
Payment of 2015 and 2014 Taxes	5
Payment of 2015 and 2014 Utility Bills	5
Delinquent Taxes	5
Delinquent Utility	1
Municipal Court	5

As of the date of this audit report, all verifications have not been returned. No problems were noted with the verifications that have been returned related to property taxes, utilities or municipal court.

**Deposit of Municipal Funds**

N.J.S. 40A:5-15 states, "All municipal funds shall be deposited within 48 hours upon receipt."

Our examination has revealed that municipal funds were not deposited within the mandated time.

**Comparison of Tax Levies and Collections Currently**

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

<u>Year</u>	<u>Current Fund</u>		
	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2014	\$ 32,144,641	\$ 31,298,402	97.37%
2013	32,036,567	31,076,079	97.00%
2012	29,616,625	28,725,922	96.99%
2011	29,824,596	28,958,162	97.09%
2010	28,854,600	27,982,216	96.98%

## Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	\$ 2.700	4.650	4.294	4.315	4.155
Apportionment of Tax Rate:					
Municipal	0.839	1.390	1.295	1.274	1.251
County	0.471	0.881	0.708	0.741	0.670
Local School	0.768	1.306	1.264	1.247	1.248
Regional School	0.622	1.073	1.027	1.053	0.986
Assessed Valuation	\$ 1,188,371,800	683,027,574	687,703,793	689,712,996	693,149,133
Revaluation					

## Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total delinquent taxes and tax title liens, in relation to the tax levies of the last five years.

<u>Year</u>	Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage of Tax <u>Levy</u>
2014	\$ 132,630	664,380	797,010	2.48%
2013	98,837	874,125	972,962	3.04%
2012	88,489	823,844	912,333	3.08%
2011	85,471	697,286	782,757	2.62%
2010	80,093	782,100	862,193	2.99%

## 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 years was as follows:

<u>Year</u>	<u>Amount</u>
2014	\$ 19,412
2013	\$ 19,412
2012	\$ 19,412
2011	\$ 19,412
2010	\$ 19,412

## Sewer Utility Service Charges

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

Year	Balance End of Year		Levy	Total	Cash Collections
	Receivable	Liens			
2014	\$ 127,126	1,549	2,689,308	2,817,983	2,714,088
2013	161,420	961	2,200,345	2,362,726	2,135,038
2012	115,310	-	2,223,349	2,338,659	2,190,461
2011	88,274	-	2,197,836	2,286,110	2,213,335
2010	103,773	-	2,192,406	2,296,179	2,165,873

## Fund Balances Appropriated

The following schedule details the amount of fund balances available at the end of the year and the amounts utilized in the subsequent year's budgets.

Year	Balance December 31	Utilized in budget of Succeeding Year	Percentage of Fund Balance Utilized
<b><u>Current Fund</u></b>			
2014	\$ 1,425,884	1,050,000 *	73.64%
2013	1,755,074	1,105,000	62.96%
2012	1,063,919	950,000	89.29%
2011	1,876,527	1,400,000	74.61%
2010	1,854,550	1,561,089	84.18%

## **Sewer Utility Operating Fund**

2014	\$ 343,823	- *	0.00%
2013	26,449	-	0.00%
2012	256,449	230,000	89.69%
2011	214,317	80,000	37.33%
2010	125,522	53,000	42.22%

\* Budgets have not been adopted as of filing of this report

## Uniform Construction Code

The City of Somers Point construction code official is in compliance with uniform construction code rules NJAC 5:23.17(b)2 and NJAC 5:23.4.17(b)3.

*Schedule of Findings and Recommendations*

NONE

**STATUS OF PRIOR RECOMMENDATIONS**

NONE

**RECOMMENDATIONS**

None

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call.

Very truly yours,

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

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

*Kenneth Moore*

**Kenneth Moore  
Certified Public Accountant  
Registered Municipal Accountant  
No. 231**