

**CITY OF BRIGANTINE
REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2014**

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CITY OF BRIGANTINE
PART I
REPORT ON AUDIT OF
FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED
DECEMBER 31, 2014



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

To the Honorable Mayor and
Members of City Council
City of Brigantine
County of Atlantic, 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 Brigantine, as of December 31, 2014, 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. The financial statements of the City of Brigantine as of and for the year ended December 31, 2013 were audited by other auditors whose report dated August 5, 2014 expressed an adverse opinion on those statements in accordance with Generally Accepted Principles and an unmodified opinion on those statements in conformity with the Regulatory Basis of Accounting as described in Note 1.

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 Brigantine 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 Brigantine as of December 31, 2014, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2014, 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 Brigantine'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*, 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.

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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2015 on our consideration of the City of Brigantine'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 Brigantine's internal control over financial reporting and compliance.

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

Leon P. Costello

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

June 15, 2015

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EXHIBIT - A
CURRENT FUND

**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	\$ 8,322,647.23	6,928,776.89
Change and Petty Cash Funds	1,375.00	975.00
Total Cash	<u>8,324,022.23</u>	<u>6,929,751.89</u>
Receivables and Other Assets with Full Reserves:		
Due from Local School District	526.70	12,572.66
Delinquent Property Taxes Receivable	607,409.73	524,231.78
Tax Title and Other Liens	35,947.35	5,220.80
Property Acquired for Taxes - at Assessed Valuation	308,862.00	308,862.00
Revenue Accounts Receivable	6,237.71	7,673.26
Interfund Receivable:		
Due Federal and State Grant Fund	-	516,343.31
Due Animal Control Fund	3,624.00	1,418.20
Due Golf Utility Operating Fund	-	964.36
Due Water/Sewer Utility Operating Fund	333,037.59	-
Due General Capital Fund	227,762.10	-
Total Receivables and Other Assets	<u>1,523,407.18</u>	<u>1,377,286.37</u>
Deferred Charges:		
Special Emergency Authorizations (40A:4-53)	1,044,051.74	1,740,589.35
Overexpenditure of Appropriation Reserves	750.00	-
Total Deferred Charges	<u>1,044,801.74</u>	<u>1,740,589.35</u>
Total Regular Fund	<u>10,892,231.15</u>	<u>10,047,627.61</u>
Federal and State Grant Fund:		
Cash	112,881.54	91,710.98
Federal and State Grants Receivable	498,575.35	1,123,344.36
Due from Current Fund	197,710.92	-
Total Federal and State Grant Fund	<u>809,167.81</u>	<u>1,215,055.34</u>
Total Current Fund	<u>\$ 11,701,398.96</u>	<u>11,262,682.95</u>

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

	<u>2014</u>	<u>2013</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,829,962.77	374,926.91
Reserve for Encumbrances	520,316.08	264,820.35
Prepaid Taxes	889,399.52	783,103.49
Overpaid Taxes	46,748.18	156,979.20
Payroll Taxes Payable	93,344.45	31,816.12
County Tax Payable	37,495.97	19,631.52
Contracts Payable - Revaluation	79,311.00	131,479.85
Special Emergency Notes	1,051,139.39	1,938,385.00
Due to State:		
Marriage Licenses	475.00	675.00
Senior Citizens & Vets	23,099.46	22,349.46
State Training Fees	4,163.00	5,635.00
Interfund Payable:		
Tourism Commission	1,310.00	1,310.00
Federal and State Grant Fund	197,710.92	-
Trust Other Fund	4,945.55	1,338.20
Golf Utility Operating Fund	273,969.54	-
Golf Utility Capital Fund	70,103.93	77,336.00
Water - Sewer Utility Operating Fund	-	55,625.00
Other		
Recreation	-	50,000.00
Tax Map and Property Revaluation	300,019.00	300,019.00
Master Plan	20,065.02	20,065.02
FEMA Proceeds Pledged to 2012 Emergencies	-	408,860.61
Future Capital Projects - Insurance Proceeds	318,474.86	758,029.86
	<u>5,762,053.64</u>	<u>5,402,385.59</u>
Reserve for Receivables and Other Assets	1,523,407.18	1,377,286.37
Fund Balance	<u>3,606,770.33</u>	<u>3,267,955.65</u>
Total Regular Fund	<u>10,892,231.15</u>	<u>10,047,627.61</u>
Federal and State Grant Fund:		
Unappropriated Reserves	55,863.02	30,033.57
Appropriated Reserves	611,241.66	541,487.17
Encumbrances Payable	133,066.32	118,194.48
Due to Current Fund	-	516,343.31
Due Water-Sewer Utility Operating Fund	8,996.81	8,996.81
	<u>809,167.81</u>	<u>1,215,055.34</u>
Total Federal and State Grant Fund	<u>809,167.81</u>	<u>1,215,055.34</u>
Total Current Fund	<u>\$ 11,701,398.96</u>	<u>11,262,682.95</u>

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	\$ 1,400,000.00	700,000.00
Miscellaneous Revenue Anticipated	6,041,018.51	5,760,631.13
Receipts from Delinquent Taxes	473,471.57	638,491.09
Receipts from Current Taxes	54,504,687.39	53,694,108.42
Non Budget Revenue	494,988.93	149,437.45
Other Credits to Income:		
Premium on Emergency Notes	6,085.91	-
Statutory Excess Animal Control Fund	-	1,418.20
Unexpended Balance of Appropriation Res.	328,563.95	473,761.05
Proceeds from Tax Appeal Refunding Note Issued	-	1,465,000.00
Cancellation of Grant Funds	10,407.19	-
Reserves Liquidated:		
Interfunds Returned	29,353.63	-
Due from Animal Control Fund	-	399.74
Total Income	<u>63,288,577.08</u>	<u>62,883,247.08</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	11,377,407.93	12,348,615.00
Other Expenses	7,549,035.36	6,247,385.00
Deferred Charges & Statutory Expenditures		
Appropriations Within "CAPS"	3,728,125.70	3,059,435.00
Operations Excluded from "CAPS"		
Salaries and Wages	277,328.00	287,500.00
Other Expenses	657,589.62	1,582,026.83
Capital Improvements - Excluded from "CAPS"	489,555.00	1,000.00
Municipal Debt Service - Excluded from "CAPS"	3,794,918.59	3,393,367.84
Deferred Charges and Statutory Expenditures		
Municipal Excluded from "CAPS"	696,537.61	1,227,795.65
Transferred to Board of Education for Use of Local Schools	1,228,187.50	1,640,682.36
Local District School Tax	15,769,415.00	15,964,539.00
Senior Citizens' Deductions Disallowed by Collector -		
Prior Year Taxes	35,625.00	6,250.00
County Tax	15,346,275.63	15,838,498.46
County Share of Added Tax	37,495.97	19,631.52
Creation of Reserve for :		
Interfunds Created	563,015.49	-
Due from Federal and State Grant Fund	-	516,343.31
Due from Golf Operating Fund	-	964.36
Due from Local School District	-	12,045.96
Total Expenditures	<u>61,550,512.40</u>	<u>62,146,080.29</u>
Excess in Revenue	<u>1,738,064.68</u>	<u>737,166.79</u>

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

	<u>2014</u>	<u>2013</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute Deferred Charges to Budgets of		
Succeeding Year	750.00	588,385.00
Total Adjustments	<u>750.00</u>	<u>588,385.00</u>
Statutory Excess to Fund Balance	<u>1,738,814.68</u>	<u>1,325,551.79</u>
Fund Balance January 1	<u>3,267,955.65</u>	<u>2,642,403.86</u>
	5,006,770.33	3,967,955.65
Decreased by:		
Utilization as Anticipated Revenue	<u>1,400,000.00</u>	<u>700,000.00</u>
Fund Balance December 31	<u>\$ 3,606,770.33</u>	<u>3,267,955.65</u>

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

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 1,400,000.00		1,400,000.00	-
Total Fund Balance Anticipated	1,400,000.00	-	1,400,000.00	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	12,175.00		12,000.00	(175.00)
Other	11,500.00		26,651.00	15,151.00
Fees and Permits	116,700.00		121,803.99	5,103.99
Fines and Costs:				
Municipal Court	134,000.00		118,555.36	(15,444.64)
Interest and Costs on Taxes	139,200.00		154,578.66	15,378.66
Beach Fees	540,000.00		514,078.00	(25,922.00)
Beach Vehicles Permits	610,000.00		620,225.00	10,225.00
Cable Franchise	69,470.00		69,473.31	3.31
County Share of Library Costs	50,000.00		40,001.00	(9,999.00)
Emergency Medical Services	250,000.00		251,815.62	1,815.62
Lease of City Property	203,600.00		399,867.22	196,267.22
Total Section A: Local Revenues	2,136,645.00	-	2,329,049.16	192,404.16
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	657,130.00		657,130.00	-
Open Space Pilot Aid (Garden State Trust)	15,570.00		15,570.00	-
Type I School Debt Service Aid	154,234.00		154,234.00	-
Total Section B: State Aid Without Offsetting Appropriations	826,934.00	-	826,934.00	-

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

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	225,000.00		381,298.00	156,298.00
Total Section C: Uniform Construction Code Fees	<u>225,000.00</u>	<u>-</u>	<u>381,298.00</u>	<u>156,298.00</u>
Section D: Special Items of General Revenue Anticipated				
None	-		-	-
Total Section D: Special Items of General Revenue Anticipated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Section E: Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government Services - Additional Revenues				
Fire Prevention Inspection Fees	275,800.00		262,660.00	(13,140.00)
Total Section E: Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government Services - Additional Revenues	<u>275,800.00</u>	<u>-</u>	<u>262,660.00</u>	<u>(13,140.00)</u>
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
Municipal Alliance on Alcoholism and Drug Abuse	7,790.00	16,319.00	24,109.00	-
FY2012 Assistance to Firefighters	230,040.00		230,040.00	-
Traffic Crash & Mapping Project	6,000.00		6,000.00	-
Post Sandy Planning Assistance Grants	30,000.00	15,000.00	45,000.00	-
Bulletproof Vest Partnership		8,348.04	8,348.04	-
Clean Communities Program		36,620.58	36,620.58	-
Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations	<u>273,830.00</u>	<u>76,287.62</u>	<u>350,117.62</u>	<u>-</u>

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

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Section G: Other Special Items				
Utility Operating Surplus of Prior Year	255,000.00		255,000.00	-
Atlantic County Debt Service Aid - 800MHz System	28,415.32		28,415.32	-
Minature Golf Receipts	20,100.00		20,000.00	(100.00)
Recreation Reserve	50,000.00		50,000.00	-
FEMA Superstorm Sandy Proceeds	408,860.61		408,860.61	-
ACUA FEMA Reimbursement	39,128.80		39,128.80	-
Reserve for Future Capital Projects - Insurance Proceeds	439,555.00		439,555.00	-
General Capital Surplus	150,000.00		150,000.00	-
Liquidation of Interfund - Federal/State - County Atlantic - Brigantine Blvd.	500,000.00		500,000.00	-
Total Section G: Other Special Items	1,891,059.73	-	1,890,959.73	(100.00)
Total Miscellaneous Revenues:	5,629,268.73	76,287.62	6,041,018.51	335,462.16
Receipts from Delinquent Taxes	500,000.00		473,471.57	(26,528.43)
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	22,931,777.77		23,645,953.00	714,175.23
Addition to Local District School Tax	1,073,953.50		1,073,953.50	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	24,005,731.27	-	24,719,906.50	714,175.23
Budget Totals	31,535,000.00	76,287.62	32,634,396.58	1,023,108.96
Non- Budget Revenues:				
Other Non- Budget Revenues:	-	-	494,988.93	494,988.93
	31,535,000.00	76,287.62	33,129,385.51	1,518,097.89

**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	54,504,687.39
--------------------------	---------------

Less: Reserve for Tax Appeals Pending	-
---------------------------------------	---

Net Revenue from Collections	54,504,687.39
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Allocated to:

School, County and Other Taxes	31,153,186.60
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Balance for Support of Municipal Budget Appropriations	23,351,500.79
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Increased by:

Appropriation "Reserved for Uncollected Taxes"	1,368,405.71
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Amount for Support of Municipal Budget Appropriations	24,719,906.50
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Receipts from Delinquent Taxes:

Delinquent Tax Collection	473,471.57	
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Tax Title Lien Collections	-	
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Total Receipts from Delinquent Taxes	473,471.57
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Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Tax Collector Receipts	16,244.47	
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Administrative Fee - Senior Citizens and Veterans Deductions	2,590.00	
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Restitution	25.00	
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Zoning Fees	6,800.00	
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Street Opening Permits	23,600.00	
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Sidewalk Permits	3,850.00	
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Auction	3,078.00	
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Special Events Permits	7,095.00	
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Dune Maintenance Permits	2,100.00	
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Dog Park Permits	3,130.00	
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Dog Fund Statutory Excess	1,905.80	
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Horseback Riding Permits	200.00	
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Copy/Notary Fees	663.23	
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Bulkhead Permits	33,271.35	
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List of Owners	735.25	
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Homeland Security	300,000.00	
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Community Center Lease	7,675.00	
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Lieu of Taxes State Property	1.00	
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Insurance Refunds	38,619.00	
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Planning Board	6,254.71	
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Miscellaneous	37,151.12	
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Total Miscellaneous Revenue Not Anticipated:	494,988.93
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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	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
General Administration						
Salaries and Wages	\$ 93,700.00	93,700.00	91,216.08		2,483.92	-
Other Expenses	31,400.00	31,400.00	20,962.27	10,059.60	378.13	-
Mayor and Council						
Salaries and Wages	62,918.00	62,918.00	62,918.00		-	-
Other Expenses	19,000.00	19,000.00	4,321.85	2,812.94	11,865.21	-
Municipal Clerk						
Salaries and Wages	66,169.00	66,169.00	65,842.36		326.64	-
Other Expenses	55,845.00	55,845.00	28,699.02	1,090.77	26,055.21	-
Financial Administration						
Salaries and Wages	97,294.00	97,294.00	97,294.00		-	-
Other Expenses	39,000.00	42,000.00	39,029.57	2,970.43	-	0.00
Audit Services						
Other Expenses	46,750.00	46,750.00	14,389.66		32,360.34	-
Revenue Administration (Tax Collector)						
Salaries and Wages	64,870.00	64,870.00	63,970.40		899.60	-
Other Expenses	23,900.00	23,900.00	15,457.64	240.00	8,202.36	-
Tax Assessment Administration						
Salaries and Wages	166,629.00	156,629.00	156,172.57		456.43	-
Other Expenses	26,300.00	21,300.00	5,077.27	2,561.81	13,660.92	-
Legal Services						
Other Expenses	360,000.00	510,000.00	410,851.19	69,300.51	29,848.30	-
Engineering Services and Costs						
Other Expenses	35,000.00	35,000.00	24,800.88	5,399.12	4,800.00	-
Emergency Medical Services - Billing						
Other Expenses	22,500.00	22,500.00	12,501.79	2,753.69	7,244.52	-
Ethics Board						
Other Expenses	100.00	100.00	-		100.00	-
Municipal Court						
Salaries and Wages	143,995.00	143,995.00	142,585.87		1,409.13	-
Other Expenses	18,700.00	18,700.00	5,536.49	92.80	13,070.71	-
Public Defender						
Other Expenses	8,000.00	8,000.00	6,900.00	400.00	700.00	-
LAND USE ADMINISTRATION						
Planning Board						
Salaries and Wages	2,975.00	2,975.00	1,332.69		1,642.31	-
Other Expenses	48,500.00	38,500.00	24,511.12	602.48	13,386.40	-
CODE ENFORCEMENT AND ADMINISTRATION						
Environmental Commission (N.J.S.A. 40:56-A-1)						
Other Expenses	100.00	100.00	-		100.00	-

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	
INSURANCE						
General Liability and Other Insurance	219,632.00	222,632.00	218,891.94	368.00	3,372.06	-
Workers Compensation Insurance	371,504.00	371,504.00	371,504.00	-	-	-
Employee Group Health	1,985,000.00	2,370,309.00	2,070,722.12		299,586.88	-
Health Benefits Waiver						
Salaries and Wages	100,000.00	100,000.00	68,843.40		-	31,156.60
PUBLIC SAFETY						
Director						
Salaries and Wages	95,000.00	37,491.00	37,490.22		-	0.78
Other Expenses	10,000.00	1,000.00	963.36		-	36.64
Fire Department						
Salaries and Wages	3,818,895.00	3,618,895.00	3,212,348.94		306,546.06	100,000.00
Other Expenses	193,032.00	193,032.00	150,238.89	42,349.04	444.07	-
Police Department						
Salaries and Wages	4,762,442.00	4,494,442.00	4,260,958.74		133,483.26	100,000.00
Other Expenses	145,650.00	145,650.00	62,741.57	82,721.96	186.47	-
Office of Emergency Management						
Salaries and Wages	6,000.00	6,000.00	5,516.68		-	483.32
Other Expenses	17,200.00	12,200.00	2,557.00	5,300.00	4,343.00	-
PUBLIC WORKS						
Streets and Roads Maintenance						
Salaries and Wages	418,932.00	398,932.00	389,170.53		9,761.47	-
Other Expenses	113,500.00	138,500.00	98,487.92	19,082.26	20,929.82	-
Snow Removal - Contractual	20,000.00	20,000.00		7,074.84	12,925.16	-
Solid Waste Collection						
Other Expenses	1,482,000.00	1,482,000.00	1,234,448.96	97,175.91	150,375.13	-
Recycling Program						
Salaries and Wages	230,530.00	228,530.00	221,075.94		7,454.06	-
Other Expenses	7,500.00	13,500.00	6,479.21		7,020.79	-
Department of Public Works						
Salaries and Wages	91,398.00	91,398.00	90,133.35		1,264.65	-
Other Expenses	10,000.00	10,000.00	5,000.00	410.00	4,590.00	-
Public Buildings and Grounds						
Salaries and Wages	523,048.00	521,048.00	510,635.25		10,412.75	-
Other Expenses	175,000.00	210,000.00	185,427.32	15,402.20	9,170.48	-
Demolition						
Other Expenses	75,000.00	75,000.00		75,000.00	-	-
HEALTH AND HUMAN SERVICES						
Dog Regulation						
Salaries and Wages	7,500.00	10,500.00	7,485.33		3,014.67	-
Other Expenses	7,500.00	7,500.00	6,975.00		525.00	-

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	
PARKS AND RECREATION						
Beach Patrol and Maintenance						
Salaries and Wages	688,500.00	668,500.00	657,120.38		-	11,379.62
Other Expenses	47,000.00	47,000.00	38,310.30	5,678.31	3,011.39	-
Beach Fee Program						
Salaries and Wages	112,200.00	111,400.00	111,374.25		-	25.75
Other Expenses	21,500.00	21,500.00	7,721.05	5,371.20	8,407.75	-
Parks and Playgrounds						
Salaries and Wages	290,000.00	280,000.00	258,719.39		21,280.61	-
Other Expenses	48,650.00	48,650.00	34,650.70	7,922.90	6,076.40	-
Cultural Arts						
Other Expenses	5,000.00	5,000.00	5,000.00		-	-
UNIFORM CONSTRUCTION CODE						
Construction Official						
Salaries and Wages	364,768.00	364,768.00	334,823.24		29,944.76	-
Other Expenses	18,000.00	18,000.00	11,158.02	3,844.69	2,997.29	-
UNCLASSIFIED						
Accumulated Leave Compensation	300,000.00	300,000.00	300,000.00		-	-
Maintenance Agreements - Contractual	135,000.00	135,000.00	118,636.16	16,344.91	18.93	-
UTILITY EXPENSES AND BULK PURCHASES						
Electric	252,000.00	252,000.00	222,650.40	29,349.60	-	0.00
Street Lighting	202,500.00	202,500.00	183,363.42		19,136.58	-
Telephone	87,500.00	87,500.00	87,159.49		340.51	-
Gas	55,000.00	55,000.00	53,298.27		1,701.73	-
Fuel	230,500.00	230,500.00	37,465.29	7,915.24	185,119.47	-
TOTAL OPERATIONS WITHIN "CAPS"	<u>19,178,026.00</u>	<u>19,169,026.00</u>	<u>16,973,916.75</u>	<u>519,595.21</u>	<u>1,432,431.33</u>	<u>243,082.71</u>
Contingent	500.00	500.00		440.87	59.13	-
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	<u>19,178,526.00</u>	<u>19,169,526.00</u>	<u>16,973,916.75</u>	<u>520,036.08</u>	<u>1,432,490.46</u>	<u>243,082.71</u>
Detail:						
Salaries and Wages	12,207,763.00	11,620,454.00	10,847,027.61	-	530,380.32	243,046.07
Other Expenses	6,970,763.00	7,549,072.00	6,126,889.14	520,036.08	902,110.14	36.64
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Deferred Charges:						
Prior Year's Bills:						
Peterson Refund Escrow - 1998	5,000.00	5,000.00	5,000.00		-	-

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	
Deficit - Golf Course Utility						
Statutory Expenditures:	765,256.18	765,256.18	663,768.70	-	-	101,487.48
Contributions to:						
Public Employees' Retirement System	473,242.00	473,242.00	473,242.00	-	-	-
Social Security System (O.A.S.I.)	980,000.00	980,000.00	859,329.17	-	20,670.83	100,000.00
Police and Firemen's Retirement System	1,591,115.00	1,591,115.00	1,591,115.00	-	-	-
Unemployment Compensation Insurance	90,000.00	90,000.00	29,589.19	-	60,410.81	-
Defined Contribution Retirement Program	5,000.00	5,000.00	1,679.63	-	3,320.37	-
Lifeguard Pension	20,000.00	20,000.00	20,000.00	-	-	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	<u>3,929,613.18</u>	<u>3,929,613.18</u>	<u>3,643,723.69</u>	<u>-</u>	<u>84,402.01</u>	<u>201,487.48</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>23,108,139.18</u>	<u>23,099,139.18</u>	<u>20,617,640.44</u>	<u>520,036.08</u>	<u>1,516,892.47</u>	<u>444,570.19</u>
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Reserve for Tax Appeals	300,000.00	300,000.00			300,000.00	-
Fire Prevention Inspections	268,328.00	277,328.00	266,128.63		11,199.37	-
Salaries and Wages	7,472.00	7,472.00	5,321.07	280.00	1,870.93	-
Other Expenses						
	<u>575,800.00</u>	<u>584,800.00</u>	<u>271,449.70</u>	<u>280.00</u>	<u>313,070.30</u>	<u>-</u>
(A) Public and Private Programs Off-Set by Revenues						
Municipal Alliance - County Share	7,790.00	7,790.00	7,790.00		-	-
Municipal Alliance		16,319.00	16,319.00		-	-
FY2012 Assistance to Firefighters	230,040.00	230,040.00	230,040.00		-	-
Traffic Crash & Mapping Project	6,000.00	6,000.00	6,000.00		-	-
Post Sandy Planning Assistance Grants	30,000.00	45,000.00	45,000.00		-	-
Bulletproof Vest Partnership		8,348.04	8,348.04		-	-
Clean Communities Program		36,620.58	36,620.58		-	-
Total Public and Private Programs Off-Set by Revenues	<u>273,830.00</u>	<u>350,117.62</u>	<u>350,117.62</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operations - Excluded from "CAPS"	<u>849,630.00</u>	<u>934,917.62</u>	<u>621,567.32</u>	<u>280.00</u>	<u>313,070.30</u>	<u>-</u>
Detail:						
Salaries and Wages	268,328.00	277,328.00	266,128.63	-	11,199.37	-
Other Expenses	581,302.00	657,589.62	355,438.69	280.00	301,870.93	-

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	50,000.00	50,000.00	50,000.00	-	-	-
Reserve for Emergency Vehicles and Appurtenances	439,555.00	439,555.00	439,555.00	-	-	-
Total Capital Improvements	489,555.00	489,555.00	489,555.00	-	-	-
(D) Debt Service						
Payment of Bond Principal	2,345,000.00	2,345,000.00	2,345,000.00	-	-	-
Payment of Bond Anticipation Notes and Capital Notes	816,250.00	816,250.00	817,000.00	-	-	(750.00)
Interest on Bonds	480,000.00	480,000.00	480,000.00	-	-	-
Interest on Notes	85,150.00	85,150.00	84,893.03	-	-	256.97
Green Trust Loan Program:						
Loan Repayments for Principal	32,910.00	32,910.00	32,906.05	-	-	3.95
Loan Repayments for Interest	8,935.00	8,935.00	8,930.96	-	-	4.04
Interest on Special Emergency Notes	26,300.00	26,300.00	26,188.55	-	-	111.45
Total Debt Service	3,794,545.00	3,794,545.00	3,794,918.59	-	-	(373.59)
(E) Deferred Charges - Municipal - Excluded from "CAPS"						
TaxMap/Revaluation	170,000.00	170,000.00	170,000.00	-	-	-
Superstorm Sandy	408,860.61	408,860.61	408,860.61	-	-	-
Contractual Severance Liability	117,677.00	117,677.00	117,677.00	-	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS"	696,537.61	696,537.61	696,537.61	-	-	-
Local School District Purposes - Excluded from "CAPS"						
Type I District School Debt Service	1,020,000.00	1,020,000.00	1,020,000.00	-	-	-
Payment of Bond Principal	208,187.50	208,187.50	208,187.50	-	-	-
Interest on Bonds						
TOTAL MUNICIPAL APPROPRIATIONS FOR LOCAL SCHOOL DISTRICT PURPOSES EXCLUDED FROM "CAPS"	1,228,187.50	1,228,187.50	1,228,187.50	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	7,058,455.11	7,143,742.73	6,830,766.02	280.00	313,070.30	(373.59)

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

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
SUBTOTAL GENERAL APPROPRIATIONS	30,166,594.29	30,242,881.91	27,448,406.46	520,316.08	444,196.60
(M) Reserve for Uncollected Taxes	1,368,405.71	1,368,405.71	1,368,405.71	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 31,535,000.00	31,611,287.62	28,816,812.17	520,316.08	444,196.60
Budget		31,535,000.00			
Appropriations by 40A:4-87		76,287.62		Cancelled Overexpended	444,946.60 (750.00)
		31,611,287.62			444,196.60
Reserve for Uncollected Taxes			1,368,405.71		
Reserve for Emerg Vehicles & Appurtenances			439,555.00		
Federal and State Grants			350,117.62		
Deferred Charges			696,537.61		
Due to Golf Utility Operating			663,768.70		
Due to Trust - Accumulated Absences			300,000.00		
Disbursements			24,998,427.53		
			28,816,812.17		

EXHIBIT - B
TRUST FUND

TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
<u>Animal Control Fund</u>		
Cash and Investments	\$ 6,120.00	4,477.60
Due State of New Jersey	-	1.80
	<u>6,120.00</u>	<u>4,479.40</u>
<u>Other Funds</u>		
Cash and Investments	2,067,204.92	1,895,238.03
Due Current Fund	4,945.55	1,338.20
	<u>2,072,150.47</u>	<u>1,896,576.23</u>
	<u>\$ 2,078,270.47</u>	<u>1,901,055.63</u>

TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,

	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>		
<u>Animal Control Fund</u>		
Reserve for Animal Control Expenditures	\$ 2,320.20	3,061.20
Due to Current Fund	3,624.00	1,418.20
Due State of New Jersey	175.80	-
	<u>6,120.00</u>	<u>4,479.40</u>
<u>Other Funds</u>		
Reserve for Accumulated Absences	195,813.42	335,937.17
Reserve for Special Law Enforcement	47,005.75	52,104.21
Reserve for Police Special Detail Escrow	22,730.00	23,585.90
Reserve for POAA	1,152.00	881.00
Reserve for Ambulance	6,151.00	6,151.00
Reserve for Engineering Escrow	112,799.83	168,970.49
Reserve for Lifeguard Pension	574,990.15	578,567.95
Reserve for Recreation	225,124.14	190,014.82
Reserve for Cul Art Comm Programs	2,920.38	-
Reserve for Recreation Green Team	726.98	-
Reserve for COAH	231,589.19	162,462.16
Reserve for Health Insurance Trust	1.63	2,421.73
Reserve for Tax Title Lien Premiums	272,200.00	272,200.00
Reserve for Tax Title Lien Redemptions	340,550.33	85,478.38
Reserve for Due to Third Parties Eng Escrow	20,594.25	-
Reserve for Donations - Emergency Management Supplies	5,001.42	5,001.42
Reserve for Donations - Water Tower	12,800.00	12,800.00
	<u>2,072,150.47</u>	<u>1,896,576.23</u>
	<u>\$ 2,078,270.47</u>	<u>1,901,055.63</u>

EXHIBIT - C
GENERAL CAPITAL FUND

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

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Cash	\$ 6,795,109.69	7,435,060.06
Deferred Charges to Future Taxation -		
Funded	19,801,827.00	23,199,733.04
Unfunded	15,343,000.00	9,960,000.00
Interfunds and Receivables		
Federal and State Grant Receivable	186,376.45	186,376.45
Due from Water-Sewer Utility Capital	50,000.00	50,000.00
	<u>42,176,313.14</u>	<u>40,831,169.55</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Serial Bonds Payable	13,680,000.00	16,025,000.00
School Type I Bonds Payable	5,700,000.00	6,720,000.00
Green Trust Loan Payable	421,827.00	454,733.04
Bond Anticipation Notes	7,698,000.00	8,515,000.00
Due to Current Fund	227,762.10	-
Improvement Authorizations:		
Funded	2,190,526.12	2,496,316.05
Unfunded	10,104,465.67	5,663,075.10
Reserve for Encumbrances	1,393,411.68	573,185.67
Reserve for Future Capital Project	439,555.00	-
Capital Improvement Fund	153,500.00	103,500.00
Fund Balance	167,265.57	280,359.69
	<u>\$ 42,176,313.14</u>	<u>40,831,169.55</u>

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

2013	1,445,000.00
2014	7,645,000.00

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

	<u>2014</u>	<u>2013</u>
Beginning Balance January 1	\$ 280,359.69	280,359.69
Increased by:		
Bond Premium	36,905.88	-
Decreased by:		
Budgeted Capital Surplus	150,000.00	-
Ending Balance December 31	\$ <u>167,265.57</u>	<u>280,359.69</u>

EXHIBIT - D
WATER AND SEWER UTILITY FUND

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

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 2,183,456.06	1,365,658.94
Interfunds and Receivables		
Due from Current Fund	-	55,625.00
Due from Federal and State Grant Fund	8,996.81	8,996.81
Due from Water/Sewer Capital Fund	335,430.04	-
	<u>2,527,882.91</u>	<u>1,430,280.75</u>
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	693,235.93	347,335.95
	<u>693,235.93</u>	<u>347,335.95</u>
Deferred Charges:		
Special Emergency Authorization	71,113.10	148,991.31
	<u>71,113.10</u>	<u>148,991.31</u>
Total Operating Fund	<u>3,292,231.94</u>	<u>1,926,608.01</u>
Capital Fund:		
Cash	502,988.13	502,988.13
New Jersey EIT Receivable	-	976,813.23
Fixed Capital	36,498,122.76	36,498,122.76
Fixed Capital - Authorized and Uncompleted	7,432,176.85	1,870,407.62
Total Capital Fund	<u>44,433,287.74</u>	<u>39,848,331.74</u>
	<u>\$ 47,725,519.68</u>	<u>41,774,939.75</u>

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

	<u>2014</u>	<u>2013</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Appropriation Reserves	\$ 347,169.42	16,032.26
Reserve for Encumbrances	306,294.80	131,212.03
Overpaid Rents	1,034,181.42	151,662.41
Accrued Interest on Bonds and Notes	101,240.63	123,179.95
Reserve for FEMA Proceeds - 2012 Emergencies	-	77,878.21
Reserve for Insurance Proceeds	5,500.00	5,500.00
Emergency Note Payable	72,860.61	150,000.00
Interfunds:		
Due to Current Fund	333,037.59	-
	<u>2,200,284.47</u>	<u>655,464.86</u>
Reserve for Receivables	693,235.93	347,335.95
Fund Balance	398,711.54	923,807.20
Total Operating Fund	<u>3,292,231.94</u>	<u>1,926,608.01</u>
Capital Fund:		
Encumbrances Payable	87,320.72	90,570.06
Serial Bonds Payable	2,745,000.00	3,140,000.00
Refunding Bonds Payable	230,000.00	460,000.00
Water System Rehabilitation Loans	-	31,872.71
NJEIT Bonds & Loans	5,737,043.74	7,122,539.57
Interfunds:		
Due to General Capital	50,000.00	50,000.00
Due to Water/Sewer Utility Operating	335,430.04	-
Improvement Authorizations:		
Funded	13,321.27	1,328,463.79
Unfunded	5,924,416.10	343,230.77
Reserve for Amortization	29,240,405.87	27,198,037.33
Deferred Reserve for Amortization	70,350.00	70,350.00
Fund Balance	-	13,267.51
Total Capital Fund	<u>44,433,287.74</u>	<u>39,848,331.74</u>
	<u>\$ 47,725,519.68</u>	<u>41,774,939.75</u>

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

2013	345,730.77
2014	5,907,500.00

**WATER AND SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 535,000.00	329,800.00
Water and Sewer Rents	5,867,515.14	5,867,333.05
FEMA Superstorm Sandy Proceeds	-	131,008.69
Reserve to Pay Bonds and Notes	77,878.21	-
Miscellaneous	54,911.91	63,068.77
Utility Capital Surplus	13,267.51	-
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	8,066.58	122,314.94
Total Income	<u>6,556,639.35</u>	<u>6,513,525.45</u>
Expenditures		
Operations:		
Salaries and Wages	1,205,000.00	4,401,500.00
Other Expenses	3,546,500.00	
Debt Service	1,359,385.01	1,647,357.38
Deferred Charges and Statutory Expenditures	180,850.00	301,008.69
Total Expenditures	<u>6,291,735.01</u>	<u>6,349,866.07</u>
Excess in Revenue	<u>264,904.34</u>	<u>163,659.38</u>
Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute Deferred Charges to Budgets of		
Succeeding Year	-	-
Total Adjustments	<u>-</u>	<u>-</u>
Excess in Operations	<u>264,904.34</u>	<u>163,659.38</u>
Fund Balance January 1	<u>923,807.20</u>	<u>1,324,947.82</u>
	1,188,711.54	1,488,607.20
Decreased by:		
Utilization as Anticipated Revenue	535,000.00	329,800.00
Utilization by Current Fund Budget	<u>255,000.00</u>	<u>235,000.00</u>
Fund Balance December 31	<u>\$ 398,711.54</u>	<u>923,807.20</u>

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

	<u>2014</u>	<u>2013</u>
Beginning Balance January 1	\$ 13,267.51	13,267.51
Increased by:		
None	-	-
Decreased by:		
Budgeted Utility Capital Surplus	13,267.51	-
Ending Balance December 31	\$ <u>-</u>	<u>13,267.51</u>

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

	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 535,000.00	535,000.00	-
Anticipated Revenue:			
Water and Sewer Rents	5,820,000.00	5,867,515.14	47,515.14
Miscellaneous	43,854.28	54,911.91	11,057.63
Reserve for FEMA Superstorm Sandy Proceeds	77,878.21	77,878.21	-
Utility Capital Surplus	13,267.51	13,267.51	-
	<u>\$ 6,490,000.00</u>	<u>6,548,572.77</u>	<u>58,572.77</u>

Analysis of Realized Revenue:

Water and Sewer Rents		
Accounts Receivable	5,867,515.14	
Total Water & Sewer Rents		<u>5,867,515.14</u>
Miscellaneous Revenue		
Penalties and Interest	26,230.11	
Water Reading Fees	10,320.00	
Fire Sprinkler Fee	14,620.00	
Miscellaneous	3,741.80	
Total Miscellaneous		<u>54,911.91</u>

WATER AND SEWER UTILITY 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	
Operations:						
Salaries and Wages	\$ 1,230,000.00	1,230,000.00	1,185,882.30		19,117.70	25,000.00
Other Expenses	3,546,500.00	3,546,500.00	2,931,726.22	306,294.80	308,478.98	-
	<u>4,776,500.00</u>	<u>4,776,500.00</u>	<u>4,117,608.52</u>	<u>306,294.80</u>	<u>327,596.68</u>	<u>25,000.00</u>
Debt Service:						
Payment of Bond Principal	1,222,100.00	1,222,100.00	1,153,088.18		-	69,011.82
Interest on Bonds	268,000.00	268,000.00	172,406.40		-	95,593.60
Water Supply Rehab Loan Pymts	32,300.00	32,300.00	31,640.43		-	659.57
Interest on Special Emerg Notes-Superstorm Sandy	2,250.00	2,250.00	2,250.00		-	-
	<u>1,524,650.00</u>	<u>1,524,650.00</u>	<u>1,359,385.01</u>	<u>-</u>	<u>-</u>	<u>165,264.99</u>
Deferred Charges and Statutory Expenditures:						
Emergency Authorizations	77,878.21	77,878.21	77,878.21		-	
Social Security System (O.A.S.I.)	95,971.79	95,971.79	83,399.05		4,572.74	8,000.00
Unemployment Compensation Insurance	15,000.00	15,000.00			15,000.00	
	<u>188,850.00</u>	<u>188,850.00</u>	<u>161,277.26</u>	<u>-</u>	<u>19,572.74</u>	<u>8,000.00</u>
	<u>\$ 6,490,000.00</u>	<u>6,490,000.00</u>	<u>5,638,270.79</u>	<u>306,294.80</u>	<u>347,169.42</u>	<u>198,264.99</u>
		Cash Disbursed \$ 5,580,081.90			Cancelled	198,264.99
		Deferred Charges 77,878.21			Overexpended	-
		Accrued Interest (19,689.32)				
		<u>5,638,270.79</u>				<u>198,264.99</u>

EXHIBIT - E
GOLF COURSE UTILITY FUND

GOLF COURSE UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Balance Dec. 31, 2014	Balance Dec. 31, 2013
<u>Assets</u>		
Operating Fund:		
Cash and Investments	\$ 2,438.41	78,314.95
Due Current Fund	273,969.54	-
Due Golf Capital	32,931.47	-
	<u>309,339.42</u>	<u>78,314.95</u>
Deferred Charges:		
Operating Deficit	-	187,925.68
Emergency Authorizations	-	14,050.00
	<u>-</u>	<u>201,975.68</u>
Total Operating Fund	<u>309,339.42</u>	<u>280,290.63</u>
Capital Fund:		
Cash and Investments	74,548.08	105,070.78
Due Current Fund	70,103.93	77,336.00
Fixed Capital:		
Completed	5,229,283.54	5,229,283.54
Authorized and Uncompleted	351,716.46	351,716.46
	<u>5,725,652.01</u>	<u>5,763,406.78</u>
Total Capital Fund	<u>\$ 6,034,991.43</u>	<u>6,043,697.41</u>

GOLF COURSE UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Balance Dec. 31, 2014	Balance Dec. 31, 2013
<u>Liabilities, Reserves and Fund Balance</u>		
Operating Fund:		
Appropriation Reserves	\$ 26,063.92	14,172.58
Encumbrances Payable	54,035.84	30,070.55
Accrued Interest on Bonds and Notes	25,149.38	30,992.86
Due Current Fund	-	964.36
	<u>105,249.14</u>	<u>76,200.35</u>
Reserve for Receivables	-	-
Fund Balance	<u>204,090.28</u>	<u>204,090.28</u>
Total Operating Fund	<u>309,339.42</u>	<u>280,290.63</u>
Capital Fund:		
Serial Bonds Payable	1,420,000.00	1,760,000.00
Bond Anticipation Notes Payable	766,000.00	766,950.00
Contracts Payable	6,006.99	30,853.06
Due Golf Course Operating	32,931.47	-
Improvement Authorizations:		
Funded	59,538.06	4,517.61
Unfunded	950.00	87,555.36
Reserve for Amortization	3,380,000.00	3,040,000.00
Reserve for Deferred Amortization	-	14,050.00
Reserve for Payment of Debt Service	39,156.50	55,876.00
Fund Balance	7,018.99	3,604.75
	<u>5,711,602.01</u>	<u>5,763,406.78</u>
Total Capital Fund	<u>5,711,602.01</u>	<u>5,763,406.78</u>
	<u>\$ 6,020,941.43</u>	<u>6,043,697.41</u>

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

2013	-
2014	950.00

COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN OPERATING FUND BALANCE - REGULATORY BASIS

	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ -	365,658.38
Golf Course Charges	969,782.79	904,763.07
Miscellaneous	-	170.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	29,654.86	41,569.83
Reserve for Payment of Debt: Interest - Ord. 6-13	2,669.50	-
Reserve for Payment of Debt	14,050.00	-
Deficit (General Budget)	663,768.70	-
Total Income	<u>1,679,925.85</u>	<u>1,312,161.28</u>
Expenditures:		
Operating	1,014,715.89	1,010,000.00
Capital Improvements	-	14,050.00
Debt Service	401,950.17	398,078.58
Deferred Charges and Statutory Expenditures	263,259.79	92,008.38
Total Expenditures	<u>1,679,925.85</u>	<u>1,514,136.96</u>
Excess/(Deficit) in Revenue	<u>-</u>	<u>(201,975.68)</u>
Operating Deficit to be Raised in Budget of Succeeding Year	-	187,925.68
Adjustments to Income Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	14,050.00
Total Adjustments	<u>-</u>	<u>14,050.00</u>
Excess in Operations	-	-
Fund Balance January 1	<u>204,090.28</u>	<u>569,748.66</u>
Decreased By:		
Utilization as Anticipated Revenue	-	365,658.38
Balance December 31	<u>\$ 204,090.28</u>	<u>204,090.28</u>

GOLF COURSE UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

Balance December 31, 2013	\$	3,604.75
Increased By:		
Premium on Sale of Bonds	3,414.24	
	<hr/>	<hr/>
		3,414.24
		7,018.99
Decreased By:		
None	-	
	<hr/>	<hr/>
		-
Balance December 31, 2014	\$	<u><u>7,018.99</u></u>

GOLF COURSE UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Anticipated Revenue:			
Golf Course Charges	\$ 900,000.00	969,782.79	69,782.79
Reserve for Payment of Debt:			
Interest - Ord. 6-13	2,669.50	2,669.50	-
Reserve for Payment of Debt	14,050.00	14,050.00	-
Deficit (General Budget)	765,256.18	663,768.70	(101,487.48)
	<u>1,681,975.68</u>	<u>1,650,270.99</u>	<u>(31,704.69)</u>
Total Revenue	\$ <u>1,681,975.68</u>	<u>1,650,270.99</u>	<u>(31,704.69)</u>

GOLF COURSE UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations:					
Salaries and Wages	\$ 395,000.00	401,328.17	391,132.61	10,195.56	
Other Expenses	606,000.00	613,387.72	611,274.28	2,113.44	
	<u>1,001,000.00</u>	<u>1,014,715.89</u>	<u>1,002,406.89</u>	<u>12,309.00</u>	<u>-</u>
Debt Service:					
Payment on Bond Principal	340,000.00	340,000.00	340,000.00		
Interest on Bonds	56,000.00	56,000.00	53,962.35		2,037.65
Interest on Notes	8,000.00	8,000.00	7,987.82		12.18
	<u>404,000.00</u>	<u>404,000.00</u>	<u>401,950.17</u>	<u>-</u>	<u>2,049.83</u>
Deferred Charges and Statutory Expenditures:					
Emergency Authorizations	14,050.00	14,050.00	14,050.00	-	
Social Security System (O.A.S.I.)	50,000.00	36,284.11	30,062.82	6,221.29	
Unemployment Compensation Insurance	25,000.00	25,000.00	17,466.37	7,533.63	
	<u>187,925.68</u>	<u>187,925.68</u>	<u>187,925.68</u>	<u>-</u>	
Deficits in Operation in Prior Years					
	<u>276,975.68</u>	<u>263,259.79</u>	<u>249,504.87</u>	<u>13,754.92</u>	<u>-</u>
	<u>\$ 1,681,975.68</u>	<u>1,681,975.68</u>	<u>1,653,861.93</u>	<u>26,063.92</u>	<u>2,049.83</u>
Adopted Budget		1,681,975.68	1,374,712.74	Disbursed	
			23,137.67	Accrued Interest	
		<u>1,681,975.68</u>	54,035.84	Encumbered	
			201,975.68	Deferred Charges	
			<u>1,653,861.93</u>		

EXHIBIT - F
GENERAL FIXED ASSETS ACCOUNT GROUP

CITY OF BRIGANTINE
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Balance Dec. 31, 2014	Balance Dec. 31, 2013
General Fixed Assets:		
Land, Buildings and Improvements	\$ 54,390,009.77	54,390,009.77
Machinery and Equipment	<u>8,974,385.58</u>	<u>9,107,035.20</u>
Total General Fixed Assets	<u><u>63,364,395.35</u></u>	<u><u>63,497,044.97</u></u>
Investment in General Fixed Assets	\$ <u><u>63,364,395.35</u></u>	<u><u>63,497,044.97</u></u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Brigantine is an island community in the County of Atlantic, State of New Jersey. The City comprises an area of approximately 6.39 square miles with a population according to the 2010 census of 9,450.

The City is incorporated and operates under a Mayor - Council form of government. The Mayor is the chief officer of the City. The Council exercises the legislative power. The Manager oversees the day-to-day operation of the City. The Mayor and Council members are elected by the voters and the Manager is appointed by the Mayor and Council.

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

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

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

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

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

Golf Course Utility Operating and Capital Funds -- account for the operations and acquisition of capital facilities of the municipally owned golf course.

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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$2,000.00 are capitalized.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

No depreciation has been provided for in the financial statements.

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

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

Property and equipment purchased by a 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 City of Brigantine School District and the County of Atlantic 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 Brigantine 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 water and sewer utility fund. Rates are determined by ordinance and changed as necessary. Water and Sewer charges are based on flat fees and usage based on the type of City. Water charges are billed semi-annually and due June and December 1st. Sewer charges are billed semi-annually and due January and July 1st.

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 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.

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.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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 City's proportionate share of cost-sharing defined benefit plans reported at the State of New Jersey level.

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 \$1,368,405.71 and \$1,556,195.21. 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 \$1,400,000.00 and \$700,000.00. In addition, the City operates a self-liquidating water and sewer utility and golf course utility. Under New Jersey Statutes a separate budget for each utility must be adopted concurrently with the operating budget of the City. The utility budgets 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 water and sewer budget in 2014 and 2013 statutory budgets was \$535,000.00 and \$329,800.00. There was no fund balance budgeted to balance the golf course utility budget in 2014 and \$365,658.38 budgeted in 2013.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by City Council. The following more significant budget transfers were approved in the 2014 and 2013 calendar years:

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
<u>Current Fund:</u>		
Legal Services		
Other Expenses	150,000.00	75,000.00
Municipal Court		
Salaries and Wages		(25,000.00)
Streets and Roads Maintenance		
Salaries and Wages	(20,000.00)	(22,500.00)
Other Expenses	25,000.00	
Demolition		
Other Expenses		(51,000.00)
Buildings & Grounds		
Other Expenses	20,000.00	
Insurance		
Workers Compensation Insurance		(65,000.00)
Employee Group Insurance	385,309.00	195,000.00
Police Department		
Salaries and Wages	(268,000.00)	
Director of Public Safety		
Salaries and Wages	(57,509.00)	
Fire Department		
Salaries and Wages	(200,000.00)	
Beach Patrol		
Salaries and Wages	(20,000.00)	(30,300.00)
Parks and Playgrounds		
Salaries and Wages		(25,000.00)
<u>Water Sewer Utility Operating Fund:</u>	None	
Operating		
Salaries and Wages		(94,459.49)
Other Expenses		94,459.49
<u>Golf Course Utility Operating Fund:</u>	None	None

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
Clean Communities Program	\$ 36,620.58	39,050.33
Municipal Alliance on Alcoholism and Drug Abuse	16,319.00	15,580.00
Safe and Secure Communities Program		12,500.00
Drunk Driving Enforcement Fund		15,852.11
Body Armor Grant		4,381.61
Help America Vote Act		15,944.60
Drive Sober or Get Pulled Over		4,400.00
Sustainable Jersey Small Grant		2,000.00
Post Sandy Planning Assistance Grants	15,000.00	
Bulletproof Vest Partnership	8,348.04	

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. As of December 31, 2014, the City has three special emergency appropriations; \$850,000.00 for Preparation of Tax Map & Revaluation approved December 21, 2011, \$1,580,000.00 for Hurricane Sandy approved December 5, 2012 and \$588,385.00 for Contractual Severance Liability approved November 6, 2013. The unfunded balance of these special emergencies as of December 31, 2014 was \$1,044,051.74.

NOTE 3: 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.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or 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 \$20,220,483.28 and \$18,801,805.89 was exposed to custodial credit risk.

New Jersey Cash Management Fund – During the year, the City participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Funds are not subject to custodial credit risk as defined above. At December 31, 2014 the City's deposits with the New Jersey Cash Management Fund were \$398,126.79.

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, Building and Improvements	\$ 54,352,164.77	37,845.00		54,390,009.77
Equipment and Machinery	8,773,207.99	333,827.21		9,107,035.20
	<u>63,125,372.76</u>	<u>371,672.21</u>	<u>-</u>	<u>63,497,044.97</u>

	Balance 12/31/2013	Additions	Retirements/ Adjustments	Balance 12/31/2014
Land, Building and Improvements	\$ 54,390,009.77			54,390,009.77
Equipment and Machinery	9,107,035.20	314,487.36	(447,136.98)	8,974,385.58
	<u>63,497,044.97</u>	<u>314,487.36</u>	<u>(447,136.98)</u>	<u>63,364,395.35</u>

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 6: SHORT-TERM OBLIGATIONS

	Balance 12/31/12	Issued	Retired	Balance 12/31/13
Bond Anticipation				
Notes payable:				
General	\$ 3,700,000.00	8,515,000.00	3,700,000.00	8,515,000.00
Golf Course Utility	500,000.00	766,950.00	500,000.00	766,950.00
	<u>\$ 4,200,000.00</u>	<u>9,281,950.00</u>	<u>4,200,000.00</u>	<u>9,281,950.00</u>

	Balance 12/31/13	Issued	Retired	Balance 12/31/14
Bond Anticipation				
Notes payable:				
General	\$ 8,515,000.00	7,698,000.00	8,515,000.00	7,698,000.00
Golf Course Utility	766,950.00	766,000.00	766,950.00	766,000.00
	<u>\$ 9,281,950.00</u>	<u>8,464,000.00</u>	<u>9,281,950.00</u>	<u>8,464,000.00</u>

The note was issued on December 10, 2014 and is due and payable on December 9, 2015 with interest at 1.000%. As of December 31, 2014 the City has authorized but not issued bonds in the amount of \$7,645,000.00, \$5,907,500.00, \$950.00 in the General Capital Fund, Water and Sewer Utility Capital Fund and Golf Course Utility Capital Fund respectively.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 7: LONG TERM DEBT

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

	Balance 12/31/11	Issued	Retired	Balance 12/31/12	Amounts Due Within One Year
Bonds payable:					
General	\$ 26,035,600.00		3,290,600.00	22,745,000.00	3,365,000.00
Water Sewer Utility	4,329,400.00		729,400.00	3,600,000.00	625,000.00
Golf Course Utility	2,090,000.00		330,000.00	1,760,000.00	340,000.00
Total	32,455,000.00	-	4,350,000.00	28,105,000.00	4,330,000.00
Other liabilities:					
Loans Payable:					
General	856,959.36		402,226.32	454,733.04	32,906.04
Water Sewer Utility	7,781,097.73		626,685.45	7,154,412.28	1,417,368.54
Compensated Absences Payable	4,290,479.17		159,431.49	4,131,047.68	140,123.75
Total long-term liabilities	<u>\$ 45,383,536.26</u>	<u>-</u>	<u>5,538,343.26</u>	<u>39,845,193.00</u>	<u>5,920,398.33</u>
	Balance 12/31/13	Issued	Retired	Balance 12/31/14	Amounts Due Within One Year
Bonds payable:					
General	\$ 22,745,000.00		3,365,000.00	19,380,000.00	3,395,000.00
Water Sewer Utility	3,600,000.00		625,000.00	2,975,000.00	640,000.00
Golf Course Utility	1,760,000.00		340,000.00	1,420,000.00	350,000.00
Total	28,105,000.00	-	4,330,000.00	23,775,000.00	4,385,000.00
Other liabilities:					
Loans Payable:					
General	454,733.04		32,906.04	421,827.00	33,567.47
Water Sewer Utility	7,154,412.28		1,417,368.54	5,737,043.74	580,184.03
Compensated Absences Payable	4,131,047.68	1,622,175.31	140,123.75	5,613,099.24	-
Total long-term liabilities	<u>\$ 39,845,193.00</u>	<u>1,622,175.31</u>	<u>5,920,398.33</u>	<u>35,546,969.98</u>	<u>4,998,751.50</u>

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

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

\$5,250,000 General Obligation Bonds dated January 15, 2006 due in annual installments through January 15, 2018 bearing interest at various rates. The balance remaining as of December 31, 2014, is \$1,600,000.00.

\$8,150,000 General Obligation Bonds dated March 15, 2008 due in annual installments through January 15, 2019 bearing interest at various rates. The balance remaining as of December 31, 2014, is \$3,700,000.00.

\$2,453,100 General Refunding Bond dated June 8, 2011, due in annual installments through September 1, 2015, bearing interest at various rates. The balance remaining as of December 31, 2014, is \$465,000.00.

\$9,000,000 General Obligation Bonds dated July 7, 2012 due in annual installments through July 15, 2024 bearing interest at various rates. The balance remaining as of December 31, 2014, is \$7,915,000.00.

\$400,000 Type I School Bond dated March 15, 2008, due in annual installments through January 15, 2016, bearing interest at various rates. The balance remaining as of December 31, 2014, is \$100,000.00.

\$3,640,000 Type I School Refunding Bond dated October 1, 2002, due in annual installments through February 15, 2015, bearing interest at various rates. The balance remaining as of December 31, 2014, is \$500,000.00.

\$5,850,000 Type I School Bond dated July 7, 2012, due in annual installments through July 15, 2024, bearing interest at various rates. The balance remaining as of December 31, 2014, is \$5,100,000.00.

\$72,803 Green Trust Loan dated 1997, due in annual installments through 2017, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2014, is \$10,985.96.

\$600,000 Green Trust Loan dated 2007, due in annual installments through March 16, 2027, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2014, is \$410,841.04.

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

\$1,750,000 Water and Sewer Utility Bond dated January 15, 2005, due in annual installments through January 15, 2018, bearing interest at various rates. The balance remaining as of December 31, 2014, is \$550,000.00.

\$1,800,000 Water and Sewer Utility Bond dated March 15, 2008, due in annual installments through January 15, 2020, bearing interest at various rates. The balance remaining as of December 31, 2014, is \$960,000.00.

\$1,400,000 Water and Sewer Utility Bond dated July 17, 2012, due in annual installments through July 15, 2023, bearing interest at various rates. The balance remaining as of December 31, 2014, is \$1,235,000.00.

\$1,275,500 Water and Sewer Utility Refunding Bond dated June 8, 2011, due in annual installments on September 1 through September 1, 2015, bearing interest at various rates. The balance remaining as of December 31, 2014 is \$230,000.00.

\$520,381 Water and Sewer Utility State Water System Rehabilitation Loan dated 2004, due in annual installments through February 2, 2014, bearing an interest rate of 3.50%. There is no balance remaining as of December 31, 2014.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

\$480,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated November 5, 1999, due in annual installments through August 1, 2019, bearing interest at various rates. The balance remaining as of December 31, 2014, is \$175,000.00.

\$635,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated October 15, 2001, due in annual installments through August 1, 2016, bearing interest at various rates. The balance remaining as of December 31, 2014, is \$120,000.00.

\$70,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated October 15, 2001, due in annual installments through August 1, 2016, bearing interest at various rates. The balance remaining as of December 31, 2014, is \$10,000.00.

\$1,155,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated November 4, 2004, due in annual installments through August 1, 2019, bearing interest at various rates. The balance remaining as of December 31, 2014, is \$500,000.00.

\$457,960 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated November 5, 1999, due in annual installments through August 1, 2019, bearing no interest rate. The balance remaining as of December 31, 2014, is \$120,470.60.

\$690,360 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated October 15, 2001, due in annual installments through August 1, 2016, bearing no interest rate. There is no balance remaining as of December 31, 2014.

\$73,697 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated October 15, 2001, due in annual installments through August 1, 2016, bearing no interest rate. The balance remaining as of December 31, 2014, is \$7,887.75.

\$1,212,500 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated November 4, 2004, due in annual installments through August 1, 2019, bearing no interest rate. The balance remaining as of December 31, 2014, is \$423,526.51.

\$325,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated March 10, 2010, due in annual installments through August 1, 2029, bearing interest at various rates. The balance remaining as of December 31, 2014, is \$285,000.00.

\$931,500 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated March 10, 2010, due in annual installments through August 1, 2019, bearing no interest rate. The balance remaining as of December 31, 2014, is \$753,869.00.

\$2,335,000 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Bond dated February 2, 2010, due in annual installments through August 1, 2030, bearing interest at various rates. The balance remaining as of December 31, 2014, is \$1,730,000.00.

\$2,512,650 Water and Sewer Utility New Jersey Environmental Infrastructure Trust Loan dated February 2, 2011, due in annual installments through August 1, 2030, bearing no interest rate. The balance remaining as of December 31, 2014, is \$ 1,611,289.88.

Outstanding bonds whose principal and interest are paid from the Golf Course Utility Fund of the City:

\$4,000,000 Golf Course Utility Bond dated January 15, 2005, due in annual installments through January 15, 2018, bearing interest at various rates. The balance remaining as of December 31, 2014, is \$1,420,000.00.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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

Year Ending December 31,	General Capital Fund	
	Principal	Interest
2015	\$ 3,428,567.47	584,957.05
2016	2,474,242.18	486,244.84
2017	2,427,666.89	410,069.08
2018	2,341,037.33	338,072.59
2019	2,071,661.17	263,848.75
2020-2024	6,968,111.41	630,438.19
2025-2027	90,540.56	2,734.24
	<u>\$ 19,801,827.01</u>	<u>2,716,364.74</u>

Year Ending December 31,	Utility Capital Fund		Golf Course Utility Capital Fund	
	Principal	Interest	Principal	Interest
2015	\$ 1,220,184.03	229,200.00	350,000.00	48,050.00
2016	1,033,116.57	196,462.50	350,000.00	35,362.50
2017	978,951.10	167,325.00	360,000.00	21,600.00
2018	942,753.50	140,475.00	360,000.00	7,200.00
2019	899,438.91	114,680.00		
2020-2024	2,337,559.25	333,650.00		
2025-2029	1,300,040.38	92,450.00		
	<u>\$ 8,712,043.74</u>	<u>1,274,242.50</u>	<u>1,420,000.00</u>	<u>112,212.50</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 \$782,011.49, to the water and sewer utility budget was \$172,406.40 and to the golf course utility budget was \$61,950.17.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

<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	\$ 27,499,827.00	31,714,733.04	30,592,559.36
Water/Sewer Utility - Bonds and Notes	8,712,043.74	10,754,412.28	12,110,497.73
Beach Utility - Bonds and Notes	2,186,000.00	2,526,950.00	2,590,000.00
Total Issued	<u>38,397,870.74</u>	<u>44,996,095.32</u>	<u>45,293,057.09</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	7,645,000.00	1,445,000.00	1,445,000.00
Water/Sewer Utility - Bonds and Notes	5,907,500.00	345,730.77	345,730.77
Beach Utility - Bonds and Notes	950.00	-	-
Total Authorized But Not Issued	<u>13,553,450.00</u>	<u>1,790,730.77</u>	<u>1,790,730.77</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 51,951,320.74</u>	<u>46,786,826.09</u>	<u>47,083,787.86</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 0.653%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 5,700,000.00	5,700,000.00	-
Utility Debt	24,769,055.50	24,769,055.50	-
General Debt	23,244,827.00		23,244,827.00
	<u>\$ 53,713,882.50</u>	<u>30,469,055.50</u>	<u>23,244,827.00</u>

Net Debt \$23,244,827.00 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,561,909,914.67 = 0.653%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 124,666,847
Net Debt	23,244,827
Remaining Borrowing Power	<u>\$ 101,422,020</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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	\$	1,585,000.00	1,400,000.00
Water/Sewer Utility		330,313.00	515,000.00
Golf Course Utility		143,000.00	None

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:

	<u>December 31, 2014</u>	<u>2015 Budget Appropriation</u>	<u>Balance to Succeeding</u>
Current fund:			
Special Emergency Appropriation	\$ 1,044,051.74	421,892.54	622,159.20
Overexpenditure of Appropriation Reserves	750.00		750.00
	<u>1,044,051.74</u>	<u>421,892.54</u>	<u>622,159.20</u>
Water and Sewer Utility Fund:			
Special Emergency Appropriation	71,113.10	71,113.10	-
	<u>\$ 71,113.10</u>	<u>71,113.10</u>	<u>-</u>

NOTE 10: SCHOOL TAXES

Local District School Tax in the amounts of \$15,769,415.00 and \$15,964,569.00 have been raised for the 2014 and 2013 calendar years and remitted to the school district.

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:

	<u>Balance 12/31/14</u>	<u>Balance 12/31/13</u>
Prepaid Taxes	\$ 889,399.52	783,103.49
Cash Liability for Taxes Collected in Advance	<u>\$ 889,399.52</u>	<u>783,103.49</u>

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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

Public Employees' Retirement System

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

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15c-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43: 15c-1 et seq.

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.

Pension Plan for Lifeguards

The City of Brigantine has established a pension plan to provide retirement, disability, and survivor pension benefits for the individuals who serve on the City's lifeguard force. An eligible employee becomes a plan member upon employment. Employee contributions shall be withheld from the member's salary and contributed to plan for his benefit for his/her benefit. Retiree benefits are paid out of the current fund and charged to the current operating budget of the City. A plan member may retire with a pension only after his 45th birthday and after he has completed 20 years of service, the last 10 must have been completed immediately preceding his/her application.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 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 current PERS rate is 11.24% of covered payroll. The City's contributions to PERS for the years ended December 31, 2014, 2013, and 2012 were \$473,242.00, \$430,301.00 and \$447,004.00.

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 \$1,591,115.00, \$1,605,134.00, and \$1,464,103.00.

The total payroll for the year ended December 31, 2014 was \$12,789,776.13. Payroll covered by PFRS was \$3,227,576.00 and PERS was \$4,041,153.00.

The Lifeguard Pension provides for employee contributions of 4.00% of employees' annual compensation. The City's contributions to the Lifeguard Pension for the year ended December 31, 2014, 2013 and 2012 was \$20,000.00, \$20,000.00 and \$20,000.00. The City's trust for the Lifeguard Pension at December 31, 2014 was \$574,990.15. Currently there are six individuals receiving benefits. The benefits paid by the trust for the year ended December 31, 2014, 2013 and 2012 were \$50,073.84, \$41,452.04 and \$19,424.16.

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

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

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

NOTE 13: POST-RETIREMENT BENEFITS

Retired members of the PBA and the fire department are entitled to an annual allowance of up to \$900.00 for dental work. During 2014, the City provided post-retirement dental coverage for covered retirees.

NOTE 14: ACCRUED SICK AND VACATION BENEFITS

The City has permitted employees to accrue unused vacation, personal and sick time, which may be taken as time off or paid at a later date at an agreed upon rate. Employees are only eligible to receive 50% of the sick time they have accrued, and the maximum dollar amount of sick time that may be earned is \$12,000. The monetary value of these earned and unused employee benefits has not been accrued by either charges to operations or to budgets of prior years, although in some cases they might be material, since the realization of this liability may be affected by conditions which preclude an employee from receiving full payment of the accrual. At December 31, 2014, the City estimates this liability to approximate \$5,613,099.24 based on 2014 pay rates and compensated absence balances.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 15: ECONOMIC DEPENDENCY

The City of Brigantine 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.

NOTE 17: DEFERRED COMPENSATION

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. In 1998 the City of Brigantine amended the plan by resolution to comply with a private letter ruling of the Internal Revenue Service that requires assets of deferred compensation plans be held in trust under the beneficial ownership of the Trustee, (City of Brigantine) serving as Trustee, for the exclusive benefit of the plan participants and their beneficiaries, and that the assets shall not be diverted to any other purpose. The plan administrator is Valic.

NOTE 18: CONTINGENT LIABILITIES

From time to time, 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 19: FEDERAL AND STATE GRANTS

In the normal course of operations, the City received grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as a result of these audits is not believed to be material.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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 Brigantine:

	Due From	Due To
Current Fund:		
Animal Control Fund	\$ 3,624.00	
Water/Sewer Utility Operating	333,037.59	
General Capital	227,762.10	
Federal and State Grant Funds		197,710.92
Trusts Other		4,945.55
Golf Utility Operating Fund		273,969.54
Golf Utility Capital Fund		70,103.93
Grant Fund:		
Current Fund	197,710.92	
Water and Sewer Operating		8,996.81
Other Trusts:		
Current Fund	4,945.55	
Animal Control Fund:		3,624.00
Current Fund		
General Capital Fund:		
Current Fund		227,762.10
Water/Sewer Utility Capital	50,000.00	
Water and Sewer Operating:		
Current Fund		333,037.59
Federal and State Grant Funds	8,996.81	
Water and Sewer Capital	335,430.04	
Water and Sewer Capital Fund:		
General Capital		50,000.00
Water and Sewer Operating		335,430.04
Golf Course Operating:		
Current Fund	273,969.54	
Golf Course Capital	32,931.47	
Golf Course Capital:		
Current Fund	70,103.93	
Golf Course Operating		32,931.47
	\$ <u>1,538,511.95</u>	<u>1,538,511.95</u>

The balances are primarily the result of disbursements made from the various funds which were not reimbursed prior to year end.

NOTE 21: SUBSEQUENT EVENTS

The City has evaluated subsequent events through June 15, 2015, the date which the financial statements were available to be issued and identified no events requiring disclosure.

SUPPLEMENTARY INFORMATION



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
City of Brigantine, 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 June 15, 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 the 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. We did identify certain deficiencies in internal control, which are described in the accompanying Schedule of Findings and Responses that we consider to be significant deficiencies as items 2014-1 through 2014-9.

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*.

City's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly we express no opinion on it.

Purpose of this Report

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

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

FORD, SCOTT & ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

Leon P. Costello

Certified Public Accountant

Registered Municipal Accountant

No. 393

June 15, 2015

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

Federal or State Grantor/Pass - Through Grantor/Program Title	Grant Period	CFDA # or Pass-Through Grantor's	Program or Award Amount	Unexpended Balance Dec. 31, 2013	Receipts or Revenue Recognized	Disbursements/ Expenditures	Cancelled	Unexpended Balance Dec. 31, 2014	(Memo Only) Total Cumulative Federal Expenditures
Federal:									
Department of Housing and Urban Development Passed Through NJ Department of Community Affairs									
Community Development Grant	N/A	14.218	Unknown	91,167.26	18,135.00			109,302.26	-
Community Development Grant	N/A	14.218	Unknown	31,765.00				31,765.00	-
Community Development Grant	N/A	14.218	Unknown	9,237.88				9,237.88	-
Post Sandy Planning Assistance	1/1/14-12/31/14	14.269	45,000.00	-	45,000.00	29,865.41		15,134.59	29,865.41
Total U.S. Department of Housing & Urban Development				132,170.14	63,135.00	29,865.41	-	165,439.73	
U.S. Department of Justice Passed Through NJ Department of Law and Public Safety									
COPS MORE	N/A	16.710	Unknown	4,814.00			(4,814.00)	-	-
COPS in SHOPS	N/A	16.727	Unknown	1,034.02			(1,034.02)	-	-
Bullet Proof Vest Partnership	N/A	16.607	Unknown	3,824.62		3,091.78		732.84	3,091.78
Bullet Proof Vest Partnership	1/1/14-12/31/14	16.607	8,348.04	-	8,348.04			8,348.04	-
Total US Department of Justice				9,672.64	8,348.04	3,091.78	(5,848.02)	9,080.88	
U.S. Department of Homeland Security Assistance to Firefighters	N/A	97.xxx	Unknown	-	230,040.00	145,611.10		84,428.90	145,611.10
Total Department of Homeland Security				-	230,040.00	145,611.10	-	84,428.90	
Total Federal Awards				\$ 141,842.78	301,523.04	178,568.29	(5,848.02)	258,949.51	

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

Federal or State Grantor/Pass - Through Grantor/Program Title	Grant Period	Pass-Through Grantor's	Program or Award Amount	Balance Dec. 31, 2013	Receipts or Revenue Recognized	Disbursements/ Expenditures	Cancelled	Balance Dec. 31, 2014	(Memo Only) Total Cumulative State Expenditures
State of New Jersey									
NJ Department of Environmental Protection									
Clean Communities Act	Prior Years	4900-765-042-4900-004	Unknown	\$ 47,844.47	36,620.58	47,504.77		339.70	47,504.77
Clean Communities Act	1/1/14 - 12/31/14	4900-765-042-4900-004	36,620.58	-				36,620.58	-
Total NJ Department of Environmental Protection				<u>47,844.47</u>	<u>36,620.58</u>	<u>47,504.77</u>	<u>-</u>	<u>36,960.28</u>	
Emergency Management Agency									
Emergency Management Assistance	Prior Years			12,612.72				12,612.72	-
Total Emergency Management Agency				<u>12,612.72</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,612.72</u>	
Department of Health									
Sustainable Jersey Small Grant	Prior Years		Unknown	2,000.00		2,000.00		-	2,000.00
Total Department of Health				<u>2,000.00</u>	<u>-</u>	<u>2,000.00</u>	<u>-</u>	<u>-</u>	
Department of Community Affairs									
Division of Local Government Services									
Statewide Livable Communities Grant	Prior Years	05-100-022-8030-655-FFF-6120	Unknown	17,762.00		15,610.00		17,762.00	-
Help America Vote	Prior Years		Unknown	15,944.60				334.60	15,610.00
Total NJDCA Local Government Services				<u>33,706.60</u>	<u>-</u>	<u>15,610.00</u>	<u>-</u>	<u>18,096.60</u>	
NJ Division of Law and Public Safety									
Division of Motor Vehicles									
Traffic Crash & Mapping Project	Prior Years		Unknown	-	6,000.00	4,825.00	(1,175.00)	-	4,825.00
Drive Sober or Get Pulled Over	Prior Years		Unknown	4,400.00				4,400.00	-
Drunk Driving Enforcement Fund	Prior Years		Unknown	30,896.23		16,283.24		14,612.99	16,283.24
Alliance Funds	Prior Years		Unknown	7,121.17		7,121.17		0.00	7,121.17
Alliance Funds	1/1/14 - 12/31/14		24,109.00	-	24,109.00	4,340.42		19,768.58	4,340.42
Division of Criminal Justice									
Safe and Secure Communities	Prior Years		Unknown	12,500.00			(12,500.00)	-	-
Juvenile Accountability Block Grant	Prior Years		Unknown	234.03				234.03	-
Body Armor Replacement Program	Prior Years		Unknown	4,381.61		4,381.61		-	4,381.61
State of New Jersey Police									
Alcohol Education and Rehabilitation	Prior Years	9735-760-098-Y900-001	Unknown	4,379.29				4,379.29	-
Total NJ Division of Law and Public Safety				<u>63,912.33</u>	<u>30,109.00</u>	<u>36,951.44</u>	<u>(13,675.00)</u>	<u>43,394.89</u>	
Department of Transportation									
Safe Routes to Schools	Prior Years		Unknown	739.90				739.90	-
Total Department of Transportation				<u>739.90</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>739.90</u>	
Total State Assistance				<u>160,816.02</u>	<u>66,729.58</u>	<u>102,066.21</u>	<u>(13,675.00)</u>	<u>111,804.39</u>	
Total Federal Awards and State Financial Assistance				<u>\$ 302,658.80</u>	<u>368,252.62</u>	<u>280,634.50</u>	<u>(19,523.02)</u>	<u>370,753.90</u>	

**NOTES TO SCHEDULE OF EXPENDITURES
OF STATE AND FEDERAL AWARDS
DECEMBER 31, 2014**

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance includes the federal and state grant activity of the Township of Lower, New Jersey and is presented on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is a regulatory basis of accounting other than generally accepted accounting principles. Encumbrances are considered in determining the single audit threshold on major programs.

Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

		<u>Federal</u>	<u>State</u>	<u>Total</u>
Grant Fund	\$	471,904.98	367,586.24	839,491.22
Trust Fund		18,871.68		18,871.68
Total Financial Assistance	\$	<u>490,776.66</u>	<u>367,586.24</u>	<u>858,362.90</u>

AUDIT FINDINGS AND RESPONSES

Finding #2014-1: *

The General Ledger was not reconciled with the sub-ledgers.

Criteria:

NJAC 5:30-5.7 requires that all local units maintain a General Ledger Accounting System for the current fund in accordance with certain minimum standards which includes supporting ledgers. These standards shall be applicable for all funds of the local unit: current, state and federal grant, capital, all trusts and utilities.

Condition:

The General Ledger was not consistently reconciled with sub-ledgers.

Cause:

Full utilization of the general ledger has not been a priority.

Effect:

As a result of not properly reconciling general ledger with the corresponding sub-ledgers, not all transactions were properly recorded nor were transfers made within the period in which the disbursements occurred. The City is not complying with NJAC 5:30-5.7.

Recommendation:

The General Ledger should be reconciled on a monthly basis with the sub-ledgers. This will ensure that all transactions are recorded in the period within which they occurred. Cash transfers should be made from one account to another in accordance with the detail in the sub-ledgers to avoid large interfund balances.

Management Response:

The City's Chief Financial Officer will monitor the financial information on an ongoing basis, which will include posting all significant entries as well as correct opening balances for 2015 to correspond to the 2014 Audit's ending balances

Finding #2014-2:

The City had overexpenditure of appropriations in the current fund appropriation reserves.

Criteria:

Local Budget Law and Local Finance Board Regulations do not permit over expenditures of individual budget line items.

Condition:

The City approved 750.00 of Debt Service Payment of Bond Anticipation Notes and Capital Notes in the Current Fund before verifying that there were sufficient funds available in the budget lines.

Cause:

Appropriation reserve expenditures were not properly monitored during 2014.

Effect:

The overexpenditures must be raised in the budget as deferred charges in the 2015 budget.

Recommendation:

That no commitment be made or expenditure approved for payment unless there is a sufficient balance in the proper budget line item.

Management Response:

The City's Chief Financial Officer will monitor budget appropriations.

Finding #2014-3:

Bank accounts were not reconciled in a timely manner and records were not available until the beginning of March 2015. Therefore the Annual Financial Statement could not be filed on time as required by State Statutes. Several adjustments were needed to the client's records at year end.

Criteria:

All bank accounts must be reconciled on a monthly basis. All New Jersey municipalities are required to file by February 10th an Annual Financial Statement under New Jersey Statutes annotated 40A: 5-12, as amended.

Condition:

Bank reconciliations are not being completed within a reasonable amount of time after bank statements are received.

- The City's Master account bank account reconciliation was inaccurately prepared. We noted a column labeled Grant that had \$91,710.98 as a balance. This balance is a standalone separate account and did not belong on the reconciliation. We also noted that a column labeled Trust (ABS) was not carried forward correctly from month to month.
- The City's Engineering Escrow bank account was not reconciled at all in 2014.
- Several expenses were unrecorded at year end as well as unresolved bank charges, inaccurate debt service payments and invalid encumbrances recorded.

Cause:

The Treasurer did not reconcile bank accounts to the bank balances within a reasonable time period.

Effect:

Monthly financial records are not accurately maintained. When bank accounts are not timely reconciled there is an increased risk for undetected bank errors or unauthorized activity. Also, the 2014 Annual Financial Statement could not be filed on time as required by State Statutes.

Recommendation:

We recommend that bank accounts be reconciled within a reasonable time after bank statements are received and that records be maintained accurately. We also recommend that records be reviewed more thoroughly to help prevent invalid entries into the City's accounting software.

Management Response:

The City's Chief Financial Officer will timely reconcile all City bank accounts in 2015.

Finding 2014-4:

Debt Service budget accounts were completely inaccurate. Several expenses were allocated from the Current Fund to the Water Sewer Operating Fund for employee salaries and certain expenses.

Criteria:

The City's Finance Office is responsible for the posting debt service payments and allocating expenses.

Condition:

Proper amortization schedules were not used to post debt service payments. Expenses were incorrectly charged.

Cause:

The City's Finance Office is not thoroughly reviewing budget account allocations.

Effect:

Many line items were over-expended, several accounts had no postings. The amount allocated to the Water Sewer Operating Fund was incorrect.

Recommendation:

Appropriations should be properly budgeted for and charged throughout the year.

Management Response:

The City's Chief Financial Officer will review debt service payments and expense allocations in 2015.

Finding 2014-5:

The City's Finance Office is not sufficiently reviewing and maintaining encumbrance balances.

Criteria:

NJAC 5:30-5.2 requires the City to maintain an encumbrance system. The City's Finance Office is responsible for the maintenance, review and adjusting of year end encumbrances.

Condition:

There were several invalid purchase orders noted in all of City's funds. Debt Service, payroll and interfund expenditures were encumbered and should not have been. Purchase orders were set up in blanket form and have a balance in which no recent activity has been posted. The City should consider voiding the remainder if services are complete. We also noted that some purchase orders were entered in duplicate form, others did not have any support attached and several could not be located.

Cause:

The City's Finance Office is not thoroughly reviewing open payable balances, assuring payments for encumbrances are properly posted, and accordingly adjusting general ledger balances.

Effect:

The City is not complying with NJAC 5:30-5.2.

Recommendation:

That all encumbrance activity and balances be thoroughly reviewed, cancelled and/or adjusted in subsidiary budget status and general ledger reports.

Management Response:

The City's Chief Financial Officer will review and maintain encumbrance balances in 2015.

Finding 2014-6:

The General Fixed Asset ledger was not maintained in 2014. Fixed asset activity was not recorded, updated and provided for audit.

Criteria:

NJAC 5:30-5.6 requires the City to maintain a fixed asset ledger, consisting of detailed property records for controlling additions, retirements and transfers of fixed assets. This ledger should be maintained and reconciled periodically.

Condition:

The City did not maintain fixed asset ledgers by not recording activity.

Cause:

The City has disregarded the requirement to maintain and record fixed asset activity. Prior reports have not been updated to record purchases and disposals have not been removed.

Effect:

The City is not complying with NJAC 5:30-5.6.

Recommendation:

That the City account for and maintain its general fixed asset ledgers in accordance with NJAC 5-30-5.6 and that these ledgers be updated and provided for audit.

Management Response:

The City's Chief Financial Officer will review and maintain the City's fixed asset ledger in 2015.

Finding 2014-7:

Dog and Marriage Licenses were not reconciled in 2014. Proper amounts were not remitted to the state of New Jersey, nor were state reports signed or submitted timely.

Criteria:

The City's collections and reporting of licenses, which encompass a portion of state monies, are to be completed accurately and timely, along with its corresponding remittances to the state.

Condition:

Most of the City's monthly dog license collections were not remitted to the state until 2015 nor were the reports accurate. Manual ledgers maintained for the activity did not agree and/or was not reconciled to the monthly dog reports. We also noted that one license was issued without payment, licenses were issued out of numerical sequence and one license was not used however could not be physically inspected.

Quarterly marriage license collections were not timely remitted to the state. We also noted that two licenses were issued without payment to the City.

Cause:

Insufficient, reconciliation, completion and review of clerk office reports for dog license and marriage licenses with their corresponding remittances.

Effect:

Inaccurate and untimely remittances of the State's portions of dog and marriage license monies.

Recommendation:

That the City review its procedures over the reconciliation, completion, review and remittances of dog and marriage licenses.

Management Response:

The City Clerk Office will review its procedures over dog and marriage licenses in 2015.

Finding #2014-08:

The City is required to have an actuarial calculation of benefit costs.

Criteria:

GASB 45 requires a calculation of "Other Post-Employment Benefits" costs and liabilities.

Condition:

No actuarial report was received for Police and Fire post retirement dental benefits.

Cause:

The City was unaware of the requirement until it was too late to obtain the report for the audit.

Effect:

The City is unaware of the liability to be recorded for benefits.

Recommendation:

An actuarial report should be obtained in a timely manner.

Management Response:

The City will request proposals for these services.

Finding #2014-09:

Grant receivable collections totaling \$134,212.50 for the FY 2012 Assistance to Firefighters and Post Sandy Planning Assistance Grants were incorrectly posted to the Current Fund Reserve for FEMA Proceeds-2012 Emergency.

Criteria:

Grant receipts be reviewed timely and properly recorded in the City's Federal and State Grant Fund.

Condition:

The City recorded \$134,212.50 as FEMA monies in the Current Fund and posted these monies to the Reserve for FEMA Proceeds-2012 Emergency. The City anticipated this revenue in the 2015 budget.

Cause:

Grant receipts are not thoroughly reviewed by the City.

Effect:

The City anticipated FEMA Superstorm Sandy Proceeds revenue in the 2015 budget in the amount of \$134,212.50. The City will not be able to recognize this revenue in 2015.

Recommendation:

That all grant activity and receivable balances be thoroughly reviewed in a timely manner and properly posted in the subsidiary revenue status and general ledger reports.

Management Response:

The City will review all grant activity and receivable balances in 2015.

* Indicates a similar recommendation made in the prior year.

STATUS OF PRIOR RECOMMENDATIONS

Finding 2013-1: **

Recommendation

That a general ledger accounting system be fully implemented in accordance with N.J.A.C. 5:30-5.7.

Current Status

This recommendation was not cleared during 2014.

Corrective Action to be Taken

A new Chief Financial Officer has been hired and will maintain the financial records.

Finding 2013-2:

Recommendation

That an annual cash management plan be adopted as required by N.J.S.A. 40A:5-14.

Current Status

This recommendation was cleared during 2014.

** A similar finding was made in 2014.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	<u>Current Fund</u>	<u>Grant Fund</u>
Balance December 31, 2013	\$ 6,928,776.89	91,710.98
Increased by Receipts:		
Tax Collector	55,197,093.42	
State of New Jersey - Veterans' and Senior Citizens' Deductions	129,500.00	
Miscellaneous Revenue Anticipated	4,637,333.02	
Miscellaneous Revenue Not Anticipated	481,350.26	
Due Federal and State Grant Fund	476,170.19	
Due Trust Other	150,938.60	
Due General Capital	500,000.00	
Due Golf Utility Operating	10,000.00	
Due Golf Utility Capital	769,414.24	
Due Water/Sewer Operating Fund	7,796,603.64	
Due Water/Sewer Capital	7,734,905.88	
Payroll Taxes Payable	14,481,200.16	
Special Emergency Notes	1,051,139.39	
Due to State of New Jersey - State Training Fees	12,580.00	
Due to State of New Jersey - Marriage License Surcharge	1,800.00	
Premium on Emergency Notes	6,085.91	
Federal and State Grant Fund:		
Federal and State Grants Receivable		15,430.06
Due Current Fund		158,755.11
	<u>93,436,114.71</u>	<u>174,185.17</u>
	100,364,891.60	265,896.15
Decreased by Disbursements:		
Current Year Appropriation	24,998,427.53	
Prior Year Appropriations	311,183.31	
Refund of Prior Year Revenue	31,125.00	
County Taxes	15,346,275.63	
Local District School Taxes	15,757,369.04	
Due to County - Added and Omitted Taxes	19,631.52	
Due to State of New Jersey - Marriage License Fees	2,475.00	
Due to State of New Jersey - State Training Fees	18,215.00	
Refund of Tax Overpayments	91,733.03	
Payroll Taxes Payable	14,419,671.83	
Contracts Payable - Tax Map and Property Revaluation	52,168.85	
Due Federal and State Grant Fund	251,708.77	
Due Trust Other	447,341.25	
Due Golf Utility Operating	398,834.80	
Due Golf Utility Capital	776,646.31	
Due Water/Sewer Operating Fund	8,278,829.52	
Due Water/Sewer Capital	8,902,222.98	
Special Emergency Notes	1,938,385.00	
Federal and State Grant Fund:		
Federal and State Disbursements		153,014.61
	<u>92,042,244.37</u>	<u>153,014.61</u>
Balance December 31, 2014	\$ <u>8,322,647.23</u>	<u>112,881.54</u>

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

Balance December 31, 2013		\$ -
Increased by Receipts:		
Prepaid Taxes	889,399.52	
Taxes Receivable	54,043,307.48	
Interest on Taxes	154,578.66	
Miscellaneous Revenue	16,244.47	
Due from Sewer Collector	93,563.29	
	<u>55,197,093.42</u>	<u>55,197,093.42</u>
		55,197,093.42
Decreased By Disbursements:		
Payments to Treasurer	<u>55,197,093.42</u>	<u>55,197,093.42</u>
		<u>55,197,093.42</u>
Balance December 31, 2014		\$ <u><u>-</u></u>

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

Year	Balance Dec. 31, 2013	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Arrears	Balance Dec. 31, 2014
				2013	2014				
2012	\$ 250.00				250.00				-
2013	523,981.78				473,221.57	42,015.09	8,745.12		0.00
	524,231.78	-	-	-	473,471.57	42,015.09	8,745.12	-	0.00
2014	-	55,257,100.31	7,879.36	783,103.49	53,721,583.90	131,913.70	20,968.85		607,409.73
	524,231.78	55,257,100.31	7,879.36	783,103.49	54,195,055.47	173,928.79	29,713.97	-	607,409.73
<hr/>									
Analysis of Current Year Tax Levy									
Tax Yield:									
General Property Tax									
Added Taxes (54:4-63.1 et. Seq.)									
					55,257,100.31				
					7,879.36				
						55,264,979.67			
<hr/>									
Tax Levy:									
General County Taxes									
County Library Taxes									
County Open Space Taxes									
County Health Taxes									
County Added and Omitted Taxes									
Total County Taxes									
					15,383,771.60				
<hr/>									
Local School District Tax									
Additional Local Open Space Tax									
Regional School District Tax									
<hr/>									
Local Tax for Municipal Purposes									
Add: Additional Tax Levied									
					24,005,731.27				
					106,061.80				
						24,111,793.07			
						55,264,979.67			

**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS**

Balance December 31, 2013		\$	5,220.80
Increased by:			
Transfers from Taxes Receivable	29,713.97		
Interest and Costs Accrued by Sale			
March 4, 2014	<u>1,012.58</u>		<u>30,726.55</u>
			35,947.35
Decreased by:			
None	-		
	<u>-</u>		<u>-</u>
Balance December 31, 2014		\$	<u><u>35,947.35</u></u>

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2013	Accrued in 2014	Collected by		Balance Dec. 31, 2014
			Collector	Treasurer	
Licenses:					
Alcoholic Beverages	\$	12,000.00		12,000.00	-
Other		26,651.00		26,651.00	-
Fees and Permits		121,803.99		121,803.99	-
Municipal Court					
Fines and Costs	7,673.26	117,119.81		118,555.36	6,237.71
Interest and Costs on Taxes		154,578.66	154,578.66		-
Beach Fees		514,078.00		514,078.00	-
Beach Vehicles Permits		620,225.00		620,225.00	-
Cable Franchise		69,473.31		69,473.31	-
County Share of Library Costs		40,001.00		40,001.00	-
Emergency Medical Services		251,815.62		251,815.62	-
Lease of City Property		399,867.22		399,867.22	-
Uniform Construction Code Fees		381,298.00		381,298.00	-
Fire Prevention Inspection Fees		262,660.00		262,660.00	-
Utility Operating Surplus of Prior Year		255,000.00		255,000.00	-
Atlantic County 800MHz		28,415.32		28,415.32	-
Recreation Reserve		50,000.00		50,000.00	-
Minature Golf Receipts		20,000.00		20,000.00	-
FEMA Superstorm Sandy Proceeds		408,860.61		408,860.61	-
ACUA FEMA Reimbursement		39,128.80		39,128.80	-
Reserve for Future Capital Project - Ins Proceeds		439,555.00		439,555.00	-
Energy Receipts		657,130.00		657,130.00	-
Open Space Pilot Aid (Garden State Trust)		15,570.00		15,570.00	-
Type I School Debt Service Aid		154,234.00		154,234.00	-
Liquidation of Interfund-Fed/State Grant-County		150,000.00		150,000.00	-
Reserve to Pay Bonds & Notes		500,000.00		500,000.00	-
Miscellaneous Revenue Not Anticipated		494,988.93	16,244.47	478,744.46	-
	<u>7,673.26</u>	<u>6,184,454.27</u>	<u>170,823.13</u>	<u>6,015,066.69</u>	<u>6,237.71</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:					
General Administration					
Salaries and Wages	\$ 87.00	87.00	-	87.00	-
Other Expenses	2,860.27	2,860.27	1,856.25	1,004.02	-
Mayor and Council					
Salaries and Wages	79.27	79.27	-	79.27	-
Other Expenses	2,867.73	2,867.73	1,699.00	1,168.73	-
Municipal Clerk					
Salaries and Wages	2.40	2.40		2.40	-
Other Expenses	1,233.85	1,233.85	494.57	739.28	-
Financial Administration					
Salaries and Wages	4.45	4.45		4.45	-
Other Expenses	2,261.29	2,261.29	2,171.29	90.00	-
Annual Audit	3,120.50	3,120.50	-	3,120.50	-
Revenue Administration (Tax Collection)					
Salaries and Wages	14.85	14.85	-	14.85	-
Other Expenses	3,249.62	3,249.62	573.18	2,676.44	-
Tax Assessment Administration					
Salaries and Wages	3,530.00	3,530.00	-	3,530.00	-
Other Expenses	8,675.86	8,675.86	3,126.03	5,549.83	-
Legal Services					
Other Expenses	75,817.28	75,817.28	28,631.30	47,185.98	-
Emergency Medical Services - Billing					
Other Expenses	9,445.94	9,445.94	5,088.99	4,356.95	-
Engineering Services and Costs					
Other Expenses	19,013.08	19,013.08	6,210.00	12,803.08	-
Ethics Board					
Other Expenses	100.00	100.00	-	100.00	-
Planning Board					
Salaries and Wages	494.25	494.25	-	494.25	-
Other Expenses	7,363.03	7,363.03	62.54	7,300.49	-
Environmental Commission					
Other Expenses	100.00	100.00	-	100.00	-

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Municipal Court					
Salaries and Wages	3,357.29	3,357.29	-	3,357.29	-
Other Expenses	15,293.30	15,293.30	146.85	15,146.45	-
Public Defender					
Salaries and Wages	377.27	377.27	-	377.27	-
INSURANCE					
Insurance					
Workers Compensation Insurance					
Employee Group Health	10,859.70	10,859.70		10,859.70	-
Health Benefit Waiver	62,546.37	62,546.37	62,546.37	-	-
Salaries and Wages	15,579.30	15,579.30	-	15,579.30	-
PUBLIC SAFETY					
Fire Department					
Salaries and Wages	44,300.13	44,300.13	20,810.62	23,489.51	-
Other Expenses	32,637.54	32,637.54	25,236.28	7,401.26	-
Police Department					
Salaries and Wages	6,745.56	6,745.56	6,745.56	-	-
Other Expenses	47,472.15	47,472.15	37,954.16	9,517.99	-
Office of Emergency Management					
Salaries and Wages	19.58	19.58	-	19.58	-
Other Expenses	5,201.73	5,201.73	4,113.65	1,088.08	-
STREETS AND ROADS					
Streets and Roads Maintenance					
Salaries and Wages	9,820.67	9,820.67	-	9,820.67	-
Other Expenses	19,006.54	19,006.54	17,174.78	1,831.76	-
Solid Waste Collection					
Other Expenses	28,725.26	28,725.26	28,725.26	-	-
Recycling Program					
Salaries and Wages	4,102.34	4,102.34	-	4,102.34	-
Other Expenses	1,382.38	1,382.38	-	1,382.38	-

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
PUBLIC WORKS					
Public Works					
Salaries and Wages	3.05	3.05	-	3.05	-
Other Expenses	343.27	343.27	248.48	94.79	-
Public Buildings and Grounds					
Salaries and Wages	1,684.84	1,684.84	-	1,684.84	-
Other Expenses	12,252.87	12,252.87	6,011.82	6,241.05	-
Demolition					
Other Expenses	78.00	78.00	-	78.00	-
HEALTH AND HUMAN SERVICES					
Dog Regulation					
Salaries and Wages	41.38	41.38	-	41.38	-
Other Expenses	1,400.00	1,400.00	600.00	800.00	-
PARKS AND RECREATION					
Beach Patrol and Maintenance					
Salaries and Wages	75.69	75.69	10.71	64.98	-
Other Expenses	10,509.04	10,509.04	8,269.77	2,239.27	-
Beach Fee Program					
Salaries and Wages	22.00	22.00	-	22.00	-
Other Expenses	13,683.81	13,683.81	8,780.17	4,903.64	-
Parks and Playgrounds					
Salaries and Wages	1,687.79	1,687.79	-	1,687.79	-
Other Expenses	5,290.28	5,290.28	3,245.82	2,044.46	-
Cultural Arts					
Other Expenses	1,000.00	1,000.00	1,000.00	-	-
UNCLASSIFIED					
Maintenance Agreements - Contractual					
UNIFORM CONSTRUCTION CODE					
Construction Official					
Other Expenses	4,265.26	4,265.26	685.73	3,579.53	-

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
UTILITY EXPENSES AND BULK PURCHASES					
Electric	63.71	63.71	11.42	52.29	-
Telephone	1,904.89	1,904.89	1,898.73	6.16	-
Fuel	56,594.18	56,594.18	6,625.69	49,968.49	-
Contingent	500.00	500.00	-	500.00	-
REGULATORY EXPENDITURES					
Contribution to:					
Defined Contribution Retirement Program	701.36	701.36	-	701.36	-
Unemployment Compensation	20,403.13	20,403.13	-	20,403.13	-
Social Security System (O.A.S.I.)	31,117.91	31,117.91	-	31,117.91	-
OPERATIONS EXCLUDED FROM "CAPS"					
INSURANCE					
Fire Prevention Inspections	973.54	973.54	-	973.54	-
Salaries and Wages	10,734.19	10,734.19	4,596.97	6,137.22	-
Other Expenses					
	<u>639,747.26</u>	<u>639,747.26</u>	<u>311,183.31</u>	<u>328,563.95</u>	<u>-</u>
\$					

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Balance December 31, 2013		
School Tax Payable	\$ -	
School Tax Deferred	-	
	<hr/>	\$ -
Increased by:		
Levy - School Year July 1, 2014 to June 30, 2015		15,769,415.00
		<hr/>
		15,769,415.00
Decreased by:		
Due from Local School District		12,045.96
Payments		15,757,369.04
		<hr/>
Balance December 31, 2014		
School Tax Payable	0.00	
School Tax Deferred	-	
	<hr/>	0.00
		<hr/>
Current Year Liability for Local School District School Tax:		
Tax Paid		15,757,369.04
Due from Local School District Paid		12,045.96
Tax Payable Ending		0.00
		<hr/>
		15,769,415.00
Less: Tax Payable Beginning		-
		<hr/>
Amount charged to Current Year Operations		<u>\$ 15,769,415.00</u>

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>Canceled</u>	<u>Balance Dec. 31, 2014</u>
FEDERAL GRANTS:					
Small Cities Community Development Block Grant	\$ 18,245.32				18,245.32
U.S. Dept. of Justice - Cops in Shops	735.96			735.96	-
Total Federal	18,981.28	-	-	735.96	18,245.32
STATE GRANTS:					
Clean Communities Grant		36,620.58	36,620.58		-
Drive Sober or Get Pulled Over	4,400.00		3,500.00		900.00
Sustainable Jersey Small Grant	2,000.00				2,000.00
Body Armor Fund		8,348.04			8,348.04
Municipal Alliance on Alcoholism and Drug Abuse	11,579.67	24,109.00	15,430.06		20,258.61
Safe and Secure Communities Grant	7,204.87			7,204.87	-
Help America Vote Act	15,944.60		15,610.00		334.60
Juvenile Accountability Block Grant	837.14				837.14
Safe Routes to Schools Grant	739.90				739.90
Statewide Livable Communities	17,762.00				17,762.00
Traffic Crash & Mapping Project	-	6,000.00	4,825.00	1,175.00	-
Post Sandy Assistance	-	45,000.00	30,000.00		15,000.00
FY 2012 Assistance to Firefighters	-	230,040.00	108,870.00		121,170.00
Total State	60,468.18	350,117.62	214,855.64	8,379.87	187,350.29
OTHER GRANTS:					
County of Atlantic - Brigantine Blvd	1,043,894.90			750,915.16	292,979.74
Total Other	1,043,894.90	-	-	750,915.16	292,979.74
\$	1,123,344.36	350,117.62	214,855.64	760,030.99	498,575.35

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				
FEDERAL GRANTS:							
Small Cities Grant	\$ 91,167.26			(18,135.00)		4,814.00	109,302.26
U.S. Dept. of Justice - Cops More	4,814.00					1,034.02	-
U.S. Dept. of Justice - Cops in Shops	1,034.02						-
Community Development Block Grant - Drainage 2005	9,237.88						9,237.88
Small Cities Community Development Block Grant	31,765.00		8,348.04	1,659.39	1,432.39		31,765.00
Bulletproof Vest Partnership	2,165.23	1,659.39	45,000.00	29,865.41			9,080.88
Post Sandy Assistance	-		230,040.00	145,611.10			15,134.59
FY 2012 Assistance to Firefighters	-						84,428.90
Total Federal	140,183.39	1,659.39	283,388.04	159,000.90	1,432.39	5,848.02	258,949.51
STATE GRANTS:							
Clean Communities Program	47,844.47	1,526.00	36,620.58	29,289.91	19,740.86		36,960.28
Body Armor	4,381.61	4,592.61		4,592.61	4,381.61		-
Drunk Driving Enforcement Program	30,896.23			16,283.24			14,612.99
Juvenile Accountability Block Grant	234.03						234.03
Alcohol Education and Rehabilitation Grant	4,379.29						4,379.29
Municipal Alliance on Alcoholism and Drug Abuse	7,121.17	3,541.00	24,109.00	14,881.63	120.96	12,500.00	19,768.58
Safe and Secure Communities Grant	12,500.00			1,484.98	515.02		-
Sustainable Jersey Small Grant	2,000.00						-
Statewide Livable Communities Grant	17,762.00						17,762.00
NJ Emergency Management	12,612.72						12,612.72
Drive Sober or Get Pulled Over	4,400.00						4,400.00
Help America Vote Act	15,944.60			15,610.00			334.60
Safe Routes to Schools Grant	739.90		6,000.00	4,825.00		1,175.00	739.90
Traffic Crash & Mapping Project	-						-
Total State	160,816.02	9,659.61	66,729.58	86,967.37	24,758.45	13,675.00	111,804.39
OTHER GRANTS:							
County of Atlantic - Brigantine Blvd	240,487.76	106,875.48			106,875.48		240,487.76
Total Other	240,487.76	106,875.48	-	-	106,875.48	-	240,487.76
	541,487.17	118,194.48	350,117.62	245,968.27	133,066.32	19,523.02	611,241.66

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES

<u>Purpose</u>	Balance Dec. 31, 2013	Transferred To 2014 Appropriations	Received	Balance Dec. 31, 2014
STATE GRANTS:				
Drunk Driving Enforcement Grant	\$ -		3,199.87	3,199.87
Municipal Alliance on Alcoholism and Drug Abuse	-		7,910.00	7,910.00
Recycling Tonnage Grant	30,033.57			30,033.57
Safe and Secure Communities Grant	-		12,657.53	12,657.53
Bulletproof Vest Partnership	-		2,062.05	2,062.05
Total State	30,033.57	-	25,829.45	55,863.02
	\$ 30,033.57	-	25,829.45	55,863.02

TRUST FUND
SCHEDULE OF ANIMAL CONTROL CASH - TREASURER

Balance December 31, 2013		\$	4,477.60
Increased By Receipts:			
Dog Licenses Fees	\$	1,164.80	
State License Fees		253.20	
Dog Park Fees		300.00	
			<u>1,718.00</u>
			6,195.60
Decreased By Disbursements:			
Registration Fees Due to State of New Jersey		75.60	
			<u>75.60</u>
Balance December 31, 2014		\$	<u><u>6,120.00</u></u>

TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER

Balance December 31, 2013		\$ 1,895,238.03
Increased By Receipts:		
Reserve for Police Special Detail Escrow	\$ 841.99	
Reserve for Special Law Enforcement	1,320.00	
Reserve for Engineering Escrow	42,503.20	
Reserve for Lifeguard Pension	46,496.04	
Reserve for Recreation	258,054.29	
Reserve for COAH	70,447.03	
Reserve for Health Insurance Trust	212,915.06	
Reserve for Tax Title Lien Premiums & Redemptions	2,373,438.46	
Reserve for Third Parties Eng Escrow	20,594.25	
Reserve for Emergency Supplies	5,001.42	
Reserve for Water Tower	12,800.00	
	<hr/>	3,044,411.74
		4,939,649.77
Decreased By Disbursements:		
Reserve for Police Special Detail Escrow	5,940.45	
Reserve for Special Law Enforcement	2,179.47	
Reserve for Accumulated Absences	140,123.75	
Reserve for Engineering Escrow	101,218.64	
Reserve for Lifeguard Pension	50,073.84	
Reserve for Recreation	220,085.61	
Reserve for COAH	1,320.00	
Reserve for Donations	17,801.42	
Reserve for Health Insurance Trust	215,335.16	
Reserve for Tax Title Lien Premiums	2,118,366.51	
Reserve for Tax Title Lien Redemptions	<hr/>	2,872,444.85
Balance December 31, 2014		\$ <u><u>2,067,204.92</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance December 31, 2013		\$ 3,061.20
Increased By:		
Dog Licenses Fees Collected	\$ 1,164.80	
	<hr/>	<hr/>
		1,164.80
		<hr/>
		4,226.00
Decreased By Disbursements:		
Statutory Excess due to Current Fund	1,905.80	
	<hr/>	<hr/>
		1,905.80
		<hr/>
Balance December 31, 2014		\$ <u><u>2,320.20</u></u>

License Fees Collected	<u>Year</u>	
	2012	\$ 1,286.40
	2013	<u>1,033.80</u>
		<hr/>
	\$	<u><u>2,320.20</u></u>

TRUST - OTHER FUND
STATEMENT OF DUE TO CURRENT FUND

Balance December 31, 2013	\$ 1,418.20
Increased By:	
Dog Park Fees Due to Current Fund	300.00
Statutory Excess Due to Current Fund	<u>1,905.80</u>
	3,624.00
Decreased By:	
None	<u>-</u>
Balance December 31, 2014	\$ <u><u>3,624.00</u></u>

TRUST - OTHER FUND
STATEMENT OF DUE (TO)FROM STATE OF NEW JERSEY

Balance December 31, 2013	\$ 1.80
Increased by:	
Paid to State of New Jersey	<u>75.60</u>
	77.40
Decreased by:	
Licenses Issued in 2014	<u>253.20</u>
	253.20
Balance December 31, 2014	\$ <u><u>(175.80)</u></u>

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

Balance December 31, 2013		\$	7,435,060.06
Increased by:			
Due from Current Fund	1,189,352.98		
Capital Improvement Fund	50,000.00		
	<hr/>		<hr/>
			1,239,352.98
			8,674,413.04
Decreased by:			
Due to Current Fund	500,000.00		
General Capital Surplus	150,000.00		
Improvement Authorizations	1,229,303.35		
	<hr/>		<hr/>
			1,879,303.35
Balance December 31, 2014		\$	<u><u>6,795,109.69</u></u>

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2013	Receipts		Debt Issued	Disbursements		Transfers		Balance Dec. 31, 2014
		Miscellaneous	Miscellaneous		Improvement Authorizations	Miscellaneous	From	To	
\$									
Fund Balance	280,359.69								167,265.57
Capital Improvement Fund	103,500.00	50,000.00	150,000.00					36,905.88	153,500.00
State Aid Receivable (school const.)	(186,376.45)								(186,376.45)
Due to Current Fund	-	1,189,352.98					476,460.88	14,870.00	227,762.10
Due from Utility Capital Fund	(50,000.00)								(50,000.00)
Reserve for Future Capital Project	-						573,185.67	439,555.00	439,555.00
Reserve for Encumbrances	573,185.67							1,393,411.68	1,393,411.68
Improvement Authorizations									
7-93 School Improvements	2,391.36								2,391.36
12-97 School Facilities	56,910.86								56,910.86
3-00 Various Improvements	7,037.75				9,337.75			2,300.00	-
10-01 Various Improvements	23,583.25				3,583.25				20,000.00
13-02 Various Improvements	320.62				1,794.92			1,474.30	-
15-03 Various Improvements	16,114.82				16,114.82				-
14-04 School Renovations	465,942.12								465,942.12
22-04 Various Improvements	1,391.41				1,391.41				-
23-05 Various Improvements	10,609.50				6,747.99				3,861.51
17-06 School Track & Field	27,667.78								27,667.78
21-06 Various Improvements	52,561.12				219,546.54		41,961.00	22,276.00	(186,670.42)
17-07 Boat Ramp Renovations	224,465.98				19,395.00		5,655.00		199,415.98
21-07 Various Improvements	58,275.12				16,605.63		1,265.00		40,404.49
01-08 Purchase of St. Philips	477.29								477.29
02-08 Stormwater Pump Station	39,662.49				34,897.01		4,765.48		(0.00)
06-08 School Improvements	96,517.77						16,042.27	4,564.00	182,681.92
21-08 Various Improvements	243,372.77				49,212.58			5,528.10	-
03-09 Various Improvements-Reappro.	-				52,794.39		41,638.81	69,674.20	160,448.52
17-09; 11-11 Improvements to St Philips	185,207.52						50,000.00		153,428.30
18-09 Various Improvements	203,428.30				68,406.23		18,365.75	68,406.23	-
5-10 St. Philips Renovations	-				145,982.29			21,766.35	394,799.96
14-10 Various Improvements	537,381.65						88,262.10	62,097.60	780,378.22
18-10 School Improvements	780,378.22				68,910.92			6,806.82	224,426.55
27-10 Various Improvements	319,501.97				19,846.87				(336,195.50)
19-12 Beach Replenishment	(323,155.45)				489,207.65		1,140,326.27	308,292.07	2,363,105.08
10-13 Various Improvements	3,684,346.93								
\$	7,435,060.06	1,239,352.98	650,000.00	-	1,229,303.35	2,457,928.23	2,457,928.23	2,457,928.23	6,795,109.69

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

Balance December 31, 2013		\$ 103,500.00
Increased by:		
Current Fund Budget Appropriations	50,000.00	
	<hr/>	<hr/>
		50,000.00
		153,500.00
Decreased by:		
None	-	
	<hr/>	<hr/>
		-
Balance December 31, 2014		\$ <u><u>153,500.00</u></u>

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

Balance December 31, 2013		\$ 23,199,733.04
Increased by:		
None	-	
	<hr/>	<hr/>
		-
		23,199,733.04
Decreased by:		
Serial Bonds Paid	2,345,000.00	
School Type I Bonds	1,020,000.00	
Green Trust Loans Paid	32,906.04	
	<hr/>	<hr/>
		3,397,906.04
Balance December 31, 2014		\$ <u><u>19,801,827.00</u></u>

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

Ord #	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Raised in 2014 Budget	Debt Issued	Balance Dec. 31, 2014	Analysis of Balance		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
21-06	Various Improvements	\$ 245,000.00				245,000.00		186,670.42	58,329.58
17-09	Improvements to St Phillips	200,000.00				200,000.00			200,000.00
18-09	Various Improvements	50,000.00				50,000.00			50,000.00
14-10	Various Improvements	1,425,000.00				1,425,000.00	1,425,000.00		-
27-10	Various Improvements	475,000.00				475,000.00	475,000.00		-
19-12	Beach Replenishment	950,000.00				950,000.00		336,195.50	613,804.50
29-12	Tax Appeals	1,350,000.00		450,000.00		900,000.00	900,000.00		-
10-13	Various Improvements	3,800,000.00				3,800,000.00	3,800,000.00		-
14-13	Tax Appeals	1,465,000.00		367,000.00		1,098,000.00	1,098,000.00		-
13-14	Various Improvements	-	6,200,000.00			6,200,000.00			6,200,000.00
		<u>\$ 9,960,000.00</u>	<u>6,200,000.00</u>	<u>817,000.00</u>	<u>-</u>	<u>15,343,000.00</u>	<u>7,698,000.00</u>	<u>522,865.92</u>	<u>7,122,134.08</u>
							Improvement Authorizations Unfunded		
							Less:		
							Unexpended Proceeds of Bond		
							Anticipation Notes Issued:		
							<u>Ord. Number</u>		
							14-10	\$ (394,799.96)	
							27-10	(224,426.55)	
							10-13	(2,363,105.08)	
									<u>(2,982,331.59)</u>
									<u>\$ 7,122,134.08</u>

10,104,465.67

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
STATEMENT OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Outstanding December 31, 2014		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
General Bonds of 2005	1/15/2005	5,250,000	1/15/2015	460,000.00	3.500%	2,060,000.00		460,000.00	1,600,000.00
			1/15/2016	460,000.00	3.750%				
			1/15/2017	460,000.00	4.000%				
			1/15/2018	220,000.00	4.000%				
General Bonds of 2008	3/15/2008	8,150,000	1/15/15-17	750,000.00	3.750%	4,450,000.00		750,000.00	3,700,000.00
			1/15/2018	750,000.00	4.000%				
			1/15/2019	700,000.00	4.000%				
Refunding Bonds of 2011	6/8/2011	2,453,100	9/1/2015	465,000.00	2.250%	935,000.00		470,000.00	465,000.00
General Bonds of 2012	7/7/2012	9,000,000	7/15/2015	670,000.00	2.000%	8,580,000.00		665,000.00	7,915,000.00
			7/15/2016	680,000.00	2.000%				
			7/15/2017	685,000.00	2.000%				
			7/15/18-24	840,000.00	3.000%				
						\$ 16,025,000.00	-	2,345,000.00	13,680,000.00

GENERAL CAPITAL FUND
STATEMENT OF TYPE I SCHOOL 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					
Refunding Bonds of 2002	10/01/02	3,640,000	2/15/2015	500,000.00	5.000%	980,000.00		480,000.00	500,000.00
General Bonds of 2008	3/15/08	400,000	1/15/15-16	50,000.00	3.750%	150,000.00		50,000.00	100,000.00
General Bonds of 2012	07/07/12	5,850,000	7/15/15-19	500,000.00	3.000%	5,590,000.00		490,000.00	5,100,000.00
			7/15/20-24	520,000.00	3.000%				
						\$ 6,720,000.00	-	1,020,000.00	5,700,000.00

GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
Municipal Boat Ramp	1997	72,803	2015	4,328.91	2.000% \$	15,229.57		4,243.61	10,985.96
			2016	4,415.93					
			2017	2,241.12					
Municipal Boat Ramp	2007	600,000	2015	29,238.56	2.000%	439,503.47		28,662.43	410,841.04
			2016	29,826.25					
			2017	30,425.76					
			2018	31,037.33					
			2019	31,661.17					
			2020	32,297.56					
			2021	32,946.74					
			2022	33,608.96					
			2023	34,284.52					
			2024	34,973.63					
			2025	35,676.60					
			2026	36,393.70					
			2027	18,470.26					
						\$ 454,733.04	-	32,906.04	421,827.00

**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
Various Improvements	14-2010	12/20/2012	12/12/2013 12/10/2014	12/11/2014 12/9/2015	1.00% 1.00%	1,425,000.00	1,425,000.00	1,425,000.00	- 1,425,000.00
Various Improvements	27-2010	12/20/2012	12/12/2013 12/10/2014	12/11/2014 12/9/2015	1.00% 1.00%	475,000.00	475,000.00	475,000.00	- 475,000.00
Tax Appeals	29-2012	12/20/2012	12/12/2013 12/10/2014	12/11/2014 12/9/2015	1.00% 1.00%	1,350,000.00	900,000.00	1,350,000.00	- 900,000.00
Various Improvements	10-2013	12/12/2013	12/12/2013 12/10/2014	12/11/2014 12/9/2015	1.00% 1.00%	3,800,000.00	3,800,000.00	3,800,000.00	- 3,800,000.00
Tax Appeals	14-2013	12/12/2013	12/12/2013 12/10/2014	12/11/2014 12/9/2015	1.00% 1.00%	1,465,000.00	1,098,000.00	1,465,000.00	- 1,098,000.00
\$						8,515,000.00	7,698,000.00	8,515,000.00	7,698,000.00

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Debt Issued	Balance Dec. 31, 2014
21-06	Various Improvements	245,000.00			245,000.00
17-09	Improvements to St. Phillips	200,000.00			200,000.00
18-09	Various Improvements	50,000.00			50,000.00
19-12	Beach Replenishment	950,000.00			950,000.00
13-14	Various Improvements	-	6,200,000.00		6,200,000.00
		<u>\$ 1,445,000.00</u>	<u>6,200,000.00</u>	<u>-</u>	<u>7,645,000.00</u>

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

	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2013	\$ 1,365,658.94	502,988.13
Increased by Receipts:		
Water and Sewer Rent Collected	6,750,034.15	
Due from Current Fund	404,951.81	322,162.53
Miscellaneous Revenue	54,911.91	
	<u>7,209,897.87</u>	<u>322,162.53</u>
	8,575,556.81	825,150.66
Decreased by Disbursements:		
Current Appropriations	5,580,081.90	
Appropriation Reserves	139,177.71	
Improvement Authorizations		322,162.53
Due to/from Utility Capital Fund	322,162.53	
Due to Current Fund	95,678.61	
Transfer Surplus to Current Fund	255,000.00	
	<u>6,392,100.75</u>	<u>322,162.53</u>
Balance December 31, 2014	\$ <u>2,183,456.06</u>	<u>502,988.13</u>

**WATER AND SEWER UTILITY 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	\$ 13,267.51					13,267.51		-
New Jersey EIT Receivables	(976,813.23)						976,813.23	-
Encumbrances Payable	90,570.06					90,570.06		87,320.72
Due General Capital Fund	50,000.00							50,000.00
Due Water/Sewer Operating Fund	-	322,162.53					13,267.51	335,430.04
<u>Improvement Authorizations:</u>								
16-94 Various Improvements	(2,500.00)							(2,500.00)
8-99 Various Improvements	12,064.15			4,139.25				7,924.90
4-00 Various Improvements	200.00							200.00
8-01 Inflow Study	255,275.54			4,023.88		251,251.66		-
20-04 Various Improvements	5,196.37							5,196.37
2-07 Various Improvements	58,361.09			58,361.09				-
24-08 Additional Improvements	6,265.59			6,265.59				-
25-08 Various Improvements	108,178.50			170,000.00		8,191.91	2,686.91	(67,326.50)
5-09; 26-10, 23-11 Various Improvements	882,922.55			79,372.72		804,690.38	87,883.15	86,742.60
	<u>\$ 502,988.13</u>	<u>322,162.53</u>	<u>-</u>	<u>322,162.53</u>	<u>-</u>	<u>1,167,971.52</u>	<u>1,167,971.52</u>	<u>502,988.13</u>

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

Balance December 31, 2013		\$ 347,335.95
Increased by Receipts:		
Billings of User Charges	6,213,415.12	
Overpayments Created	1,034,181.42	
	<hr/>	<hr/>
		7,247,596.54
		7,594,932.49
Decreased by Disbursements:		
Collections	6,750,034.15	
Overpayments Applied	151,662.41	
	<hr/>	<hr/>
		6,901,696.56
Balance December 31, 2014		\$ <u><u>693,235.93</u></u>

**WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF UTILITY LIENS**

Balance December 31, 2013		\$ -
Increased by Receipts:		
None	-	
	<hr/>	<hr/>
		-
Decreased by Disbursements:		
None	-	
	<hr/>	<hr/>
		-
Balance December 31, 2014		\$ <u><u>-</u></u>

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Operating:					
Other Expenses	\$ 140,177.84	140,177.84	139,177.71	1,000.13	-
All Other Accounts - No Change	7,066.45	7,066.45		7,066.45	-
	<u>147,244.29</u>	<u>147,244.29</u>	<u>139,177.71</u>	<u>8,066.58</u>	<u>-</u>

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

Balance December 31, 2013	\$ 123,179.95
Increased by:	
Budget Appropriations	101,240.63
	<hr/> 101,240.63
	224,420.58
Decreased By:	
Payments of Debt Service Interest	123,179.95
	<hr/> 123,179.95
Balance December 31, 2014	\$ <u><u>101,240.63</u></u>

Analysis of Accrued Interest December 31, 2014

Principal Outstanding December 31, 2014	Interest Rate	From	To	Days	Amount
550,000.00	Var.	7/15/2014	12/31/2014	169	9,567.71
960,000.00	Var.	7/15/2014	12/31/2014	169	17,004.17
1,235,000.00	Var.	7/15/2014	12/31/2014	169	15,537.50
230,000.00	2.250%	9/1/2014	12/31/2014	121	1,725.00
175,000.00	Var.	8/1/2014	12/31/2014	152	4,072.92
120,000.00	5.00%	8/1/2014	12/31/2014	152	2,500.00
10,000.00	5.00%	8/1/2014	12/31/2014	152	208.33
500,000.00	Var.	8/1/2014	12/31/2014	152	9,645.83
285,000.00	Var.	8/1/2014	12/31/2014	152	4,937.50
1,730,000.00	Var.	8/1/2014	12/31/2014	152	36,041.67
					<hr/> 101,240.63 <hr/>

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

Ord #	Improvement Description	Ord. Date	Amount	Authorizations						
				Balance December 31, 2013		Deferred Charges to Future Taxation	Other Funding	Paid or Charged	Balance December 31, 2014	
				Funded	Unfunded				Funded	Unfunded
8-99	Various Improvements	6/15/99	1,000,000	\$ 12,064.15				4,139.25	7,924.90	
4-00	Various Improvements	6/21/00	2,100,000	200.00					200.00	
8-01	Inflow Study	6/6/01	1,400,000	255,275.54	268,230.77			523,506.31		-
20-04	Various Improvements	6/16/04	2,500,000	5,196.37					5,196.37	
2-07	Various Improvements	04/18/07	700,000	58,361.09				58,361.09	-	
24-08	Additional Sewer Improvement:	9/17/08	183,585	6,265.59				6,265.59	-	
25-08	Various Improvements	9/17/08	450,000	108,178.50	75,000.00			175,505.00		7,673.50
5-09; 26-10; 23-11	Various Improvements	4/1/09	7,100,000	882,922.55				796,179.95		86,742.60
13-14	Various Improvements	9/3/2014	5,830,000	-			5,830,000.00			5,830,000.00
				\$ 1,328,463.79	343,230.77	-	5,830,000.00	1,563,957.19	13,321.27	5,924,416.10

**WATER AND SEWER UTILITY 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 Obligation Bonds of 2006	01/15/06	1,750,000.00	1/15/2015	150,000.00	3.50%	700,000.00		150,000.00	550,000.00
			1/15/2016	150,000.00	3.75%				
			1/15/2017	150,000.00	4.00%				
			1/15/2018	100,000.00	4.00%				
General Obligation Bonds of 2008	3/15/2008	1,800,000	1/15/2015	160,000.00	3.750%	1,120,000.00		160,000.00	960,000.00
			1/15/2016	180,000.00	3.750%				
			1/15/2017	180,000.00	3.750%				
			1/15/2018	180,000.00	4.000%				
			1/15/2019	180,000.00	4.000%				
			1/15/2020	80,000.00	4.000%				
General Obligation Bonds of 2012	07/17/12	1,400,000	07/15/15	100,000.00	2.000%	1,320,000.00		85,000.00	1,235,000.00
			07/15/16	105,000.00	2.000%				
			07/15/17	110,000.00	2.000%				
			07/15/18	120,000.00	3.000%				
			07/15/19	160,000.00	3.000%				
			07/15/20	160,000.00	3.000%				
			07/15/21	160,000.00	3.000%				
			07/15/22	160,000.00	3.000%				
			07/15/23	160,000.00	3.000%				
						\$ 3,140,000.00	-	395,000.00	2,745,000.00

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF REFUNDING 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 Refunding Issue of 2011	6/8/2011	1,275,000	9/1/15	230,000.00	2.250%	\$ 460,000.00		230,000.00	230,000.00
						<u>\$ 460,000.00</u>	<u>-</u>	<u>230,000.00</u>	<u>230,000.00</u>

WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF STATE WATER SYSTEM REHABILITATION LOAN PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	December 31, 2014 Amount					
Rehabilitation to Water Supply System	2005	\$ 520,381	2015	31,872.71	3.500%	\$ 31,872.71		31,872.71	-
						<u>\$ 31,872.71</u>	<u>-</u>	<u>31,872.71</u>	<u>-</u>

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER AND SEWER LOANS**

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					
State of New Jersey EIT Bonds	11/05/99	\$ 480,000	08/01/15	30,000.00	5.500%	63,296.56	141,703.44	30,000.00	175,000.00
			08/01/16	35,000.00	5.500%				
			08/01/17	35,000.00	5.500%				
			08/01/18	35,000.00	5.700%				
			08/01/19	40,000.00	5.700%				
State of New Jersey EIT Bonds	10/15/2001	635,000	08/01/15	60,000.00	5.000%	175,000.00		55,000.00	120,000.00
			08/01/16	60,000.00	5.000%				
State of New Jersey EIT Bonds	10/15/2001	70,000	08/01/15	5,000.00	5.000%	15,000.00		5,000.00	10,000.00
			08/01/16	5,000.00	5.000%				
State of New Jersey EIT Bonds	11/4/2004	1,155,000	08/01/15	90,000.00	4.000%	585,000.00		85,000.00	500,000.00
			08/01/16	95,000.00	4.000%				
			08/01/17	100,000.00	5.000%				
			08/01/18	105,000.00	5.000%				
			08/01/19	110,000.00	5.000%				
State of New Jersey EIT Loans	11/5/1999	457,960	08/01/15	23,250.52	0.000%	144,747.63		24,277.03	120,470.60
			08/01/16	25,334.64					
			08/01/17	24,137.05					
			08/01/18	22,939.45					
			08/01/19	24,808.94					
State of New Jersey EIT Loans	10/15/2001	690,360				141,703.44		141,703.44	-
State of New Jersey EIT Loans	10/15/2001	73,697	08/01/15	4,035.53	0.000%	12,106.70		4,218.95	7,887.75
			08/01/16	3,852.21					
State of New Jersey EIT Loans	11/4/2004	1,212,500	08/01/15	83,386.13	0.000%	505,733.51		82,207.00	423,526.51
			08/01/16	84,417.86					
			08/01/17	85,302.20					
			08/01/18	85,302.20					
			08/01/19	85,118.12					

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER AND SEWER LOANS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Outstanding December 31, 2014 Amount					
State of New Jersey EIT Bonds	3/10/2010	325,000	08/01/15	15,000.00	Various	300,000.00		15,000.00	285,000.00
			08/01/16	15,000.00					
			08/01/17	15,000.00					
			08/01/18	15,000.00					
			08/01/19	15,000.00					
			08/01/20	15,000.00					
			08/01/21	20,000.00					
			08/01/22	20,000.00					
			08/01/23	20,000.00					
			08/01/24	20,000.00					
			08/01/25	20,000.00					
			08/01/26	20,000.00					
			08/01/27	25,000.00					
			08/01/28	25,000.00					
			08/01/29	25,000.00					
State of New Jersey EIT Loans	3/10/2010	931,500	08/01/15	51,750.00	0.000%	828,000.00		74,131.00	753,869.00
			08/01/16	51,750.00					
			08/01/17	51,750.00					
			08/01/18	51,750.00					
			08/01/19	51,750.00					
			08/01/20	51,750.00					
			08/01/21	51,750.00					
			08/01/22	51,750.00					
			08/01/23	51,750.00					
			08/01/24	51,750.00					
			08/01/25	51,750.00					
			08/01/26	51,750.00					
			08/01/27	51,750.00					
			08/01/28	51,750.00					
			08/01/29	29,369.00					
State of New Jersey EIT Bonds	2/2/2010	2,335,000	2/1/2015	90,000.00	Various	2,180,000.00		450,000.00	1,730,000.00
			2/1/2016	95,000.00					
			2/1/2017	100,000.00					
			2/1/2018	100,000.00					
			2/1/2019	105,000.00					
			2/1/2020	115,000.00					
			2/1/2021	120,000.00					
			2/1/2022	125,000.00					
			2/1/2023	130,000.00					
			2/1/2024	135,000.00					
			2/1/2025	145,000.00					
			2/1/2026	150,000.00					
			2/1/2027	160,000.00					
			2/1/2028	160,000.00					

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER AND SEWER LOANS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Outstanding December 31, 2014 Amount					
State of New Jersey EIT Loans	2/2/2010	2,512,650	2/1/2015	127,761.85	0.000%	2,171,951.73		560,661.85	1,611,289.88
			2/1/2016	127,761.85					
			2/1/2017	127,761.85					
			2/1/2018	127,761.85					
			2/1/2019	127,761.85					
			2/1/2020	127,761.85					
			2/1/2021	127,761.85					
			2/1/2022	127,761.85					
			2/1/2023	127,761.85					
			2/1/2024	127,761.85					
			2/1/2025	127,761.85					
			2/1/2026	127,761.85					
			2/1/2027	78,147.68					
						<u>\$ 7,122,539.57</u>	<u>141,703.44</u>	<u>1,527,199.27</u>	<u>5,737,043.74</u>

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

Ordinance Number		Balance Dec. 31, 2013	2014 Authorizations	Debt Issued	Other	Balance Dec. 31, 2014
16-94	Various Improvements	\$ 2,500.00				2,500.00
08-01	Infiltration and Inflow Study	268,230.77			268,230.77	-
25-08	Various Utility Improvements	75,000.00				75,000.00
13-14	Various Utility Improvements	-	5,830,000.00			5,830,000.00
		<u>\$ 345,730.77</u>	<u>5,830,000.00</u>	<u>-</u>	<u>268,230.77</u>	<u>5,907,500.00</u>

GOLF COURSE UTILITY FUND
SCHEDULE OF CASH - TREASURER

	Operating	Capital
Balance December 31, 2013	\$ 78,314.95	105,070.78
Increased by Receipts:		
Anticipated Revenues	969,782.79	9,696.31
Due from Current Fund	369,853.65	16,211.97
Due from Golf Course Operating		
	<u>1,339,636.44</u>	<u>25,908.28</u>
	1,417,951.39	130,979.06
Decreased by Disbursements:		
Current Appropriations	1,374,712.74	
Appropriation Reserves	14,588.27	
Due to Golf Course Operating	16,211.97	
Due to Current Fund	10,000.00	56,430.98
Improvement Authorizations		
	<u>1,415,512.98</u>	<u>56,430.98</u>
Balance December 31, 2014	\$ <u><u>2,438.41</u></u>	<u><u>74,548.08</u></u>

Improvement Authorizations

GOLF COURSE UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed	Overexpended
Operating:					
Salaries and Wages	\$ 3,177.99	3,177.99		3,177.99	
Other Expenses	36,389.63	36,389.63	14,588.27	21,801.36	
Deferred Charges and Statutory Expenditures:					
Social Security System	3,693.46	3,693.46		3,693.46	
Unemployment	982.05	982.05		982.05	
TOTALS	\$ 44,243.13	44,243.13	14,588.27	29,654.86	-
Appropriation Reserves	14,172.58				
Encumbrances	30,070.55				
	44,243.13				

GOLF COURSE UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS
AND NOTES AND ANALYSIS OF BALANCE

Balance December 31, 2013	\$	30,992.86
Increased By:		
Budget Appropriation:		
Interest on Bonds and Notes	25,149.38	
	<hr/>	<hr/>
		25,149.38
		56,142.24
Decreased By:		
Interest Paid on Bonds and Notes	30,992.86	
	<hr/>	<hr/>
		30,992.86
Balance December 31, 2014	\$	<u>25,149.38</u>

Analysis of Accrued Interest December 31, 2014

Principal Outstanding Dec. 31, 2014	Interest Rate	From	To	Days	Amount
\$ 766,000.00	1.00%	12/12/2014	12/31/2014	19	\$ 319.17
1,420,000.00	var.	7/15/2014	12/31/2014	169	24,830.21
<hr/>					<hr/>
\$ 2,186,000.00					\$ 25,149.38
<hr/>					<hr/>

GOLF COURSE UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. Number	Improvement Description	Ord. Date	Amount	Balance December 31, 2013		2014 Authorizations		Paid or Charged	Balance December 31, 2014	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenue		Funded	Unfunded
6-02	Golf Course Acquisition	04/17/02	\$ 4,300,000	\$ 207.37					207.37	
14-03	Golf Course Improvements	09/03/03	500,000	4,310.24				813.20	3,497.04	
32-06	Golf Course Improvements	12/20/07	500,000		37,849.56			28,372.73	9,476.83	
6-13	Golf Course Improvements	8/7/13	281,000		49,705.80			2,398.98	46,356.82	950.00
				\$ 4,517.61	87,555.36	-	-	31,584.91	59,538.06	950.00

GOLF COURSE UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2014				Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date		Amount						
General Obligation Bonds	1/15/2005	\$ 4,000,000	1/15/2015	\$	350,000.00		3.500%	1,760,000.00		340,000.00	1,420,000.00
			1/15/2016		350,000.00		3.750%				
			1/15/2017		360,000.00		4.000%				
			1/15/2018		360,000.00		4.000%				
				\$				<u>1,760,000.00</u>	<u>-</u>	<u>340,000.00</u>	<u>1,420,000.00</u>

GOLF COURSE UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ord. Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
6-02	Golf Course Improvements	12/12/13	12/12/2013 12/10/2014	12/11/2015 12/9/2015	1.000% 1.000%	266,950.00 -	266,000.00	266,950.00	- 266,000.00
32-06	Golf Course Improvements	12/20/12	12/12/2013 12/10/2014	12/11/2015 12/9/2015	1.000% 1.000%	500,000.00 -	500,000.00	500,000.00	- 500,000.00
						<u>\$ 766,950.00</u>	<u>766,000.00</u>	<u>766,950.00</u>	<u>766,000.00</u>

GOLF COURSE UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Bonds, Notes or Grants Issued	Balance Dec. 31, 2014
6-13	Golf Course Improvements	\$ -		(950.00)	950.00
		\$ -	-	(950.00)	950.00

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CITY OF BRIGANTINE

PART II

GENERAL COMMENTS AND FINDINGS AND RESPONSES

FOR THE YEAR ENDED

DECEMBER 31, 2014

GENERAL COMMENTS

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

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law." Effective July 1, 2011, the bid threshold was \$17,500. Pursuant to subsection b. of section 9 of P.L. 1971, c. 198 (C.40A:11-9), the governing body can establish the bid threshold at \$36,000 with the appointment of a qualified purchasing agent. The City adopted the bid threshold of \$36,000.

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

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

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

- Sediment Removal from Golf Course Drainage Basins
- Replacement Well for Well #4 – 42nd St and Bayshore Avenue
- Proposed Storm Water Pump Stations at Hackney Place
- Boat Ramp Flood Control Improvements
- Drainage Improvements along Ocean Drive South
- Installation of Emergency Generators at Municipal Facilities
- Flood Control Improvement at 12th Street North and East Evans Blvd.
- Bulkhead Installation at Municipal Street Ends
- Fire Fighting Apparatus
- Fertilizer, Chemicals and Seed for the Golf Links
- Ambulance
- Fire Alarm, Sprinkler Alarm and Burglar Alarm Systems
- Electrical Services - General and Emergency
- Mechanical Maintenance and Repair Service for the Sewer Pumping Stations
- Heating, Venting and Air Conditioning Services
- Furnishing of Water Well and Pump Service Repair
- Water Works Material
- Sodium Hypochlorite Solution
- Vertical Transportation Equipment
- Fire Fighting Apparatus Brush Truck

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" as required by N.J.S. 40A:11-5.

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Collection of Interest on Delinquent Taxes and Assessments

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

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

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

BE IT FURTHER RESOLVED by the City Council of the City of Brigantine, in accordance with N.J.S.A. 54:4-67, Chapter 75, New Jersey Laws of 1991, and Chapter 32, New Jersey Laws of 1994, which permits a 6 per cent penalty on taxes and municipal charges greater than \$10,000 as of the close of the fiscal year, that said end-of-year penalty shall be fixed for the Year 2014.

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

Delinquent Taxes and Tax Title Liens

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 31st of the last three years:

<u>Year</u>	<u>Number</u>
2014	8
2013	11
2012	7

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

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent taxes and charges as well as 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>
Payments of 2014 and 2015 Taxes	25
Delinquent Taxes	25
Payment of Water and Sewer Rents	25
Delinquent Water and Sewer Rents	25
Total	<u>100</u>

As of the date of this audit report, all verifications have not been returned. However, no problems were noted with those that have been returned.

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.

Year	Tax Levy	Currently	Percentage of Collections
		Cash Collections	
2014 \$	55,257,100.31	54,504,687.39	98.64%
2013	55,713,742.41	53,694,108.42	96.37%
2012	53,555,455.92	50,608,372.51	94.50%
2011	53,270,374.47	50,849,915.89	95.46%
2010	51,071,562.49	49,496,107.51	96.92%

Comparative Schedule of Tax Rate Information

		<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	\$	1.707	1.308	1.203	1.159	1.091
Apportionment of Tax Rate:						
Municipal		0.711	0.522	0.488	0.446	0.432
County		0.475	0.373	0.315	0.325	0.295
Local School		0.521	0.413	0.400	0.388	0.364
Assessed Valuation		3,229,220,200	4,254,101,962	4,446,203,020	4,590,686,364	4,663,523,292
		R				
R - Revalued						

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.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2014 \$	35,947.35	607,409.73	643,357.08	1.16%
2013	5,220.80	524,231.78	529,452.58	0.95%
2012	5,952.29	630,976.42	636,928.71	1.19%
2011	5,499.34	595,133.48	600,632.82	1.13%
2010	4,969.67	628,927.64	633,897.31	1.24%

Uniform Construction Code

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

Deposit of Municipal Funds

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

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

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

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

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RECOMMENDATIONS

1. The General Ledger should be reconciled on a monthly basis with the sub-ledgers. This will ensure that all transactions are recorded in the period within which they occurred. Cash transfers should be made from one account to another in accordance with the detail in the sub-ledgers to avoid large interfund balances. *
2. That no commitment be made or expenditure approved for payment unless there is a sufficient balance in the proper budget line item.
3. We recommend that bank accounts be reconciled within a reasonable time after bank statements are received and that records be maintained accurately. We also recommend that records be reviewed more thoroughly to help prevent invalid entries into the City's accounting software.
4. Appropriations should be properly budgeted for and charged throughout the year.
5. That all encumbrance activity and balances be thoroughly reviewed, cancelled and/or adjusted in subsidiary budget status and general ledger reports.
6. That the City account for and maintain its general fixed asset ledgers in accordance with NJAC 5-30-5.6 and that these ledgers be updated and provided for audit.
7. That the City review its procedures over the reconciliation, completion, review and remittances of dog and marriage licenses.
8. An actuarial report should be obtained in a timely manner.
9. That all grant activity and receivable balances be thoroughly reviewed in a timely manner and properly posted in the subsidiary revenue status and general ledger reports.

* Indicates a similar recommendation made in the prior year.

Should any questions arise as to my comments, please do not hesitate to call me.

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

Leon P. Costello

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

June 15, 2015

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