

**CITY OF VENTNOR CITY**

**ATLANTIC COUNTY**

**NEW JERSEY**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2015**



# CITY OF VENTNOR CITY

## TABLE OF CONTENTS

	<b>Exhibit</b>	<b>Page</b>
<b>PART 1</b>		
Independent Auditor's Report		1-3
<b>CURRENT FUND</b>		
Comparative Balance Sheet - Regulatory Basis	A	4-5
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	A-1	6-7
Statement of Revenues - Regulatory Basis	A-2	8-11
Statement of Expenditures - Regulatory Basis	A-3	12-18
<b>TRUST FUND</b>		
Comparative Balance Sheet - Regulatory Basis	B	19
<b>CAPITAL FUND</b>		
Comparative Balance Sheet - Regulatory Basis	C	20
Schedule of Fund Balance - Regulatory Basis	C-1	21
<b>WATER AND SEWER UTILITY FUND</b>		
Comparative Balance Sheet - Regulatory Basis	D	22-23
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	D-1	24
Statement of Capital Fund Balance - Statutory Basis	D-2	25
Statement of Revenues - Regulatory Basis	D-3	26
Statement of Expenditures - Regulatory Basis	D-4	27
<b>GENERAL FIXED ASSET GROUP OF ACCOUNTS</b>		
Statement of General Fixed Assets - Regulatory Basis	G	28
<b>NOTES TO FINANCIAL STATEMENTS</b>		29-53

# CITY OF VENTNOR CITY

## TABLE OF CONTENTS

	<b>Exhibit</b>	<b>Page</b>
<b>SUPPLEMENTARY DATA</b>		
Independent Auditor's Report - Government Auditing Standards		54-55
Schedule of State Financial Assistance		56
Schedule of Federal Awards		57
Notes to the Schedules of Federal and State Financial Assistance		58
<b>CURRENT FUND</b>		
Schedule of Cash - Treasurer	A-4	59
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-5	60
Schedule of Tax Title Liens	A-6	61
Schedule of Revenue Accounts Receivable	A-7	62
Schedule of Prior Year Appropriation Reserves	A-8	63-66
Schedule of Local District School Tax	A-9	67
Schedule of Federal and State Grants Receivable	A-10	68
Schedule of Reserve for State Grants - Appropriated	A-11	69
Schedule of Reserve for State Grants - Unappropriated	A-12	70
<b>TRUST FUNDS</b>		
Schedule of Cash - Treasurer	B-1	71
Schedule of Reserve for Dog Fund Expenditures	B-2	72
Schedule of Amount Due to Current Fund - Dog License Fund	B-3	73
Schedule of Amount Due to State of New Jersey	B-4	73
Schedule of Payroll Deductions Payable	B-6	74
Schedule of Due To/(From) Current Fund	B-7	75
Schedule of Miscellaneous Reserves	B-8	76

# CITY OF VENTNOR CITY

## TABLE OF CONTENTS

	<b>Exhibit</b>	<b>Page</b>
<b>CAPITAL FUNDS</b>		
Schedule of Cash - Treasurer	C-2	77
Analysis of Cash	C-3	78
Schedule of Capital Improvement Fund	C-4	79
Statement of Deferred Charges to Future Taxation - Funded	C-5	80
Unfunded	C-6	81
Schedule of Improvement Authorizations	C-7	82
Schedule of General Serial Bonds Payable	C-8a	83
Schedule of School Serial Bonds Payable - Type 1	C-8b	84
Schedule of Green Trust Loan Payable	C-8c	85
Schedule of NJEIT Loan Payable	C-8d	86
Schedule of Bond Anticipation Notes	C-9	87
Schedule of Bonds and Notes Authorized But Not Issued	C-10	88
<b>WATER AND SEWER UTILITY FUND</b>		
Schedule of Cash - Treasurer	D-5	89
Analysis of Cash	D-6	90
Schedule of Consumer Accounts Receivable	D-7	91
Schedule of Consumer Liens Receivable	D-8	91
Schedule of Water and Sewer Rent Overpayments	D-9	92
Schedule of Prior Appropriation Reserves	D-10	93
Schedule of Accrued Interest on Bonds and Notes and Analysis of Balance	D-11	94
Schedule of Fixed Capital	D-12	95
Schedule of Fixed Capital Authorized and Uncompleted	D-13	96
Schedule of Improvement Authorizations	D-14	97
Schedule of Bond Anticipation Notes Payable	D-15	98
Schedule of Water and Sewer Serial Bonds Payable	D-16	99
Schedule of Reserve for Amortization	D-17	100
Schedule of Deferred Reserve for Amortization	D-18	101
Schedule of Bonds and Notes Authorized But Not Issued	D-19	102
<b>PART II</b>		
General Comments		103-106
Financial Statement Findings		107
Status of Prior Recommendations		107
Recommendations		107

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**CITY OF VENTNOR CITY**

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2015**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

## Independent Auditor's Report

The Honorable Mayor and  
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, 2015 and 2014, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, 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, 2015 and 2014, or changes in financial position for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2015 and 2014, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2015 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 Uniform Guidance and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 Uniform Guidance and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 Uniform Guidance and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 April 22, 2016 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**

*Nancy Sbrolla*  
**Nancy Sbrolla**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 542**

**April 22, 2016**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**EXHIBIT A - CURRENT FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 6,731,555.83	6,136,067.57
Cash - Change	530.00	530.00
Total Cash	<u>6,732,085.83</u>	<u>6,136,597.57</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	16,549.01	11,397.20
Total Other Receivables	<u>16,549.01</u>	<u>11,397.20</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	1,176,848.27	1,669,257.14
Tax Title and Other Liens	95,379.42	62,266.32
Property Acquired for Taxes - at Assessed Valuation	267,200.00	267,200.00
Revenue Accounts Receivable	12,911.93	11,636.31
Demolition Lien Receivable	4,912.52	4,912.52
Interfund Receivable:		
General Capital Fund	53,812.52	53,812.52
Trust - Other	202.00	311.99
Water and Sewer Utility Operating	3,100.70	3,726.70
Animal Control Fund	18,956.20	14,295.40
Total Receivables and Other Assets	<u>1,633,323.56</u>	<u>2,087,418.90</u>
Deferred Charges:		
Special Emergency Appropriation	650,000.00	1,000,000.00
Emergency Appropriation	120,000.00	150,000.00
Total Deferred Charges	<u>770,000.00</u>	<u>1,150,000.00</u>
Total Regular Fund	<u>9,151,958.40</u>	<u>9,385,413.67</u>
Federal and State Grant Fund:		
Federal and State Grants Receivable	785,217.48	668,967.14
Due from Current Fund	792,983.80	469,720.08
Total Federal and State Grant Fund	<u>1,578,201.28</u>	<u>1,138,687.22</u>
Total Current Fund	<u>\$ 10,730,159.68</u>	<u>10,524,100.89</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2015</u>	<u>2014</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 606,316.16	284,553.06
Reserve for Encumbrances	258,594.32	152,846.12
Accounts Payable	20,210.40	
Prepaid Taxes	835,923.93	728,475.29
Overpaid Taxes	129,679.01	119,970.88
Local School Tax Payable	-	-
County Added Tax Payable	33,185.20	9,328.29
Due to State:		
State Training Fees	-	4,842.00
Marriage Licenses	-	200.00
Interfund Payable:		
Federal and State Grant Fund	792,983.80	469,720.08
Other Trust Funds	-	7,313.46
Other		
Reserve for Judgements	67,500.00	67,500.00
Reserve for Hurricane Sandy	7,441.42	457,441.42
Reserve for Revaluation	600,000.00	-
Reserve for Tax Maps	150,000.00	150,000.00
Special Emergency Note Payable	120,000.00	1,000,000.00
	3,621,834.24	3,452,190.60
Reserve for Receivables and Other Assets	1,633,323.56	2,087,418.90
Fund Balance	3,896,800.60	3,845,804.17
Total Regular Fund	9,151,958.40	9,385,413.67
Federal and State Grant Fund:		
Unappropriated Reserves	19,588.11	19,148.11
Appropriated Reserves	1,127,662.56	931,254.04
Encumbrances Payable	430,950.61	188,285.07
	1,578,201.28	1,138,687.22
Total Federal and State Grant Fund	1,578,201.28	1,138,687.22
Total Current Fund	\$ 10,730,159.68	10,524,100.89

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

	2015	2014
Revenue and Other Income Realized		
Fund Balance	\$ 2,000,000.00	-
Miscellaneous Revenue Anticipated	4,439,761.87	7,639,039.73
Receipts from Delinquent Taxes	1,569,040.00	1,773,562.33
Receipts from Current Taxes	50,090,859.19	48,092,180.85
Non Budget Revenue	713,269.22	695,126.29
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	300,514.20	691,362.63
Interfund Returned	2,238.48	626.02
Canceled Grants	-	14,270.84
Total Income	<u>59,115,682.96</u>	<u>58,906,168.69</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	12,907,133.87	12,852,657.00
Other Expenses	7,567,418.00	7,387,303.05
Deferred Charges & Statutory Expenditures	2,758,832.00	2,720,545.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	158,750.00	107,809.82
Other Expenses	1,030,191.59	756,846.10
Capital Improvements	390,250.00	250,000.00
Debt Service	1,767,056.87	1,784,674.53
Deferred Charges	530,000.00	1,000,000.00
Type I School Debt Service	1,412,948.13	1,480,334.60
Local District School Tax	17,819,976.96	17,651,560.00
County Tax	11,280,814.49	10,975,282.56
County Share of Added Tax	33,185.20	9,328.29
Refund of Prior Year's Revenue	8,129.42	1,542.66
Total Expenditures	<u>57,664,686.53</u>	<u>56,977,883.61</u>
Excess/(Deficit) in Revenue	<u>1,450,996.43</u>	<u>1,928,285.08</u>

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

	2015	2014
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	600,000.00	150,000.00
Total Adjustments	600,000.00	150,000.00
Statutory Excess to Fund Balance	2,050,996.43	2,078,285.08
Fund Balance January 1	3,845,804.17	1,767,519.09
	5,896,800.60	3,845,804.17
Decreased by:		
Utilization as Anticipated Revenue	2,000,000.00	-
Fund Balance December 31	\$ 3,896,800.60	3,845,804.17

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 2,000,000.00	-	2,000,000.00	-
<b>Total Fund Balance Anticipated</b>	<b>2,000,000.00</b>	<b>-</b>	<b>2,000,000.00</b>	<b>-</b>
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	3,500.00		3,913.00	413.00
Other	110,000.00		110,082.00	82.00
Fees and Permits	250,000.00		237,755.45	(12,244.55)
Fines and Costs:				
Municipal Court	250,000.00		228,790.23	(21,209.77)
Interest and Costs on Taxes	325,000.00		356,684.29	31,684.29
Interest Earned on Investments	15,000.00		18,548.76	3,548.76
Parking Meters	35,000.00		55,085.17	20,085.17
Beach Control Fees	205,000.00		235,833.75	30,833.75
Land Rental	70,000.00		105,150.00	35,150.00
Viking Rowing Foundation, Inc. Lease Agreement	31,000.00		31,091.60	91.60
Payment in Lieu of Taxes	125,000.00		119,174.00	(5,826.00)
Cable Television Franchise Fees	50,000.00		53,695.36	3,695.36
City Lease Fees	37,500.00		42,564.63	5,064.63
Ambulance Service Fees	300,000.00		299,976.03	(23.97)
Recreation Fees	72,500.00		60,547.01	(11,952.99)
<b>Total Section A: Local Revenues</b>	<b>1,879,500.00</b>	<b>-</b>	<b>1,958,891.28</b>	<b>79,391.28</b>

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

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Section B: State Aid Without Offsetting Appropriations				
Consolidated Municipal Property Tax Relief	598,346.00		598,346.00	598,346.00
Energy Receipts Tax	9,766.00		9,766.00	(588,580.00)
supplemental Energy Receipts Tax				(9,766.00)
Total Section B: State Aid Without Offsetting Appropriations	<u>608,112.00</u>	-	<u>608,112.00</u>	-
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	300,000.00		290,567.00	(9,433.00)
Total Section C: Uniform Construction Code Fees	<u>300,000.00</u>	-	<u>290,567.00</u>	(9,433.00)
Section D: Special Items - Interlocal Municipal Service				
Agreements Offset with Appropriations				
Borough of Longport - Uniform Construction Code Office	43,750.00		43,750.00	-
Total Section D: Special Items of General Revenue Anticipated	<u>43,750.00</u>	-	<u>43,750.00</u>	-
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
Clean Communities		33,605.94	33,605.94	-
Emergency Management Assistance		5,000.00	5,000.00	-
Safe and Secure Communities Program	60,000.00		60,000.00	-
DWI	495.00	825.00	1,320.00	-
State Cooperative Housing	743.00	1,470.00	2,213.00	-
FEMA - Storm Reimbursements		451,644.66	451,644.66	-
Alcohol Education and Rehabilitation		88.40	88.40	-
Sandy Disaster Relief Grant		501,000.00	501,000.00	-
Body Armor Replacement		3,867.77	3,867.77	-
NJ DOT	140,250.00		140,250.00	-
Municipal Alliance	3,273.00	11,178.82	14,451.82	-
Total Section F: Special Items - Public and Private Programs	<u>204,761.00</u>	<u>1,008,680.59</u>	<u>1,213,441.59</u>	-

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	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	275,000.00	-	-
	<u>325,000.00</u>	<u>-</u>	<u>-</u>
Total Section G: Other Special Items			
Total Miscellaneous Revenues:	3,361,123.00	1,008,680.59	69,958.28
Receipts from Delinquent Taxes	1,600,000.00		(30,960.00)
Amount to be Raised by Taxes for Support of Municipal Budget			
Local Tax for Municipal Purposes	21,448,268.00		993,408.50
Amount for Local District Tax	1,412,948.00		-
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>22,861,216.00</u>	<u>-</u>	<u>993,408.50</u>
Budget Totals	29,822,339.00	1,008,680.59	1,032,406.78
Non-Budget Revenues:			
Other Non-Budget Revenues:			
		713,269.22	713,269.22
	<u>29,822,339.00</u>	<u>1,008,680.59</u>	<u>1,745,676.00</u>

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	50,090,859.19	
Less: Reserve for Tax Appeals Pending	-	-
Net Revenue from Collections	50,090,859.19	
Allocated to:		
School, County and Other Taxes	29,133,976.69	29,133,976.69
Balance for Support of Municipal Budget Appropriations	20,956,882.50	
Increased by:		
Appropriation "Reserved for Uncollected Taxes"	2,897,742.00	2,897,742.00
Amount for Support of Municipal Budget Appropriations		23,854,624.50

Receipts from Delinquent Taxes:

Delinquent Tax Collection	1,569,040.00	
Tax Title Lien Collections	-	-
Total Receipts from Delinquent Taxes		1,569,040.00

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:		
Fire	14,675.00	
Police	8,634.42	
City Clerk	6,566.84	
Miscellaneous Collector	123,149.97	
Prior Year Reimbursements	9,243.52	
Medical Reimbursements	291,621.99	
Refund - Prior Health Benefit Administrator	204,292.01	
Premium on BAN sale	50,000.00	
Miscellaneous	5,085.47	
		713,269.22
Total Miscellaneous Revenue Not Anticipated:		713,269.22

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations			Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT:</b>						
Mayor's Office						
Salaries and Wages	\$ 70,066.00	70,136.00	70,130.03		5.97	
Other Expenses	10,081.00	10,081.00	4,576.87	826.35	4,677.78	
Police						
Salaries and Wages	4,238,084.00	4,278,084.00	4,220,459.34		57,624.66	
Other Expenses	212,491.00	212,491.00	192,563.40	19,523.91	403.69	
Fire						
Salaries and Wages	4,315,021.00	4,245,021.00	4,200,105.77		44,915.23	
Other Expenses	91,863.00	76,863.00	57,426.31	11,611.33	7,825.36	
Uniform Fire Safety Act (P.L. 1983, C.383)						
Salaries and Wages	5,371.00	5,371.00	1,335.81		4,035.19	
Other Expenses						
Radio and Communications						
Salaries and Wages	499,780.00	499,780.00	488,050.15		11,729.85	
Other Expenses	30,600.00	31,350.00	31,330.91		19.09	
City Administrator						
Salaries and Wages	79,900.00	79,901.00	79,900.08		0.92	
Other Expenses						
Office of Emergency Management						
Salaries and Wages	57,500.00	57,500.00	55,291.54		2,208.46	
Other Expenses	35,085.00	35,985.00	34,965.89	161.84	857.27	
Dog Control						
Other Expenses	8,400.00	8,400.00	8,400.00		-	
Electrical Division						
Salaries and Wages	61,343.00	61,843.00	61,308.33		534.67	
Other Expenses	12,450.00	13,050.00	12,671.72		378.28	
Celebration of Public Events						
Other Expenses	10,000.00	10,000.00	-		10,000.00	
Zoning Commission						
Salaries and Wages	3,000.00	3,000.00	3,000.00		-	
Other Expenses	13,210.00	11,210.00	10,606.35	203.65	400.00	
Beach Patrol						
Salaries and Wages	470,000.00	493,600.00	493,583.19		16.81	
Other Expenses	37,400.00	37,400.00	27,132.42	2,826.00	7,441.58	
Beach Control						
Salaries and Wages	40,000.00	40,000.00	37,300.17		2,699.83	
Other Expenses	5,600.00	5,600.00	4,942.50		657.50	

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, 2015**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		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	536,471.00	536,471.00	514,199.24	22,271.76		
Other Expenses	44,750.00	44,750.00	40,769.95	359.33	3,620.72	
Motor Vehicle Maintenance						
Salaries and Wages	275,561.00	275,561.00	236,841.91	38,719.09		
Other Expenses	36,260.00	36,260.00	33,836.76	2,095.07	328.17	
Buildings and Grounds						
Salaries and Wages	258,884.00	265,882.87	247,915.78	16,337.04		
Other Expenses	128,500.00	128,500.00	105,544.81	21,827.71	1,127.48	
Recreation						
Salaries and Wages	260,000.00	230,000.00	205,472.10	24,527.90		
Other Expenses	81,661.00	81,661.00	55,995.27	6,991.81	7,977.92	10,696.00
City Engineer						
Salaries and Wages	105,500.00	105,500.00	105,249.96	250.04		
Other Expenses	96,700.00	71,700.00	45,692.09	25,927.46	80.45	
Solid Waste/Recycling						
Salaries and Wages	65,239.00	83,239.00	81,810.98	1,428.02		
Other Expenses	1,118,093.00	1,007,618.00	997,519.17	2,911.73	7,187.10	
<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	300,000.00	314,000.00	267,740.03	44,342.00	1,917.97	
City Clerk						
Salaries and Wages	96,180.00	101,700.00	101,700.00	-		
Other Expenses	30,894.00	30,894.00	26,393.52	897.50	3,602.98	
Revision and Codification of Ordinances						
Elections	9,300.00	9,300.00	7,609.01	1,287.04	403.95	
Other Expenses	7,310.00	7,310.00	5,386.36		1,923.64	
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, 2015**

	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	3,000.00	3,000.00	2,750.00		250.00	
Other Expenses	21,410.00	17,410.00	15,166.33	1,526.05	717.62	
Financial Administration						
Salaries and Wages	237,019.00	266,019.00	264,873.93	891.90	253.17	
Other Expenses	49,175.00	46,175.00	40,931.46	5,201.08	42.46	
Assessment of Taxes						
Salaries and Wages	96,190.00	96,190.00	96,189.60		0.40	
Other Expenses	13,300.00	613,300.00	611,280.93	1,928.15	90.92	
Collection of Taxes						
Salaries and Wages	88,044.00	88,044.00	87,918.00		126.00	
Other Expenses	14,875.00	14,875.00	14,242.52	631.90	0.58	
Information Technology						
Salaries and Wages	72,961.00	72,961.00	70,730.16		2,230.84	
Other Expenses	65,055.00	65,055.00	33,622.06	30,160.71	1,272.23	
Municipal Court						
Salaries and Wages	223,082.00	223,082.00	222,001.77		1,080.23	
Other Expenses	17,600.00	17,600.00	9,329.84	6,025.10	2,245.06	
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	6,750.00	2,250.00	-	
Insurance						
General Liability	122,363.00	133,063.00	126,780.61		6,282.39	
Workers Compensation	918,623.00	883,723.00	883,686.20		36.80	
Employee Group Health	2,551,768.00	2,541,768.00	2,413,412.00	16,506.94	111,849.06	
Health Waiver	64,901.00	64,901.00	61,150.15		3,750.85	
UNIFORM CONSTRUCTION CODE						
Inspection of Buildings						
Salaries and Wages	309,094.00	324,094.00	323,173.12		920.88	
Other Expenses	12,300.00	4,300.00	3,995.25	131.00	173.75	
Inspection of Housing						
Salaries and Wages	81,063.00	59,863.00	59,242.39		620.61	
Other Expenses	8,050.00	1,550.00	846.82	125.00	578.18	
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, 2015**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Salaries and Wages	9,060.00	9,410.00	9,390.63		19.37	
UNCLASSIFIED						
Utility Expenses and Bulk Purchases						
Gasoline	145,000.00	145,000.00	95,531.09	14,936.28	34,532.63	
Electricity	550,000.00	555,000.00	520,619.53	21,651.80	12,728.67	
Telephone	100,000.00	100,000.00	71,553.90		28,446.10	
Natural Gas	120,000.00	120,000.00	63,200.53	12,800.00	43,999.47	
Terminal Leave	150,000.00	286,252.00	286,252.00		-	
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>19,918,081.00</b>	<b>20,485,247.87</b>	<b>19,675,978.54</b>	<b>258,188.69</b>	<b>540,384.64</b>	<b>10,696.00</b>
Contingent						
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<b>19,918,081.00</b>	<b>20,485,247.87</b>	<b>19,675,978.54</b>	<b>258,188.69</b>	<b>540,384.64</b>	<b>10,696.00</b>
Detail:						
Salaries and Wages	12,753,042.00	12,907,133.87	12,675,840.17	2,521.95	228,771.75	-
Other Expenses	7,165,039.00	7,578,114.00	7,000,138.37	255,666.74	311,612.89	10,696.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Deferred Charges						
Deficit in Law Enforcement Trust		-			-	
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	438,894.00	438,894.00	438,894.00		-	
Social Security System (O.A.S.I.)	272,500.00	272,500.00	267,087.01		5,412.99	
Consolidated Police and Firemen's Pension Fund	7,458.00	7,541.00	7,540.60		0.40	
Police and Firemen's Retirement System	1,800,147.00	1,800,147.00	1,800,147.00		-	
Unemployment	64,000.00	64,000.00	5,581.13		58,418.87	
Medicare Insurance	140,000.00	171,000.00	169,098.54		1,901.46	
Lifeguard Pension Fund						
Defined Contribution Retirement Program	3,000.00	4,750.00	4,555.43	150.93	43.64	

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	2,725,999.00	2,758,832.00	2,692,903.71	150.93	65,777.36	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	22,644,080.00	23,244,079.87	22,368,882.25	258,339.62	606,162.00	10,696.00
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Employees Group Insurance	38,750.00	38,750.00	38,727.89		22.11	
Borough of Longport - Uniform Construction Code Salaries and Wages	5,000.00	5,000.00	4,613.25	254.70	132.05	
Other Expenses						
	43,750.00	43,750.00	43,341.14	254.70	154.16	
(A) Public and Private Programs Off-Set by Revenues						
DWI	495.00	1,320.00	1,320.00			
State Cooperative Housing	743.00	2,213.00	2,213.00			
Safe and Secure Communities Program - P.L. 1994						
State Share	60,000.00	60,000.00	60,000.00			
Local Share	60,000.00	60,000.00	60,000.00			
Clean Communities Program		33,605.94	33,605.94			
Match for Grant	12,000.00	12,000.00	12,000.00			
Alcohol Education and Rehabilitation		88.40	88.40			
DOT Municipal Aid Program						
Municipal Alliance	3,273.00	14,451.82	14,451.82			
Sandy Disaster Relief Grant		501,000.00	501,000.00			
FEMA - Storm Reimbursements		451,644.66	451,644.66			
Body Armor Replacement		3,867.77	3,867.77			
Emergency Management Assistance		5,000.00	5,000.00			
Total Public and Private Programs Off-Set by Revenues	136,511.00	1,145,191.59	1,145,191.59			
Total Operations - Excluded from "CAPS"	180,261.00	1,188,941.59	1,188,532.73	254.70	154.16	
Detail:						
Salaries and Wages	158,750.00	158,750.00	158,727.89		22.11	

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, 2015**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Other Expenses	21,511.00	1,030,191.59	1,029,804.84	254.70	132.05	-
(C) Capital Improvements						
Capital Improvement Fund	250,000.00	250,000.00	250,000.00	-	-	-
NJ Transportation Trust Fund Authority Act	140,250.00	140,250.00	140,250.00	-	-	-
<b>Total Capital Improvements</b>	<b>390,250.00</b>	<b>390,250.00</b>	<b>390,250.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
(D) Debt Service						
Payment of Bond Principal	1,300,000.00	1,300,000.00	1,300,000.00	-	-	-
Payment of Bond Anticipation Notes	-	-	-	-	-	-
Interest on Bonds	423,500.00	423,500.00	423,500.00	-	-	0.73
Interest on Notes	12,466.00	12,466.00	12,465.27	-	(0.00)	-
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	31,092.00	31,092.00	31,091.60	-	0.00	0.40
<b>Total Debt Service</b>	<b>1,767,058.00</b>	<b>1,767,058.00</b>	<b>1,767,056.87</b>	<b>-</b>	<b>0.00</b>	<b>1.13</b>
(E) Deferred Charges						
Emergency Authorizations	-	-	-	-	-	-
Special Emergency Authorizations - 5 years	530,000.00	530,000.00	530,000.00	-	-	-
Special Emergency Authorizations - 3 years	-	-	-	-	-	-
Differed Charges to Future Taxation Unfunded	-	-	-	-	-	-
<b>Total Deferred Charges</b>	<b>530,000.00</b>	<b>530,000.00</b>	<b>530,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
(K) Local District School Purposes						
Payment of Bond Principal	1,125,000.00	1,125,000.00	1,125,000.00	-	-	-
Interest on Bonds	287,948.00	287,948.13	287,948.13	-	-	-
<b>Total Local District School Purposes</b>	<b>1,412,948.00</b>	<b>1,412,948.13</b>	<b>1,412,948.13</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</b>	<b>4,280,517.00</b>	<b>5,289,197.72</b>	<b>5,288,787.73</b>	<b>254.70</b>	<b>154.16</b>	<b>1.13</b>
<b>SUBTOTAL GENERAL APPROPRIATIONS</b>	<b>26,924,597.00</b>	<b>28,533,277.59</b>	<b>27,657,669.98</b>	<b>258,594.32</b>	<b>606,316.16</b>	<b>10,697.13</b>

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled	
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
(M) Reserve for Uncollected Taxes	2,897,742.00	2,897,742.00	2,897,742.00		-	-
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 29,822,339.00</b>	<b>31,431,019.59</b>	<b>30,555,411.98</b>	<b>258,594.32</b>	<b>606,316.16</b>	<b>10,697.13</b>
 Budget		29,822,339.00				10,697.13
Appropriations by 40A-4-87		1,008,680.59				-
Emergency Appropriations		600,000.00				-
		31,431,019.59				10,697.13
 Reserve for Uncollected Taxes			2,897,742.00			
Federal and State Grants			1,285,441.59			
Reserve for Revaluation			600,000.00			
Disbursements			25,772,228.39		Cancelled Overexpended	
			30,555,411.98			

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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**EXHIBIT B - TRUST FUNDS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Dog License Fund:		
Cash	\$ 24,617.20	19,690.20
Due from State of New Jersey	-	-
	<u>24,617.20</u>	<u>19,690.20</u>
Other Funds:		
Cash - Treasurer	3,233,246.95	3,233,717.32
Cash Held in Trust	3,000.00	219,724.66
Due from Current Fund	-	7,001.47
	<u>3,236,246.95</u>	<u>3,460,443.45</u>
	<u>3,260,864.15</u>	<u>3,480,133.65</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Dog License Fund:		
Due to Current Fund	18,956.20	14,295.40
Due to State of New Jersey	25.80	-
Prepaid Dog License Fees	167.20	42.80
Reserve for Dog Fund Expenditures	5,468.00	5,352.00
	<u>24,617.20</u>	<u>19,690.20</u>
Other Funds:		
Payroll Deductions Payable	152,832.92	419,573.44
Due to Current Fund	202.00	-
Miscellaneous Reserves	3,083,212.03	3,040,870.01
	<u>3,236,246.95</u>	<u>3,460,443.45</u>
Total	\$ <u>3,260,864.15</u>	<u>3,480,133.65</u>

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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**EXHIBIT C - GENERAL CAPITAL FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Cash	\$ 3,809,450.49	2,241,040.69
Deferred Charges to Future Taxation -		
Funded	22,241,238.91	24,693,969.09
Unfunded	2,667,901.00	2,667,901.00
Interfunds and Receivables		
Due from State of New Jersey - Green Acres Grant	83,306.25	285,000.00
Due from NJ EIT	1,311,000.00	1,311,000.00
	<u>30,112,896.65</u>	<u>31,198,910.78</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	1,973,379.04	592,282.32
Interfunds:		
Due to Current Fund	53,812.52	53,812.52
Bond Anticipation Notes Payable	2,137,500.00	-
Serial Bonds Payable	13,145,000.00	14,445,000.00
School Serial Bonds - Type 1 Payable	7,638,000.00	8,763,000.00
Green Trust Loan Payable	147,238.91	174,969.09
Green Acres Loan Payable	333,522.72	-
NJEIT Loan Payable	1,311,000.00	1,311,000.00
Improvement Authorizations:		
Funded	2,047,678.03	3,190,233.55
Unfunded	594,652.13	2,137,500.00
Reserve for Payment of Bonds		-
Reserve for Payment of School Bonds	140,671.38	190,671.38
Capital Improvement Fund	481,487.00	231,487.00
Fund Balance	108,954.92	108,954.92
	<u>\$ 30,112,896.65</u>	<u>31,198,910.78</u>

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

2014	2,667,901.00
2015	530,401.00

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

	<u>2015</u>	<u>2014</u>
Beginning Balance January 1	\$ 108,954.92	108,954.92
No current year activity		
Ending Balance December 31	\$ <u>108,954.92</u>	<u>108,954.92</u>

**EXHIBIT D - WATER AND SEWER UTILITY**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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

	<u>2015</u>	<u>2014</u>
<b><u>ASSETS</u></b>		
Operating Fund:		
Cash	\$ 1,576,306.99	616,418.42
Change Fund	100.00	100.00
Due from Utility Capital	299,999.85	-
	<u>1,876,406.84</u>	<u>616,518.42</u>
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	774,907.10	1,453,056.55
	<u>774,907.10</u>	<u>1,453,056.55</u>
Deferred Charge		
Overexpenditure of Appropriations		-
Deficit in Operations		357,553.50
	<u>-</u>	<u>357,553.50</u>
Total of Operating Fund	<u>2,651,313.94</u>	<u>2,427,128.47</u>
Capital Fund:		
Cash	56,966.00	2,085,009.24
Fixed Capital - Completed	12,021,714.84	10,767,585.84
Fixed Capital - Authorized and Uncompleted	20,148,582.00	21,152,711.00
NJEIT Bonds Receivable	5,387,000.00	5,387,000.00
Due from Utility Operating Fund	-	0.15
Total of Capital Fund	<u>37,614,262.84</u>	<u>39,392,306.23</u>
Total Assets	<u>\$ 40,265,576.78</u>	<u>41,819,434.70</u>

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,**

	2015	2014
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>		
<b>Operating Fund:</b>		
<b>Liabilities:</b>		
Appropriation Reserves	\$ 70,778.21	208,963.77
Encumbrances Payable	25,030.82	25,815.23
Water and Sewer Rent Overpayments	19,109.80	19,539.04
Due to Current Fund	3,100.70	3,726.70
Due to Utility Capital Fund	-	0.15
Accrued Interest on Bonds and Notes	41,053.82	41,933.85
	159,073.35	299,978.74
 Reserve for Receivables	 774,907.10	 1,453,056.55
Fund Balance	1,717,333.49	674,093.18
Total of Operating Fund	2,651,313.94	2,427,128.47
 <b>Capital Fund:</b>		
Contracts Payable	4,250,864.70	645,954.94
Improvement Authorizations:		
Funded	810,810.09	6,781,763.09
Unfunded	255,190.00	982,190.00
Water and Sewer Serial Bonds Payable	13,345,000.00	14,005,000.00
NJEIT Bonds Payable	5,387,000.00	5,387,000.00
Bond Anticipation Notes	1,015,000.00	-
Due to Utility Operating	299,999.85	
Reserves for Amortization	9,711,331.17	9,529,399.74
Deferred Reserve for Amortization	2,461,965.67	1,983,897.10
Fund Balance	77,101.36	77,101.36
Total of Capital Fund	37,614,262.84	39,392,306.23
Total Liabilities, Reserves and Fund Balance	\$ 40,265,576.78	41,819,434.70

There were Bonds and Notes Authorized But Not Issued at December 31, 2015 and 2014 of \$1,015,000 and \$250,000 respectively



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

	<u>2015</u>	<u>2014</u>
Balance January 1,	\$ 77,101.36	77,080.20
Increased by:		
Cancellation of Improvement Authorizations	-	21.16
Balance December 31,	<u>\$ 77,101.36</u>	<u>77,101.36</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, 2015**

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Rents - Sewer	\$ 5,000,000.00	5,753,141.41	753,141.41
Miscellaneous Receipts	79,546.00	141,945.58	62,399.58
	<u>\$ 5,079,546.00</u>	<u>5,895,086.99</u>	<u>815,540.99</u>

**Analysis of Realized Revenue**Rents

Consumer Accounts Receivable

5,753,141.41Miscellaneous

Interest on Deposits

2,091.34

Interest on Delinquent Rents

95,747.77

Miscellaneous

44,106.47141,945.58

Cash

141,319.07

Non-Cash

626.51

141,945.58

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, 2015**

	Appropriations		Expended			Unexpended Balance Canceled	Over-Expended
	Budget	Budget after Modification	Paid or Charged	Encumbered	Reserved		
<b>Operating</b>							
Salaries and Wages	\$ 1,111,995.00	1,147,995.00	1,142,832.48		5,162.52		
Other Expenses	705,150.00	693,350.00	605,123.03	25,030.82	63,196.15		
ACMUA- Treatment Costs	1,380,847.00	1,351,447.00	1,351,381.00		66.00		
Current Fund Allocation	275,000.00	275,000.00	275,000.00		-		
	<u>3,472,992.00</u>	<u>3,467,792.00</u>	<u>3,374,336.51</u>	<u>25,030.82</u>	<u>68,424.67</u>		
<b>Debt Service</b>							
Principal	660,000.00	660,000.00	660,000.00				
Interest on Notes	503,000.00	503,000.00	502,326.23			673.77	
Interest on Bonds							
	<u>1,163,000.00</u>	<u>1,163,000.00</u>	<u>1,162,326.23</u>	<u>-</u>	<u>-</u>	<u>673.77</u>	<u>-</u>
<b>Deferred Charges and Statutory Expenditures</b>							
Contribution to:							
Social Security System (O.A.S.I.)	85,000.00	90,000.00	88,140.19		1,859.81		
Unemployment Compensation	1,000.00	1,000.00	608.45		391.55		
Defined Contribution Retirement Plan		200.00	97.82		102.18		
	<u>86,000.00</u>	<u>91,200.00</u>	<u>88,846.46</u>	<u>-</u>	<u>2,353.54</u>		
Deficit in Operations in Prior Years	357,554.00	357,554.00	357,554.00		-		
	<u>5,079,546.00</u>	<u>5,079,546.00</u>	<u>4,983,063.20</u>	<u>25,030.82</u>	<u>70,778.21</u>	<u>673.77</u>	<u>-</u>

Accrued interest on Bonds 12/31/15	41,053.80
Accrued interest on Bonds 12/31/14	(41,933.83)
Deficit in operations in Prior Years	357,554.00
Disbursed	4,626,389.23
	<u>4,983,063.20</u>

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

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

	<u>2015</u>	<u>2014</u>
General Fixed Assets:		
Land and Buildings	\$ 27,402,480.00	27,402,480.00
Machinery and Equipment	3,142,302.00	3,037,073.00
Vehicles	<u>4,392,264.00</u>	<u>4,290,116.00</u>
Total General Fixed Assets	<u><u>34,937,046.00</u></u>	<u><u>34,729,669.00</u></u>
Investment in General Fixed Assets	\$ <u><u>34,937,046.00</u></u>	\$ <u><u>34,729,669.00</u></u>

See Accompanying Notes to Financial Statements

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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, 2015 AND 2014**

**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.

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

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

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, 2015 AND 2014**

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 February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, "Fair Value Measurement and Application". This statement is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the City's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". This statement is effective for fiscal periods beginning after June 30, 2016, will not have any effect on the City's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This statement is effective for fiscal periods beginning after June 30, 2016, establishes new accounting and financial reporting requirements for OPEB plans. It is anticipated that this statement will not have any effect on the City's financial reporting.

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement is effective for fiscal periods beginning after June 30, 2017. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement is effective for fiscal periods beginning after June 30, 2015, will not have any effect on the City's financial reporting.

**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 2015 and 2014 statutory budgets included a reserve for uncollected taxes in the amount of \$2,987,742 and 3,099,030.00. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2015 and 2014 statutory budgets was \$2,000,000 and \$0. 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 2015 and 2014 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 2015 and 2014 calendar years:

**{This space intentionally left blank.}**

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

<u>Budget Category</u>	<u>2015</u>	<u>2014</u>
<u>Current Fund:</u>		
Police		
Salaries and Wages	40,000.00	(20,000.00)
Fire		
Salaries and Wages	(70,000.00)	(20,000.00)
Electrical Division		
Salaries and Wages		(20,000.00)
Solid Waste/Recycling		
Salaries and Wages		26,300.00
Other Expenses	(110,475.00)	(97,000.00)
Beach Patrol		
Salaries and Wages	23,600.00	
Recreation		
Salaries and Wages	(30,000.00)	
City Engineer		
Salaries and Wages	(25,000.00)	(23,000.00)
Financial Administration		
Salaries and Wages	29,000.00	
Assessment of Taxes		
Other Expenses	600,000.00	
Legal Services		
Other Expenses		130,000.00
Insurance		
Group Health		(304,000.00)
Workers Compensation	(34,900.00)	
Inspection of Housing		
Salaries and Wages	(21,200.00)	
Telephone		30,000.00
Natural Gas		
Gasoline		(21,300.00)
Electric		40,000.00
Terminal Leave	136,252.00	479,207.00
Medicare Insurance	31,000	

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 2015 and 2014, the following budget insertions were approved:

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

<u>Budget Category</u>	<u>2015</u>	<u>2014</u>
DWI Checkpoint	\$ 825.00	330.00
FEMA Assistance to Firefighters		42,750.00
Clean Communities Program	33,605.94	27,642.61
NJ DOT Transportation Trust Fund		187,000.00
State Cooperative Housing	1,470.00	4,983.00
Alcohol Education Rehabilitation	88.40	1,211.14
Body Armor	3,867.77	3,705.35
Municipal Alliance	11,178.82	8,023.00
Drunk Driving Enforcement		5,373.82
Safe and Secure	60,000.00	
Post Sandy Planning		230,000.00
Sandy Disaster Relief Grant	501,000.00	
FEMA Storm Grant	451,644.66	
Emergency Management Assistance	5,000.00	

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, 2015 was \$50,000.00. The required amount is included in the 2016 budget. The City approved a special emergency appropriation in 2014 for tax maps. The unfunded balance as of December 31, 2015 was \$120,000. The required amount is included in the 2016 budget. The City approved a special emergency appropriation in 2015 for \$600,000 for a City wide revaluation. The unfunded balance as of December 31, 2015 was \$600,000. The required amount is included in the 2016 budget.

**Note 3: INVESTMENTS**

As of December 31, 2015 and 2014, 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.

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

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

**Note 4: CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The municipality’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions 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, 2015 and 2014, \$73,951.01 and \$73,951.01 of the municipality’s bank balance of \$18,374,762.81 and \$14,418,084.11 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, 2015 and 2014:

	Balance 12/31/2014	Additions	Retirements/ Adjustments	Balance 12/31/2015
Land and Buildings	\$ 27,402,480.00			27,402,480.00
Equipment and Machinery	3,037,073.00	222,134.00	(116,905.00)	3,142,302.00
Vehicles	4,290,116.00	335,508.00	(233,360.00)	4,392,264.00
	<u>\$ 34,729,669.00</u>	<u>557,642.00</u>	<u>(350,265.00)</u>	<u>34,937,046.00</u>

	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>

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**Note 6: SHORT-TERM OBLIGATIONS**

	Balance 12/31/14	Issued	Retired	Balance 12/31/15
Bond Anticipation Notes payable:				
General	\$ -	2,137,500.00		2,137,500.00
Utility	-	1,015,000.00		1,015,000.00
	<u>\$ -</u>	<u>3,152,500.00</u>	<u>-</u>	<u>3,152,500.00</u>

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

The City has \$120,000.00 in outstanding emergency notes as of December 31, 2015. The note payable will mature on December 12, 2016.

December 31, 2015 the entity has authorized but not issued bonds in the amount of \$530,401.00 and \$250,000.00 in the General Capital Fund and Utility Capital Fund respectively.

**Note 7: LONG TERM DEBT**

Long-term debt as of December 31, 2015 and 2014 consisted of the following:

	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
Total	<u>30,627,152.87</u>	<u>-</u>	<u>2,002,183.78</u>	<u>28,624,969.09</u>	<u>1,987,730.18</u>
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	-
Total long-term liabilities	<u>\$ 42,558,043.48</u>	<u>600,226.00</u>	<u>3,613,522.75</u>	<u>39,544,746.73</u>	<u>3,112,730.18</u>

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	Balance 12/31/14	Issued	Retired	Balance 12/31/14	Amounts Due Within One Year
Bonds payable:					
General	\$ 14,619,969.09		1,327,730.18	13,292,238.91	1,372,730.18
Utility	14,005,000.00		660,000.00	13,345,000.00	675,000.00
Total	<u>28,624,969.09</u>	-	<u>1,987,730.18</u>	<u>26,637,238.91</u>	<u>2,047,730.18</u>
Other liabilities:					
School	8,763,000.00		1,125,000.00	7,638,000.00	1,150,000.00
Compensated Absences Payable	<u>2,156,777.64</u>	<u>418,731.47</u>	<u>179,577.89</u>	<u>2,395,931.22</u>	<u>-</u>
Total long-term liabilities	<u>\$ 39,544,746.73</u>	<u>418,731.47</u>	<u>3,292,308.07</u>	<u>36,671,170.13</u>	<u>3,197,730.18</u>

**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, 2015 was \$6,215,000.00.

\$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, 2015 was \$1,465,000.

\$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, 2015 was \$5,465,000.

\$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, 2015 was \$2,470,000.

\$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, 2015 was \$2,068,000.

\$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, 2015 was \$3,100,000.

\$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, 2015 was \$147,238.91.

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

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, 2015 was \$9,995,000.

\$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, 2015 was \$3,350,000.

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
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	1,190,631.27	253,860.23	780,000.00	403,331.26
2021-2025	6,315,000.00	677,537.50	4,385,000.00	1,586,806.30
2026-2030			5,075,000.00	695,687.52
2031			270,000.00	10,800.00
	<u>\$ 13,292,238.91</u>	<u>1,832,931.48</u>	<u>13,345,000.00</u>	<u>4,521,400.12</u>

Year	School Debt	
	Principal	Interest
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	1,270,000.00	77,020.00
2021-2025	<u>1,573,000.00</u>	<u>147,250.00</u>
	<u>\$ 7,638,000.00</u>	<u>1,092,025.00</u>

As of December 31, 2015 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 \$426,861.42 and to the utility budget was \$503,206.26.

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

<u>Summary of Municipal Debt</u>	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 13,145,000.00	\$ 14,445,000.00	15,720,000.00
School	7,638,000.00	8,763,000.00	10,053,000.00
Loan	147,238.91	174,969.09	202,152.87
NJEIT	1,311,000.00	1,311,000.00	
Bond Anticipation Note	2,137,500.00	-	-
Sewer Utility - Bonds and Notes	13,345,000.00	14,005,000.00	14,705,000.00
Sewer Utility - Bond Anticipation Notes	1,015,000.00		
Sewer Utility - NJEIT	5,387,000.00	5,387,000.00	
Total Issued	<u>44,125,738.91</u>	<u>44,085,969.09</u>	<u>40,680,152.87</u>
<u>Authorized but not issued:</u>			
	15,133,639.91		
General - Bonds and Notes	530,401.00	2,667,901.00	530,401.00
Sewer Utility - Bonds and Notes	250,000.00	1,015,000.00	1,015,000.00
Total Authorized But Not Issued			
	<u>\$ 780,401.00</u>	<u>\$ 3,682,901.00</u>	<u>1,545,401.00</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 44,906,139.91</u>	<u>47,768,870.09</u>	<u>42,225,553.87</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 .736%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 7,638,000.00	7,638,000.00	-
Sewer Utility Debt	19,997,000.00	19,997,000.00	-
General Debt	17,271,139.91		17,271,139.91
	<u>\$ 44,906,139.91</u>	<u>27,635,000.00</u>	<u>17,271,139.91</u>

Net Debt \$17,271,139.91 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,348,121,256 = .736%.

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

3 1/2 % of Equalized Valuation Basis ( Municipal)	\$ 82,184,243.96
Net Debt	17,271,139.91
Remaining Borrowing Power	<u>\$ 64,913,104.05</u>

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

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, 2015 and 2014, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Current Fund	\$ 2,500,000.00	2,000,000.00
Sewer Utility	0.00	0.00

**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, 2015, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2015	2016 Budget Appropriation	Balance to Succeeding
Current fund:			
Special Emergency Appropriation	\$ 770,000.00	200,000.00	570,000.00
	<u>\$ 770,000.00</u>	<u>200,000.00</u>	<u>570,000.00</u>

The appropriations in the 2016 Budget are not less than that required by statute.

**Note 10: SCHOOL TAXES**

Local District School Tax in the amounts of \$17,819,796.96 and \$17,651,560.00 have been raised for the 2015 and 2014 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 12/31/15	Balance 12/31/14
Prepaid Taxes	<u>\$ 835,923.93</u>	<u>728,475.29</u>
Cash Liability for Taxes Collected in Advance	<u>\$ 835,923.93</u>	<u>728,475.29</u>

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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>.

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.

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

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 6.99%, through June 30, 2015 and 7.06% 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 12.46% of covered payroll. The entity's contributions to PERS for the years ended December 31, 2015, 2014, and 2013 were \$438,894.00, \$382,744.00 and \$389,719.00.

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, 2015, 2014, and 2013 were \$1,800,147.00, \$1,728,503.00, and \$1,763,369.00.

The total payroll for the year ended December 31, 2015, 2014, and 2013 was \$13,977,401.00, \$131,793,294.77 and \$13,026,121.10. Payroll covered by PFRS was \$7876,334.00, \$7,808,983.00 and \$7,338,057.00. Payroll covered by PERS was \$3,940,085.00, \$3,774,753.00 and \$3,605,320.00.

The Lifeguard Pension provides for employee contributions of 4.00% of employees' annual compensation. The City's contributions to the Lifeguard Pension for the year ended December 31, 2015, 2014, and 2013 was \$0, \$0 and \$0. The City's trust for the Lifeguard Pension at December 31, 2015 and 2014 was \$351,976.00 and \$386,716.14, respectively. Currently there are only three individuals receiving benefits. The benefits paid by the trust for the year ended December 31, 2015, 2014, and 2013 were \$31,087.68, \$31,087.68 and \$31,087.70.

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.

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 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.

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**Note 13: PENSION LIABILITIES**

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the municipality's pension liabilities. However, due to the fact that the municipality reports on the regulatory basis of accounting, no financial statement impact will be recognized. GASB statement 68 requires that the June 30, 2015 actuarial valuation be used for this disclosure, but as of the date of this report the 2015 actuarial valuations are not yet available from the Division of Pensions. The Division of Local Government Services has stated that disclosing the 2014 valuation is in compliance with the Regulatory Basis of Accounting described in Note 1.

The following represents the municipality's pension liabilities as of June 30, 2014:

**Public Employees' Retirement System**

The Municipality has a liability of \$9,967,782.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the Municipality's proportion would be 0.05323892270%, which would be an increase of 4.81% from its proportion measured as of June 30, 2013.

For the year ended December 31, 2015, the Municipality would have recognized pension expense of \$584,718. At December 31, 2015, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 313,441	
Net difference between projected and actual earnings on pension plan investments		(594,026)
Changes in proportion and differences between District contributions and proportionate share of contributions	394,253	
Total	<u>\$ 707,694</u>	<u>(594,026)</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

Year ended June 30,		
2015	\$	39,609
2016		39,609
2017		39,609
2018		39,609
2019		(31,089)
Thereafter		(13,679)
Total	\$	<u>113,668</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	3.01%
Salary increases:	
2012-2021	2.15% - 4.40% (based on age)
Thereafter	3.15% - 5.40% (based on age)
Investment rate of return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projections Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	Target	Long-Term Expected Real
Asset Class	Allocation	Rate of Return
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

*Discount Rate*

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bod Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate of 5.39%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.39%) or 1-percentage point higher (6.39%) than the current rate:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the net pension liability	\$ 12,142,602	9,967,782	8,142,508

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

**Police and Firemen's Retirement System**

The Municipality has a liability of \$29,481,958.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the Municipality's proportion would be 0.23437306320%, which would be a decrease of 1.07% from its proportion measured as of June 30, 2013.

For the year ended December 31, 2015, the Municipality would have recognized pension expense of \$1,971,163.00. At December 31, 2015, the Municipality would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 1,106,853	
Net difference between projected and actual earnings on pension plan investments		(3,008,535)
Changes in proportion and differences between District contributions and proportionate share of contributions		(283,523)
District contributions subsequent to the measurement date		
Total	<u>\$ 1,106,853</u>	<u>(3,292,058)</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,	
2015	\$ (627,705)
2016	(627,705)
2017	(627,705)
2018	(627,705)
2019	278,304
Thereafter	47,312
Total	<u>\$ (2,185,205)</u>

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	3.01%
Salary increases:	
2012-2021	3.95% - 8.62% (based on age)
Thereafter	4.95% - 9.62% (based on age)
Investment rate of return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2011 based on Projections Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2010.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target	Long-Term
	Allocation	Expected Real Rate of Return
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

*Discount Rate*

The discount rate used to measure the total pension liability was 6.32% and 6.45% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the collective net pension liability of the participating employers as of June 30, 2014 and 2013 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (5.32%)	Current Discount Rate (6.32%)	1% Increase (7.32%)
District's proportionate share of the net pension liability	\$ 38,900,066	29,481,958	21,701,912.39

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2014 and June 30, 2013 State special funding situation net pension liability amounts of \$1,354,554,686 and \$1,239,171,400, respectively, are the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2014 State special funding situation pension expense of \$171,628,286 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2014. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the City of Ventnor was 0.234337306320% and 0.23691827350% for 2014 and 2013 respectively. The net pension liability amounts allocated to the City were \$3,174,711.00 and \$2,935,823.00 respectively. For the fiscal year ending June 30, 2014 State special funding situation pension expense of \$402,250 is allocated to the City.

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PFRS financial report.

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**Note 14: 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, 2014, there were 103,432 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

**Note 15: 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 \$2,395,932.22 in 2015 and \$2,156,777.64 in 2014. 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 16: 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 17: 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, 2015 and 2014 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.

**CITY OF VENTNOR CITY  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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:

Calendar Year	City Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2015	\$ -	1,871.59	30,450.64	86,229.89
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

**Note 18: 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 19: 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.

**CITY OF VENTNOR CITY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**Note 20: INTERFUND BALANCES**

During the most current calendar year ended December 31, 2015, the following interfunds were included on the balance sheets of the various funds of City of Ventnor City:

	Due From	Due To
Current Fund:		
General Capital Fund	\$ 53,812.52	
Animal Control Fund	18,956.20	
Utility Operating	3,100.70	
Other Trust	202.00	
Grant Fund		792,983.80
Grant Fund:		
Current Fund	792,983.80	
Trust Fund:		
Current - Animal Control Fund		18,956.20
Current		202.00
General Capital Fund:		
Current Fund		53,812.52
Utility Operating:		
Current Fund		3,100.70
Utility Capital	299,999.85	
Utility Capital Fund:		
Utility Operating		299,999.85
	<u>\$ 1,169,055.07</u>	<u>1,169,055.07</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 21: COMMITMENTS**

The City has nine employees as of December 31, 2015 that are currently receiving payments for terminal leave. The employees were entitled to terminal leave payments. The scheduled payments are as follows:

2016	75,073.69
2017	49,014.18

**Note 21: SUBSEQUENT EVENTS**

The entity has evaluated subsequent events through April 22, 2016, the date which the financial statements were available to be issued and identified no events requiring disclosure.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **SUPPLEMENTARY INFORMATION**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

## Independent Auditor's Report

The Honorable Mayor and  
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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 22, 2016, 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**

*Nancy Sbrolla*  
**Nancy Sbrolla**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 542**

**April 22, 2016**

**SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

STATE OF NEW JERSEY	Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA #/ Pass Through Grantor's #	Grant Period		Program or Award Amount	Balance at 1/1/15	2015 Activity		Balance at 12/31/2015	MEMO ONLY Cumulative Expenditures
			From	To			Receipts or Revenue Recognized	Canceled/ Disbursements/ Expenditures		
Department of Environmental Protection										
Clean Communities	4900-765-042-4900-004		01/01/15	12/31/15	\$ 33,606	-	33,605.94	8,911.01	24,694.93	24,694.93
Clean Communities	4900-765-042-4900-004		01/01/14	12/31/14	27,643	10,284.86		-	27,643.00	27,643.00
Clean Communities	4900-765-042-4900-004		01/01/13	12/31/13	29,479	29,296.75		182.18	29,296.75	29,296.75
Clean Communities	4900-765-042-4900-004		01/01/12	12/31/12	25,108	499.37		815.51	24,292.49	24,292.49
Recycling Tonnage	4900-752-042-4900-001		01/01/12	12/31/12	20,300	20,300.00		20,300.00	-	-
Recycling Tonnage	4900-752-042-4900-001		01/01/11	12/31/11	14,488	14,488.29		13,130.70	1,357.30	1,357.30
Recycling Tonnage	4900-752-042-4900-001		01/01/10	12/31/10	13,286	13,286.00		13,286.00	-	-
Recycling Tonnage	4900-752-042-4900-001		01/01/09	12/31/09	3,293	3,293.00		3,293.00	-	-
Recycling Tonnage	4900-752-042-4900-001		01/01/07	12/31/07	1,206	1,206.00		1,206.00	-	-
Recycling Tonnage	4900-752-042-4900-001		01/01/06	12/31/06	550	550.00		550.00	-	-
Municipal Alliance Drug and Alcoholism	4250-760-050000-63-262		01/01/15	12/31/15	12,000		12,000.00		12,000.00	-
Municipal Alliance Drug and Alcoholism	4250-760-050000-63-262		01/01/15	12/31/15	14,452		14,451.92		9,497.17	4,954.75
Municipal Alliance Drug and Alcoholism	4250-760-050000-63-262		01/01/14	12/31/14	10,430	8,994.40			9,497.17	4,954.75
State Cooperative Housing	4250-760-050000-63-262		01/01/15	12/31/15	2,213		2,213.00		2,213.00	10,430.00
Green Community			01/01/13	12/31/13	3,000					3,000.00
NJ Historic Trust Fund			01/01/15	12/31/15	501,000		501,000.00		501,000.00	-
Department of Transportation										
New Jersey Transportation Trust Fund Authority Act	6320-480-601395-61		01/01/15	12/31/15	140,250		140,250.00		137,250.00	3,000.00
New Jersey Transportation Trust Fund Authority Act	6320-480-601395-61		01/01/15	12/31/15	187,000		187,000.00		-	187,000.00
New Jersey Transportation Trust Fund Authority Act	6320-480-601395-61		01/01/14	12/31/14	187,000	187,000.00			-	-
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		1,585.15
Department of Law and Public Safety										
Drunk Driving Enforcement Fund			01/01/14	12/31/14	13,810	13,809.60			12,834.10	975.50
Drunk Driving Enforcement Fund			01/01/13	12/31/13	10,600	100.51			0.00	10,600.49
Body Armor Replacement Program			01/01/15	12/31/15	3,868		3,867.77		3,867.77	-
Body Armor Replacement Program			01/01/14	12/31/14	3,705	3,705.35			-	3,705.35
Safe and Secure			01/01/14	12/31/14	60,000	4,445.49			4,445.49	55,554.51
Safe and Secure			01/01/15	12/31/15	60,000		60,000.00		-	60,000.00
Safe and Secure			01/01/10	12/31/10	60,000		60,000.00		-	60,000.00
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			01/01/09	12/31/09	4,600	4,600.00			4,600.00	-
Highway Project Over The Limit			01/01/10	12/31/10	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	800.00
DWI Checkpoint			01/01/15	12/31/15	1,320		1,320.00		1,320.00	-
DWI Checkpoint			01/01/14	12/31/14	2,928	2,927.50			558.50	2,369.00
DWI Checkpoint			01/01/12	12/31/12	3,260	785.00			-	3,260.00
DWI Checkpoint			01/01/13	12/31/13	2,429	283.50			-	2,428.50
State of New Jersey State Police										
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001		01/01/14	12/31/14	88		88.40		88.40	-
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001		01/01/14	12/31/14	1,211	1,211.14			711.14	500.00
Total State Assistance					\$ 489,061.61	1,015,797.03	584,783.82	920,074.82		

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

**SCHEDULE OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA #/ Pass Through Grantor's #	Grant Period		Program or Award Amount	Balance at 1/1/15	2015 Activity		Balance at 12/31/2015	MEMO ONLY Cumulative Expenditures
		From	To			Receipts or Revenue Recognized	Canceled/ Disbursements/ Expenditures		
<b>FEDERAL:</b>									
Department of Homeland Security									
FEIMA	97.XXX	01/01/15	12/31/15	451,645 \$		451,645.00	450,000.00	1,645.00	450,000.00
FEIMA	97.XXX	01/01/15	12/31/15	5,000		5,000.00	-	5,000.00	-
FEIMA	97.XXX	01/01/14	12/31/14	5,000	5,000.00		4,366.25	633.75	4,366.25
FEIMA	97.XXX	01/01/12	12/31/12	5,000	4,613.44		4,613.44	-	5,000.00
Bulleiproof Vest Partnership	16.607	01/01/10	12/31/10	3,150	2,270.00		2,270.00	-	3,150.00
Total Homeland Security					11,883.44	456,645.00	461,249.69	7,278.75	
Housing and Urban Development									
Small Cities Community Development Block	14.218	01/01/09	12/31/09	139,429	47,670.19			47,670.19	91,758.81
Small Cities Community Development Block	14.218	01/01/14	12/31/14	152,639	152,638.80			152,638.80	-
Post Sandy Panning Assistance	14.218	01/01/13	12/31/13	260,000	230,000.00		230,000.00	-	260,000.00
Total Housing and Urban Development					430,308.99	-	230,000.00	200,308.99	
Total Federal Assistance					442,192.43	456,645.00	691,249.69	207,587.74	
Total Federal and State Awards				\$	931,254.04	1,472,442.03	1,276,033.51	1,127,662.56	
						Expended	845,082.90		
						Encumbered	430,950.61		
							<u>1,276,033.51</u>		

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
DECEMBER 31, 2015**

**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	\$ 461,249.69	\$ 814,783.82
Prior Year Expenditure	-	1,285.07
Expenditure per Audit Schedule A-13	<u>\$ 461,249.69</u>	<u>\$ 816,068.89</u>

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

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

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

		Current Fund
Balance December 31, 2014	\$	6,136,067.57
Increased by Receipts:		
Taxes Receivable		50,860,674.96
Tax Title Liens		-
Prepaid Taxes		835,923.93
Revenue Accounts Receivable		3,226,320.28
Miscellaneous Revenue		713,269.22
Due from State - Sr. Citizens and Veterans		91,915.53
Due to State - Marriage Licenses		955.00
Due to Capital		52,796.15
Due to Utility Operating		626.00
Due to Federal and State Grant Fund		1,093,071.69
Overpayments		64,017.10
Emergency Notes		70,000.00
		57,009,569.86
		63,145,637.43
Decreased by Disbursements:		
Current Year Appropriation		25,772,228.39
Prior Year Appropriations		116,674.58
County Taxes		11,290,142.84
Local District School Taxes		17,819,976.96
Tax Overpayments Refunded		52,694.24
Due to State - Marriage Licenses		1,155.00
Due to State - DCA Fees		4,842.00
Emergency Notes Payable		500,000.00
Federal and State Disbursements		846,367.97
Due to Capital		2,796.15
Due to Other Trusts		7,203.47
		56,414,081.60
Balance December 31, 2015	\$	6,731,555.83

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

Year	Balance Dec. 31, 2014	Current Year Levy	Added Taxes	Collections by Cash		Overpayments	Transferred To Tax Title Lien	Adjustments	Balance Dec. 31, 2015
				2014	2015				
Arrears	\$ 1,268.30				270.60				997.70
2013	11,216.95				12,608.96	23,751.06		(25,143.07)	-
2014	1,656,771.89				1,556,160.44		18,008.65	530.20	82,072.60
	1,669,257.14	-	-	-	1,569,040.00	23,751.06	18,008.65	(24,612.87)	83,070.30
2015		51,961,267.94	196,707.92	728,475.29	49,170,992.02	191,391.88	14,795.44	958,543.26	1,093,777.97
	\$ 1,669,257.14	51,961,267.94	196,707.92	728,475.29	50,740,032.02	215,142.94	32,804.09	933,930.39	1,176,848.27

Cash Receipts  
Senior Citizens and Veterans  
  
(49,076,492.02)  
(80,191.51)

Analysis of Current Year Tax Levy

Tax Yield:	
General Property Tax	51,961,267.94
Added Taxes (54:4-63.1 et. Seq.)	196,707.92
	<u>52,157,975.86</u>
Tax Levy:	
General County Taxes	10,345,328.54
County Library Taxes	659,090.44
County Open Space Taxes	30,606.08
County Health Taxes	245,789.43
County Added and Omitted Taxes	33,185.20
Total County Taxes	<u>11,313,999.69</u>
Local School District Tax	17,819,977.00
Local Tax for Municipal Purposes	22,861,216.00
Add: Additional Tax Levied	<u>162,783.17</u>
	<u>23,023,999.17</u>
	<u>52,157,975.86</u>

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

Balance December 31, 2014		\$	62,266.32
Increased by:			
Transfers from Taxes Receivable Adjustment	32,804.09		
Interest and Costs Accrued by Sale of December 10, 2015	309.01		
			33,113.10
			95,379.42
Decreased by:			
Collections	-		
			-
Balance December 31, 2015		\$	95,379.42

-

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2014	Accrued in 2014	Treasurer	Other	Balance Dec. 31, 2015
Licenses:					
Alcoholic Beverages	-	3,913.00	3,913.00		-
Other	-	110,082.00	110,082.00		-
Fees and Permits	-	237,755.45	237,755.45		-
Fines and Costs:					
Municipal Court	11,636.31	230,065.85	228,790.23		12,911.93
Interest and Costs on Taxes	-	356,684.29	356,684.29		-
Parking Meters	-	55,085.17	55,085.17		-
Interest Earned on Investments	-	18,548.76	18,548.76		-
Beach Control Fees	-	235,833.75	235,833.75		-
Land Rental	-	105,150.00	105,150.00		-
Viking Rowing Foundation, Inc. Lease Agreement	-	31,091.60	31,091.60		-
Payment in Lieu of Taxes	-	119,174.00	119,174.00		-
Cable Television Franchise Fees	-	53,695.36	53,695.36		-
City Lease Fees	-	42,564.63	42,564.63		-
Ambulance Service Fees	-	299,976.03	299,976.03		-
Recreation Fees	-	60,547.01	60,547.01		-
Consolidated Municipal Property Tax Relief Act	-	598,346.00	598,346.00		-
Energy Receipts Tax	-	9,766.00	9,766.00		-
Uniform Construction Code Fees	-	290,567.00	290,567.00		-
Borough of Longport-Uniform Construction Code	-	43,750.00	43,750.00		-
Utility Fund Allocation	-	275,000.00	275,000.00		-
Reserve to Pay School Bonds	-	50,000.00	50,000.00		-
Miscellaneous Revenue Not Anticipated		713,269.22	713,269.22		-
	<u>\$ 11,636.31</u>	<u>3,940,865.12</u>	<u>3,939,589.50</u>	<u>-</u>	<u>12,911.93</u>

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

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS" GENERAL GOVERNMENT:					
Mayor's Office					
Other Expenses	\$ 1,043.18	1,043.18	614.81	428.37	-
Police					
Other Expenses	9,550.11	9,550.11	6,526.51	3,023.60	-
Fire					
Other Expenses	5,530.96	5,530.96	3,708.69	1,822.27	-
Uniform Fire Safety Act					
Other Expenses	2,948.51	2,948.51	214.14	2,734.37	-
Office of Emergency Management					
Other Expenses	12,074.11	12,074.11	9,130.48	2,943.63	-
Dog Control					
Other Expenses	700.00	700.00	700.00	-	-
Celebration of Public Events					
Other Expenses	1,260.87	1,260.87		1,260.87	-
Zoning Commission					
Other Expenses	1,040.16	1,040.16	797.43	242.73	-
Beach Patrol					
Other Expenses	415.74	415.74	-	415.74	-

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

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>DEPARTMENT OF PUBLIC WORKS, PARKS &amp; PUBLIC PROPERTY</b>					
Streets and Roads					
Other Expenses	13,798.85	13,798.85	4,846.40	8,952.45	-
Motor Vehicle Maintenance					
Other Expenses	11,483.09	11,483.09	-	11,483.09	-
Buildings and Grounds					
Salaries and Wages	8,978.33	8,978.33	1,728.00	7,250.33	-
Other Expenses	8,440.14	8,440.14	5,599.96	2,840.18	-
Recreation					
Other Expenses	4,081.77	4,081.77	2,850.47	1,231.30	-
City Engineer					
Other Expenses	27,775.54	27,775.54	26,165.32	1,610.22	-
Solid Waste/Recycling					
Other Expenses	17,904.85	17,904.85	473.50	17,431.35	-
<b>DEPARTMENT OF REVENUE AND FINANCE</b>					
Legal Services and Costs					
Other Expenses	23,229.39	23,229.39	19,390.60	3,838.79	-
City Clerk					
Other Expenses	1,535.86	1,535.86	339.00	1,196.86	-
Planning Board					
Other Expenses	3,282.05	3,282.05	1,750.00	1,532.05	-
Financial Administration					
Salaries and Wages	1,183.73	1,183.73	873.45	310.28	-
Other Expenses	5,952.97	5,952.97	4,653.60	1,299.37	-
Assessment of Taxes					
Other Expenses	331.48	331.48	28.77	302.71	-

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

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
Collection of Taxes	7,968.87	7,968.87	5,804.62	2,164.25	-
Other Expenses					
Information Technology	4,147.81	4,147.81	912.72	3,235.09	-
Other Expenses					
Public Defender	4,500.00	4,500.00	4,500.00	-	-
Other Expenses					
Insurance	9,448.08	9,448.08	8,709.12	738.96	-
General Liability					
Employee Group Health	10,856.64	10,856.64	7,324.99	3,531.65	-
Inspection of Buildings					
Other Expenses	168.61	168.61	78.85	89.76	-
Utilities					
Telephone	11,556.97	11,556.97	6,821.76	4,735.21	-
Natural Gas	16,442.14	16,442.14	11,245.70	5,196.44	-
STATUTORY EXPENDITURES					
Contribution to					
Consolidated Police and Firemen's Pension Fund	20,327.00	20,327.00	-	20,327.00	-

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

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
OPERATIONS EXCLUDED FROM "CAPS" Borough of Longport-Uniform Construction Code Office Other Expenses	3,394.69	3,394.69	1,096.09	2,298.60	-
All Other Accounts - No Change	186,046.68	186,046.68		186,046.68	
	<u>\$ 437,399.18</u>	<u>437,399.18</u>	<u>136,884.98</u>	<u>300,514.20</u>	<u>-</u>
Appropriation Reserves	284,553.06		116,674.58	Paid	
Encumbrances	152,846.12		20,210.40	Accounts Payable	
	<u>437,399.18</u>		<u>136,884.98</u>		

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

Balance December 31, 2014	
School Tax Payable	\$ -
Increased by:	
Levy - Calender Year January 1, 2013 to December 31, 2013	<u>17,819,976.96</u>
	17,819,976.96
Decreased by:	
Payments	<u>17,819,976.96</u>
Balance December 31, 2015	
School Tax Payable	<u><u>-</u></u>
Current Year Liability for Local School District School Tax:	
Tax Paid	17,819,976.96
Tax Payable Ending	<u>-</u>
	17,819,976.96
Less: Tax Payable Beginning	<u>-</u>
Amount charged to Current Year Operations	<u><u>\$ 17,819,976.96</u></u>

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

Purpose	Balance Dec. 31, 2014	Transferred From 2014 Revenues	Received	Adjustments	Balance Dec. 31, 2015
<b>FEDERAL GRANTS:</b>					
Federal Bulletproof Vest Partnership	\$ -				-
FEMA Assistance to Firefighters	77,743.00		29,341.00		77,743.00
CDBG	50,000.00				20,659.00
FEMA	-	451,645.00	422,303.66		29,341.34
<b>Total Federal</b>	<b>127,743.00</b>	<b>451,645.00</b>	<b>451,644.66</b>	<b>-</b>	<b>127,743.34</b>
<b>STATE GRANTS:</b>					
New Jersey Transportation Trust Fund 2013	91,224.14		49,000.00		42,224.14
New Jersey Transportation Trust Fund 2014	187,000.00		140,250.00		46,750.00
New Jersey Transportation Trust Fund 2015	-	140,250.00	140,250.00		-
Body Armor	-	3,867.77	3,867.77		-
Clean Communities	-	33,605.94	33,605.94		-
Alliance for Prevention of Alcohol and Drug Abuse	-	14,451.92	14,451.92		-
Alcohol Education, Rehabilitation and Enforcement	-	88.40	88.40		-
Drunk Driver Enforcement Fund	-	440.00	440.00		-
DWI	-	1,320.00	1,320.00		-
NJ Historical Trust	-	501,000.00	195,500.00		305,500.00
Safe and Secure Program	-	60,000.00	60,000.00		-
State Cooperative Housing	-	2,213.00	2,213.00		-
Green Community	3,000.00				3,000.00
Post Sandy Planning Assistance	260,000.00				260,000.00
<b>Total State</b>	<b>541,224.14</b>	<b>757,237.03</b>	<b>640,987.03</b>	<b>-</b>	<b>657,474.14</b>
<b>\$</b>	<b>668,967.14</b>	<b>1,208,882.03</b>	<b>1,092,631.69</b>	<b>-</b>	<b>785,217.48</b>
		Cash	1,092,631.69		
		Unappropriated Reserves	-		
			<u>1,092,631.69</u>		



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

Purpose	Balance Dec. 31, 2014	Transferred To 2015 Appropriations	Received	Adjustments	Balance Dec. 31, 2015
<b>STATE GRANTS:</b>					
Recycling Tonnage Grant	15,745.11				15,745.11
State Housing Inspection	3,403.00				3,403.00
Drunk Driver Enforcement Fund	-		440.00		440.00
<b>Total State</b>	<u>19,148.11</u>	<u>-</u>	<u>440.00</u>	<u>-</u>	<u>19,588.11</u>
<b>\$</b>	<u>19,148.11</u>	<u>-</u>	<u>440.00</u>	<u>-</u>	<u>19,588.11</u>

**TRUST FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Dog Licenses</u>	<u>Other</u>
Balance December 31, 2014	\$ 19,690.20	3,453,441.98
Increased by Receipts:		
Dog License Fees 2015	4,976.80	
Due to State of New Jersey	1,236.60	
Prepaid Dog Licenses	124.40	
Payroll Deductions Payable		6,093,788.52
Miscellaneous Trust Reserves		12,826,267.01
Due from Current		7,708.58
	<u>6,337.80</u>	<u>18,927,764.11</u>
	26,028.00	22,381,206.09
Decreased by Disbursements		
Statutory Expenditures	200.00	
Due to State of New Jersey	1,210.80	
Payroll Deductions Payable		6,360,529.04
Miscellaneous Trust Reserves		12,783,924.99
Due to Current Fund		505.11
	<u>1,410.80</u>	<u>19,144,959.14</u>
Balance December 31, 2015	\$ <u>24,617.20</u>	<u>3,236,246.95</u>

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

Balance December 31, 2014		\$	5,352.00
Increased by:			
Dog License Fees Collected	4,878.20		
Prepaid Licenses	98.60		
			4,976.80
			10,328.80
Decreased by:			
Statutory Excess	4,660.80		
Expenditures under N.J.S. 4:19-15:11	200.00		
			4,860.80
Balance December 31, 2015		\$	5,468.00

License Fees Collected:

Year	Amount
2014	\$ 2,988.40
2013	2,479.60
	\$ 5,468.00

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

Balance December 31, 2014	\$	14,295.40
Increased by:		
Statutory Excess		4,660.80
		<u>4,660.80</u>
		18,956.20
Decreased by:		
Paid to Current Fund		<u>-</u>
Balance December 31, 2015	\$	<u><u>18,956.20</u></u>

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

Balance December 31, 2014	\$	-
Increased by:		
Prepaid		25.80
2015 State License Fees		<u>1,210.80</u>
		<u>1,236.60</u>
		1,236.60
Decreased by:		
Disbursements to the State		<u>1,210.80</u>
Balance December 31, 2015	\$	<u><u>25.80</u></u>

**TRUST FUND**  
**SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE**

Balance December 31, 2014		\$	419,573.44
Increased by:			
Receipts	<u>6,093,788.52</u>		<u>6,093,788.52</u>
			6,513,361.96
Decreased by:			
Disbursements	<u>6,360,529.04</u>		<u>6,360,529.04</u>
Balance December 31, 2015		\$	<u><u>152,832.92</u></u>

**TRUST - OTHER FUNDS  
SCHEDULE OF DUE TO/(FROM) CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Increased by		Decreased by		Balance Dec 31, 2015	
	Balance Dec 31, 2014	Receipts	Current Fund	Disbursements		2015 Budget Appropriation
<u>Reserve</u>						
Payroll Agency	\$ -				-	
Net Payroll	93.61			93.61	0.00	
Law Enforcement Trust	1.02	24.83			25.85	
Federal Forfeiture Trust	0.22	0.24			0.46	
Unemployment Trust	98.75	50.02			148.77	
Trust Other	(7,313.46)	7,630.95		403.57	(86.08)	
Developer's Escrow	(9.21)				(9.21)	
Evidence Trust	3.46				3.46	
Uniform Fire	21.65	2.54			24.19	
Tax Title Lien Redemption	102.49			7.93	94.56	
Boardwalk Benches	-				-	
	<u>\$ (7,001.47)</u>	<u>7,708.58</u>	<u>-</u>	<u>505.11</u>	<u>-</u>	<u>202.00</u>

**TRUST - OTHER FUNDS  
SCHEDULE OF MISCELLANEOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Reserve	Increased by		Decreased by		Balance Dec 31, 2015
	Balance Dec 31, 2014	Receipts	Collections made by Current Fund	Disbursements	
Small Cities Revolving Loan Fund	\$ 43,764.00				43,764.00
Developers Escrow	104,649.22	217,993.62		196,453.11	126,189.73
Law Enforcement Trust	0.95	28,947.72		28,221.21	727.46
Federal Forfeitures	148.94	0.02			148.96
Parking Offense Adjudication Act	5,761.51	2,422.00		2,635.00	5,548.51
Life Guard Pension Fund	386,716.14	22,137.93		56,877.70	351,976.37
Unemployment Trust	114,808.94	1,871.59		30,450.64	86,229.89
Evidence Trust	2,289.45	22.57			2,312.02
Tax Sale Premiums	1,598,300.00	1,061,900.00		688,000.00	1,972,200.00
Tax Title Lien Redemptions	156,300.57	2,512,252.10		2,647,218.98	21,333.69
Boardwalk Benches	4,741.79	16,500.00			21,241.79
Snow Removal	18,000.00	13,000.00		3,108.74	27,891.26
Recreation Trust	1,500.00				1,500.00
Self-Insurance	219,724.66			216,724.66	3,000.00
Trust Other	5,169.64	11,558.34			16,727.98
Penalties Collected Under the Uniform Fire Code	19,144.68	1,725.00		3,660.85	17,208.83
Net Payroll	10.89	8,619,880.65		8,619,891.54	(0.00)
Police Detail	24,154.52	59,602.50		41,990.00	41,767.02
Accumulated Absences	335,684.11	256,452.97		248,692.56	343,444.52
	<u>\$ 3,040,870.01</u>	<u>12,826,267.01</u>	<u>-</u>	<u>12,783,924.99</u>	<u>3,083,212.03</u>

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

Balance December 31, 2014		\$ 2,241,040.69
Increased by:		
Receipts	2,925,512.62	
	<hr/>	<hr/>
		2,925,512.62
		5,166,553.31
Decreased by:		
Disbursements	1,357,102.82	
	<hr/>	<hr/>
		1,357,102.82
Balance December 31, 2015		\$ <u><u>3,809,450.49</u></u>

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2014		Receipts		Disbursements		Transfers		Balance Dec. 31, 2015	
			Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To		
Fund Balance	\$ 108,954.92									108,954.92
Receivable State of NJ - Green Acres Grant	(285,000.00)		201,693.75							(83,306.25)
Green Acres Loan	-		333,522.72							333,522.72
Capital Improvement Fund	231,487.00		250,000.00							481,487.00
Contracts Payable	592,282.32						592,282.32	1,973,379.04		1,973,379.04
Reserve for Payment of Bonds	-									-
Reserve for Payment of School Bonds	190,671.38						50,000.00			140,671.38
Due to Current	53,812.52		2,796.15			52,796.15		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									6,204.81
2006-02 Rehabilitation of Ventnor Fishing Pier	(224,151.00)						13,812.64	13,812.64		(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	114,573.73				6,819.60		50,604.51	58,242.87		115,392.49
2011-11 Various Improvements	514,115.26				15,120.54		17,504.39	14,304.39		495,794.72
2013-10 Various Improvements	1,059,966.43				814,964.06		692,262.10	505,922.42		58,662.69
2014-25 Repair and Replace Bulkheads	-				11,137.50		112.50			(11,250.00)
2014-27 Various Improvements	112,500.00			2,137,500.00	456,264.97		1,199,082.90			594,652.13
			788,012.62	2,137,500.00	1,304,306.67	52,796.15	2,615,661.36	2,615,661.36		3,809,450.49
<b>\$</b>	<b>2,241,040.69</b>		<b>788,012.62</b>	<b>2,137,500.00</b>	<b>1,304,306.67</b>	<b>52,796.15</b>	<b>2,615,661.36</b>	<b>2,615,661.36</b>		<b>3,809,450.49</b>

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

Balance December 31, 2014		\$	231,487.00
Increased by:			
2015 Budget Appropriation	250,000.00		
			250,000.00
			481,487.00
Decreased by:			
Finance Improvement Authorizations			
			-
Balance December 31, 2015		\$	481,487.00

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

Balance December 31, 2014		\$ 24,693,969.09
Increased by:		
None		
	_____	-
		24,693,969.09
Decreased by:		
2014 Budget Appropriation:		
General Serial Bonds	1,300,000.00	
School Serial Bonds	1,125,000.00	
Green Trust Loans Payable	27,730.18	
Refunding		
	_____	2,452,730.18
Balance December 31, 2015		\$ 22,241,238.91



**GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2014		Authorizations		Paid or Charged	Cancelled	Balance December 31, 2015	
				Funded	Unfunded	Other Funding	Deferred Charges to Future Taxation			Funded	Unfunded
1997-02	Various Improvements	2/13/1997	3,299,500	\$ 1,250.00						1,250.00	
1998-19	Acquisition of Real Property	9/10/1998	1,000,000	67,668.06						67,668.06	
2002-03	Various Improvements	3/21/2002	6,700,000	6,204.81						6,204.81	
2007-09	Various Improvements	8/2/2007	450,000	2,955.26						2,955.26	
2009-14	Various Improvements	6/18/2009	6,418,000	114,573.73				(818.76)		115,392.49	
2011-11	Various Improvements		1,700,000	514,115.26				18,320.54		495,794.72	
2013-10	Various Improvements	4/18/2013	5,000,000	1,059,966.43				833,570.43	226,396.00	-	
2014-25	Repair and Replace Bulkheads	11/19/2015	1,311,000	1,311,000.00				11,250.00		1,299,750.00	
2015-25	Various Improvements	12/17/2015	226,396		226,396.00			167,733.31		58,662.69	
2015-27	Various Improvements		2,250,000	112,500.00	2,137,500.00			1,655,347.87		-	594,652.13
			\$	3,190,233.55	2,137,500.00	226,396.00	-	2,685,403.39	226,396.00	2,047,678.03	594,652.13
								Disbursements			
								Encumbrances			
								<u>2,685,403.39</u>			

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
			Date	Amount					
General Improvement Bonds of 2010	12/1/2010	8,315,000	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%				
			12/1/2025	700,000.00	4.000%	\$ 6,730,000.00		515,000.00	
Refunding Improvement Bonds of 2013			8/1/2016	350,000.00					
			8/1/2017	360,000.00					
			8/1/2018	375,000.00					
			8/1/2019	380,000.00		1,800,000.00		335,000.00	
General Improvement Bonds of 2013		6,365,000	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%	5,915,000.00		450,000.00	
						\$ 14,445,000.00	-	1,300,000.00	13,145,000.00
							-	1,300,000.00	
							-	1,300,000.00	

**GENERAL CAPITAL FUND  
SCHEDULE OF SCHOOL SERIAL BONDS PAYABLE - TYPE 1**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2015		Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
			Date	Amount					
School Refunding Bonds	6/1/2009	4,345,000	2/1/2016	385,000.00	3.000%				
			2/1/2017	395,000.00	3.000%				
			2/1/2018	405,000.00	3.000%				
			2/1/2019	420,000.00	4.000%				
			2/1/2020	435,000.00	4.000%				
School Bonds	12/1/2010	2,823,000	2/1/2021	430,000.00	4.000%	2,845,000.00		375,000.00	2,470,000.00
			12/1/2016	170,000.00	3.000%				
			12/1/2017	175,000.00	3.000%				
			12/1/2018	185,000.00	3.000%				
			12/1/2019	195,000.00	3.500%				
			12/1/2020	200,000.00	3.500%				
			12/1/2021	210,000.00	3.500%				
			12/1/2022	220,000.00	3.750%				
			12/1/2023	230,000.00	4.000%				
			12/1/2024	235,000.00	4.000%				
Refunding Series 2014	12/1/2025	248,000.00	12/1/2025	248,000.00	4.000%	2,233,000.00		165,000.00	2,068,000.00
			10/1/2016	595,000.00	2.000%				
		3,760,000	10/1/2017	605,000.00	3.000%				
			10/1/2018	625,000.00	4.000%				
			10/1/2019	640,000.00	4.000%				
		10/1/2020	635,000.00	4.000%	3,685,000.00		585,000.00	3,100,000.00	
					\$ 8,763,000.00	-	1,125,000.00	1,125,000.00	7,638,000.00
									Refunded Redeemed
									1,125,000.00
									1,125,000.00

**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, 2014	Increased	Decreased	Balance Dec. 31, 2015
			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%	174,969.09		27,730.18	147,238.91
						<u>\$ 174,969.09</u>	<u>-</u>	<u>27,730.18</u>	<u>147,238.91</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, 2014	Increased	Decreased	Balance Dec. 31, 2015
			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, 2014	Increased	Decreased	Balance Dec. 31, 2015
Various Improvements	2014-27	12/9/2015	12/9/2015	12/8/2016	1.04%	-	2,137,500.00		2,137,500.00
						-	2,137,500.00	-	2,137,500.00
						\$			

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Debt Issued	Other	Balance Dec. 31, 2015
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					-
2014-27	Various Improvements	2,137,500.00		2,137,500.00		-
		<u>\$ 2,667,901.00</u>	<u>-</u>	<u>2,137,500.00</u>	<u>-</u>	<u>530,401.00</u>

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

	Operating
Balance December 31, 2014	\$ 616,418.42
Increased by Receipts:	
Sewer Rents Receivable	5,753,141.41
Miscellaneous	141,319.07
	5,894,460.48
	6,510,878.90
Decreased by Disbursements:	
2015 Appropriations	4,626,389.23
2014 Appropriation Reserves	7,753.45
Interfund to Utility Capital	300,000.00
Refund Overpayments	429.23
	4,934,571.91
Balance December 31, 2015	\$ <u><u>1,576,306.99</u></u>

**WATER AND SEWER UTILITY CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2014	Budget Appropriation	Receipts		Disbursements		Balance Dec. 31, 2015
			Debt Issued	Miscellaneous	Improvement Authorizations	Miscellaneous	
Fund Balance	\$ 77,101.36						77,101.36
Due from Utility Operating	(0.15)			300,000.00			299,999.85
Contracts Payable	645,954.94					645,954.94	4,250,864.70
<b>Improvement Authorizations:</b>							
<u>Ordinance</u>							
<u>Number</u>							
2006-14 Improvements to Water and Sewer	527.24					7,604.95	7,604.95
2009-15a Reconstruction of Sewer Lines	-					1,800.00	-
2009-15b Repainting the Water Tower	-					3,704.37	-
2009-15c Purchase of Water Meters	33,050.25					55,808.00	33,050.25
2010-14a Replacement of sanitary sewer mains	70,627.25				68,363.06	59,128.55	10,339.19
2010-14b Replacement of well and well house #8	-				155,706.05	13,456.70	-
2010-14c Improve and upgrade electrical at wells	370,307.06				6,178.10		364,128.96
2010-14g Installation of pumps etc. at Lily Park	-						-
2011-9a Replacement of Meter Batteries	(24,811.16)		25,000.00			324,957.01	188.84
2011-9b Rehab Water Tower	196,488.58		47,500.00				-
2011-9c Rehab Well House #10	(7,500.00)		7,500.00				-
2011-9d Purchase of Generator	95,000.00		5,000.00				100,000.00
2011-9e Remote Reader Antenna	496.31		9,000.00		7,000.00	19,206.31	-
2011-9f Purchase Directional Drill	21,387.12		21,000.00			42,386.11	1.01
2013-9a Replacement of Water Meters	18,754.00						18,754.00
2013-9b Renovations to Main Water Plant	100,000.00						100,000.00
2013-9c Renovations to Wells	200,000.00					137,195.53	62,804.47
2013-9d Replacement of Sewer and Water Mains	60,618.42		900,000.00		403,726.22	1,095,756.09	(295,871.00)
2013-9e Acquisition of Water Plant Heating System	75,000.00						75,000.00
2013-9f Acquisition of Fire Hydrants	32,008.02						32,008.02
2013-9g Acquisition of Vehicles	120,000.00					120,000.00	-
2014-26 Repairs to Stormwater System					2,702,069.81	2,665,732.08	(5,367,801.89)
2015-23 Repairs to Stormwater System							-
2015-24 Replacement of Sewer and Water Mains							295,871.00
<b>Total</b>	<b>\$ 2,085,009.24</b>	<b>-</b>	<b>1,015,000.00</b>	<b>300,000.00</b>	<b>3,343,043.24</b>	<b>5,192,690.64</b>	<b>56,966.00</b>

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

Balance December 31, 2014		\$ 1,453,056.55
Increased by:		
Utility Rents Levied	5,387,013.40	5,387,013.40
		6,840,069.95
Decreased by:		
Collections	5,753,141.41	
Overpayments Created		
Canceled	312,021.44	6,065,162.85
Balance December 31, 2015		\$ 774,907.10

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

Balance December 31, 2014		\$ -
No Activity		-
Balance December 31, 2015		\$ -

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

Balance December 31, 2014	\$	19,539.04
Increase by:		
Overpayments created		
Decreased by:		
Overpayments refunded		<u>429.24</u>
Balance December 31, 2015	\$	<u><u>19,109.80</u></u>

**WATER AND SEWER OPERATING FUND  
SCHEDULE OF 2014 APPROPRIATION RESERVES**

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed	Over-Expended
Operating:					
Other Expenses	\$ 210,076.19	210,076.19	7,753.45	202,322.74	
Other Accounts No Change	24,702.81	24,702.81	-	24,702.81	
	<u>\$ 234,779.00</u>	<u>234,779.00</u>	<u>7,753.45</u>	<u>227,025.55</u>	<u>-</u>

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

Balance December 31, 2014	\$ 41,933.85
Increased by:	
Accrued interest charged to 2015 budget appropriation - Interest on bonds	41,053.80
	82,987.65
Decreased by:	
Disbursements	41,933.83
Balance December 31, 2015	\$ 41,053.82

**ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2015**

Description	Principal Outstanding Dec. 31, 2015	Interest Rate	From	To	# of Days	Amount
Water and Sewer Bonds of 2010	9,995,000	3.0% to 4.375%	12/01/15	12/31/15	30	31,719.27
Water and Sewer Bonds of 2013	3,350,000	2.00%	12/01/15	12/31/15	30	8,689.50
Bond Anticipation Notes	1,015,000	1.04%	12/09/15	12/31/15	22	645.03
						41,053.80

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

Account	Balance Dec. 31, 2014	Additions		Balance Dec. 31, 2015
		Budget Capital Outlay	Ordinance	
Office Equipment	\$ 72,997.00			72,997.00
Other Equipment	1,519,720.84		548,117.58	2,067,838.42
Building and Improvements	792,974.00			792,974.00
Water System Improvements	2,504,662.00		706,011.42	3,210,673.42
Sewer System Improvements	2,379,307.00			2,379,307.00
Combined Improvements	3,497,925.00			3,497,925.00
	<u>\$ 10,767,585.84</u>	<u>-</u>	<u>1,254,129.00</u>	<u>12,021,714.84</u>

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

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2014	2015 Authorizations		Costs to Fixed Capital	Transferred/ Canceled	Balance Dec. 31, 2015
					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	-					-
2010-14g	Installation of pumps etc. at Lily Park	10/06/10	334,431	(0.00)					(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			706,011.42	243,988.58	-
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			170,503.69	9,496.31	-
2011-9f	Purchase Directional Drill	06/16/11	420,000	420,000.00			377,613.89	42,386.11	-
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
2015-23	Repairs to Stormwater System	11/19/15	250,000	-		250,000.00			250,000.00
2015-24	Replacement of Sewer and Water Mains	11/19/15	295,871	-				(295,871.00)	295,871.00
				\$ 21,152,711.00		250,000.00	1,254,129.00	-	20,148,582.00

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

Ordinance Number	Improvement Authorization	Date	Ordinance Amount	Balance Dec. 31, 2014		Deferred Charges to Future Revenue	Down Payment or Capital Improvement Fund	Prior Year Encumbrance	Paid or Charged	Transfers or Canceled	Balance Dec. 31, 2015	
				Funded	Unfunded						Funded	Unfunded
2009-06	Reconstruction of Sewer Lines	03/19/09	1,000,000.00	\$ 527.19							527.19	
2009-15a	Reconstruction of Sewer Lines	06/18/09	1,700,000.00	-							-	
2009-15b	Repainting the Water Tower	06/18/09	290,000.00	-							-	
2009-15c	Purchase of Water Meters	06/18/09	617,400.00	33,050.00							33,050.00	
2010-14a	Replacement of sanitary sewer mains	10/06/10	4,639,473.00	70,627.13				63,883.00	124,171.06		10,339.07	
2010-14b	Replacement of well and well house #8	10/06/10	1,824,170.00	-				214,834.60	214,834.60		-	
2010-14c	Improve and upgrade electrical at wells	10/06/10	729,668.00	370,307.33				13,456.70	19,634.80		364,129.23	
2010-14g	Installation of pumps etc. at Lily Park	10/06/10	334,431.00	-							-	
2011-9a	Replacement of Meter Batteries	06/16/11	500,000.00	-	190.00						-	190.00
2011-9b	Rehab Water Tower	06/16/11	950,000.00	196,988.58	47,000.00			80,968.43	80,968.43	243,988.58	(0.00)	-
2011-9c	Rehab Well House # 10	06/16/11	150,000.00	-							-	
2011-9d	Purchase of Generator	06/16/11	100,000.00	95,000.00	5,000.00						95,000.00	5,000.00
2011-9e	Remote Reader Antenna	06/16/11	180,000.00	496.31	9,000.00						(0.00)	-
2011-9f	Purchase Directional Drill	06/16/11	420,000.00	21,386.11	21,000.00			16,710.00	16,710.00	9,496.31	(0.00)	-
2013-9a	Replacement of Water Meters	04/18/13	25,000.00	-							-	
2013-9b	Renovations to Main Water Plant	04/18/13	100,000.00	18,754.00							18,754.00	
2013-9c	Renovations to Wells	04/18/13	200,000.00	100,000.00							100,000.00	
2013-9d	Replacement of Sewer and Water Mains	04/18/13	1,750,000.00	200,000.00	900,000.00			538,863.89	137,195.53		62,804.47	
2013-9e	Acquisition of Water Plant Heating System	04/18/13	75,000.00	60,618.42					1,499,482.31		-	
2013-9f	Acquisition of Fire Hydrants	04/18/13	80,000.00	75,000.00							75,000.00	
2013-9g	Acquisition of Vehicles	04/18/13	120,000.00	32,008.02					120,000.00		32,008.02	
2014-26	Repairs to Stormwater System	10/16/14	5,387,000.00	5,387,000.00					5,367,801.89		19,198.11	
2015-23	Repairs to Stormwater System	11/19/15	250,000.00				250,000.00					250,000.00
2015-24	Replacement of Sewer and Water Mains	11/19/15	295,871.00						295,871.00	(295,871.00)		
				\$ 6,781,763.09	982,190.00			928,716.62	7,876,669.62		810,810.09	255,190.00
								Disbursed D-6 Encumbered D	3,625,804.92			
									4,250,864.70			
									<u>7,876,669.62</u>			

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

Ordinance	Purpose	Date of Original Issue	Date of Issue	Amount of Original Issue	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
2011-9	Various Repairs and Equipment	12/9/2015	12/9/2015	115,000.00	1.04% \$		115,000.00		115,000.00
2013-9	Replacement of Sewer and Water Mains	12/9/2015	12/9/2015	900,000.00	1.04%		900,000.00		900,000.00
					\$	-	<u>1,015,000.00</u>	-	<u>1,015,000.00</u>

**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, 2014	Balance Dec. 31, 2015
			Date	Amount			
Water and Sewer Bonds of 2010	12/01/10	12,240,000	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%	\$ 10,505,000.00	9,995,000.00
Water and Sewer Bonds of 2013	12/04/13	3,635,000	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%	3,500,000.00	3,350,000.00	
<b>Total</b>						<b>\$ 14,005,000.00</b>	<b>13,345,000.00</b>

Ref. D D-4 D

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

Balance December 31, 2014		\$ 9,529,399.74
Increased by:		
Serial Bonds Paid by Operating Budget	181,931.43	
Transferred from Deferred Reserve for Amortization	<u>-</u>	<u>181,931.43</u>
Decreased by:		
Improvement Authorizations Cancelled		<u>-</u>
Balance December 31, 2015		<u><u>\$ 9,711,331.17</u></u>

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

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2014	Fixed Capital Authorized	To Reserve for Amortization	Bond Paid	Balance Dec. 31, 2015
2009-06	Various Capital Improvements	\$	101,775.63			29,916.67	131,692.30
2009-15c	Purchase of water meters	6/18/09	556,336.98			163,416.67	719,753.65
2010-14a	Various Capital Improvements	10/06/10	1,325,784.49			284,735.23	1,610,519.72
			<u>\$ 1,983,897.10</u>	<u>0.00</u>	<u>0.00</u>	<u>478,068.57</u>	<u>2,461,965.67</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	BANs Issued	Raised in Budget	Balance Dec. 31, 2015
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		-
2013-9d	Replacement of Sewer and Water Mains	900,000.00		900,000.00		-
2015-23	Repairs to Stormwater System		250,000.00			250,000.00
		<u>\$ 1,015,000.00</u>	<u>250,000.00</u>	<u>1,015,000.00</u>	<u>-</u>	<u>250,000.00</u>

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**CITY OF VENTNOR CITY**

**PART II**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2015**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **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:

- Road Reconstruction
- Sewer main repair
- Licensed Electrician
- Public Works Wash Down Station
- Storm Water Pump Station
- Fire House Upgrades
- Check Value Installations
- Drainage Improvements
- Custodial Services
- General Utility Repairs
- Pipe Installation
- Fire House Floor Repair

### **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 15, 2015, 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 10, 2015 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>
2015	1
2014	5
2013	7

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 2016 and 2015 Taxes	5
Payment of 2016 and 2015 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>
2015	\$ 52,179,156.00	50,093,426.00	96.00%
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%

### Comparative Schedule of Tax Rate Information

	2015	2014	2013	2012	2011
Tax Rate	\$ 2.17	2.06	1.99	1.88	1.83
Apportionment of Tax Rate:					
Municipal	0.952	0.896	0.847	0.825	0.797
County	0.471	0.445	0.447	0.376	0.375
School	0.742	0.717	0.695	0.678	0.661
Assessed Valuation	2,401,034,387	2,462,173,390	2,514,557,682	2,580,446,428	2,616,184,272

### Delinquent Taxes and Tax Title Liens

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

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2015	\$ 95,379.42	1,176,848.27	1,272,227.69	2.44%
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%

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

*Nancy Sbrolla*  
**Nancy Sbrolla**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 542**

**April 22, 2016**