

**CITY OF VENTNOR CITY**

**ATLANTIC COUNTY**

**NEW JERSEY**

**AUDIT REPORT**

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

**CITY OF VENTNOR CITY**

**TABLE OF CONTENTS**

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

# CITY OF VENTNOR CITY

## TABLE OF CONTENTS

	<b>Exhibit</b>	<b>Page</b>
<b>SUPPLEMENTARY DATA</b>		
Independent Auditor's Report - Government Auditing Standards		50-51
Schedule of State Financial Assistance		52
Schedule of Federal Awards		53
Notes to the Schedules of Federal and State Financial Assistance		54
<b>CURRENT FUND</b>		
Schedule of Cash - Treasurer	A-4	55
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-5	56
Schedule of Tax Title Liens	A-6	57
Schedule of Revenue Accounts Receivable	A-7	58
Schedule of Prior Year Appropriation Reserves	A-8	59-62
Schedule of Local District School Tax	A-9	63
Schedule of Federal and State Grants Receivable	A-10	64
Schedule of Reserve for State Grants - Appropriated	A-11	65
Schedule of Reserve for State Grants - Unappropriated	A-12	66
<b>TRUST FUNDS</b>		
Schedule of Cash - Treasurer	B-1	67
Schedule of Reserve for Dog Fund Expenditures	B-2	68
Schedule of Amount Due to Current Fund - Dog License Fund	B-3	69
Schedule of Amount Due to State of New Jersey	B-4	69
Schedule of Payroll Deductions Payable	B-6	70
Schedule of Due To/(From) Current Fund	B-7	71
Schedule of Miscellaneous Reserves	B-8	72

CITY OF VENTNOR CITY

TABLE OF CONTENTS

	Exhibit	Page
<b>CAPITAL FUNDS</b>		
Schedule of Cash - Treasurer	C-2	73
Analysis of Cash	C-3	74
Schedule of Capital Improvement Fund	C-4	75
Statement of Deferred Charges to Future Taxation -		
Funded	C-5	76
Unfunded	C-6	77
Schedule of Improvement Authorizations	C-7	78
Schedule of General Serial Bonds Payable	C-8a	79
Schedule of School Serial Bonds Payable - Type 1	C-8b	80
Schedule of Green Trust Loan Payable	C-8c	81
Schedule of NJEIT Loan Payable	C-8d	82
Schedule of Bond Anticipation Notes	C-9	83
Schedule of Bonds and Notes Authorized But		
Not Issued	C-10	84
<b>WATER AND SEWER UTILITY FUND</b>		
Schedule of Cash - Treasurer	D-5	85
Analysis of Cash	D-6	86
Schedule of Consumer Accounts Receivable	D-7	87
Schedule of Consumer Liens Receivable	D-8	87
Schedule of Water and Sewer Rent Overpayments	D-9	88
Schedule of Prior Appropriation Reserves	D-10	89
Schedule of Accrued Interest on Bonds and Notes		
and Analysis of Balance	D-11	90
Schedule of Fixed Capital	D-12	91
Schedule of Fixed Capital Authorized and Uncompleted	D-13	92
Schedule of Improvement Authorizations	D-14	93
Schedule of Bond Anticipation Notes Payable	D-15	94
Schedule of Water and Sewer Serial Bonds Payable	D-16	95
Schedule of Reserve for Amortization	D-17	96
Schedule of Deferred Reserve for Amortization	D-18	97
Schedule of Bonds and Notes Authorized But	D-19	
Not Issued		98
<b>PART II</b>		
General Comments		99-102
Financial Statement Findings		103
Status of Prior Recommendations		103
Recommendations		103

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**CITY OF VENTNOR CITY**

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2014**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditor's Report

The Honorable Mayor and  
City Commissioners  
City of Ventnor City, 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 Ventnor City, as of December 31, 2014 and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the City of Ventnor City 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 Ventnor City as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

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

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

## ***Other Matters***

### *Other Information*

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

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of 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. In our opinion, the supplemental information listed in the table of contents, 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 fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2015 on our consideration of the City of Ventnor City'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 Ventnor City's internal control over financial reporting and compliance.

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

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

March 4, 2015

**EXHIBIT A - CURRENT FUND**

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**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	\$ 6,136,067.57	5,250,033.57
Cash - Change	530.00	530.00
Total Cash	<u>6,136,597.57</u>	<u>5,250,563.57</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	11,397.20	7,260.97
Total Other Receivables	<u>11,397.20</u>	<u>7,260.97</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	1,669,257.14	1,794,996.32
Tax Title and Other Liens	62,266.32	51,135.92
Property Acquired for Taxes - at Assessed Valuation	267,200.00	267,200.00
Revenue Accounts Receivable	11,636.31	16,055.97
Demolition Lien Receivable	4,912.52	53,225.99
Interfund Receivable:		
General Capital Fund	53,812.52	53,812.52
Trust - Other	311.99	
Water and Sewer Utility Operating	3,726.70	4,352.70
Animal Control Fund	14,295.40	11,315.80
Total Receivables and Other Assets	<u>2,087,418.90</u>	<u>2,252,095.22</u>
Deferred Charges:		
Special Emergency Appropriation	1,000,000.00	2,000,000.00
Emergency Appropriation	150,000.00	-
Total Deferred Charges	<u>1,150,000.00</u>	<u>2,000,000.00</u>
Total Regular Fund	<u>9,385,413.67</u>	<u>9,509,919.76</u>
Federal and State Grant Fund:		
Federal and State Grants Receivable	668,967.14	380,490.00
Due from Current Fund	469,720.08	458,456.60
Total Federal and State Grant Fund	<u>1,138,687.22</u>	<u>838,946.60</u>
Total Current Fund	<u>\$ 10,524,100.89</u>	<u>10,348,866.36</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 284,553.06	538,096.44
Reserve for Encumbrances/Accounts Payable	152,846.12	379,990.79
Accounts Payable		
Prepaid Taxes	728,475.29	724,330.13
Overpaid Taxes	119,970.88	141,462.53
Local School Tax Payable	-	-
County Added Tax Payable	9,328.29	11,283.56
Due to State:		
State Training Fees	4,842.00	-
Marriage Licenses	200.00	-
Interfund Payable:		
Federal and State Grant Fund	469,720.08	458,456.60
Other Trust Funds	7,313.46	29,911.73
Other		
Reserve for Judgements	67,500.00	92,500.00
Reserve for Hurricane Sandy	457,441.42	1,114,273.67
Reserve for Tax Maps	150,000.00	-
Special Emergency Note Payable	1,000,000.00	2,000,000.00
	3,452,190.60	5,490,305.45
Reserve for Receivables and Other Assets	2,087,418.90	2,252,095.22
Fund Balance	3,845,804.17	1,767,519.09
Total Regular Fund	9,385,413.67	9,509,919.76
Federal and State Grant Fund:		
Unappropriated Reserves	19,148.11	119,460.08
Appropriated Reserves	931,254.04	668,640.60
Encumbrances Payable	188,285.07	50,845.92
	1,138,687.22	838,946.60
Total Federal and State Grant Fund	1,138,687.22	838,946.60
Total Current Fund	\$ 10,524,100.89	10,348,866.36

**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	\$ -	700,000.00
Miscellaneous Revenue Anticipated	7,639,039.73	6,045,769.99
Receipts from Delinquent Taxes	1,773,562.33	2,049,634.77
Receipts from Current Taxes	48,092,180.85	47,058,631.44
Non Budget Revenue	695,126.29	202,975.79
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	691,362.63	585,904.01
Interfund Returned	626.02	
Canceled Grants	14,270.84	
Miscellaneous Credit		
Canceled Overpayments		42,828.27
Total Income	<u>58,906,168.69</u>	<u>56,685,744.27</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	12,852,657.00	12,064,889.00
Other Expenses	7,387,303.05	7,000,706.28
Deferred Charges & Statutory Expenditures	2,720,545.00	2,673,727.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	107,809.82	167,953.25
Other Expenses	756,846.10	178,257.96
Capital Improvements	250,000.00	437,000.00
Debt Service	1,784,674.53	1,977,853.62
Deferred Charges	1,000,000.00	1,000,000.00
Type I School Debt Service	1,480,334.60	1,465,838.76
Local District School Tax	17,651,560.00	17,483,144.00
County Tax	10,975,282.56	11,236,650.70
County Share of Added Tax	9,328.29	11,283.56
Refund of Prior Year's Revenue	1,542.66	36,767.69
Total Expenditures	<u>56,977,883.61</u>	<u>55,734,071.82</u>
Excess/(Deficit) in Revenue	<u>1,928,285.08</u>	<u>951,672.45</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	150,000.00	
Total Adjustments	<u>150,000.00</u>	<u>-</u>
Statutory Excess to Fund Balance	<u>2,078,285.08</u>	<u>951,672.45</u>
Fund Balance January 1	<u>1,767,519.09</u>	<u>1,515,846.64</u>
	3,845,804.17	2,467,519.09
Decreased by:		
Utilization as Anticipated Revenue	<u>-</u>	<u>700,000.00</u>
Fund Balance December 31	<u>\$ 3,845,804.17</u>	<u>1,767,519.09</u>

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

	Anticipated		
	Budget	N.J.S. 40A:4-87	Realized
			Excess or (Deficit)
Fund Balance Anticipated			-
Total Fund Balance Anticipated	\$ -	-	-
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Alcoholic Beverages	3,200.00		670.00
Other	81,000.00		35,576.00
Fees and Permits	200,000.00		60,323.40
Fines and Costs:			
Municipal Court	250,000.00		19,707.91
Interest and Costs on Taxes	350,000.00		8,078.72
Interest Earned on Investments	10,000.00		10,253.90
Parking Meters	23,000.00		17,848.61
Beach Control Fees	200,000.00		5,095.50
Land Rental	85,000.00		(14,998.00)
Viking Rowing Foundation, Inc. Lease Agreement	31,000.00		91.60
Payment in Lieu of Taxes	98,000.00		48,836.00
Cable Television Franchise Fees	52,000.00		(376.00)
City Lease Fees	40,000.00		(335.87)
Ambulance Service Fees	318,000.00		(15,005.88)
Recreation Fees	70,000.00		4,101.00
Total Section A: Local Revenues	1,811,200.00	-	1,991,066.89

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

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

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section B: State Aid Without Offsetting Appropriations				
Consolidated Municipal Property Tax Relief	238.00			(238.00)
Energy Receipts Tax	607,874.00		608,112.00	238.00
Total Section B: State Aid Without Offsetting Appropriations	608,112.00	-	608,112.00	-
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	379,000.00		324,242.00	(54,758.00)
Total Section C: Uniform Construction Code Fees	379,000.00	-	324,242.00	(54,758.00)
Section D: Special Items - Interfocal Municipal Service Agreements Offset with Appropriations				
Borough of Longport - Uniform Construction Code Office	39,000.00		39,000.00	-
Total Section D: Special Items of General Revenue Anticipated	39,000.00	-	39,000.00	-
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
Clean Communities		27,642.61	27,642.61	-
Recycling Tonnage Grant				
Emergency Management		5,000.00	5,000.00	-
Safe and Secure Communities Program				
DWI	2,598.00	330.00	2,928.00	-
State Cooperative Housing	3,381.00	4,983.00	8,364.00	-
CDBG	50,000.00		50,000.00	-
CDBG	102,639.00		102,639.00	-
FEMA - Assistance		42,750.00	42,750.00	-
Alcohol Education and Rehabilitation		1,211.14	1,211.14	-
Post Sandy Planning Assistance		230,000.00	230,000.00	-
Body Armor Replacement		3,705.35	3,705.35	-
Drunk Driving Enforcement	8,436.00	5,373.82	13,809.82	-
NJ DOT		187,000.00	187,000.00	-
Municipal Alliance	2,407.00	8,023.00	10,430.00	-
Total Section F: Special Items - Public and Private Programs	169,461.00	516,018.92	685,479.92	-
Off-Set with Appropriations				

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

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

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Section G: Other Special Items			
Reserve to Pay School Bonds	50,000.00		-
Utility Allocation	350,000.00		-
FEMA	56,139.00		(0.08)
FEMA Loan	3,535,000.00		-
Total Section G: Other Special Items	<u>3,991,139.00</u>	<u>-</u>	<u>(0.08)</u>
Total Miscellaneous Revenues:	6,997,912.00	516,018.92	125,108.81
Receipts from Delinquent Taxes	1,785,000.00		(11,437.67)
Amount to be Raised by Taxes for Support of Municipal Budget			
Local Tax for Municipal Purposes	20,598,725.00		490,482.00
Amount for Local District Tax	1,465,833.00		-
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>22,064,558.00</u>	<u>-</u>	<u>490,482.00</u>
Budget Totals	30,847,470.00	516,018.92	604,153.14
Non- Budget Revenues:			
Other Non- Budget Revenues:		695,126.29	695,126.29
	30,847,470.00	<u>516,018.92</u>	<u>1,299,279.43</u>

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

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

Analysis of Realized Revenues

Allocation of Current Tax Collections:	
Revenue from Collections	48,092,180.85
Less: Reserve for Tax Appeals Pending	<u>-</u>
Net Revenue from Collections	48,092,180.85
Allocated to:	
School, County and Other Taxes	<u>28,636,170.85</u>
Balance for Support of Municipal Budget Appropriations	19,456,010.00
Increased by:	
Appropriation "Reserved for Uncollected Taxes"	<u>3,099,030.00</u>
Amount for Support of Municipal Budget Appropriations	<u><u>22,555,040.00</u></u>

Receipts from Delinquent Taxes:	
Delinquent Tax Collection	1,773,562.33
Tax Title Lien Collections	<u>-</u>
Total Receipts from Delinquent Taxes	<u><u>1,773,562.33</u></u>

Analysis of Non-Budget Revenue:	
Miscellaneous Revenue Not Anticipated:	
Merchandise Registrations	
Auto Salvage	
Fire Inspections	15,325.00
Rental Registrations	
Demolition	46,159.87
Marriage License	6,598.52
Fire Safety Act	11,085.10
Department of Home Land Security	114,841.50
Medical Reimbursements	480,823.98
Administrative fee - Sr. and Veteran	2,036.85
Premium on BAN sale	3,012.00
Miscellaneous	15,243.47
	<u>-</u>
Total Miscellaneous Revenue Not Anticipated:	<u><u>695,126.29</u></u>

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT:</b>						
Mayor's Office						
Salaries and Wages	\$ 64,872.00	64,872.00	64,871.58		0.42	
Other Expenses	9,960.00	7,260.00	6,216.82	614.81	428.37	
Police						
Salaries and Wages	4,175,940.00	4,175,939.11	4,175,939.11		0.89	
Other Expenses	239,991.00	240,391.00	230,840.89	9,454.16	95.95	
Fire						
Salaries and Wages	4,184,267.00	4,158,454.55	4,158,454.55		5,812.45	
Other Expenses	91,863.00	58,079.00	52,548.04	4,331.28	1,199.68	
Uniform Fire Safety Act (P.L. 1983, C.383)						
Salaries and Wages						
Other Expenses	9,759.00	5,678.00	2,729.49	214.14	2,734.37	
Radio and Communications						
Salaries and Wages	493,507.00	475,507.00	473,645.98		1,861.02	
Other Expenses	30,515.00	30,840.00	30,839.75		0.25	
City Administrator						
Salaries and Wages	78,000.00	78,000.00	78,000.00		-	
Other Expenses						
Office of Emergency Management						
Salaries and Wages	93,647.00	85,647.00	85,018.38		628.62	
Other Expenses	21,000.00	15,900.00	3,825.89	9,230.48	2,843.63	
Dog Control						
Other Expenses	8,400.00	8,400.00	7,700.00	700.00	-	
Electrical Division						
Salaries and Wages	85,862.00	65,862.00	59,878.06		5,983.94	
Other Expenses	15,900.00	15,900.00	14,590.63		1,309.37	
Celebration of Public Events						
Other Expenses	10,000.00	10,000.00	8,739.13	650.00	610.87	
Zoning Commission						
Salaries and Wages	3,000.00	3,000.00	3,000.00		-	
Other Expenses	13,160.00	10,140.00	9,099.84	797.43	242.73	
Beach Patrol						
Salaries and Wages	450,000.00	459,952.00	459,951.25	188.46	0.75	
Other Expenses	37,400.00	24,799.00	24,383.26		227.28	
Beach Control						
Salaries and Wages	40,000.00	34,782.00	34,781.50		0.50	
Other Expenses	5,600.00	4,648.00	4,647.50		0.50	

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

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

	Appropriations		Budget After Modifications	Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget			Encumbered	Reserved	
<b>DEPARTMENT OF PUBLIC WORKS, PARKS &amp; PUBLIC PROPERTY</b>							
Director's Office							
Salaries and Wages	10,000.00		10,000.00	10,000.00			
Other Expenses							
Streets and Roads							
Salaries and Wages	526,326.00		473,953.00	465,292.33		8,660.67	
Other Expenses	59,250.00		59,250.00	45,451.15	6,080.26	7,718.59	
Motor Vehicle Maintenance							
Salaries and Wages	309,143.00		296,205.00	295,981.11		223.89	
Other Expenses	-44,260.00		50,260.00	38,776.91	1,328.63	10,154.46	
Buildings and Grounds							
Salaries and Wages	219,368.00		234,720.00	225,741.67	1,728.00	7,250.33	
Other Expenses	156,000.00		158,500.00	150,059.86	7,289.10	1,151.04	
Recreation							
Salaries and Wages	225,000.00		216,000.00	214,760.49		1,239.51	
Other Expenses	100,179.00		100,179.00	82,436.28	3,873.94	207.83	13,660.95
City Engineer							
Salaries and Wages	101,800.00		78,800.00	78,307.60		492.40	
Other Expenses	94,550.00		64,550.00	36,774.46	27,490.68	284.86	
Solid Waste/Recycling							
Salaries and Wages	62,375.00		88,675.00	87,784.24		890.76	
Other Expenses	1,110,813.00		1,013,813.00	995,908.15	3,273.50	14,631.35	
<b>DEPARTMENT OF REVENUE AND FINANCE</b>							
Director's Office							
Salaries and Wages	10,000.00		10,000.00	10,000.00			
Other Expenses							
Legal Services and Costs							
Other Expenses	225,000.00		355,000.00	331,770.61	16,031.25	7,198.14	
City Clerk							
Salaries and Wages	89,775.00		89,775.00	89,774.46		0.54	
Other Expenses	31,131.00		29,131.00	27,595.14	661.25	874.61	
Revision and Codification of Ordinances	6,000.00		6,000.00	6,000.00			
Elections							
Other Expenses	7,210.00		6,024.00	6,023.08		0.92	
Audit Fee							
Other Expenses	55,600.00		55,600.00	55,600.00			

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

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Municipal Land Use Law (N.J.S.A. 40:55 D-1)						
Planning Board						
Salaries and Wages	2,500.00	3,000.00	3,000.00			
Other Expenses	15,360.00	15,360.00	12,077.95	1,750.00	1,532.05	
Financial Administration						
Salaries and Wages	293,888.00	293,488.00	292,304.27	873.45	310.28	
Other Expenses	55,300.00	38,800.00	32,847.03	5,752.60	200.37	
Assessment of Taxes						
Salaries and Wages	92,868.00	85,868.00	85,726.24		141.76	
Other Expenses	14,150.00	162,150.00	161,818.52	118.72	212.76	
Collection of Taxes						
Salaries and Wages	85,992.00	85,992.00	85,866.29		125.71	
Other Expenses	14,875.00	14,880.00	6,911.13	7,204.62	764.25	
Information Technology						
Salaries and Wages	57,661.00	57,661.00	57,618.71		42.29	
Other Expenses	66,268.00	66,268.00	62,120.19	1,112.50	3,035.31	
Municipal Court						
Salaries and Wages	161,413.00	157,613.00	157,575.06		37.94	
Other Expenses	18,600.00	18,600.00	15,602.16	208.50	2,789.34	
Municipal Prosecutor						
Salaries and Wages	31,000.00	31,000.00	31,000.00		-	
Public Defender (P.L. 1997, C.256)						
Other Expenses	9,000.00	9,000.00	4,500.00	4,500.00	-	
Insurance						
General Liability	122,363.00	109,363.00	99,914.92	8,709.12	738.96	
Workers Compensation	918,623.00	916,923.00	916,883.26		39.74	
Employee Group Health	2,949,162.00	2,645,162.00	2,634,305.36	8,524.82	2,331.82	
Health Waiver	89,584.00	83,584.00	81,785.14		1,798.86	
UNIFORM CONSTRUCTION CODE						
Inspection of Buildings						
Salaries and Wages	322,231.00	257,271.00	257,270.38		0.62	
Other Expenses	10,775.00	8,075.00	7,906.39	78.85	89.76	
Inspection of Housing						
Salaries and Wages	68,349.00	57,759.00	57,758.22		0.78	
Other Expenses	7,400.00	2,100.00	2,098.00		2.00	
Electrical and Plumbing Inspections						

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

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Salaries and Wages	9,100.00	9,100.00	9,035.78		64.22	
<b>UNCLASSIFIED</b>						
Utility Expenses and Bulk Purchases						
Gasoline	189,000.00	167,700.00	133,220.14		34,479.86	
Electricity	550,000.00	590,000.00	589,749.99		250.01	
Telephone	81,720.00	111,720.00	100,163.03	10,581.30	975.67	
Natural Gas	120,000.00	110,937.00	94,494.86	8,000.00	8,442.14	
Terminal Leave	228,741.00	707,948.00	707,948.00			
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>20,209,346.00</b>	<b>20,253,621.00</b>	<b>19,945,240.21</b>	<b>151,351.85</b>	<b>143,367.99</b>	<b>13,660.95</b>
Contingent						
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<b>20,209,346.00</b>	<b>20,253,621.00</b>	<b>19,945,240.21</b>	<b>151,351.85</b>	<b>143,367.99</b>	<b>13,660.95</b>
Detail:						
Salaries and Wages	12,593,625.00	12,852,657.00	12,816,285.26	2,601.45	33,770.29	
Other Expenses	7,615,721.00	7,400,964.00	7,128,954.95	148,750.40	109,597.70	13,660.95
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>						
Deferred Charges						
Deficit in Law Enforcement Trust	2,355.00	2,355.00	2,355.00			
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	426,189.00	426,189.00	382,744.00		43,445.00	
Social Security System (O.A.S.I.)	272,500.00	272,500.00	257,494.83		15,005.17	
Consolidated Police and Firemen's Pension Fund	20,327.00	20,327.00		80.86	20,246.14	
Police and Firemen's Retirement System	1,764,074.00	1,764,074.00	1,728,503.00		35,571.00	
Unemployment	64,000.00	64,000.00	55,330.44		8,669.56	
Medicare Insurance	140,000.00	168,500.00	164,955.32		3,544.68	
Lifeguard Pension Fund						
Defined Contribution Retirement Program	500.00	2,600.00	2,590.50		9.50	

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

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>	<u>2,689,945.00</u>	<u>2,720,545.00</u>	<u>2,593,973.09</u>	<u>80.86</u>	<u>126,491.05</u>	<u>-</u>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<u>22,899,291.00</u>	<u>22,974,166.00</u>	<u>22,539,213.30</u>	<u>151,432.71</u>	<u>269,859.04</u>	<u>13,660.95</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
(A) Operations - Excluded from "CAPS"						
Employees Group Insurance	68,176.00	68,176.00	68,176.00	-	-	-
Borough of Longport - Uniform Construction Code						
Salaries and Wages	34,000.00	34,000.00	33,287.26	712.74		
Other Expenses	5,000.00	5,000.00	1,605.31	1,413.41	1,981.28	
	<u>107,176.00</u>	<u>107,176.00</u>	<u>103,068.57</u>	<u>1,413.41</u>	<u>2,694.02</u>	<u>-</u>
<b>(A) Public and Private Programs Off-Set by Revenues</b>						
DWI	2,598.00	2,928.00	2,928.00	-	-	-
State Cooperative Housing	3,381.00	8,364.00	8,364.00	-	-	-
Safe and Secure Communities Program - P.L. 1994						
State Share						
Local Share	60,000.00	60,000.00	60,000.00	-	-	-
Clean Communities Program						
Match for Grant	12,000.00	27,642.61	27,642.61	-	-	-
Alcohol Education and Rehabilitation						
DOT Municipal Aid Program		1,211.14	1,211.14	-	12,000.00	-
Municipal Alliance		187,000.00	187,000.00	-	-	-
Post Sandy Planning Assistance	2,407.00	10,430.00	10,430.00	-	-	-
FEMA - Assistance to Firefighters		230,000.00	230,000.00	-	-	-
Body Armor Replacement		42,750.00	42,750.00	-	-	-
Drunk Driver Enforcement		3,705.35	3,705.35	-	-	-
Office of Emergency Management - EMAA Grant	8,436.00	13,809.82	13,809.82	-	-	-
CDBG	50,000.00	5,000.00	5,000.00	-	-	-
CDBG	102,639.00	102,639.00	102,639.00	-	-	-
	<u>241,461.00</u>	<u>757,479.92</u>	<u>745,479.92</u>	<u>-</u>	<u>12,000.00</u>	<u>-</u>

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

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Total Operations - Excluded from "CAPS"	348,637.00	864,655.92	848,548.49	1,413.41	14,694.02	-
Detail:						
Salaries and Wages	102,436.00	107,809.82	107,097.08	-	712.74	-
Other Expenses	246,201.00	756,846.10	741,451.41	1,413.41	13,981.28	-
(C) Capital Improvements	250,000.00	250,000.00	250,000.00	-	-	-
Capital Improvement Fund						
Total Capital Improvements	250,000.00	250,000.00	250,000.00	-	-	-
(D) Debt Service	1,275,000.00	1,275,000.00	1,275,000.00	-	-	-
Payment of Bond Principal	-	-	-	-	-	-
Payment of Bond Anticipation Notes	448,667.00	448,667.00	448,666.26	-	(0.00)	0.74
Interest on Bonds	29,920.00	29,920.00	29,916.67	-	0.00	3.33
Interest on Notes	-	-	-	-	-	-
Green Trust Loan Program:	31,092.00	31,092.00	31,091.60	-	0.00	0.40
Loan Repayments for Principal and Interest						
Total Debt Service	1,784,679.00	1,784,679.00	1,784,674.53	-	(0.00)	4.47
(E) Deferred Charges	-	-	-	-	-	-
Emergency Authorizations	-	-	-	-	-	-
Special Emergency Authorizations - 5 years	1,000,000.00	1,000,000.00	1,000,000.00	-	-	-
Special Emergency Authorizations - 3 years	-	-	-	-	-	-
Differed Charges to Future Taxation Unfunded	-	-	-	-	-	-
Total Deferred Charges	1,000,000.00	1,000,000.00	1,000,000.00	-	-	-
(K) Local District School Purposes	1,100,000.00	1,175,125.00	1,175,125.00	-	-	-
Payment of Bond Principal	365,833.00	365,833.00	305,209.60	-	-	60,623.40
Interest on Bonds						
Total Local District School Purposes	1,465,833.00	1,540,958.00	1,480,334.60	-	-	60,623.40
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	4,849,149.00	5,440,292.92	5,363,557.62	1,413.41	14,694.02	60,627.87

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

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
SUBTOTAL GENERAL APPROPRIATIONS	27,748,440.00	28,414,458.92	27,902,770.92	152,846.12	284,553.06	74,288.82
(M) Reserve for Uncollected Taxes	3,099,030.00	3,099,030.00	3,099,030.00	-	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 30,847,470.00	31,513,488.92	31,001,800.92	152,846.12	284,553.06	74,288.82
Budget Appropriations by 40A:4-87 Emergency Appropriations	30,847,470.00	516,018.92			Cancelled Overexpended	74,288.82
		150,000.00				-
		<u>31,513,488.92</u>				<u>74,288.82</u>
Reserve for Uncollected Taxes Federal and State Grants Reserve for Tax Maps Disbursements			3,099,030.00			
			745,479.92			
			150,000.00			
			27,007,291.00			
			<u>31,001,800.92</u>			

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

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**EXHIBIT B - TRUST FUNDS**

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

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Dog License Fund:		
Cash	\$ 19,690.20	17,166.40
Due from State of New Jersey	-	12.00
	<u>19,690.20</u>	<u>17,178.40</u>
Other Funds:		
Cash - Treasurer	3,233,717.32	1,825,572.26
Cash Held in Trust	219,724.66	219,724.66
Due from Current Fund	7,001.47	29,911.73
	<u>3,460,443.45</u>	<u>2,075,208.65</u>
	<u>3,480,133.65</u>	<u>2,092,387.05</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Dog License Fund:		
Due to Current Fund	14,295.40	11,315.80
Prepaid Dog License Fees	42.80	227.60
Reserve for Dog Fund Expenditures	5,352.00	5,635.00
	<u>19,690.20</u>	<u>17,178.40</u>
Other Funds:		
Payroll Deductions Payable	419,573.44	321,490.05
Due to Current Fund	-	-
Miscellaneous Reserves	3,040,870.01	1,753,718.60
	<u>3,460,443.45</u>	<u>2,075,208.65</u>
Total	\$ <u>3,480,133.65</u>	<u>2,092,387.05</u>

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

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**EXHIBIT C - GENERAL CAPITAL FUND**

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

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Cash	\$ 2,241,040.69	5,611,421.79
Deferred Charges to Future Taxation -		
Funded	24,693,969.09	25,975,152.87
Unfunded	2,667,901.00	530,401.00
Interfunds and Receivables		
Due from State of New Jersey - Green Acres Grant	285,000.00	285,000.00
Due from NJ EIT	1,311,000.00	
	<u>31,198,910.78</u>	<u>32,401,975.66</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	592,282.32	3,139,845.63
Interfunds:		
Due to Current Fund	53,812.52	53,812.52
Bond Anticipation Notes Payable	-	-
Serial Bonds Payable	14,445,000.00	15,720,000.00
School Serial Bonds - Type 1 Payable	8,763,000.00	10,053,000.00
Green Trust Loan Payable	174,969.09	202,152.87
NJEIT Loan Payable	1,311,000.00	
Improvement Authorizations:		
Funded	3,190,233.55	2,789,551.34
Unfunded	2,137,500.00	-
Reserve for Payment of Bonds	-	-
Reserve for Payment of School Bonds	190,671.38	240,671.38
Capital Improvement Fund	231,487.00	93,987.00
Fund Balance	108,954.92	108,954.92
	<u>\$ 31,198,910.78</u>	<u>32,401,975.66</u>

There were bonds and notes authorized but not issued at December 31 (C - 12)

2013	530,401.00
2014	2,667,901.00

**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	\$ 108,954.92	98,275.38
Increased by:		
Premiums on sale of Bonds & Notes		-
Canceled Refunding Costs		10,679.54
Decreased by:		
Surplus budgeted in Current Fund		
Ending Balance December 31	<u>\$ 108,954.92</u>	<u>108,954.92</u>

**EXHIBIT D - WATER AND SEWER UTILITY**

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

	2014	2013
<b><u>ASSETS</u></b>		
Operating Fund:		
Cash	\$ 616,418.42	368,785.10
Change Fund	100.00	100.00
	616,518.42	368,885.10
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	1,453,056.55	899,680.12
	1,453,056.55	899,680.12
Deferred Charge		
Overexpenditure of Appropriations		5,703.55
Deficit in Operations	357,553.50	577,172.15
	357,553.50	582,875.70
Total of Operating Fund	2,427,128.47	1,851,440.92
Capital Fund:		
Cash	2,085,009.24	4,586,421.53
Fixed Capital - Completed	10,767,585.84	10,360,209.00
Fixed Capital - Authorized and Uncompleted	21,152,711.00	16,173,109.00
NJEIT Bonds Receivable	5,387,000.00	-
Due from Utility Operating Fund	0.15	0.15
Total of Capital Fund	39,392,306.23	31,119,739.68
Total Assets	\$ 41,819,434.70	32,971,180.60

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

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

	<u>2014</u>	<u>2013</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>		
Operating Fund:		
Liabilities:		
Appropriation Reserves	\$ 208,963.77	179,748.75
Encumbrances Payable	25,815.23	31,047.04
Water and Sewer Rent Overpayments	19,539.04	19,179.43
Due to Current Fund	3,726.70	4,352.70
Due to Utility Capital Fund	0.15	0.15
Accrued Interest on Bonds and Notes	41,933.85	43,339.55
	<u>299,978.74</u>	<u>277,667.62</u>
Reserve for Receivables	1,453,056.55	899,680.12
Fund Balance	674,093.18	674,093.18
Total of Operating Fund	<u>2,427,128.47</u>	<u>1,851,440.92</u>
Capital Fund:		
Contracts Payable	645,954.94	2,798,923.42
Improvement Authorizations:		
Funded	6,781,763.09	1,743,228.06
Unfunded	982,190.00	982,190.00
Water and Sewer Serial Bonds Payable	14,005,000.00	14,705,000.00
NJEIT Bonds Payable	5,387,000.00	-
Reserves for Amortization	9,529,399.74	9,235,634.23
Deferred Reserve for Amortization	1,983,897.10	1,577,683.77
Fund Balance	77,101.36	77,080.20
Total of Capital Fund	<u>39,392,306.23</u>	<u>31,119,739.68</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 41,819,434.70</u>	<u>32,971,180.60</u>

There were Bonds and Notes Authorized But Not Issued at December 31, 2014 and 2013 of \$1,015,000 and \$1,015,000 respectively

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

	<u>2014</u>	<u>2013</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Anticipated	\$ -	-
Rents	5,001,444.83	4,690,153.18
Miscellaneous Revenue	103,453.61	81,703.85
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	187,575.07	192,767.82
Total Income	<u>5,292,473.51</u>	<u>4,964,624.85</u>
<u>Expenditures</u>		
Operating	3,760,856.57	4,387,671.13
Debt Service	1,217,134.74	1,068,629.42
Deferred Charges and Statutory Expenditures	94,863.55	91,200.00
Deficit in Operations in Prior Year	577,173.00	
Total Expenditures	<u>5,650,027.86</u>	<u>5,547,500.55</u>
Excess(Deficit) in Revenues	(357,554.35)	(582,875.70)
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute deferred charges to budget of succeeding year		<u>5,703.55</u>
Operating Deficit to be Raised in Succeeding Year	<u>(357,554.35)</u>	<u>(577,172.15)</u>
Statutory Excess to Fund Balance	-	
Fund Balance January 1	<u>674,093.18</u>	<u>674,093.18</u>
Total	674,093.18	674,093.18
Decreased by:		
Utilization as Anticipated Revenue	-	-
Fund Balance December 31	<u>\$ 674,093.18</u>	<u>674,093.18</u>

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

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

	<u>2014</u>	<u>2013</u>
Balance January 1,	\$ 77,080.20	77,080.20
Increased by:		
Cancellation of Improvement Authorizations	21.16	
Balance December 31,	<u>\$ 77,101.36</u>	<u>77,080.20</u>

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

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

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Rents - Sewer	\$ 4,690,153.00	4,935,082.45	244,929.45
Miscellaneous Receipts	62,126.00	103,453.61	41,327.61
Additional Rents	899,155.00	66,362.38	(832,792.62)
	<u>\$ 5,651,434.00</u>	<u>5,104,898.44</u>	<u>(546,535.56)</u>

**Analysis of Realized Revenue****Rents**

Consumer Accounts Receivable	<u>5,001,444.83</u>
------------------------------	---------------------

**Miscellaneous**

Interest on Deposits	678.93
Interest on Delinquent Rents	73,828.02
Miscellaneous	<u>28,946.66</u>

<u>103,453.61</u>
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Cash	102,827.61
Non-Cash	626.00
	<u>103,453.61</u>

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

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

	Appropriations		Expended			Unexpended Balance Canceled	Over-Expended
	Budget	Budget after Modification	Paid or Charged	Encumbered	Reserved		
<b>Operating</b>							
Salaries and Wages	\$ 1,060,762.00	1,092,762.00	1,088,568.67		4,193.33		
Other Expenses	849,650.00	849,650.00	639,573.81	25,815.23	184,260.96		
ACMUA- Treatment Costs	1,502,010.00	1,468,444.57	1,449,693.00		18,751.57		
Current Fund Allocation	350,000.00	350,000.00	350,000.00		-		
	<u>3,762,422.00</u>	<u>3,760,856.57</u>	<u>3,527,835.48</u>	<u>25,815.23</u>	<u>207,205.86</u>		
<b>Debt Service</b>							
Principal	700,000.00	700,000.00	700,000.00				
Interest on Notes	517,135.00	650.00	650.00				
Interest on Bonds		517,890.43	516,484.74			1,405.69	
	<u>1,217,135.00</u>	<u>1,218,540.43</u>	<u>1,217,134.74</u>			<u>1,405.69</u>	
<b>Deferred Charges and Statutory Expenditures</b>							
Deferred Charges:							
Overexpenditures of Appropriations	5,704.00	5,704.00	5,703.55			0.45	
Contribution to:							
Social Security System (O.A.S.I.)	85,000.00	85,000.00	83,718.25		1,281.75		
Unemployment Compensation	1,000.00	1,000.00	624.39		375.61		
Defined Contribution Retirement Plan	3,000.00	3,160.00	3,059.45		100.55		
	<u>94,704.00</u>	<u>94,864.00</u>	<u>93,105.64</u>		<u>1,757.91</u>	<u>0.45</u>	
Deficit in Operations in Prior Years	<u>577,173.00</u>	<u>577,173.00</u>	<u>577,173.00</u>				
	<u>\$ 5,651,434.00</u>	<u>5,651,434.00</u>	<u>5,415,248.86</u>	<u>25,815.23</u>	<u>208,963.77</u>	<u>1,406.14</u>	

Accrued interest on Bonds 12/31/14 41,933.85  
 Accrued interest on Bonds 12/31/13 (43,339.55)  
 Deficit in operations in Prior Years 577,173.00  
 Overexpenditure of Appropriations 5,703.55  
 Disbursed 4,833,778.01  
5,415,248.86

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

**EXHIBIT G - GENERAL FIXED ASSETS**

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

	<u>2014</u>	<u>2013</u>
General Fixed Assets:		
Land and Buildings	\$ 27,402,480.00	\$ 27,402,480.00
Machinery and Equipment	2,673,670.00	2,673,670.00
Vehicles	<u>4,453,272.00</u>	<u>4,453,272.00</u>
Total General Fixed Assets	<u>34,529,422.00</u>	<u>34,529,422.00</u>
Investment in General Fixed Assets	\$ <u>34,529,422.00</u>	\$ <u>34,529,422.00</u>

See Accompanying Notes to Financial Statements

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

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

**A. Reporting Entity**

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

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

**B. Description of Funds**

The accounting policies of the City of Ventnor City 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 Ventnor City accounts for its financial transactions through the following separate funds:

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

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

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

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

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

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

**C. Basis of Accounting**

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

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

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

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

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

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

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

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

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

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

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. No depreciation has been provided for in the financial statements.

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

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

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

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

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

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

Levy of Utility Charges – The entity operates a water and sewer utility fund. Rates are determined by ordinance and changed as necessary. Sewer charges are based on flat fees and usage based on the type of entity. Charges are billed annually and due in installments on April 30, August 2, October 31, and December 30.

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

Interest on Delinquent Utility Charges -- It is the policy of the entity to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Utility Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of charges becoming delinquent after due date and eighteen percent (18%) per annum on any amount of charges in excess of \$1,500.00 becoming delinquent after due date.

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

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

**D. Required Financial Statements**

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

**E. Comparative Data**

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

**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 entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the entity's financial reporting.

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

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

June 15, 2014. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

**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 \$3,099,030.00 and 2,878,313.00. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2014 and 2013 statutory budgets was \$.00 and \$700,000.00. In addition, the entity operates a self liquidating sewer utility. Under New Jersey Statutes a separate budget for the utility must be adopted concurrently with the operating budget of the entity. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2014 and 2013 statutory budgets was \$0 and \$0.

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 entity City Council. The following significant budget transfers were approved in the 2014 and 2013 calendar years:

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

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
<u>Current Fund:</u>		
Police		
Salaries and Wages	(20,000.00)	
Other Expenses		(50,000.00)
Fire		
Salaries and Wages	(20,000.00)	
Electrical Division		
Salaries and Wages	(20,000.00)	
Solid Waste/Recycling		
Salaries and Wages	26,300.00	20,000.00
Other Expenses	(97,000.00)	
Buildings and Grounds		
Other Expenses		(57,000.00)
City Engineer		
Salaries and Wages	(23,000.00)	
Legal Services		
Other Expenses	130,000.00	35,000.00
Insurance		
Group Health	(304,000.00)	101,000.00
Other Insurance		(21,000.00)
Telephone	30,000.00	
Natural Gas		(20,000.00)
Gasoline	(21,300.00)	
Electric	40,000.00	
Terminal Leave	479,207.00	

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

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

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
DWI Checkpoint	\$ 330.00	2,048.00
FEMA Assistance to Firefighters	42,750.00	
Clean Communities Program	27,642.61	
NJ DOT Transportation Trust Fund	187,000.00	187,000.00
State Cooperative Housing	4,983.00	7,113.00
Alcohol Education Rehabilitation	1,211.14	1,662.00
Body Armor	3,705.35	4,838.00
Municipal Alliance	8,023.00	5,391.00
Drunk Driving Enforcement	5,373.82	10,600.00
Safe and Secure		13,953.00
Post Sandy Planning	230,000.00	30,000.00

The entity may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The entity approved a special emergency appropriation in 2012 for \$3,000,000.00. The emergency was due to Hurricane Sandy. The unfunded balance as of December 31, 2014 was \$1,000,000.00. The required amount is included in the 2015 budget. The entity approved a special emergency appropriation in 2014 for \$150,000.00 for a City wide revaluation. The unfunded balance as of December 31, 2014 was \$150,000.00. The required amount is included in the 2015 budget

**Note 3: INVESTMENTS**

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

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

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

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

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

**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, \$73,951.01 and \$73,943.59 of the municipality's bank balance of \$14,418,084.11 and \$17,905,457.96 was exposed to custodial credit risk.

**Note 5: FIXED ASSETS**

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

	Balance 12/31/2013	Additions	Retirements/ Adjustments	Balance 12/31/2014
Land and Buildings	\$ 27,402,480.00			27,402,480.00
Equipment and Machinery	2,673,670.00	302,022.00	61,381.00	3,037,073.00
Vehicles	4,453,272.00	136,160.00	(299,316.00)	4,290,116.00
	<u>\$ 34,529,422.00</u>	<u>438,182.00</u>	<u>(237,935.00)</u>	<u>34,729,669.00</u>

	Balance 12/31/2012	Additions	Retirements/ Adjustments	Balance 12/31/2013
Land and Buildings	\$ 27,402,480.00			27,402,480.00
Equipment and Machinery	2,585,312.00	482,428.00	(394,070.00)	2,673,670.00
Vehicles	4,006,394.00	807,026.00	(360,148.00)	4,453,272.00
	<u>\$ 33,994,186.00</u>	<u>1,289,454.00</u>	<u>(754,218.00)</u>	<u>34,529,422.00</u>

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

**Note 6: SHORT-TERM OBLIGATIONS**

	Balance 12/31/12	Issued	Retired	Balance 12/31/13
Bond Anticipation Notes payable:				
General	\$ 1,615,000.00		1,615,000.00	-
Utility	2,185,000.00		2,185,000.00	-
	<u>\$ 3,800,000.00</u>	<u>-</u>	<u>3,800,000.00</u>	<u>-</u>

  

	Balance 12/31/13	Issued	Retired	Balance 12/31/14
Bond Anticipation Notes payable:				
General	No Current Activity			-
Utility				-
	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

The City has \$1,000,000.00 in outstanding emergency notes as of December 31, 2014 payable to Jefferies, LLC at a rate of 1.25% interest. The note payable will mature on December 12, 2015.

December 31, 2014 the entity has authorized but not issued bonds in the amount of \$2,667,901.00 and \$1,015,000.00 in the General Capital Fund and Utility Capital Fund respectively.

**Note 7: LONG TERM DEBT**

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

	Balance 12/31/12	Issued	Retired	Balance 12/31/13	Amounts Due Within One Year
Bonds payable:					
General	\$ 11,048,801.03	8,505,000.00	3,631,648.16	15,922,152.87	1,607,184.00
Utility	11,660,000.00	3,635,000.00	590,000.00	14,705,000.00	700,000.00
<b>Total</b>	<u>22,708,801.03</u>	<u>12,140,000.00</u>	<u>4,221,648.16</u>	<u>30,627,152.87</u>	<u>2,307,184.00</u>
Other liabilities:					
School	11,123,000.00		1,070,000.00	10,053,000.00	1,100,000.00
Compensated Absences Payable	1,837,153.06	306,857.60	266,120.05	1,877,890.61	-
<b>Total long-term liabilities</b>	<u>\$ 35,668,954.09</u>	<u>12,446,857.60</u>	<u>5,557,768.21</u>	<u>42,558,043.48</u>	<u>3,407,184.00</u>

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

	Balance 12/31/13	Issued	Retired	Balance 12/31/14	Amounts Due Within One Year
Bonds payable:					
General	\$ 15,922,152.87		1,302,183.78	14,619,969.09	1,327,730.18
Utility	14,705,000.00		700,000.00	14,005,000.00	660,000.00
<b>Total</b>	<b>30,627,152.87</b>	<b>-</b>	<b>2,002,183.78</b>	<b>28,624,969.09</b>	<b>1,987,730.18</b>
Other liabilities:					
School	10,053,000.00		1,290,000.00	8,763,000.00	1,125,000.00
Compensated Absences Payable	1,877,890.61	600,226.00	321,338.97	2,156,777.64	-
<b>Total long-term liabilities</b>	<b>\$ 42,558,043.48</b>	<b>600,226.00</b>	<b>3,613,522.75</b>	<b>39,544,746.73</b>	<b>3,112,730.18</b>

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

\$8,315,000.00 General Improvement Bond dated 12/1/10 payable in annual installments through 12/1/25. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2014 was \$6,730,000.00.

\$2,140,000.00 Refunding Bonds dated 5/9/13 payable in annual installments through 8/1/19. Interest is paid semiannually at 2% per annum. The balance remaining as of December 31, 2014 was \$1,800,000.00.

\$6,365,000.00 General Improvement Bond dated 12/4/13 payable in annual installments through 12/1/25. Interest is paid semiannually at rates varying from 2.00% to 3.25% per annum. The balance remaining as of December 31, 2014 was \$5,915,000.00.

\$6,917,000.00 School Refunding Bonds dated 12/15/04 payable in annual installments through 10/1/20. Interest is paid semiannually at rates varying from 2.75% to 4.00% per annum. These bonds were refunded during the year. The balance at December 31, 2014 was \$0.00.

\$4,345,000.00 School Refunding Bonds dated 5/15/09 payable in annual installments through 2/1/21. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The net present value of this savings is \$289,374. The balance remaining as of December 31, 2014 was \$2,845,000.00.

\$2,823,000.00 School Bonds dated 12/1/10 payable in annual installments through 12/1/25. Interest is paid semiannually at rates varying from 3.00% to 4.375% per annum. The balance remaining as of December 31, 2014 was \$2,233,000.00.

\$3,760,000.00 School Refunding Bonds dated 10/1/14 payable in annual installments through 10/1/20. Interest is paid semiannually at rates varying from 1.00% to 4.00% per annum. The net present value of this savings is \$258,812.48. The balance at December 31, 2014 was \$3,685,000.00.

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

\$500,000.00 Green Trust Loan Payable dated 4/30/01 payable in semiannual installments through 10/30/20. Interest is paid semiannually at a rate of 2.00% per annum. The semiannual payments of \$15,546 are applied first to interest and then to principal. The balance remaining as of December 31, 2014 was \$174,969.09.

During 2014 the City entered into an agreement with NJEIT to finance bulkhead improvements in the amount of \$1,311,000.00. The terms of the Loan/Grant are not finalized.

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

\$12,240,000.00 Water and Sewer Bonds dated 12/1/10 payable in annual installments through 10/1/30. Interest is paid semiannually at rates from 3.00% to 4.375% per annum. The balance remaining as of December 31, 2014 was \$10,505,000.00.

\$65,000.00 Refunding Water and Sewer Bonds dated 5/9/13 payable in annual installments through 8/1/14. Interest is paid semiannually at 2.00% per annum. The balance remaining as of December 31, 2014 was \$.00.

\$3,635,000.00 Water and Sewer dated 12/4/13 payable in annual installments through 12/1/31. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2014 was \$3,500,000.00

During 2014 the City entered into an agreement with NJEIT to finance utility improvements in the amount of \$5,387,000.00. The terms of the Loan/Grant are not finalized.

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

Year	General Fund		Utility Fund	
	Principal	Interest	Principal	Interest
2015	1,327,730.18	426,861.42	660,000.00	503,206.26
2016	1,373,287.56	144,816.54	675,000.00	484,906.26
2017	1,418,856.13	134,947.96	695,000.00	466,156.26
2018	1,474,436.14	328,505.46	720,000.00	446,856.26
2019	1,520,027.81	293,263.79	745,000.00	426,856.26
2020-2024	6,175,631.27	882,922.73	4,230,000.00	1,736,981.30
2025-2029	1,330,000.00	48,475.00	4,945,000.00	892,443.78
2030-2031	-	-	1,335,000.00	67,200.00
	<u>\$ 14,619,969.09</u>	<u>2,259,792.90</u>	<u>14,005,000.00</u>	<u>5,024,606.38</u>

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

<u>Year</u>	<u>School</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,125,000.00	287,948.14
2016	1,150,000.00	261,070.00
2017	1,175,000.00	232,370.00
2018	1,215,000.00	247,970.00
2019	1,255,000.00	126,345.00
2020-2024	2,595,000.00	214,350.00
2025-2028	248,000.00	9,920.00
	<u>\$ 8,763,000.00</u>	<u>1,379,973.14</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 \$452,574.07 and to the utility budget was \$518,540.43.

<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	\$ 14,445,000.00	\$15,720,000.00	10,820,000.00
School	8,763,000.00	10,053,000.00	11,123,000.00
Loan	174,969.09	202,152.87	228,801.03
NJEIT	1,311,000.00		
Bond Anticipation Note	-	-	1,615,000.00
Sewer Utility - Bonds and Notes	14,005,000.00	14,705,000.00	13,845,000.00
Sewer Utility - NJEIT	5,387,000.00		
Total Issued	<u>44,085,969.09</u>	<u>40,680,152.87</u>	<u>37,631,801.03</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	2,667,901.00	530,401.00	530,401.00
Sewer Utility - Bonds and Notes	1,015,000.00	1,015,000.00	115,000.00
Total Authorized But Not Issued	<u>\$ 3,682,901.00</u>	<u>\$ 1,545,401.00</u>	<u>645,401.00</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 1.229%.

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

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 8,763,000.00	8,763,000.00	-
Sewer Utility Debt	20,407,000.00	9,244,520.00	11,162,480.00
General Debt	18,598,870.09	-	18,598,870.09
	<u>\$ 47,768,870.09</u>	<u>18,007,520.00</u>	<u>29,761,350.09</u>

Net Debt \$29,761,350.09 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,421,695,622.67 = 1.229%.

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

3 1/2 % of Equalized Valuation Basis ( Municipal)	\$ 84,759,346.79
Net Debt	29,761,350.09
Remaining Borrowing Power	<u>\$ 54,997,996.70</u>

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

**Note 8: FUND BALANCES APPROPRIATED**

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

		<u>2014</u>
Current Fund	\$	2,000,000.00
Sewer Utility		0.00

As of the date of the audit, the 2015 budget has not been adopted.

**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:

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

	Balance December 31, 2014	2015 Budget Appropriation	Balance to Succeeding
Current fund:			
Special Emergency Appropriation	\$ 1,150,000.00	530,000.00	620,000.00
	<u>1,150,000.00</u>	<u>530,000.00</u>	<u>620,000.00</u>
Sewer Utility Fund:			
Deficit in Operations	357,553.50		357,553.50
	<u>\$ 357,553.50</u>	<u>-</u>	<u>357,553.50</u>

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

**Note 10: SCHOOL TAXES**

Local District School Tax in the amounts of \$17,651,560.00 and \$17,483,144.00 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:

	Balance 12/31/14	Balance 12/31/13
Prepaid Taxes	\$ 728,475.29	724,330.13
Cash Liability for Taxes Collected in Advance	<u>\$ 728,475.29</u>	<u>724,330.13</u>

**Note 12: PENSION FUNDS**

Description of Plans

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

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

*Public Employees' Retirement System*

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

*Police and Fireman's Retirement System*

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

*Pension Plan For Lifeguards*

The City of Ventnor City 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 the plan for his 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 45<sup>th</sup> birthday and after he has completed 20 years of services, the last 10 must have been completed immediately preceding his application.

*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 6.92% of covered payroll. The entity's contributions to PERS for the years ended December 31, 2014, 2013, and 2012 were \$426,189.00, \$389,719.00 and \$401,659.00.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The entity's contributions to PFRS for the years ended December 31, 2014, 2013, and 2012 were \$1,764,074.00, \$1,763,369.00, and \$1,602,759.00.

The total payroll for the year ended December 31, 2014, 2013, and 2012 was \$13,793,294.77, \$13,026,121.10 and \$13,034,234.00. Payroll covered by PFRS was \$7,808,983.00, \$7,338,057.00 and \$7,467,750.00. Payroll covered by PERS was \$3,774,753.00, \$3,605,320.00 and \$3,421,842.00.

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

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 \$0, \$0 and \$0. The City's trust for the Lifeguard Pension at December 31, 2014 and 2013 was \$386,716.14 and \$374,877.39, respectively. Currently there are only three individuals receiving benefits. The benefits paid by the trust for the year ended December 31, 2014, 2013, and 2012 were \$31,087.68, \$31,087.70 and \$25,527.57.

Significant Legislation

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

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

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

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

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

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

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

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

**Note 13: POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c. 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2013.

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

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

The entity has permitted employees to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$2,156,777.64 in 2014 and \$1,877,890.61 in 2013. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. It is the entity's policy to negotiate the final amount of each payment of accrued sick and vacation pay on an individual basis. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The entity does not accrue the liability.

**Note 15: ECONOMIC DEPENDENCY**

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

**Note 16: RISK MANAGEMENT**

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

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

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

**New Jersey Unemployment Compensation Insurance** – The City has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the City is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The City is billed quarterly for amounts due to the State. The following is a summary of City contributions, employee contributions, reimbursements to the State for benefits and the ending balance of the City's trust fund for the previous three years:

2014	\$	50,000.00	16,948.49	24,073.42	114,808.94
2013		50,000.00	19,563.27	39,255.56	71,933.87
2012		-	13,212.08	34,411.83	41,626.16

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

**Note 17: DEFERRED COMPENSATION**

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

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the Employees. As part of its fiduciary role, the entity has an obligation of due care in selecting the third party administrator. In the opinion of the entity's legal counsel, the entity has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

**Note 18: CONTINGENT LIABILITIES**

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

The City has entered into an agreement with the Federal Government to borrow funds to lessen the tax impact on the citizens of Ventnor. These funds were anticipated as revenue in the current year. Based on the terms of the agreement there is a likelihood that the loan may be forgiven. If the loan is not forgiven the City will be required to return the funds to the Federal Government.

**Note 19: 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 City of Ventnor City:

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

	<u>Due From</u>	<u>Due To</u>
Current Fund:		
General Capital Fund	\$ 53,812.52	
Animal Control Fund	14,295.40	
Utility Operating	3,726.70	
Other Trust	311.99	7,313.46
Grant Fund		469,720.08
Grant Fund:		
Current Fund	469,720.08	
Trust Fund:		
Current - Animal Control Fund		14,295.40
Current	7,001.47	
General Capital Fund:		
Current Fund		53,812.52
Utility Operating:		
Current Fund		3,726.70
Utility Capital		0.15
Utility Capital Fund:		
Utility Operating	0.15	
	<u>\$ 548,868.31</u>	<u>548,868.31</u>

The amounts due to the Grant fund from the Current fund is due to the fact that there is only one bank account. The remaining interfunds are due to amounts that should have been transferred to the proper bank accounts.

**Note 20: COMMITMENTS**

The City has nine employees as of December 31, 2014 that are currently receiving payments for terminal leave. The employees were entitled to terminal leave payments. The scheduled payments are as follows:

2015	179,577.89
2016	45,930.91
2017	19,871.40

**Note 21: SUBSEQUENT EVENTS**

The entity has evaluated subsequent events through March 4, 2015, the date which the financial statements were available to be issued and identified no events requiring disclosure.

**SUPPLEMENTARY INFORMATION**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## Independent Auditor's Report

The Honorable Mayor and  
City Commissioners  
City of Ventnor City, 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 March 4, 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.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

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

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

**March 4, 2015**

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

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA # Pass Through Grantor's #	Grant Period From To	Program or Award Amount	Balance at 1/1/14	2014 Activity		MEMO ONLY Cumulative Expenditures
					Receipts or Revenue Recognized	Cancelled/ Disbursements/ Expenditures	
<b>STATE OF NEW JERSEY</b>							
Department of Environmental Protection							
Clean Communities	4900-765-042-4900-004	01/01/14 12/31/14	\$ 27,643	29,286.75	27,642.61	17,377.75	17,377.75
Clean Communities	4900-765-042-4900-004	01/01/13 12/31/13	29,479	499.37			182.18
Clean Communities	4900-765-042-4900-004	01/01/12 12/31/12	25,108	20,300.00			24,608.63
Recycling Tonnage	4900-752-042-4900-001	01/01/12 12/31/12	20,300	14,488.29			
Recycling Tonnage	4900-752-042-4900-001	01/01/11 12/31/11	14,488	13,286			
Recycling Tonnage	4900-752-042-4900-001	01/01/10 12/31/10	13,286	3,293.00			
Recycling Tonnage	4900-752-042-4900-001	01/01/09 12/31/09	3,293	1,206.00			
Recycling Tonnage	4900-752-042-4900-001	01/01/07 12/31/07	1,206	550.00			
Recycling Tonnage	4900-752-042-4900-001	01/01/06 12/31/06	550				
Municipal Alliance Drug and Alcoholism	4250-760-050000-63-262	01/01/14 12/31/14	10,430	4,141.30	10,430.00	1,435.60	1,435.60
Municipal Alliance Drug and Alcoholism	4250-760-050000-63-262	01/01/13 12/31/13	5,391	3,367.50		4,141.30	1,250.00
Municipal Alliance Drug and Alcoholism - March	4250-760-050000-63-262	01/01/13 12/31/13	3,368	675.00		675.00	
Municipal Alliance Drug and Alcoholism	4250-760-050000-63-262	01/01/13 12/31/13	3,368	675.00		675.00	13,470.00
State Cooperative Housing		01/01/14 12/31/14	8,364	97.08	8,364.00	8,364.00	8,364.00
State Cooperative Housing		01/01/13 12/31/13	8,558			97.08	8,558.00
Green Community		01/01/13 12/31/13	3,000				3,000.00
Post Sandy Planning Assistance		01/01/13 12/31/13	260,000		230,000.00		30,000.00
Department of Transportation							
New Jersey Transportation Trust Fund Authority Act	6320-480-601395-61	01/01/14 12/31/14	187,000	187,000.00	187,000.00	187,000.00	187,000.00
New Jersey Transportation Trust Fund Authority Act	6320-480-601395-61	01/01/13 12/31/13	187,000				1,985.15
New Jersey Transportation Trust Fund Authority Act	6320-480-601395-61	01/01/12 12/31/12	150,000	148,414.85		148,414.85	145,000.00
New Jersey Transportation Trust Fund Authority Act	6320-480-601395-61	01/01/08 12/31/08	145,000	2,642.50		2,642.50	
Department of Law and Public Safety							
Drunk Driving Enforcement Fund		01/01/14 12/31/14	13,810		13,809.60		
Drunk Driving Enforcement Fund		01/01/13 12/31/13	10,600	235.51		135.00	10,499.98
Body Armor Replacement Program		01/01/14 12/31/14	3,705	4,838.27	3,705.35	4,838.27	4,838.27
Body Armor Replacement Program		01/01/13 12/31/13	4,838	3,042.50		3,042.50	3,829.00
Body Armor Replacement Program		01/01/11 12/31/11	3,829	26,505.00	60,000.00	26,505.00	55,554.51
Safe and Secure		01/01/14 12/31/14	60,000	29,048.94		60,000.00	33,495.00
Safe and Secure		01/01/10 12/31/10	60,000	4,000.00		4,000.00	
Safe and Secure		01/01/09 12/31/09	73,953	4,000.00		4,000.00	44,904.31
Click It Ticket		01/01/10 12/31/10	4,000	4,000.00		4,000.00	
Buckle Up		01/01/09 12/31/09	4,000	4,000.00		4,000.00	
Buckle Up		1/1/08 12/31/08	4,000	4,000.00		4,000.00	
Highway Project Over The Limit		01/01/10 12/31/10	4,600	4,600.00		4,600.00	
Highway Project Over The Limit		01/01/09 12/31/09	4,400	4,400.00		4,400.00	
Pedestrian Safety Mobilization		01/01/09 12/31/09	4,000	3,200.00		3,200.00	
DWI Checkpoint		01/01/14 12/31/14	2,928	785.00	2,927.50		800.00
DWI Checkpoint		01/01/12 12/31/12	3,260	2,428.50		785.00	
DWI Checkpoint		01/01/13 12/31/13	2,429			2,145.00	2,475.00
State of New Jersey State Police							
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/14 12/31/14	1,211	1,662.40	1,211.14	1,662.40	
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/13 12/31/13	1,662	1,322.00		1,322.00	
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/12 12/31/12	1,322	782.00		782.00	
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/11 12/31/11	782	845.75		845.75	
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/10 12/31/10	2,601				2,601.00
Total State Assistance				\$ 584,953.51	\$ 545,090.20	\$ 410,982.10	\$ 719,061.61

See Accompanying Notes to Schedule of Expenditures of Federal and State Awards

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

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA #/ Pass Through Grantor's #	Grant Period		Program or Award Amount	Balance at 1/1/14	2014 Activity		Balance at 12/31/2014	MEMO ONLY Cumulative Expenditures
		From	To			Receipts or Revenue Recognized	Canceled/ Disbursements/ Expenditures		
<b>FEDERAL:</b>									
Department of Homeland Security									
FEMA		01/01/14	12/31/14	5,000	-	5,000.00	386.56	5,000.00	-
FEMA		01/01/12	12/31/12	5,000	5,000.00	-	252.00	4,613.44	386.56
FEMA		01/01/11	12/31/11	5,000	252.00	-	42,750.00	-	4,748.00
FEMA - Assistance to Firefighters		01/01/14	12/31/14	42,750	1,338.00	-	1,338.00	-	42,750.00
FEMA - Assistance to Firefighters		01/01/11	12/31/11	148,250	2,270.00	-	-	-	148,250.00
Bulleproof Vest Partnership	16.607	01/01/10	12/31/10	3,150	-	-	-	2,270.00	880.00
<b>Total Homeland Security</b>					<b>8,860.00</b>	<b>47,750.00</b>	<b>44,726.56</b>	<b>11,883.44</b>	
Housing and Urban Development									
Small Cities Community Development Block		01/01/09	12/31/09	139,429	47,670.19	-	-	47,670.19	-
Small Cities Community Development Block		01/01/14	12/31/14	152,639	-	152,638.80	-	152,638.80	91,758.81
<b>Total Housing and Urban Development</b>					<b>47,670.19</b>	<b>152,638.80</b>	<b>-</b>	<b>200,308.99</b>	
<b>Total Federal Assistance</b>					<b>56,530.19</b>	<b>200,388.80</b>	<b>44,726.56</b>	<b>212,192.43</b>	
<b>Total Federal and State Awards</b>					<b>\$ 641,483.70</b>	<b>745,479.00</b>	<b>455,708.66</b>	<b>931,254.04</b>	
						<b>Expended</b>	<b>455,708.66</b>		
						<b>Encumbered</b>	<b>455,708.66</b>		

See Accompanying Notes to Schedule of Expenditures of Federal and State Awards

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

**Note 1: General**

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

**Note 2: Basis of Accounting**

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

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

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

	<u>Federal</u>	<u>State</u>
Expenditure per Schedule of Federal and State Awards	\$ 44,726.56	\$ 284,601.86
Prior Year Expenditures		38,448.32
Add local funding		27,156.90
Expenditure per Audit Schedule A-13	<u>\$ 44,726.56</u>	<u>\$ 350,207.08</u>

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

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

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

		<u>Current Fund</u>
Balance December 31, 2013	\$	5,250,033.57
Increased by Receipts:		
Taxes Receivable		49,074,792.93
Tax Title Liens		-
Prepaid Taxes		728,475.29
Revenue Accounts Receivable		6,953,559.81
Miscellaneous Revenue		695,126.29
Due from State - Sr. Citizens and Veterans		101,842.47
Due to State - Marriage Licenses		200.00
Due to State - DCA training Fees		4,842.00
Due to Trust Other		
Due to Utility Operating		626.00
Due to Federal and State Grant Fund		172,182.89
		<u>57,731,647.68</u>
		62,981,681.25
Decreased by Disbursements:		
Current Year Appropriation		27,007,291.00
Prior Year Appropriations		226,724.60
County Taxes		10,986,566.12
Local District School Taxes		17,651,560.00
Tax Overpayments Refunded		60,852.13
Reserve for Hurricane Sandy		656,830.35
Prior Year Appropriations		1,542.66
Reserve for Judgements		25,000.00
Federal and State Disbursements		206,648.57
Due to Developer Escrow		22,598.25
		<u>56,845,613.68</u>
Balance December 31, 2014	\$	<u><u>6,136,067.57</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		Overpayments	Transferred To Tax Title Lien	Adjustments	Balance Dec. 31, 2014
				2013	2014				
Atrears	\$								
2011	1,593.34			325.04				1,268.30	
2012	3,955.59			3,955.59				(0.00)	
2013	21,972.27			21,972.27					
	1,767,475.12			1,747,309.43				8,948.74	11,216.95
	1,794,996.32			1,773,562.33				8,948.74	12,485.25
2014		50,696,152.94	43,127.40	724,330.13	47,407,209.30	(39,358.58)	10,360.71	979,966.89	1,656,771.89
	\$	50,696,152.94	43,127.40	724,330.13	49,180,771.63	(39,358.58)	10,360.71	988,915.63	1,669,257.14

Cash Receipts  
Senior Citizens and Veterans  
49,180,771.63

Analysis of Current Year Tax Levy

Tax Yield:  
General Property Tax 50,696,152.94  
Added Taxes (54:4-63.1 et. Seq.) 43,127.40  
50,739,280.34

Tax Levy:  
General County Taxes 9,205,276.49  
County Library Taxes 914,459.20  
County Open Space Taxes 129,540.64  
County Health Taxes 726,006.23  
County Added and Omitted Taxes 9,328.29  
Total County Taxes 10,984,610.85  
Local School District Tax 17,651,560.00  
Local Tax for Municipal Purposes 22,064,558.00  
Add: Additional Tax Levied 38,551.49  
22,103,109.49  
50,739,280.34

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

Balance December 31, 2013	\$	51,135.92
Increased by:		
Transfers from Taxes Receivable		10,360.71
Adjustment		769.69
Interest and Costs Accrued by Sale of December 29, 2014		
		11,130.40
		62,266.32
Decreased by:		
Collections		
		-
Balance December 31, 2014	\$	62,266.32

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2013	Accrued in 2014	Treasurer	Other	Balance Dec. 31, 2014
Licenses:					
Alcoholic Beverages	-	3,870.00	3,870.00		-
Other	-	116,576.00	116,576.00		-
Fees and Permits	-	260,323.40	260,323.40		-
Fines and Costs:					
Municipal Court	16,055.97	265,288.25	269,707.91		11,636.31
Interest and Costs on Taxes	-	358,078.72	358,078.72		-
Parking Meters	-	40,848.61	40,848.61		-
Interest Earned on Investments	-	20,253.90	20,253.90		-
Beach Control Fees	-	205,095.50	205,095.50		-
Land Rental	-	70,002.00	70,002.00		-
Viking Rowing Foundation, Inc. Lease Agreement	-	31,091.60	31,091.60		-
Payment in Lieu of Taxes	-	146,836.00	146,836.00		-
Cable Television Franchise Fees	-	51,624.00	51,624.00		-
City Lease Fees	-	39,664.13	39,664.13		-
Ambulance Service Fees	-	302,994.12	302,994.12		-
Recreation Fees	-	74,101.00	74,101.00		-
Consolidated Municipal Property Tax Relief Act	-	-			-
Energy Receipts Tax	-	608,112.00	608,112.00		-
Uniform Construction Code Fees	-	324,242.00	324,242.00		-
Borough of Longport-Uniform Construction Code	-	39,000.00	39,000.00		-
Interfund Utility Operating Fund	-	-			-
Utility Fund Allocation	-	350,000.00	350,000.00		-
FEMA Loan	-	3,535,000.00	3,535,000.00		-
FEMA Reimbursement	-	56,138.92	56,138.92		-
Reserve to Pay School Bonds	-	50,000.00	50,000.00		-
Miscellaneous Revenue Not Anticipated		695,126.29	695,126.29		-
	<u>\$ 16,055.97</u>	<u>7,644,266.44</u>	<u>7,648,686.10</u>	<u>-</u>	<u>11,636.31</u>

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>OPERATIONS WITHIN "CAPS" GENERAL GOVERNMENT:</b>					
Mayor's Office					
Salaries and Wages	\$ 337.89	337.89		337.89	-
Other Expenses	1,201.36	1,201.36	329.89	871.47	-
Police					
Salaries and Wages	53,839.66	53,839.66		53,839.66	-
Other Expenses	34,939.01	34,939.01	31,684.13	3,254.88	-
Fire					
Salaries and Wages	9,792.14	9,792.14		9,792.14	-
Other Expenses	15,029.26	15,029.26	12,862.35	2,166.91	-
Uniform Fire Safety Act					
Other Expenses	718.37	718.37	718.36	0.01	-
Radio and Communications					
Salaries and Wages	7,824.17	7,824.17		7,824.17	-
Other Expenses	12,475.01	12,475.01	12,460.00	15.01	-
City Administrator					
Salaries and Wages	499.98	499.98		499.98	-
Office of Emergency Management					
Salaries and Wages	12,403.75	12,403.75		12,403.75	-
Other Expenses	0.27	0.27		0.27	-
Electrical Division					
Salaries and Wages	27,234.93	27,234.93		27,234.93	-
Other Expenses	722.46	722.46	506.50	215.96	-
Celebration of Public Events					
Other Expenses	500.00	500.00		500.00	-
Zoning Commission					
Other Expenses	129.12	129.12		129.12	-
Beach Patrol					
Salaries and Wages	510.30	510.30		510.30	-
Other Expenses	2,049.92	2,049.92		2,049.92	-
Beach Control					
Salaries and Wages	400.25	400.25	158.00	242.25	-

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>DEPARTMENT OF PUBLIC WORKS, PARKS &amp; PUBLIC PROPERTY</b>					
Director's Office					
Salaries and Wages		-		-	
Other Expenses	45.00	45.00		45.00	
Streets and Roads					
Salaries and Wages	39,415.04	39,415.04		39,415.04	
Other Expenses	16,356.28	16,356.28	8,321.27	8,035.01	
Motor Vehicle Maintenance					
Other Expenses	5,767.06	5,767.06	1,433.22	4,333.84	
Buildings and Grounds					
Salaries and Wages	8,392.83	8,392.83	1,772.70	6,620.13	
Other Expenses	40,440.25	40,440.25	32,042.77	8,397.48	
Recreation					
Other Expenses	3,157.28	3,157.28	1,405.43	1,751.85	
City Engineer					
Other Expenses	2,711.84	2,711.84	2,321.45	390.39	
Solid Waste/Recycling					
Salaries and Wages	2,150.46	2,150.46		2,150.46	
Other Expenses	70,237.67	70,237.67	202.14	70,035.53	
<b>DEPARTMENT OF REVENUE AND FINANCE</b>					
Director's Office					
Other Expenses	45.00	45.00		45.00	
Legal Services and Costs					
Other Expenses	23,315.59	23,315.59	14,192.93	9,122.66	
City Clerk					
Salaries and Wages	3.54	3.54		3.54	
Other Expenses	919.31	919.31	73.95	845.36	
Planning Board					
Other Expenses	826.63	826.63	750.00	76.63	
Financial Administration					
Salaries and Wages	2,711.68	2,711.68	730.50	1,981.18	
Other Expenses	12,240.67	12,240.67	8,516.00	3,724.67	
Assessment of Taxes					
Salaries and Wages	921.30	921.30		921.30	
Other Expenses	43.62	43.62	10.20	33.42	

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Collection of Taxes					
Salaries and Wages	500.71	500.71		500.71	-
Other Expenses	1,227.83	1,227.83	792.54	435.29	-
Information Technology					
Salaries and Wages	5.19	5.19		5.19	-
Other Expenses	967.32	967.32	570.00	397.32	-
Municipal Court					
Salaries and Wages	2,407.83	2,407.83		2,407.83	-
Other Expenses	2,327.78	2,327.78	154.60	2,173.18	-
Insurance					
General Liability	1,405.02	1,405.02		1,405.02	-
Workers Compensation	0.07	0.07		0.07	-
Employee Group Health	252,632.21	252,632.21	88,908.61	163,723.60	-
Health Waiver	16,618.43	16,618.43		16,618.43	-
Inspection of Buildings					
Salaries and Wages	7,736.93	7,736.93		7,736.93	-
Other Expenses	35.35	35.35		35.35	-
Inspection of Housing					
Salaries and Wages	6,127.86	6,127.86		6,127.86	-
Other Expenses	0.76	0.76		0.76	-
Electrical and Plumbing Inspections					
Salaries and Wages	18.34	18.34		18.34	-
Utilities					
Gasoline					
Electricity	53,951.47	53,951.47	5,647.53	48,303.94	-
Telephone	8,919.41	8,919.41		8,919.41	-
Natural Gas	5,687.49	5,687.49	159.53	5,527.96	-
Terminal Leave	51,192.50	51,192.50		51,192.50	-
	29,221.58	29,221.58		29,221.58	-
<b>STATUTORY EXPENDITURES</b>					
Contribution to					
Social Security System (O.A.S.I.)	34,113.87	34,113.87		34,113.87	-
Unemployment	9,216.33	9,216.33		9,216.33	-
Medicare Insurance	2,640.89	2,640.89		2,640.89	-
Defined Contribution Retirement Plan	700.00	700.00		700.00	-

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>					
Borough of Longport-Uniform Construction Code Office					
Salaries and Wages	2,166.57	2,166.57		2,166.57	-
Other Expenses					-
Match for Grants	8,632.50	8,632.50		8,632.50	-
<b>All Other Accounts - No Change</b>	9,324.09	9,324.09		9,324.09	
	<u>\$ 918,087.23</u>	<u>918,087.23</u>	<u>226,724.60</u>	<u>691,362.63</u>	<u>-</u>
Appropriation Reserves	538,096.44				
Encumbrances	379,990.79				
	<u>918,087.23</u>				

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

Balance December 31, 2013 School Tax Payable	\$	-
Increased by:		
Levy - Calender Year January 1, 2013 to December 31, 2013		<u>17,651,560.00</u>
		17,651,560.00
Decreased by:		
Payments		<u>17,651,560.00</u>
Balance December 31, 2014 School Tax Payable		<u><u>-</u></u>
Current Year Liability for Local School District School Tax:		
Tax Paid		17,651,560.00
Tax Payable Ending		<u>-</u>
		17,651,560.00
Less: Tax Payable Beginning		<u>-</u>
Amount charged to Current Year Operations	\$	<u><u>17,651,560.00</u></u>

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

Purpose	Balance	Transferred	Received	Adjustments	Balance
	Dec. 31, 2013	From 2014			Revenues
<b>FEDERAL GRANTS:</b>					
Federal Bulletproof Vest Partnership	\$ 8,550.00			8,550.00	-
FEMA Assistance to Firefighters	34,993.00	42,750.00			77,743.00
CDBG		152,638.80	102,638.80		
CDBG		5,000.00	5,000.00		
FEMA					50,000.00
<b>Total Federal</b>	<b>43,543.00</b>	<b>200,388.80</b>	<b>107,638.80</b>	<b>8,550.00</b>	<b>127,743.00</b>
<b>STATE GRANTS:</b>					
New Jersey Transportation Trust Fund	4,504.00			4,504.00	-
New Jersey Transportation Trust Fund 2010	34,303.00			34,303.00	-
New Jersey Transportation Trust Fund 2013	187,000.00		95,775.86		91,224.14
New Jersey Transportation Trust Fund 2014		187,000.00			187,000.00
Body Armor		3,705.35			
Clean Communities		27,642.61			
Alliance for Prevention of Alcohol and Drug Abuse		10,430.00			
Alcohol Education, Rehabilitation and Enforcement		1,211.14			
Drunk Driver Enforcement Fund		13,809.60			
Special DWI		2,927.50			
Safe and Secure Program	78,140.00			78,140.00	
State Cooperative Housing		8,364.00			
Comcast Technology					
Green Community	3,000.00				3,000.00
Recycling Tonnage					
Post Sandy Planning Assistance	30,000.00	230,000.00			260,000.00
<b>Total State</b>	<b>336,947.00</b>	<b>485,090.20</b>	<b>163,866.06</b>	<b>116,947.00</b>	<b>541,224.14</b>
<b>\$</b>	<b>380,490.00</b>	<b>685,479.00</b>	<b>271,504.86</b>	<b>125,497.00</b>	<b>668,967.14</b>
		Cash	152,044.78		
		Unappropriated Reserves	119,460.08		
			<u>271,504.86</u>		

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

	Balance December 31, 2013		2014		Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2014
	Appropriated	Reserve for Encumbrances	Appropriations					
<b>FEDERAL GRANTS:</b>								
Community Development Block Grant	\$ 47,670.19		152,638.80					200,308.99
Federal Bulletproof Vest Partnership	2,270.00		5,000.00		638.56			2,270.00
Emergency Management	5,252.00		42,750.00		44,088.00			9,613.44
FEIMA Assistance to Firefighters	1,338.00							
<b>Total Federal</b>	<b>56,530.19</b>	<b>-</b>	<b>200,388.80</b>	<b>-</b>	<b>44,726.56</b>	<b>-</b>	<b>-</b>	<b>212,192.43</b>
<b>STATE GRANTS:</b>								
NJ Transportation Trust Fund Authority Act	2,642.50						2,642.50	148,414.85
NJ Transportation Trust Fund Authority Act - 2012	148,414.85							
NJ Transportation Trust Fund Authority Act - 2013	187,000.00		187,000.00			187,000.00		187,000.00
NJ Transportation Trust Fund Authority Act - 2014	32,823.29							32,823.29
Recycling Tonnage Grant	20,300.00							20,300.00
Alliance for the Prevention of Alcohol and Drug Abuse	7,508.80		10,450.00		1,435.60		675.00	
Alliance for the Prevention of Alcohol and Drug Abuse-2013	2,949.75				2,949.75			8,994.40
Alliance for the Prevention of Alcohol and Drug Abuse-2014	1,662.40				1,662.40			
Alcohol Education, Rehabilitation and Enforcement	489.37	316.14	1,211.14					0.00
Alcohol Education, Rehabilitation and Enforcement-2013	29,296.75	182.18						1,211.14
Clean Communities	3,042.50		27,642.61		17,377.75			1,211.14
Clean Communities-2014	4,888.27				4,888.27			489.37
Body Armor Replacement Program			3,705.35		3,042.50			29,296.75
Body Armor Replacement Program-2013			13,809.60					10,264.86
Body Armor Replacement Program-2014								
Drunk Driving Enforcement Fund-2014	235.51				135.00			3,705.35
Highway Project Over the Limit	9,000.00							13,809.60
Special DWI	785.00							100.51
Special DWI-2013	2,428.50							785.00
Special DWI-2014	4,000.00		2,927.50		2,145.00			283.50
Click It Ticket								2,927.50
State Cooperative Housing-2014	97.08		8,364.00		8,364.00			4,000.00
State Cooperative Housing-2013	86,505.00				97.08		86,505.00	(0.00)
Safe and Secure Program	29,048.94		60,000.00		55,554.51		29,048.94	4,445.49
Safe and Secure Program-2013	3,200.00							3,200.00
Safe and Secure Program-2014	8,000.00							8,000.00
Pedestrian Safety Program	27,196.90							
Comcast Technology								
Bucket Up								
Post Sandy Planning Assistance		4,950.00						
Green Community		30,000.00	230,000.00		32,106.90			
		3,000.00			29,681.25			
					2,532.00			
<b>Total State</b>	<b>612,110.41</b>	<b>38,448.32</b>	<b>545,060.20</b>	<b>188,285.07</b>	<b>161,922.01</b>	<b>126,380.24</b>	<b>126,380.24</b>	<b>719,061.61</b>
<b>Total</b>	<b>\$ 668,640.60</b>	<b>\$ 38,448.32</b>	<b>745,479.00</b>	<b>188,285.07</b>	<b>206,648.57</b>	<b>126,380.24</b>	<b>126,380.24</b>	<b>\$ 931,254.04</b>

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

<u>Purpose</u>	<u>Balance Dec. 31, 2013</u>	<u>Transferred To 2014 Appropriations</u>	<u>Received</u>	<u>Adjustments</u>	<u>Balance Dec. 31, 2014</u>
<b>FEDERAL GRANTS:</b>					
CDBG	\$ 102,638.80	102,638.80			-
<b>Total Federal</b>	<u>102,638.80</u>	<u>102,638.80</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>STATE GRANTS:</b>					
Recycling Tonnage Grant	-		15,745.11		15,745.11
Municipal Alliance	2,407.00	2,407.00			-
State Housing Inspection	3,381.00	3,381.00	3,403.00		3,403.00
DWI	247.50	247.50			-
Special DWI	2,350.00	2,350.00			-
Drunk Driver Enforcement Fund	8,435.78	8,435.78			-
<b>Total State</b>	<u>16,821.28</u>	<u>16,821.28</u>	<u>19,148.11</u>	<u>-</u>	<u>19,148.11</u>
<b>\$</b>	<u>119,460.08</u>	<u>119,460.08</u>	<u>19,148.11</u>	<u>-</u>	<u>19,148.11</u>

**TRUST FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Dog Licenses</u>	<u>Other</u>
Balance December 31, 2013	\$ 17,166.40	1,825,572.26
Increased by Receipts:		
Dog License Fees 2014	2,988.40	
Due to State of New Jersey	807.60	
Prepaid Dog Licenses		
Payroll Deductions Payable		6,062,150.89
Miscellaneous Trust Reserves		12,197,021.08
Due from Current		47,825.53
	<u>3,796.00</u>	<u>18,306,997.50</u>
	20,962.40	20,132,569.76
Decreased by Disbursements		
Statutory Expenditures	291.80	
Due to State of New Jersey	980.40	
Payroll Deductions Payable		5,964,067.50
Miscellaneous Trust Reserves		10,909,869.67
Due to Current Fund		24,915.27
	<u>1,272.20</u>	<u>16,898,852.44</u>
Balance December 31, 2014	\$ <u>19,690.20</u>	<u>3,233,717.32</u>

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

Balance December 31, 2013	\$	5,635.00
Increased by:		
Dog License Fees Collected	2,988.40	
Prepaid Licenses	<u>                    </u>	
		<u>2,988.40</u>
		8,623.40
Decreased by:		
Statutory Excess	2,979.60	
Expenditures under N.J.S. 4:19-15:11	<u>291.80</u>	
		<u>3,271.40</u>
Balance December 31, 2014	\$	<u><u>5,352.00</u></u>

License Fees Collected:

Year	Amount
2013	\$ 2,479.60
2012	<u>2,873.00</u>
	<u>\$ 5,352.60</u>

Exhibit B-3

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

Balance December 31, 2013		\$	11,315.80
Increased by:			
Adjustment to Prepaid			
Statutory Excess	<u>2,979.60</u>		<u>2,979.60</u>
			14,295.40
Decreased by:			
Adjustment to Due to State			
Balance December 31, 2014		\$	<u><u>14,295.40</u></u>

Exhibit B-4

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

Balance December 31, 2013		\$	(12.00)
Increased by:			
Prepaid	184.80		
2014 State License Fees	<u>807.60</u>		<u>992.40</u>
			980.40
Decreased by:			
Disbursements to the State			<u>980.40</u>
Balance December 31, 2014		\$	<u><u>-</u></u>

**TRUST FUND  
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE**

Balance December 31, 2013		\$ 321,490.05
Increased by:		
Receipts	6,062,150.89	6,062,150.89
		6,383,640.94
Decreased by:		
Disbursements	5,964,067.50	5,964,067.50
Balance December 31, 2014		\$ 419,573.44

**TRUST - OTHER FUNDS  
SCHEDULE OF DUE TO/(FROM) CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Reserve	Increased by			Decreased by			Balance Dec 31, 2014
	Balance Dec 31, 2013	Receipts	Current Fund	Disbursements	2014 Budget Appropriation	Current Fund	
Payroll Agency	\$ 12,761.50					12,761.50	-
Net Payroll			679.53			585.92	93.61
Law Enforcement Trust	2,506.79		1.02			152.64	1.02
Federal Forfeiture Trust	-		0.22		2,354.15		0.22
Parking Offense Adjudication Act	(3,335.50)		3,335.50				-
Life Guard Pension Fund	(23,724.38)		23,724.38				-
Unemployment Trust	954.30		98.75			954.30	98.75
Trust Other	0.35		55.28			7,369.09	(7,313.46)
Developer's Escrow	89.73		148.69			247.63	(9.21)
Evidence Trust	22.57		3.46			22.57	3.46
Uniform Fire	(3,443.31)		3,464.96				21.65
Tax Title Lien Redemption	467.47		102.49			467.47	102.49
Boardwalk Benches	(16,211.25)		16,211.25				-
	<u>\$ (29,911.73)</u>	<u>-</u>	<u>47,825.53</u>	<u>-</u>	<u>2,354.15</u>	<u>22,561.12</u>	<u>(7,001.47)</u>

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

Reserve	Balance Dec 31, 2013	Increased by		Decreased by		Balance Dec 31, 2014
		Receipts	Collections made by Current Fund	Disbursements	Payments made by Current Fund	
Small Cities Revolving Loan Fund	\$ 43,764.00					43,764.00
Developers Escrow	103,580.35	50,435.50		49,366.63		104,649.22
Law Enforcement Trust	(2,354.15)	2,355.10				0.95
Federal Forfeitures	148.94					148.94
Parking Offense Adjudication Act	3,661.51	2,100.00				5,761.51
Life Guard Pension Fund	399,007.31	18,796.51		31,087.68		386,716.14
Unemployment Trust	71,933.87	66,948.49		24,073.42		114,808.94
Evidence Trust	2,289.45					2,289.45
Tax Sale Premiums	856,600.00	1,146,800.00		405,100.00		1,598,300.00
Tax Title Lien Redemptions	6,617.55	2,601,429.79		2,451,746.77		156,300.57
Boardwalk Benches	19,730.79			14,989.00		4,741.79
Snow Removal	5,000.00	13,000.00				18,000.00
Recreation Trust	1,500.00					1,500.00
Self-Insurance	219,724.66					219,724.66
Trust Other	5,169.64					5,169.64
Penalties Collected Under the Uniform Fire Code	17,344.68	1,800.00				19,144.68
Net Payroll		7,883,814.56		7,883,803.67		10.89
Police Detail		73,857.02		49,702.50		24,154.52
Accumulated Absences		335,684.11				335,684.11
	\$ 1,753,718.60	12,197,021.08	-	10,909,869.67	-	3,040,870.01

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

Balance December 31, 2013		\$	5,611,421.79
Increased by:			
Receipts	255,962.43		
	<hr/>		<hr/>
			255,962.43
			5,867,384.22
Decreased by:			
Disbursements	3,626,343.53		
	<hr/>		<hr/>
			3,626,343.53
Balance December 31, 2014		\$	<u>2,241,040.69</u>

GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	Balance Dec. 31, 2013	Receipts		Debt Issued	Disbursements		Transfers		Balance Dec. 31, 2014
		Miscellaneous			Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 108,954.92								108,954.92
Receivable State of NJ - Green Acres Grant	(285,000.00)								(285,000.00)
Capital Improvement Fund	93,987.00	250,000.00						112,500.00	231,487.00
Contracts Payable	3,139,845.63							3,126,032.99	592,282.32
Reserve for Payment of Bonds	-								-
Reserve for Payment of School Bonds	240,671.38								190,671.38
Due to Current	53,812.52	5,962.43				50,000.00			53,812.52
<b>Improvement Authorizations:</b>									
1997-02 Various Improvements	1,250.00								1,250.00
1998-19 Acquisition of Real Property	67,668.06								67,668.06
2002-03 Various Improvements	6,204.81							8,266.92	6,204.81
2006-02 Rehabilitation of Ventnor Fishing Pier	(224,151.00)								(224,151.00)
2007-06 Rehabilitation of Ventnor Fishing Pier	(306,250.00)								(306,250.00)
2007-09 Various Improvements	2,955.26								2,955.26
2209-14 Various Improvements	262,736.85							58,242.87	114,573.73
2011-11 Various Improvements	537,295.46							14,304.39	514,115.26
2013-10 Various Improvements	1,911,440.90							505,922.42	1,059,966.43
2014-25 Repair and Replace Bulkheads									-
2014-27 Various Improvements								112,500.00	112,500.00
	\$ 5,611,421.79	255,962.43		-	3,570,381.10	55,962.43	3,817,002.67	3,817,002.67	2,241,040.69

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

Balance December 31, 2013		\$	93,987.00
Increased by:			
2014 Budget Appropriation	250,000.00		
	<hr/>		<hr/>
			250,000.00
			343,987.00
Decreased by:			
Finance Improvement Authorizations	112,500.00		
	<hr/>		<hr/>
			112,500.00
Balance December 31, 2014		\$	<u>231,487.00</u>

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

Balance December 31, 2013		\$ 25,975,152.87
Increased by:		
NJEIT Issued	1,311,000.00	
	<u>1,311,000.00</u>	<u>1,311,000.00</u>
		27,286,152.87
Decreased by:		
2014 Budget Appropriation:		
General Serial Bonds	1,275,000.00	
School Serial Bonds	1,175,000.00	
Green Trust Loans Payable	27,183.78	
Refunding	<u>115,000.00</u>	
		<u>2,592,183.78</u>
Balance December 31, 2014		\$ <u><u>24,693,969.09</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	Other	Balance Dec. 31, 2014	Bond Anticipation Notes	Analysis of Balance	
								Expenditures	Unexpended Improvement Authorizations
2006-02	Rehabilitation of Ventnor Fishing Pier	\$ 224,151.00				224,151.00		224,151.00	
2007-06	Rehabilitation of Ventnor Fishing Pier	306,250.00				306,250.00		306,250.00	
2014-25	Repair and Replace Bulkheads		1,311,000.00		1,311,000.00				
2014-27	Various Improvements		2,137,500.00			2,137,500.00			2,137,500.00
		<u>\$ 530,401.00</u>	<u>3,448,500.00</u>		<u>1,311,000.00</u>	<u>2,667,901.00</u>		<u>530,401.00</u>	<u>2,137,500.00</u>

Improvement Authorizations Unfunded 2,137,500.00  
 Less:  
 Unexpended Proceeds of Bond  
 Anticipation Notes Issued:  
 Ord. Number \_\_\_\_\_

\$ 2,137,500



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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2014			Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount	Interest Rate					
General Improvement Bonds of 2010	12/1/2010	8,315,000	12/1/2015	515,000.00	3.000%					
			12/1/2016	530,000.00	3.000%					
			12/1/2017	550,000.00	3.000%					
			12/1/2018	575,000.00	3.000%					
			12/1/2019	600,000.00	3.500%					
			12/1/2020	625,000.00	3.500%					
			12/1/2021	640,000.00	3.750%					
			12/1/2022	650,000.00	3.750%					
			12/1/2023	665,000.00	3.750%					
			12/1/2024	680,000.00	4.000%					
Refunding Improvement Bonds of 2013			12/1/2025	700,000.00	4.000%	7,230,000.00		500,000.00	6,730,000.00	
			8/1/2015	335,000.00						
			8/1/2016	350,000.00						
			8/1/2017	360,000.00						
			8/1/2018	375,000.00						
General Improvement Bonds of 2013			8/1/2019	380,000.00		2,125,000.00		325,000.00	1,800,000.00	
			12/1/2015	450,000.00	2.000%					
			12/1/2016	465,000.00	2.000%					
			12/1/2017	480,000.00	2.000%					
			12/1/2018	495,000.00	2.000%					
			12/1/2019	510,000.00	2.000%					
			12/1/2020	535,000.00	2.250%					
			12/1/2021	560,000.00	3.000%					
			12/1/2022	580,000.00	3.000%					
			12/1/2023	600,000.00	3.000%					
		12/1/2024	610,000.00	3.000%						
		12/1/2025	630,000.00	3.250%	6,365,000.00		450,000.00	5,915,000.00		
						\$	15,720,000.00	1,275,000.00	14,445,000.00	
							-	1,275,000.00	1,275,000.00	
							-	1,275,000.00	1,275,000.00	



**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					
Boathouse Renovations	4/30/2001	500,000	2015	27,730.18	\$				
			2016	28,287.56					
			2017	28,856.13					
			2018	29,436.14					
			2019	30,027.81					
			2020	30,631.27	2.000%	202,152.87		27,183.78	174,969.09
					\$	<u>202,152.87</u>	<u>-</u>	<u>27,183.78</u>	<u>174,969.09</u>

**GENERAL CAPITAL FUND  
SCHEDULE OF NJEIT 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					
Repair and Replace Bulkheads		1,311,000				\$ 1,311,000.00			1,311,000.00
						\$ -	1,311,000.00		1,311,000.00

**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
No Current Year Activity									
						\$ -			-
						-			-

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Debt Issued	Other	Balance Dec. 31, 2014
2006-02	Rehabilitation of Fishing Pier	\$ 224,151.00				224,151.00
2007-06	Rehabilitation of Fishing Pier	306,250.00				306,250.00
2014-25	Repair and Replace Bulkheads		1,311,000.00		1,311,000.00	-
2014-27	Various Improvements		2,137,500.00			2,137,500.00
		<u>\$ 530,401.00</u>	<u>3,448,500.00</u>	<u>-</u>	<u>1,311,000.00</u>	<u>2,667,901.00</u>

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

		<u>Operating</u>
Balance December 31, 2013	\$	368,785.10
Increased by Receipts:		
Sewer Rents Receivable	5,001,804.44	
Miscellaneous	102,827.61	
		<u>5,104,632.05</u>
		5,473,417.15
Decreased by Disbursements:		
2014 Appropriations	4,833,778.01	
2013 Appropriation Reserves	23,220.72	
		<u>4,856,998.73</u>
Balance December 31, 2014	\$	<u><u>616,418.42</u></u>

WATER AND SEWER UTILITY CAPITAL FUND  
ANALYSIS OF CASH

	Balance Dec. 31, 2013	Budget Appropriation	Receipts		Disbursements		Transfers		Balance Dec. 31, 2014
			Bonds Issued	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 77,080.20								77,101.36
Due from Utility Operating	(0.15)								(0.15)
Contracts Payable	2,798,923.42			4,659.35				2,798,923.42	645,954.94
<u>Improvement Authorizations:</u>									
<u>Ordinance</u>									
<u>Number</u>									
2006-14 Improvements to Water and Sewer	527.24							7,604.95	527.24
2009-15a Reconstruction of Sewer Lines	-				10,000.00			10,000.00	-
2009-15b Repainting the Water Tower	-						1,800.00	1,800.00	-
2009-15c Purchase of Water Meters	33,050.25						3,704.37	3,704.37	33,050.25
2010-14a Replacement of sanitary sewer mains	4,780.33				23,359.50			63,883.00	153,089.42
2010-14b Replacement of well and well house #8	-				1,132,183.35			214,834.60	1,347,017.95
2010-14c Improve and upgrade electrical at wells	406,770.06				91,362.87			13,456.70	370,307.06
2010-14g Installation of pumps etc. at Lily Park	21.16						21.16		-
2011-9a Replacement of Meter Batteries	(24,811.16)							80,968.43	(24,811.16)
2011-9b Rehab Water Tower	197,623.08				594,634.50			583,500.00	196,488.58
2011-9c Rehab Well House #10	(7,500.00)				114,927.14			114,927.14	(7,500.00)
2011-9d Purchase of Generator	95,000.00								95,000.00
2011-9e Remote Reader Antenna	496.31				59,486.00			16,710.00	496.31
2011-9f Purchase Directional Drill	21,387.12							76,196.00	21,387.12
2013-9a Replacement of Water Meters	18,754.00				3,996.00			3,996.00	18,754.00
2013-9b Renovations to Main Water Plant	100,000.00								100,000.00
2013-9c Renovations to Wells	200,000.00								200,000.00
2013-9d Replacement of Sewer and Water Mains	389,319.67				433,470.95			242,992.89	60,618.42
2013-9e Acquisition of Water Plant Heating System	75,000.00								75,000.00
2013-9f Acquisition of Fire Hydrants	80,000.00				47,991.98				32,008.02
2013-9g Acquisition of Vehicles	120,000.00								120,000.00
	\$ 4,586,421.53			4,659.35	2,501,412.29		4,659.35	3,444,899.52	2,085,009.24

D-7

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

Balance December 31, 2013		\$ 899,680.12
Increased by:		
Utility Rents Levied	<u>5,651,350.01</u>	<u>5,651,350.01</u>
		6,551,030.13
Decreased by:		
Collections	5,001,804.44	
Overpayments Created	(359.61)	
Canceled	96,528.75	
	<u>5,097,973.58</u>	<u>5,097,973.58</u>
Balance December 31, 2014		\$ <u><u>1,453,056.55</u></u>

D-8

**WATER AND SEWER OPERATING FUND  
SCHEDULE OF SEWER CONSUMER LIENS RECEIVABLE**

Balance December 31, 2013	\$ -
No Activity	
Balance December 31, 2014	\$ <u><u>-</u></u>

**WATER AND SEWER OPERATING FUND  
SCHEDULE OF WATER AND SEWER RENT OVERPAYMENTS**

Balance December 31, 2013	\$ 19,179.43
Increase by:	
Overpayments created	728.10
Decreased by:	
Overpayments refunded	<u>368.49</u>
Balance December 31, 2014	<u>\$ 19,539.04</u>

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed	Over-Expended
Operating:					
Other Expenses	\$ 75,602.62	75,602.62	23,220.72	52,381.90	
Other Accounts No Change	135,193.17	135,193.17		135,193.17	
	<u>\$ 210,795.79</u>	<u>210,795.79</u>	<u>23,220.72</u>	<u>187,575.07</u>	<u>-</u>

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

Balance December 31, 2013		\$ 43,339.55
Increased by:		
Accrued interest charged to 2014 budget appropriation - Interest on bonds		<u>41,933.85</u>
		85,273.40
Decreased by:		
Disbursements		<u>43,339.55</u>
Balance December 31, 2014		<u>\$ 41,933.85</u>

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

Description	Principal Outstanding Dec. 31, 2014	Interest Rate	From	To	# of Days	Amount
Water and Sewer Bonds of 2010	10,505,000	3.0% to 4.375%	12/01/14	12/31/14	30	32,994.27
Water and Sewer Bonds of 2013	3,500,000	2.00%	12/01/14	12/31/14	30	8,939.58
						<u>41,933.85</u>

**WATER AND SEWER OPERATING FUND  
SCHEDULE OF FIXED CAPITAL**

Account	Balance Dec. 31, 2013	Additions		Balance Dec. 31, 2014
		Budget Capital Outlay	Ordinance	
Office Equipment	\$ 72,997.00			72,997.00
Other Equipment	1,185,311.00		334,409.84	1,519,720.84
Building and Improvements	792,974.00			792,974.00
Water System Improvements	2,431,695.00		72,967.00	2,504,662.00
Sewer System Improvements	2,379,307.00			2,379,307.00
Combined Improvements	3,497,925.00			3,497,925.00
	<u>\$ 10,360,209.00</u>	<u>-</u>	<u>407,376.84</u>	<u>10,767,585.84</u>

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

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	2014 Authorizations			Costs to Fixed Capital	Balance Dec. 31, 2014
				Balance Dec. 31, 2013	Deferred Reserve for Amortization	Deferred Charge to Future Revenue		
2009-06	Reconstruction of Sewer Lines	03/19/09	1,000,000 \$	1,000,000.00				1,000,000.00
2009-15a	Reconstruction of Sewer Lines	06/18/09	1,700,000	1,700,000.00				1,700,000.00
2009-15b	Repainting the Water Tower	06/18/09	290,000	290,000.00				290,000.00
2009-15c	Purchase of Water Meters	06/18/09	617,400	617,400.00				617,400.00
2009-15d	Purchase of Vehicles	06/18/09	65,000	65,000.00				65,000.00
2009-15e	Purchase of Vehicles	06/18/09	70,000	70,000.00				70,000.00
2009-15f	Purchase of Equipment	06/18/09	180,000	180,000.00				180,000.00
2010-14a	Replacement of sanitary sewer mains	10/06/10	4,639,473	4,639,473.00				4,639,473.00
2010-14b	Replacement of well and well house #8	10/06/10	1,824,170	1,824,170.00				1,824,170.00
2010-14c	Improve and upgrade electrical at wells 5, 7 a	10/06/10	729,668	729,668.00				729,668.00
2010-14f	Acquisition of equipment	10/06/10	72,967	72,967.00		72,967.00		
2010-14g	Installation of pumps etc. at Lily Park	10/06/10	334,431	334,431.00		334,409.84	21.16	(0.00)
2011-9a	Replacement of Meter Batteries	06/16/11	500,000	500,000.00				500,000.00
2011-9b	Rehab Water Tower	06/16/11	950,000	950,000.00				950,000.00
2011-9c	Rehab Well House # 10	06/16/11	150,000	150,000.00				150,000.00
2011-9d	Purchase of Generator	06/16/11	100,000	100,000.00				100,000.00
2011-9e	Remote Reader Antenna	06/16/11	180,000	180,000.00				180,000.00
2011-9f	Purchase Directional Drill	06/16/11	420,000	420,000.00				420,000.00
2013-9a	Replacement of Water Meters	04/18/13	25,000	25,000.00				25,000.00
2013-9b	Renovations to Main Water Plant	04/18/13	100,000	100,000.00				100,000.00
2013-9c	Renovations to Wells	04/18/13	200,000	200,000.00				200,000.00
2013-9d	Replacement of Sewer and Water Mains	04/18/13	1,750,000	1,750,000.00				1,750,000.00
2013-9e	Acquisition of Water Plant Heating System	04/18/13	75,000	75,000.00				75,000.00
2013-9f	Acquisition of Fire Hydrants	04/18/13	80,000	80,000.00				80,000.00
2013-9g	Acquisition of Vehicles	04/18/13	120,000	120,000.00				120,000.00
2014-26	Repairs to Stormwater System	10/16/14	5,387,000	5,387,000.00				5,387,000.00
				\$ 16,173,109.00		407,376.84	21.16	21,152,711.00

WATER AND SEWER CAPITAL UTILITY FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Authorization	Ordinance Date	Amount	Balance Dec. 31, 2013		Down Payment or Capital Improvement Fund	Deferred Charges to Future Revenue	Prior Year Encumbrance	Paid or Charged	Transfers or Canceled	Balance Dec. 31, 2014	
				Funded	Unfunded						Funded	Unfunded
2009-06	Reconstruction of Sewer Lines	03/19/09	1,000,000.00	\$ 527.19				7,604.95	7,604.95		527.19	
2009-15a	Reconstruction of Sewer Lines	06/18/09	1,700,000.00					10,000.00	10,000.00			
2009-15b	Repainting the Water Tower	06/18/09	290,000.00					1,800.00	1,800.00			
2009-15c	Purchase of Water Meters	06/18/09	617,400.00	33,050.00				3,704.37	3,704.37		33,050.00	
2010-14a	Replacement of sanitary sewer mains	10/06/10	4,639,473.00	4,780.21				87,242.50	87,242.50			
2010-14b	Replacement of well and well house #8	10/06/10	1,824,170.00					1,347,017.95	1,347,017.95		70,627.13	
2010-14c	Improve and upgrade electrical at wells	10/06/10	729,668.00	406,770.33				68,366.57	68,366.57			
2010-14g	Installation of pumps etc. at Lily Park	10/06/10	334,491.00	21.16				104,819.57	104,819.57	21.16		
2011-8a	Replacement of Meter Batteries	06/16/11	500,000.00		190.00							190.00
2011-8b	Rehab Water Tower	06/16/11	950,000.00	198,123.08	47,000.00			80,968.43	80,968.43			47,000.00
2011-8c	Rehab Well House # 10	06/16/11	150,000.00					584,634.50	584,634.50		196,988.58	
2011-8d	Purchase of Generator	06/16/11	100,000.00	95,000.00	5,000.00			114,927.14	114,927.14			
2011-8e	Remote Reader Antenna	06/16/11	180,000.00	496.31	9,000.00						95,000.00	5,000.00
2011-8f	Purchase Directional Drill	06/16/11	420,000.00	21,386.11	21,000.00			76,196.00	76,196.00		486.31	9,000.00
2013-8a	Replacement of Water Meters	04/18/13	25,000.00								21,386.11	21,000.00
2013-8b	Renovations to Main Water Plant	04/18/13	100,000.00	18,754.00				3,996.00	3,996.00			18,754.00
2013-8c	Renovations to Wells	04/18/13	200,000.00	100,000.00							100,000.00	
2013-8d	Replacement of Sewer and Water Mains	04/18/13	1,750,000.00	369,319.67	900,000.00						200,000.00	900,000.00
2013-8e	Acquisition of Water Plant Hoisting System	04/18/13	75,000.00	75,000.00				347,762.59	676,463.84			
2013-8f	Acquisition of Fire Hydrants	04/18/13	80,000.00	80,000.00							75,000.00	
2013-8g	Acquisition of Vehicles	04/18/13	120,000.00	120,000.00				47,991.98	47,991.98		32,008.02	
2014-26	Repairs to Stormwater System	10/16/14					5,387,000.00				5,387,000.00	
				\$ 1,743,228.06	982,190.00		5,387,000.00	2,798,923.42	3,147,367.23	21.16	6,781,763.09	982,190.00

Disbursed D-6  
Encumbered D

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

Purpose	Date of Original Issue	Date of Issue	Amount of Original Issue	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
No current year activity					\$ -			-
					\$ -			-

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2013	Balance Dec. 31, 2014
			Date	Amount	December 31, 2014			
Water and Sewer Bonds of 2010	12/01/10	12,240,000	12/01/15	510,000.00		3.00%		
			12/01/16	525,000.00		3.00%		
			12/01/17	540,000.00		3.00%		
			12/01/18	560,000.00		3.00%		
			12/01/19	575,000.00		3.50%		
			12/01/20	600,000.00		3.50%		
			12/01/21	625,000.00		3.75%		
			12/01/22	650,000.00		3.75%		
			12/01/23	675,000.00		3.75%		
			12/01/24	700,000.00		4.00%		
			12/01/25	715,000.00		4.00%		
			12/01/26	725,000.00		4.00%		
			12/01/27	745,000.00		4.13%		
		12/01/28	770,000.00		4.25%			
		12/01/29	790,000.00		4.25%			
		12/01/30	800,000.00		4.38%	\$ 11,005,000.00	10,505,000.00	
Refunding Water and Sewer Bonds of 2013	05/09/13	65,000						500,000.00
								65,000.00
Water and Sewer Bonds of 2013	12/04/13	3,635,000	12/01/15	150,000.00		2.00%		
			12/01/16	150,000.00		2.00%		
			12/01/17	155,000.00		2.00%		
			12/01/18	160,000.00		2.00%		
			12/01/19	170,000.00		2.00%		
			12/01/20	180,000.00		2.25%		
			12/01/21	190,000.00		3.00%		
			12/01/22	200,000.00		3.00%		
			12/01/23	200,000.00		3.00%		
			12/01/24	210,000.00		3.00%		
			12/01/25	220,000.00		3.25%		
			12/01/26	230,000.00		3.375%		
			12/01/27	240,000.00		3.50%		
			12/01/28	250,000.00		3.625%		
			12/01/29	260,000.00		3.75%		
			12/01/30	265,000.00		4.00%		
			12/01/31	270,000.00		4.00%		
								135,000.00
								3,635,000.00
								700,000.00
								14,005,000.00

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D-4

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

Balance December 31, 2013		\$ 9,235,634.23
Increased by:		
Serial Bonds Paid by Operating Budget	215,495.36	
Transferred from Deferred Reserve for Amortization	<u>78,291.31</u>	
		<u>293,786.67</u>
Decreased by:		
Improvement Authorizations Cancelled		<u>21.16</u>
Balance December 31, 2014		<u><u>\$ 9,529,399.74</u></u>

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

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2013	Fixed Capital Authorized	To Reserve for Amortization	Bond Paid	Balance Dec. 31, 2014
2009-06	Various Capital Improvements	\$	72,445.56			29,330.07	101,775.63
2009-15c	Purchase of water meters	6/18/09	396,124.56			160,212.42	556,336.98
2010-14a	Various Capital Improvements	10/06/10	1,109,113.65		78,291.31	294,962.15	1,325,784.49
			<u>\$ 1,577,683.77</u>	<u>0.00</u>	<u>78,291.31</u>	<u>484,504.64</u>	<u>1,983,897.10</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Bonds Issued	Raised in Budget	Balance Dec. 31, 2014
2011-9a	Replacement of Meter Batteries	\$ 25,000.00				25,000.00
2011-9b	Rehab Water Tower	47,500.00				47,500.00
2011-9c	Rehab Well House # 10	7,500.00				7,500.00
2011-9d	Purchase of Generator	5,000.00				5,000.00
2011-9e	Remote Reader Antenna	9,000.00				9,000.00
2011-9f	Purchase Directional Drill	21,000.00				21,000.00
2013-9a	Replacement of Water Meters	-				-
2013-9b	Renovations to Main Water Plant	-				-
2013-9c	Renovations to Wells	-				-
2013-9d	Replacement of Sewer and Water Mains	900,000.00				900,000.00
2013-9e	Acquisition of Water Plant Heating System	-				-
2013-9f	Acquisition of Fire Hydrants	-				-
2013-9g	Acquisition of Vehicles	-				-
		<u>\$ 1,015,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,015,000.00</u>

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**CITY OF VENTNOR CITY**

**PART II**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2014**

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## **GENERAL COMMENTS**

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

N.J.S. 40A:11-4 states, "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500 except by contract or agreement."

The governing body of the City has the responsibility of determining whether the expenditures in any category will exceed \$17,500. Where question arises as to whether any contract or agreement might result in violation of the statute, the City Committee's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal any payments in excess of \$17,500 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

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

- Sewer main repair
- Various repairs to municipal buildings
- Road Reconstruction
- Replace Bulkheads
- Asbestos Remediation
- Purchase Fire Hydrants
- Purchase of Generator
- Curbs, Sidewalks and Handicap Ramps

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

N.J.S. 40A:11-6.1 states, "Prior to the award of any other purchase, contract or agreement, the contracting agent shall, except in the case of the performance of professional services, solicit quotations, whenever practical, on any such purchase, contract or agreement the estimated cost or price of which is 15% of bid amount or more."

Our examination of expenditures did reveal purchases made in excess of 15% of bid amount without obtaining quotes as required by statute.

### **Collection of Interest on Delinquent Taxes and Assessments**

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

The governing body, on January 16, 2014, adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Committee of the City of Ventnor, County of Atlantic and state of New Jersey, as follows:

The Tax Collector is hereby authorized and directed 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 will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.

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

#### **Delinquent Taxes and Tax Title Liens**

The last tax sale was held on December 29, 2014 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2014	5
2013	7
2012	6

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

**Verification of Delinquent Taxes and Other Charges**

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

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

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

**Deposit of Municipal Funds**

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

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

**Comparison of Tax Levies and Collections Currently**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2014	\$ 50,739,280.34	48,092,180.85	94.78%
2013	50,065,628.54	47,058,631.00	93.99%
2012	48,531,749.00	45,383,409.00	93.51%
2011	47,976,098.00	43,414,147.00	90.49%
2010	45,932,918.00	42,690,239.00	92.94%

**Comparative Schedule of Tax Rate Information**

	2014	2013	2012	2011	2010
Tax Rate	\$ 2.06	1.99	1.88	1.83	1.73
Apportionment of Tax Rate:					
Municipal	0.896	0.847	0.825	0.797	0.754
County	0.445	0.447	0.376	0.375	0.334
School	0.717	0.695	0.678	0.661	0.639
Assessed Valuation	2,462,173,390	2,514,557,682	2,580,446,428	2,616,184,272	2,646,525,345

**Delinquent Taxes and Tax Title Liens**

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2014	\$ 62,266.32	1,669,257.14	1,731,523.46	3.41%
2013	51,135.92	1,794,996.32	1,846,132.24	3.69%
2012	19,839.15	2,090,960.93	2,110,800.08	4.35%
2011	-	2,015,239.00	2,015,239.00	4.20%
2010	-	1,850,518.00	1,850,518.00	4.03%

**Uniform Construction Code**

The City of Ventnor 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.

**FINANCIAL STATEMENT FINDINGS**

NONE

**STATUS OF PRIOR RECOMMENDATIONS**

NONE

**RECOMMENDATIONS**

NONE

The problems and weaknesses noted in my review were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

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

Very truly yours,

*Ford Scott & Associates, LLC*

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

*Kenneth W. Moore*

**Kenneth W. Moore, CPA  
Registered Municipal Accountant  
No. 231**

**March 4, 2015**