

BOROUGH OF LONGPORT
REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2014

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BOROUGH OF LONGPORT

PART I

REPORT ON AUDIT OF

FINANCIAL STATEMENTS - REGULATORY BASIS

DECEMBER 31, 2014



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of Borough Commission
Borough of Longport
County of Atlantic, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Longport, as of December 31, 2014 and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough'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 Borough of Longport 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 Borough of Longport as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Longport’s basic financial statements. The supplementary information listed in the table of contents and the general comments and findings 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2015 on our consideration of the Borough of Longport'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 Borough of Longport's internal control over financial reporting and compliance.

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

Michael S. Garcia
Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472

March 31, 2015

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EXHIBIT - A
CURRENT FUND

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

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 6,581,093.59	2,847,411.63
Cash - Change	375.00	375.00
Total Cash	<u>6,581,468.59</u>	<u>2,847,786.63</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	500.00	-
Total Other Receivables	<u>500.00</u>	<u>-</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	229,975.81	249,570.32
Property Acquired for Taxes - at Assessed Valuation	17,695.00	17,695.00
Revenue Accounts Receivable	2,852.08	5,730.11
Interfund Receivable:		
Due from Federal & State Grant Fund	47,451.14	-
Dog Trust Fund	234.22	234.22
Total Receivables and Other Assets	<u>298,208.25</u>	<u>273,229.65</u>
Deferred Charges:		
Emergency Appropriation	30,000.00	-
Special Emergency Appropriations	300,852.95	696,600.00
Total Deferred Charges	<u>330,852.95</u>	<u>696,600.00</u>
Total Regular Fund	<u>7,211,029.79</u>	<u>3,817,616.28</u>
Federal and State Grant Fund:		
Cash	-	56,228.00
Federal and State Grants Receivable	280,497.13	235,497.13
Total Federal and State Grant Fund	<u>280,497.13</u>	<u>291,725.13</u>
Total Current Fund	<u>\$ 7,491,526.92</u>	<u>4,109,341.41</u>

See accompanying Notes to Financial Statements - Regulatory Basis

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 414,824.32	550,408.54
Reserve for Encumbrances	67,285.20	116,192.95
Prepaid Taxes	443,642.05	311,650.97
Overpaid Taxes	20,879.81	77,273.97
Local School Tax Payable	164,999.10	153,294.90
County Added Tax Payable	87,739.35	77,523.60
Due to State:		
Senior Citizens & Veterans	-	250.00
Interfund Payable:		
Trust Other	2,750.17	1,926.51
General Capital	4,051,991.48	-
Other		
Payroll Taxes Payable	22,731.97	20,770.14
Prepaid Beach Tag Fees	3,469.00	4,336.00
Reserve for Reassessment	468.22	468.22
Reserve for Insurance Reimbursements	114,840.00	117,500.00
Reserve for Hurricane Sandy	177,108.73	-
Reserve for Tax Sale Premiums	-	24,900.00
Special Emergency Note Payable	320,000.00	740,000.00
	<u>5,892,729.40</u>	<u>2,196,495.80</u>
Reserve for Receivables and Other Assets	298,208.25	273,229.65
Fund Balance	<u>1,020,092.14</u>	<u>1,347,890.83</u>
Total Regular Fund	<u>7,211,029.79</u>	<u>3,817,616.28</u>
Federal and State Grant Fund:		
Unappropriated Reserves	3,332.25	16,155.67
Appropriated Reserves	225,713.74	271,569.46
Encumbrances Payable		
Due to Current Fund	47,451.14	-
Due to Utility Operating Fund	4,000.00	4,000.00
	<u>280,497.13</u>	<u>291,725.13</u>
Total Federal and State Grant Fund	<u>280,497.13</u>	<u>291,725.13</u>
Total Current Fund	<u>\$ 7,491,526.92</u>	<u>4,109,341.41</u>

See accompanying Notes to Financial Statements - Regulatory Basis

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

	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized		
Fund Balance	\$ 954,439.24	495,000.00
Miscellaneous Revenue Anticipated	1,055,090.38	1,312,744.23
Receipts from Delinquent Taxes	232,272.31	172,896.95
Receipts from Current Taxes	15,840,801.51	15,671,217.05
Non Budget Revenue	272,290.92	634,568.20
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	280,338.39	260,984.46
Interfund Returned	-	28.00
Total Income	<u>18,635,232.75</u>	<u>18,547,438.89</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	3,014,116.00	2,887,342.00
Other Expenses	2,120,599.00	2,463,588.00
Deferred Charges & Statutory Expenditures	691,314.19	701,168.00
Appropriations Excluded from "CAPS"		
Operations:		
Other Expenses	88,793.03	42,212.24
Capital Improvements	35,000.00	-
Debt Service	1,414,174.87	1,299,946.37
Deferred Charges	403,247.05	263,200.00
Local District School Tax	994,872.00	926,567.50
County Tax	9,141,035.71	9,110,706.77
County Share of Added Tax	87,739.21	77,523.46
Interfund Created	47,451.14	-
Other:		
Prior Year's Deduction Disallowed	250.00	250.00
Total Expenditures	<u>18,038,592.20</u>	<u>17,772,504.34</u>
Excess/(Deficit) in Revenue	<u>596,640.55</u>	<u>774,934.55</u>

See accompanying Notes to Financial Statements - Regulatory Basis

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

	2014	2013
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	30,000.00	400,000.00
Total Adjustments	30,000.00	400,000.00
Statutory Excess to Fund Balance	626,640.55	1,174,934.55
Fund Balance January 1	1,347,890.83	667,956.28
	1,974,531.38	1,842,890.83
Decreased by:		
Utilization as Anticipated Revenue	954,439.24	495,000.00
Fund Balance December 31	\$ 1,020,092.14	1,347,890.83

See accompanying Notes to Financial Statements - Regulatory Basis

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

	Anticipated			Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	Realized	
Fund Balance Anticipated	\$ 954,439.24		954,439.24	-
Total Fund Balance Anticipated	<u>954,439.24</u>	-	<u>954,439.24</u>	<u>-</u>
Miscellaneous Revenues:				
Section A: Local Revenues				
Fees and Permits	3,800.00		4,050.00	250.00
Fines and Costs:				
Municipal Court	70,000.00		83,833.82	13,833.82
Interest and Costs on Taxes	50,000.00		53,688.50	3,688.50
Interest Earned on Investments	8,000.00		13,295.10	5,295.10
Anticipated Utility Operating Surplus	268,000.00		268,000.00	-
Beach Fees	200,000.00		206,592.00	6,592.00
Ice Cream Vendor Bid	25,000.00		31,200.00	6,200.00
Total Section A: Local Revenues	<u>624,800.00</u>	-	<u>660,659.42</u>	<u>35,859.42</u>
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	122,345.00		122,345.00	-
Total Section B: State Aid Without Offsetting Appropriations	<u>122,345.00</u>	-	<u>122,345.00</u>	<u>-</u>
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	200,000.00		175,143.00	(24,857.00)
Total Section C: Uniform Construction Code Fees	<u>200,000.00</u>	-	<u>175,143.00</u>	<u>(24,857.00)</u>

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

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
Optional Safety Grant	1,000.00		1,000.00	-
Atlantic County - CDBG	45,000.00		45,000.00	-
Municipal Alcohol Education Rehabilitation		1,890.56	1,890.56	-
Drunk Driving Enforcement	4,743.07	2,782.07	7,525.14	-
Over the Limit - Under Arrest	4,761.34		4,761.34	-
Buckle Up South Jersey	1,755.59		1,755.59	-
NJ Click it or Ticket		3,714.08	3,714.08	-
Clean Communities Program		6,954.80	6,954.80	-
Drive Sober or Get Pulled Over		4,699.28	4,699.28	-
Recycling Tonnage	1,296.40		1,296.40	-
Body Armor Replacement	3,599.27	1,596.57	5,195.84	-
Total Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations	62,155.67	21,637.36	83,793.03	-
Section G: Other Special Items				
Comcast Franchise Fee	13,000.00		13,149.93	149.93
Total Section G: Other Special Items	13,000.00	-	13,149.93	149.93
Total Miscellaneous Revenues:	1,022,300.67	21,637.36	1,055,090.38	11,152.35

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

<u>Ref.</u>	Anticipated	N.J.S. 40A:4-87	Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Receipts from Delinquent Taxes	225,000.00		232,272.31	7,272.31
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	5,930,453.33		6,022,915.92	92,462.59
Total Amount to be Raised by Taxes for Support of Municipal Budget	5,930,453.33	-	6,022,915.92	92,462.59
Budget Totals	8,132,193.24	21,637.36	8,264,717.85	110,887.25
Non- Budget Revenues:				
Other Non- Budget Revenues:			272,290.92	272,290.92
	\$ 8,132,193.24	21,637.36	8,537,008.77	383,178.17

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

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Net Revenue from Collections \$ 15,840,801.51

Allocated to:

School, County and Other Taxes 10,223,646.92

Balance for Support of Municipal Budget Appropriations 5,617,154.59

Increased by:

Appropriation "Reserved for Uncollected Taxes" 405,761.33

Amount for Support of Municipal Budget Appropriations 6,022,915.92

Receipts from Delinquent Taxes:

Delinquent Tax Collection 232,272.31

Total Receipts from Delinquent Taxes 232,272.31

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Zoning Approval 41,800.00

Tennis Court Fees 5,747.00

Liquor License 200.00

Election Reimbursements 300.00

Rental Approval 8,550.00

Police Reports 4,283.42

Zoning Board Maps & Ordinances 800.00

Street Opening 12,214.00

Dumpster 17,600.00

Land Use 13,600.00

Vital Statistics 671.00

Police Traffic / Security 30.36

DMV Fines 600.00

State of NJ - Senior & Veteran Administrative Fees 350.00

200 Foot List 290.00

Scrap Metal 1,129.25

OPRA Fees 175.52

FEMA - Hurricane Sandy 139,164.24

JIF Dividend 7,138.00

Library Rental 7,400.00

Sale or Lease of Borough Property 7,451.97

Miscellaneous 2,796.16

Total Miscellaneous Revenue Not Anticipated: \$ 272,290.92

See accompanying Notes to Financial Statements - Regulatory Basis

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
General Administration						
Salaries and Wages	\$ 2,500.00	2,500.00	1,665.00		835.00	-
Other Expenses	15,000.00	15,000.00	14,420.02	68.71	511.27	-
Human Resources						
Salaries and Wages	24,500.00	24,500.00	22,046.43		2,453.57	-
Other Expenses	14,000.00	14,000.00	8,527.09	1,340.20	4,132.71	-
Mayor and Commissioners						
Salaries and Wages	25,600.00	25,600.00	25,000.30		599.70	-
Other Expenses	4,300.00	4,300.00	3,651.54		648.46	-
Municipal Clerk						
Salaries and Wages	62,100.00	65,600.00	64,446.14		1,153.86	-
Other Expenses	26,500.00	23,000.00	21,826.94	347.00	826.06	-
Financial Administration						
Salaries and Wages	29,500.00	29,500.00	23,828.12		5,671.88	-
Other Expenses	5,685.00	5,685.00	3,567.76		2,117.24	-
Audit Services						
Other Expenses	30,000.00	30,000.00	30,000.00		-	-
Data Processing						
Other Expenses	20,000.00	17,500.00	13,783.71	806.40	2,909.89	-
Collection of Taxes						
Salaries and Wages	45,550.00	45,550.00	44,510.13		1,039.87	-
Other Expenses	5,460.00	5,460.00	3,765.59		1,694.41	-
Assessment of Taxes						
Salaries and Wages	12,300.00	12,300.00	12,228.06		71.94	-
Other Expenses	5,100.00	5,600.00	4,601.09	255.00	743.91	-
Legal Services						
Other Expenses	150,000.00	150,000.00	104,964.95	27,339.66	17,695.39	-
Engineering Services						
Other Expenses	30,000.00	30,000.00	30,000.00		-	-

See accompanying Notes to Financial Statements - Regulatory Basis

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
LAND USE ADMINISTRATION						
Planning Board						
Salaries and Wages	2,980.00	2,980.00	2,964.00		16.00	-
Other Expenses	6,000.00	6,000.00	4,179.98	1,320.84	499.18	-
PUBLIC SAFETY						
Police						
Salaries and Wages	1,424,826.00	1,424,826.00	1,370,343.60		54,482.40	-
Other Expenses	143,494.00	143,494.00	137,053.49	3,655.72	2,784.79	-
Emergency Management Services						
Salaries and Wages	5,500.00	5,500.00	5,482.36		17.64	-
Other Expenses	8,600.00	8,600.00	8,555.38		44.62	-
Dispatch						
Salaries and Wages	242,147.00	242,147.00	231,415.19		10,731.81	-
Community Rating System						
Salaries and Wages	3,660.00	3,660.00	3,655.34		4.66	-
Other Expenses	8,200.00	8,200.00	5,378.10	463.00	2,358.90	-
Fire						
Salaries and Wages	39,938.00	39,938.00	35,172.52		4,765.48	-
Other Expenses	43,310.00	45,310.00	38,623.99	5,625.58	1,060.43	-
Prosecutor						
Salaries and Wages	7,430.00	7,430.00	7,426.90		3.10	-
Beach Guard						
Salaries and Wages	409,430.00	409,430.00	408,170.24		1,259.76	-
Other Expenses	23,000.00	23,000.00	22,980.75		19.25	-
Beach Control						
Salaries and Wages	28,000.00	25,000.00	20,895.42		4,104.58	-
Other Expenses	9,000.00	10,000.00	8,810.28	431.76	757.96	-
HEALTH AND HUMAN SAFETY						
Animal Control						
Other Expenses	2,000.00	2,000.00			2,000.00	-

See accompanying Notes to Financial Statements - Regulatory Basis

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
PUBLIC WORKS						
Streets and Roads						
Salaries and Wages	320,000.00	320,000.00	290,277.14		29,722.86	-
Other Expenses	70,050.00	100,050.00	75,406.72	11,197.54	13,445.74	-
Garbage and Trash Removal						
Other Expenses						
Solid Waste Collection	88,000.00	88,000.00	80,484.25	7,316.75	199.00	-
Tipping Fees	48,000.00	48,000.00	35,447.50	2,000.00	10,552.50	-
Public Buildings and Grounds						
Other Expenses	50,600.00	50,600.00	40,237.87	1,239.00	9,123.13	-
PARKS AND RECREATION						
Parks and Recreation						
Salaries and Wages	20,000.00	20,000.00	17,982.65		2,017.35	-
Other Expenses	11,500.00	11,500.00	10,912.46		587.54	-
Maintenance of Parks						
Other Expenses	23,000.00	23,000.00	20,376.76	83.13	2,540.11	-
Municipal Court						
Salaries and Wages	131,000.00	131,000.00	119,343.22		11,656.78	-
Other Expenses	5,000.00	5,000.00	2,774.74		2,225.26	-
Public Defender						
Salaries and Wages	3,155.00	3,155.00	3,153.60		1.40	-
INSURANCE						
Salaries and Wages	9,050.00	9,050.00	9,024.08		25.92	-
General Liability	112,000.00	112,000.00	110,129.85		1,870.15	-
Workers Compensation Insurance	180,000.00	182,300.00	182,212.00		88.00	-
Employee Group Health	520,000.00	517,700.00	407,266.60		110,433.40	-
Employee Group Health Opt Out	7,200.00	7,200.00	6,064.60		1,135.40	-

See accompanying Notes to Financial Statements - Regulatory Basis

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
UNIFORM CONSTRUCTION CODE						
State Uniform Construction Code						
Construction Official						
Salaries and Wages	161,850.00	163,850.00	163,564.42		285.58	-
Other Expenses	47,000.00	47,000.00	46,075.01		924.99	-
Other Code Enforcement						
Salaries and Wages	600.00	600.00			600.00	-
Other Expenses	1,100.00	1,100.00	1,052.99		47.01	-
UNCLASSIFIED						
Celebration of Public Events, Anniversary or Holiday	3,000.00	3,000.00	1,438.30		1,561.70	-
Accumulated Sick Time	25,000.00	25,000.00	25,000.00		-	-
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	155,000.00	154,800.00	135,841.61		18,958.39	-
Street Lighting	62,000.00	62,000.00	60,358.71		1,641.29	-
Telephone	27,000.00	27,000.00	24,171.52	1,989.46	839.02	-
Natural Gas	28,000.00	28,200.00	28,028.89		171.11	-
Gasoline/Diesel	80,000.00	80,000.00	71,937.66	1,805.45	6,256.89	-
TOTAL OPERATIONS WITHIN "CAPS"	5,104,715.00	5,134,715.00	4,712,503.56	67,285.20	354,926.24	-
Detail:						
Salaries and Wages	3,011,616.00	3,014,116.00	2,882,594.86	-	131,521.14	-
Other Expenses	2,093,099.00	2,120,599.00	1,829,908.70	67,285.20	223,405.10	-

See accompanying Notes to Financial Statements - Regulatory Basis

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Deferred Charges:						
None						-
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	113,376.00	111,083.26	101,819.00		9,264.26	-
Social Security System (O.A.S.I.)	225,000.00	225,000.00	212,974.73		12,025.27	-
Police and Firemen's Retirement System	297,996.00	295,316.90	278,730.00		16,586.90	-
Unemployment Compensation Insurance	35,000.00	35,000.00	35,000.00		-	-
Lifeguard Pension	17,000.00	17,000.00			17,000.00	-
Defined Contribution Retirement Program	2,050.00	2,050.00	2,028.35		21.65	-
PERS & PFRS - Retro	892.19	5,864.03	5,864.03		-	-
	<u>691,314.19</u>	<u>691,314.19</u>	<u>636,416.11</u>	<u>-</u>	<u>54,898.08</u>	<u>-</u>
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
	5,796,029.19	5,826,029.19	5,348,919.67	67,285.20	409,824.32	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"						
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"	5,000.00	5,000.00			5,000.00	-
Insurance: NJSA 40A:4-45.3						
Employee Group Insurance						
	<u>5,000.00</u>	<u>5,000.00</u>	<u>-</u>	<u>-</u>	<u>5,000.00</u>	<u>-</u>

See accompanying Notes to Financial Statements - Regulatory Basis

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(A) Public and Private Programs Off-Set by Revenues						
Optional Safety Grant	1,000.00	1,000.00	1,000.00	-	-	
Atlantic County - CDBG	45,000.00	45,000.00	45,000.00	-	-	
Municipal Alcohol Education Rehabilitation	4,743.07	1,890.56	1,890.56	-	-	
Drunk Driving Enforcement	4,761.34	7,525.14	7,525.14	-	-	
Over the Limit - Under Arrest	1,755.59	4,761.34	4,761.34	-	-	
Buckle Up South Jersey		1,755.59	1,755.59	-	-	
Drive Sober or Get Pulled Over		4,699.28	4,699.28	-	-	
NJ Click it or Ticket		3,714.08	3,714.08	-	-	
Clean Communities Program	1,296.40	6,954.80	6,954.80	-	-	
Recycling Tonnage	3,599.27	1,296.40	1,296.40	-	-	
Body Armor Replacement		5,195.84	5,195.84	-	-	
Total Public and Private Programs Off-Set by Revenues	62,155.67	83,793.03	83,793.03	-	-	-
Total Operations - Excluded from "CAPS"	67,155.67	88,793.03	83,793.03	-	5,000.00	-
Detail:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	67,155.67	88,793.03	83,793.03	-	5,000.00	-
(C) Capital Improvements						
Public Safety Vehicle	35,000.00	35,000.00	35,000.00	-	-	-
Total Capital Improvements	35,000.00	35,000.00	35,000.00	-	-	-
(D) Debt Service						
Payment of Bond Principal	900,000.00	900,000.00	900,000.00	-	-	-
Interest on Bonds	170,000.00	170,000.00	165,070.79	-	-	4,929.21
Interest on Notes	88,000.00	88,000.00	85,748.55	-	-	2,251.45
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	267,000.00	267,000.00	263,355.53	-	-	3,644.47

See accompanying Notes to Financial Statements - Regulatory Basis

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Total Debt Service	<u>1,425,000.00</u>	<u>1,425,000.00</u>	<u>1,414,174.87</u>	<u>-</u>	<u>-</u>	<u>10,825.13</u>
(E) Deferred Charges						
Special Emergency Authorizations - 5 years	395,747.05	395,747.05	395,747.05			-
Deferred Charges to Future Taxation	7,500.00	7,500.00	7,500.00			-
Unfunded - 2006 Ambulance Ordinance						
Total Deferred Charges	<u>403,247.05</u>	<u>403,247.05</u>	<u>403,247.05</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	<u>1,930,402.72</u>	<u>1,952,040.08</u>	<u>1,936,214.95</u>	<u>-</u>	<u>5,000.00</u>	<u>10,825.13</u>
SUBTOTAL GENERAL APPROPRIATIONS	<u>7,726,431.91</u>	<u>7,778,069.27</u>	<u>7,285,134.62</u>	<u>67,285.20</u>	<u>414,824.32</u>	<u>10,825.13</u>
(M) Reserve for Uncollected Taxes	<u>405,761.33</u>	<u>405,761.33</u>	<u>405,761.33</u>			-
TOTAL GENERAL APPROPRIATIONS	<u>\$ 8,132,193.24</u>	<u>8,183,830.60</u>	<u>7,690,895.95</u>	<u>67,285.20</u>	<u>414,824.32</u>	<u>10,825.13</u>
Budget		8,132,193.24			Cancelled	10,825.13
Appropriations by 40A:4-87		21,637.36			Overexpended	-
Emergency Appropriations		30,000.00				
		<u>8,183,830.60</u>				<u>10,825.13</u>
Reserve for Uncollected Taxes		405,761.33				
Federal and State Grants		83,793.03				
Deferred Charges		395,747.05				
Disbursements		6,805,594.54				
		<u>7,690,895.95</u>				

See accompanying Notes to Financial Statements - Regulatory Basis

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**EXHIBIT - B
TRUST FUND**

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

	2014	2013
<u>ASSETS</u>		
<u>DOG TRUST FUND</u>		
Cash	\$ 654.50	615.75
	654.50	615.75
<u>OTHER TRUST FUND</u>		
Cash and Investments	463,275.79	418,388.14
Interfunds and Receivables:		
Due from Current Fund	2,750.17	1,926.51
	466,025.96	420,314.65
	466,680.46	420,930.40
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
<u>DOG TRUST FUND</u>		
Reserve for Dog Fund Expenditures	415.48	379.13
Due to State of New Jersey	4.80	2.40
Interfunds and Payables:		
Due from Current Fund	234.22	234.22
	654.50	615.75
<u>OTHER TRUST FUND</u>		
Reserve for:		
Unemployment Compensation	21,730.23	17,931.65
Lifeguard Pension	337,382.24	321,382.75
Parking Offenses Adjudication Act	1,720.00	1,646.00
Developers Escrow	572.65	571.81
Accumulated Sick Leave Fund	101,551.51	76,433.07
Recreation	502.18	361.16
Donations for Municipal Equipment and Building Improvements	1,054.17	304.51
Disposal of Forfeited Property	1,512.97	1,683.69
Flexible Spending Account	0.01	0.01
	466,025.96	420,314.65
	\$ 466,680.46	420,930.40

See accompanying Notes to Financial Statements - Regulatory Basis

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EXHIBIT - C
GENERAL CAPITAL FUND

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

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Cash	\$ 306,669.49	5,707,994.17
Deferred Charges to Future Taxation -		
Funded	8,513,528.00	2,562,571.00
Unfunded	18,268.34	7,102,268.34
Interfunds and Receivables		
Due from Current Fund	4,051,991.48	-
Federal Aid Receivable - FEMA	-	5,780.00
	<u>12,890,457.31</u>	<u>15,378,613.51</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	420,225.50	669,826.00
Bond Anticipation Notes Payable	-	7,076,500.00
Serial Bonds Payable	7,475,000.00	1,300,000.00
Loans Payable	1,038,528.00	1,262,571.00
Improvement Authorizations:		
Funded	3,576,648.92	64,070.35
Unfunded	2,609.00	4,968,035.22
Reserve to Pay Debt Service	12,212.48	12,212.48
Fund Balance	365,233.41	25,398.46
	<u>\$ 12,890,457.31</u>	<u>15,378,613.51</u>

There were bonds and notes authorized but not issued at December 31 (C - 10)

2013	25,768.34
2014	18,268.34

See accompanying Notes to Financial Statements - Regulatory Basis

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

	<u>2014</u>	<u>2013</u>
Beginning Balance January 1	\$ 25,398.46	25,398.46
Increased by:		
Premium on Sale of Bonds	345,614.95	
Decreased by:		
Grant Receivable Cancelled	5,780.00	
Ending Balance December 31	<u>\$ 365,233.41</u>	<u>25,398.46</u>

See accompanying Notes to Financial Statements - Regulatory Basis

EXHIBIT - D
WATER AND SEWER UTILITY FUND

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

	2014	2013
ASSETS		
Operating Fund:		
Cash	\$ 294,419.75	302,818.78
Interfunds and Receivables		
Due from Federal & State Grant Fund	4,000.00	4,000.00
	298,419.75	306,818.78
Receivables and Other Assets with Full Reserves:		
Water & Sewer Accounts Receivable	37,442.75	37,555.63
	37,442.75	37,555.63
Total Operating Fund	335,862.50	344,374.41
Capital Fund:		
Cash - Treasurer	37,786.85	37,786.85
Interfunds and Receivables		
Due from Utility Operating Fund	46,252.81	81,337.03
Fixed Capital - Complete	6,953,504.52	6,953,504.52
Fixed Capital - Authorized and Uncomplete	313,238.25	263,238.25
Total Capital Fund	7,350,782.43	7,335,866.65
	\$ 7,686,644.93	7,680,241.06

See accompanying Notes to Financial Statements - Regulatory Basis

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
Operating Fund:		
Appropriation Reserves	\$ 33,787.46	3,302.45
Reserve for Encumbrances	599.53	4,158.44
Prepaid Water & Sewer Rents	8,762.56	6,206.43
Overpaid Water & Sewer Rents	3,395.48	5,470.35
Accrued Interest on Bonds and Notes	18,841.25	5,600.00
Interfunds:		
Due to Utility Capital Fund	46,252.81	81,337.03
	<u>111,639.09</u>	<u>106,074.70</u>
Reserve for Receivables	37,442.75	37,555.63
Fund Balance	186,780.66	200,744.08
Total Operating Fund	<u>335,862.50</u>	<u>344,374.41</u>
Capital Fund:		
Encumbrances Payable	67,728.00	144,084.77
Bond Anticipation Notes Payable	150,000.00	1,175,000.00
Serial Bonds Payable	1,175,000.00	-
Improvement Authorizations:		
Funded	7,165.88	167,579.88
Unfunded	44,252.00	-
Reserve for Amortization	5,806,002.00	5,806,002.00
Deferred Reserve for Amortization	43,200.00	43,200.00
Fund Balance	57,434.55	-
Total Capital Fund	<u>7,350,782.43</u>	<u>7,335,866.65</u>
	<u>\$ 7,686,644.93</u>	<u>7,680,241.06</u>

There were bonds and notes authorized but not issued at December 31 (D - 15)

2013	192,540.77
2014	92,540.77

See accompanying Notes to Financial Statements - Regulatory Basis

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

	2014	2013
Revenue and Other Income Realized		
Fund Balance	\$ 47,400.00	76,165.38
Water & Sewer Rents	931,578.87	979,698.53
Miscellaneous Revenue Anticipated	-	60,827.62
Miscellaneous Revenue Not Anticipated	56,767.97	54,481.49
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	24.36	33,737.64
Total Income	<u>1,035,771.20</u>	<u>1,204,910.66</u>
Expenditures		
Operations	666,400.00	643,993.00
Capital Improvements		
Debt Service	39,934.62	39,630.25
Deferred Charges and Statutory Expenditures	28,000.00	26,000.00
Surplus (General Budget)	268,000.00	374,000.00
Total Expenditures	<u>1,002,334.62</u>	<u>1,083,623.25</u>
Excess/(Deficit) in Revenue	<u>33,436.58</u>	<u>121,287.41</u>
Adjustments to Income before Fund Balance:		
None		
Total Adjustments	<u>-</u>	<u>-</u>
Excess in Operations	<u>33,436.58</u>	<u>121,287.41</u>
Fund Balance January 1	<u>200,744.08</u>	<u>155,622.05</u>
	234,180.66	276,909.46
Decreased by:		
Utilization as Anticipated Revenue	47,400.00	76,165.38
Fund Balance December 31	<u>\$ 186,780.66</u>	<u>200,744.08</u>

See accompanying Notes to Financial Statements - Regulatory Basis

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

	2014	2013
Beginning Balance January 1	\$ -	-
Increased by:		
Premiums on sale of Bonds & Notes	57,434.55	
Decreased by:		
Surplus budgeted in Current Fund	-	
Ending Balance December 31	\$ 57,434.55	-

See accompanying Notes to Financial Statements - Regulatory Basis

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

	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 47,400.00	47,400.00	-
Water Rents	400,000.00	374,128.90	(25,871.10)
Sewer Rents	555,000.00	557,449.97	2,449.97
Miscellaneous Revenue Not Anticipated		56,767.97	56,767.97
	\$ 1,002,400.00	1,035,746.84	33,346.84

Analysis of Realized Revenue:

Consumer Accounts Receivable:

Current Collections	925,372.44
Prepayments & Overpayments Applied	6,206.43
	931,578.87

Miscellaneous Revenue Not Anticipated

Interest on Delinquents	7,206.38
Interest on Investments	1,475.30
Hydrants	2,800.00
Shut Off Fees	700.00
Disconnection Fees	3,700.00
Connection Fees	25,567.00
FEMA Reimbursements	9,846.70
Miscellaneous	5,472.59
	56,767.97

See accompanying Notes to Financial Statements - Regulatory Basis

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Operations:						
Salaries and Wages	\$ 304,000.00	304,000.00	285,718.29		18,281.71	
Other Expenses	362,400.00	362,400.00	348,437.30	599.53	13,363.17	
	<u>666,400.00</u>	<u>666,400.00</u>	<u>634,155.59</u>	<u>599.53</u>	<u>31,644.88</u>	<u>-</u>
Debt Service:						
Interest on Bonds	36,000.00	36,000.00	35,934.62			65.38
Interest On Notes	4,000.00	4,000.00	4,000.00			
	<u>40,000.00</u>	<u>40,000.00</u>	<u>39,934.62</u>	<u>-</u>	<u>-</u>	<u>65.38</u>
Deferred Charges and Statutory Expenditures:						
Unemployment	4,000.00	4,000.00	4,000.00			
Social Security System	24,000.00	24,000.00	21,857.42		2,142.58	
	<u>28,000.00</u>	<u>28,000.00</u>	<u>25,857.42</u>	<u>-</u>	<u>2,142.58</u>	<u>-</u>
Surplus (General Budget)	<u>268,000.00</u>	<u>268,000.00</u>	<u>268,000.00</u>		<u>-</u>	
\$	<u>1,002,400.00</u>	<u>1,002,400.00</u>	<u>967,947.63</u>	<u>599.53</u>	<u>33,787.46</u>	<u>65.38</u>

See accompanying Notes to Financial Statements - Regulatory Basis

EXHIBIT - E
GENERAL FIXED ASSET ACCOUNT GROUP

**GENERAL FIXED ASSET ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Land Buildings and Improvements	\$ 1,817,536.82	1,583,048.65
Machinery and Equipment	<u>3,774,200.44</u>	<u>3,246,613.47</u>
	<u>5,591,737.26</u>	<u>4,829,662.12</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Investment in General Fixed Assets	\$ <u>5,591,737.26</u>	<u>4,829,662.12</u>

See accompanying Notes to Financial Statements - Regulatory Basis

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**BOROUGH OF LONGPORT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

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

**BOROUGH OF LONGPORT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basis of Accounting

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

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

Revenues -- are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the 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 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.

**BOROUGH OF LONGPORT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$2,000.00 are capitalized. 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 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 Borough of Longport 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 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 quarterly installments on January 1, April 1, July 1 and October 1.

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 one and one half percent (1.5%) per month on charges becoming delinquent after due date. There is a ten day grace period.

Capitalization of Interest -- It is the policy of the Borough of Longport 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.

**BOROUGH OF LONGPORT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Required Financial Statements

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

E. Comparative Data

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

F. Recent Accounting Pronouncements Not Yet Effective

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

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The impact of this statement on the net position of the entity is not presently determinable.

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2014 and 2013 statutory budgets included a reserve for uncollected taxes in the amount of \$405,761.33 and \$340,337.37. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2014 and 2013 statutory budgets was \$954,439.24 and \$495,000.00. In addition, the entity operates a self-liquidating water and sewer utility. Under New Jersey Statutes a separate budget for the utility must be adopted concurrently with the operating budget of the entity. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2014 and 2013 statutory budgets was \$47,400.00 and \$76,165.38.

**BOROUGH OF LONGPORT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 2: BUDGETARY INFORMATION - CONTINUED

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

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
<u>Current Fund:</u>		
Salaries and Wages		
Police	\$	(25,000.00)
Municipal Clerk	3,500.00	
Construction Code Official	2,000.00	
Beach Control	(3,000.00)	
Other Expenses		
Police		25,000.00
Municipal Clerk	(3,500.00)	
Data Processing	(2,500.00)	
Tax Assessor	500.00	
Fire	2,000.00	
Beach Control	1,000.00	

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
<u>Water & Sewer Utility Fund</u>		
	None	None

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

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
Municipal Alcohol Education & Rehabilitation Program	\$ 1,890.56	2,110.99
Drunk Driving Enforcement Fund	2,782.07	6,931.77
NJ Click it or Ticket	3,714.08	
Clean Communities Program	6,954.80	7,416.00
Drive Sober or Get Pulled Over	4,699.28	
Recycling Tonnage Grant		769.33
Body Armor or Replacement Fund	1,596.57	1,984.15
Total	\$ <u>21,637.36</u>	<u>19,212.24</u>

**BOROUGH OF LONGPORT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 2: BUDGETARY INFORMATION - CONTINUED

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. The Borough approved an Emergency Appropriation in 2014 in the amount of \$30,000.00 for the Emergency Response to a Hazardous Material Spill, no Regular Emergency Appropriations were authorized in 2013. The 2014 Emergency will be raised in full in 2015.

Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The entity approved special emergency appropriations in the amounts of \$0.00 and \$400,000.00 in 2014 and 2013 respectively. The Special Emergency was for the damage caused by Hurricane Sandy. The unfunded balances of all Special Emergencies as of December 31, 2014 and 2013 were \$300,852.95 and \$696,600.00 respectively.

Note 3: INVESTMENTS

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

Note 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2014 and 2013, \$295,479.41 and \$197,457.57 of the municipality's bank balances of \$7,757,141.15 and \$9,232,091.48 were exposed to custodial credit risk.

Note 5: FIXED ASSETS

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

	Balance 12/31/2012	Additions	Retirements/ Adjustments	Balance 12/31/2013
Land Buildings & Improvements	\$ 1,583,048.65			1,583,048.65
Machinery & Equipment	2,849,417.18	513,611.27	(116,414.98)	3,246,613.47
	<u>\$ 4,432,465.83</u>	<u>513,611.27</u>	<u>(116,414.98)</u>	<u>4,829,662.12</u>

	Balance 12/31/2013	Additions	Retirements/ Adjustments	Balance 12/31/2014
Land Buildings & Improvements	\$ 1,583,048.65	234,488.17		1,817,536.82
Machinery & Equipment	3,246,613.47	527,586.97		3,774,200.44
	<u>\$ 4,829,662.12</u>	<u>762,075.14</u>	<u>-</u>	<u>5,591,737.26</u>

**BOROUGH OF LONGPORT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 6: SHORT-TERM OBLIGATIONS

The following schedules are a summarization of the changes in short – term debt for the calendar years ended December 31, 2014 and 2013:

	Balance 12/31/12	Issued	Retired	Balance 12/31/13
Notes Payable:				
Special Emergency - Current Fund	\$ 425,000.00	400,000.00	85,000.00	740,000.00
Bond Anticipation				
General Capital	760,000.00	7,076,500.00	760,000.00	7,076,500.00
Sewer Utility Capital	1,195,000.00	1,175,000.00	1,195,000.00	1,175,000.00
Total	<u>\$ 2,380,000.00</u>	<u>8,651,500.00</u>	<u>2,040,000.00</u>	<u>8,991,500.00</u>

A Special Emergency Note totaling \$340,000.00 was issued on August 16, 2013 and was due and payable on March 27, 2014 with interest at 1.25% per annum. An additional Special Emergency Note totaling \$400,000.00 was issued on January 31, 2013 and was due and payable on January 31, 2014 with interest at 0.95% per annum. There were three Bond Anticipation Notes, the first totaling \$1,910,000.00 was issued on August 16, 2013 and was due and payable on March 27, 2014 with interest at 1.25% per annum, and the second totaling \$1,871,500.00 was issued on January 31, 2013, and was due and payable on January 31, 2014 with interest at 0.95% per annum, and the third totaling \$4,470,000.00 was issued on March 28, 2013, and was due and payable on March 27, 2014 with interest at 1.25% per annum

As of December 31, 2013 the entity has authorized but not issued bonds in the amount of \$25,768.34 and \$192,540.77 in the General Capital Fund and Water Sewer Utility Capital Funds respectively.

	Balance 12/31/13	Issued	Retired	Balance 12/31/14
Notes Payable:				
Special Emergency - Current Fund	\$ 740,000.00	320,000.00	740,000.00	320,000.00
Bond Anticipation				
General Capital	7,076,500.00		7,076,500.00	-
Sewer Utility Capital	1,175,000.00	150,000.00	1,175,000.00	150,000.00
Total	<u>\$ 8,991,500.00</u>	<u>470,000.00</u>	<u>8,991,500.00</u>	<u>470,000.00</u>

A Special Emergency Note totaling \$320,000.00 was issued on January 30, 2014 and is due and payable on January 29, 2015 with interest at 0.95% per annum. The Bond Anticipation Note totaling \$150,000.00 was issued on January 30, 2014 and is due and payable on January 29, 2015 with interest at 0.95% per annum.

As of December 31, 2014 the Borough has authorized but not issued bonds in the amount of \$18,268.34 and \$92,540.77 in the General Capital Fund and Water Sewer Utility Capital Funds respectively.

**BOROUGH OF LONGPORT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 7: LONG TERM DEBT

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

	Balance 12/31/12	Issued	Retired	Balance 12/31/13	Amounts Due Within One Year
Bonds and Loans payable:					
General	\$ 3,682,538.00		1,119,967.00	2,562,571.00	1,124,043.00
Utility	-			-	-
Total	3,682,538.00	-	1,119,967.00	2,562,571.00	1,124,043.00
Compensated Absences Payable	508,101.94		1,670.85	506,431.09	-
Total long-term liabilities	\$ 4,190,639.94	-	1,121,637.85	3,069,002.09	1,124,043.00
	Balance 12/31/13	Issued	Retired	Balance 12/31/14	Amounts Due Within One Year
Bonds and Loans payable:					
General	\$ 2,562,571.00	7,075,000.00	1,124,043.00	8,513,528.00	1,007,096.00
Utility	-	1,175,000.00		1,175,000.00	75,000.00
Total	2,562,571.00	8,250,000.00	1,124,043.00	9,688,528.00	1,082,096.00
Compensated Absences Payable	506,431.09		71,567.10	434,863.99	-
Total long-term liabilities	\$ 3,069,002.09	8,250,000.00	1,195,610.10	10,123,391.99	1,082,096.00

On January 29, 2014 the Borough issued Bonds totaling \$8,250,000.00, consisting of \$7,075,000.00 General Improvement Bonds and \$1,175,000.00 Water and Sewer Utility Bonds. The Bonds carry coupon rates ranging between 3.00% and 4.00% per annum. The Bonds were issued with a premium of \$500,564.50. The Net Interest Cost of the issue was 2.4780389%. The Bonds will be repaid in annual serial installments beginning on January 15, 2015 continuing through January 15, 2029.

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

At December 31, 2014, bonds and loans payable in the General Capital Fund consisted of the following individual issues:

\$4,800,000.00 General Improvement Bonds dated July 15, 2001, due in annual installments through July 15, 2015, bearing interest at 4.60% per annum. The balance remaining as of December 31, 2014, is \$400,000.

\$7,075,000.00 General Improvement Bonds dated January 29, 2014, due in annual installments through January 15, 2029, bearing interest at various rates from 3.00% to 4.00% per annum. The balance remaining as of December 31, 2014, is \$7,075,000.00.

\$1,417,300.00 New Jersey Wastewater Trust Loan dated October 15, 1997, due in annual installments through October 15, 2017. Interest is paid semiannually at various rates. The balance remaining as of December 31, 2014, is \$273,583.00.

\$2,920,000.00 New Jersey Wastewater Trust Loan dated November 1, 1999, due in annual installments through November 1, 2019. Interest is paid semiannually at various rates. The balance remaining as of December 31, 2014, is \$764,945.00.

**BOROUGH OF LONGPORT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 7: LONG TERM DEBT - CONTINUED

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

\$1,175,000.00 Water & Sewer Utility Bonds dated January 29, 2014, due in annual installments through January 15, 2029, bearing interest at various rates from 3.00% to 4.00% per annum. The balance remaining as of December 31, 2014, is \$1,175,000.00.

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

Year	General Fund		Sewer Utility Fund	
	Principal	Interest	Principal	Interest
2015	\$ 1,007,096.00	274,290.00	75,000.00	36,750.00
2016	714,974.00	231,990.00	75,000.00	33,750.00
2017	720,284.00	205,565.00	75,000.00	30,750.00
2018	633,218.00	178,865.00	75,000.00	27,750.00
2019	637,956.00	156,825.00	75,000.00	25,125.00
2020 - 2024	2,350,000.00	543,750.00	400,000.00	90,000.00
2025 - 2029	2,450,000.00	188,250.00	400,000.00	30,000.00
	<u>\$ 8,513,528.00</u>	<u>1,779,535.00</u>	<u>1,175,000.00</u>	<u>274,125.00</u>

As of December 31, 2014 the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$290,131.87 and to the utility budget was \$39,934.62.

<u>Summary of Municipal Debt</u>	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 8,513,528.00	9,639,071.00	4,442,538.00
Water & Sewer Utility - Bonds and Notes	1,325,000.00	1,175,000.00	1,195,000.00
Total Issued	<u>9,838,528.00</u>	<u>10,814,071.00</u>	<u>5,637,538.00</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	18,268.34	25,768.34	1,904,768.34
Water & Sewer Utility - Bonds and Notes	92,540.77	192,540.77	42,540.77
Total Authorized But Not Issued	<u>110,809.11</u>	<u>218,309.11</u>	<u>1,947,309.11</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 9,949,337.11</u>	<u>11,032,380.11</u>	<u>7,584,847.11</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.488%.

	Gross Debt	Deductions	Net Debt
Water & Sewer Utility Debt	\$ 1,417,540.77	1,417,540.77	-
General Debt	8,531,796.34	12,212.48	8,519,583.86
	<u>\$ 9,949,337.11</u>	<u>1,429,753.25</u>	<u>8,519,583.86</u>

Net Debt \$8,519,583.86 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,923,081,079.33 = 0.443%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 67,307,837.78
Net Debt	8,519,583.86
Remaining Borrowing Power	<u>\$ 58,788,253.92</u>

**BOROUGH OF LONGPORT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 8: FUND BALANCES APPROPRIATED

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

	<u>Year</u>		<u>Balance December 31st</u>		<u>Utilized in Budget of Succeeding Year</u>	<u>Percent Utilized</u>
Current Fund	2014	\$	1,020,092.14	*	695,000.00	68.13%
	2013		1,347,890.83		954,439.24	70.81%
Water and Sewer Utility Fund	2014	\$	186,780.66	*	110,665.45	59.25%
	2013		200,744.08		47,400.00	23.61%

* = Introduced Budget

Note 9: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance December 31, 2014</u>	<u>2015 Budget Appropriation</u>	<u>Balance to Succeeding</u>
Current fund:			
Emergency Appropriation - 2014	\$ 30,000.00	30,000.00	-
Special Emergency Appropriation - 2011 Reassessment	24,400.00	12,200.00	12,200.00
Special Emergency Appropriation - 2012 Hurricane Sandy	276,452.95	191,533.53	84,919.42
	<u>\$ 330,852.95</u>	<u>233,733.53</u>	<u>97,119.42</u>

Note 10: SCHOOL TAXES

Local District School Tax in the amounts of \$994,872.00 and \$975,365.00 have been raised for the 2014 and 2013 calendar years and have been remitted or due to the school district. Local District School Taxes have been raised and a liability not greater than 50% of the levy has been deferred as allowed by statute, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	<u>12/31/2014</u>	<u>12/31/2013</u>
Balance of Tax	\$ 652,681.60	\$ 640,977.40
Deferred	487,682.50	487,682.50
Tax Payable	<u>\$ 164,999.10</u>	<u>\$ 153,294.90</u>

**BOROUGH OF LONGPORT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 11: TAXES COLLECTED IN ADVANCE

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

	Balance 12/31/14	Balance 12/31/13
Prepaid Taxes	\$ 443,642.05	\$ 311,650.97
Cash Liability for Taxes Collected in Advance	\$ 443,642.05	\$ 311,650.97

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.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 6.78% through June 30, 2014 and 6.92% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The entity's contributions to PERS for the years ended December 31, 2014, 2013, and 2012 were \$101,819.00, \$115,280.00 and \$124,852.00.

**BOROUGH OF LONGPORT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 12: PENSION FUNDS - CONTINUED

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The entity's contributions to PFRS for the years ended December 31, 2014, 2013, and 2012 were \$278,730.00, \$312,888.00, and \$311,606.00.

The total payroll for the year ended December 31, 2014, 2013 and 2012 was \$3,157,216.83, \$3,102,919.87 and \$3,119,157.13. Payroll covered by PFRS was \$1,181,042.00, \$1,169,687.00 and \$1,123,376.10. Payroll covered by PERS was \$1,135,912.00, \$1,116,097.00 and \$975,386.00.

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 ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

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

**BOROUGH OF LONGPORT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 12: PENSION FUNDS - CONTINUED

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

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

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

Note 13: LIFEGUARD PENSION

Effective January 1, 1987 the Borough of Longport established a pension plan to provide retirement, disability and survivor pension benefits for the individuals who serve on the Borough's lifeguard force. An eligible employee becomes a plan member upon employment. Employee contributions shall be withheld from the member's salary at a rate of 4% and contributed to the plan. Each year the Borough shall contribute to the plan 4% of the aggregate compensation paid to the plan members for such year. The contributions will be paid to the pension fund, which is a segregated account maintained by the Borough Chief Financial Officer and is to be used solely for the accumulating and disbursing of monies for benefits provided under the plan. The funds contributed to the plan are to be invested by the Pension Committee.

A plan member may retire with a pension only after their 45th birthday and the completion of 20 years of service, the last 10 years of which must have been completed immediately preceding their application. This pension shall be known as their normal pension. It shall commence no earlier than their 45th birthday, but it shall vest after twenty (20) Years of Service the last ten (10) years of which are continuous.

A Plan Member's annual Normal Pension shall be equal to 50% of his Average Compensation. It shall be paid in monthly installments starting on the later of the Member's 45th birthday or his actual retirement date and ending with the payment for the month in which their death occurs. However, post-retirement death benefits may be available which provide for the continuation of such pension after the death of the Plan Member. If the commencement of a plan Member's Normal Pension is deferred by his continued employment (as an employee) after his 45th birthday, the amount of his Normal Pension will not change except to reflect changes in his Average Compensation. No optional or alternate payment arrangements are available for pensions described in this Section or for Disability Survivor Pensions.

Total salaries paid to lifeguards for the years ended December 31, 2014, 2013 and 2012 were \$408,170.24, \$387,451.19 and \$381,619.96 respectively. The Borough's contribution to the Lifeguard Pension Fund is transferred to the Lifeguard Pension Fund in subsequent year.

**BOROUGH OF LONGPORT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 13: LIFEGUARD PENSION - CONTINUED

The following table details the activity for this fund for the year ended December 31, 2013.

<u>Balance 12/31/2013</u>	<u>Interest Earned</u>	<u>Borough Share</u>	<u>Employee Withholdings</u>	<u>Pension Payments</u>	<u>Balance 12/31/2014</u>
\$ 321,382.75	\$ (2,033.31)	\$ 15,611.00	\$ 17,071.52	\$ (14,649.72)	\$ 337,382.24

Note 14: ACCRUED SICK AND VACATION BENEFITS

The Borough has permitted employees to accrue unused vacation and 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 \$434,863.99 in 2014 and \$506,431.09 in 2013. This amount is not reported either as an expenditure or liability. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey. The Borough has established a reserve to offset this liability, the balance in the reserve is \$101,551.51 and \$76,433.07 at December 31, 2014 and 2013 respectively.

Note 15: ECONOMIC DEPENDENCY

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

Note 16: RISK MANAGEMENT

The Borough 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 Borough maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2014 and 2013 the entity did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

New Jersey Unemployment Compensation Insurance – The entity has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the entity 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 entity is billed quarterly for amounts due to the State. The following is a summary of entity contributions, employee contributions, reimbursements to the State for benefits and the ending balance of the entity’s trust fund for the previous three years:

<u>Calendar Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$ 39,000.00	5,162.19	30.89	40,394.50	21,730.23
2013	37,100.00	5,181.26	22.31	28,211.04	17,931.65
2012	4,000.00	5,057.76	30.21	31,811.92	3,839.12

**BOROUGH OF LONGPORT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 17: DEFERRED COMPENSATION

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

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

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

Note 18: CONTINGENT LIABILITIES

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

Note 19: INTERFUND BALANCES

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

	Due From	Due To
Current Fund:		
Federal and State Grant Fund	\$ 47,451.14	
Trust Other Fund		2,750.17
Dog Trust Fund	234.22	
General Capital Fund		4,051,991.48
Grant Fund:		
Current		47,451.14
Utility Operating Fund		4,000.00
Trust Fund:		
Current - Animal Control Fund		234.22
Current - Trust Other Fund	2,750.17	
General Capital Fund:		
Current	4,051,991.48	
Water and Sewer Operating:		
Federal and State Grant Fund	4,000.00	
Water and Sewer Capital Fund		46,252.81
Water and Sewer Capital Fund:		
Sewer Operating Fund	46,252.81	
	\$ <u>4,152,679.82</u>	<u>4,152,679.82</u>

The remaining interfunds are due to amounts that should have been transferred to the other funds as appropriate.

**BOROUGH OF LONGPORT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 20: SUBSEQUENT EVENTS

The entity has evaluated subsequent events through March 31, 2015, the date which the financial statements were available to be issued and did not identify any events requiring disclosure.

SUPPLEMENTARY INFORMATION



FORD - SCOTT

& ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS – REGULATORY BASIS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and
Members of the Borough Commission
Borough of Longport
County of Atlantic, 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 financial statements – regulatory basis of the various funds and account group, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Borough of Longport, State of New Jersey, as of and for the year ended December 31, 2014, and have issued our report thereon dated March 31, 2015 which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Longport prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey.

Internal Control Over Financial Reporting

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

Michael S. Garcia
Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472

March 31, 2015

BOROUGH OF LONGPORT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2014

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified Opinion issued on the Financial Statements – Regulatory Basis.**

Internal control over financial reporting:

- 1) Material Weakness identified? **No**
- 2) Significant Deficiencies? **None Reported**

Non-Compliance material to Financial Statements – Regulatory Basis noted? **No**

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – REGULATORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements – regulatory basis that are required to be reported.

MANAGEMENT RESPONSES

Not Applicable.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

		Current Fund		Grant Fund
Balance December 31, 2013	\$	2,847,411.63	\$	56,228.00
Increased by Receipts:				
Prepaid Taxes		443,642.05		
Taxes Receivable		15,665,648.88		
Revenue Accounts Receivable		1,239,252.27		
Tax Overpayments		20,879.81		
Due from State of NJ - Seniors & Veterans		17,500.00		
Payroll Payable		3,446,228.22		
Special Emergency Note Proceeds		320,000.00		
Prepaid Beach Fees		3,469.00		
Third Party Tax Liens		21,908.95		
Due to State of New Jersey;				
DCA Training Fees		14,545.00		
Marriages Licenses		50.00		
Due from Trust Other Fund		2,824.66		
Due from General Capital Fund		4,051,991.48		
Due from Current Fund			47,451.14	
Federal and State Unappropriated			24,969.61	
Federal and State Receivables			1,000.00	
		25,247,940.32		73,420.75
		28,095,351.95		129,648.75
Decreased by Disbursements:				
Current Year Appropriation		6,805,594.54		
Prior Year Appropriations		192,253.22		
County Taxes		9,218,559.17		
Local District School Taxes		983,167.80		
Redemption of Special Emergency Note		740,000.00		
Tax Premiums Returned		24,900.00		
Third Party Tax Liens		21,908.95		
Payroll Payable		3,444,266.39		
Reserve for Insurance Reimbursements		2,660.00		
Reserve for Hurricane Sandy		16,901.15		
Due to State of New Jersey;				
DCA Training Fees		14,545.00		
Marriages Licenses		50.00		
Due to Trust Other Fund		2,001.00		
Due to Federal and State Grant Fund		47,451.14		
Federal and State Disbursements			129,648.75	
		21,514,258.36		129,648.75
Balance December 31, 2014	\$	6,581,093.59	\$	-

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

Year	Balance Dec. 31, 2013	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Balance Dec. 31, 2014
				2013	2014		
2013	\$ 249,570.32			232,272.31	17,298.01	17,298.01	0.00
	249,570.32	-	-	232,272.31	17,298.01	17,298.01	0.00
2014		16,072,968.85	154,346.31	311,650.97	15,529,150.54	156,537.84	229,975.81
	\$ 249,570.32	16,072,968.85	154,346.31	311,650.97	15,761,422.85	173,835.85	229,975.81
				15,665,648.88	Cash Receipts		
				77,273.97	Overpayments Applied		
				18,500.00	Senior Citizens and Veterans		
				<u>15,761,422.85</u>			
Analysis of Current Year Tax Levy							
Tax Yield:							
		General Property Tax		16,072,968.85			
		Added Taxes (54:4-63.1 et. Seq.)		154,346.31			
				<u>16,227,315.16</u>			
Tax Levy:							
		General County Taxes		7,670,991.72			
		County Library Taxes		759,832.89			
		County Open Space Taxes		107,999.93			
		County Health Taxes		602,211.17			
		County Added and Omitted Taxes		87,739.21			
		Total County Taxes		<u>9,228,774.92</u>			
		Local School District Tax			994,872.00		
		Local Tax for Municipal Purposes		5,930,453.33			
		Add: Additional Tax Levied		73,214.91			
				<u>6,003,668.24</u>			
				<u>16,227,315.16</u>			

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

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

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2013	Accrued in 2014	Collected by Treasurer	Balance Dec. 31, 2014
Fees and Permits		4,050.00	4,050.00	-
Fines and Costs:				
Municipal Court	5,730.11	80,955.79	83,833.82	2,852.08
Interest and Costs on Taxes		53,688.50	53,688.50	-
Interest Earned on Investments		13,295.10	13,295.10	-
Beach Fees		202,256.00	202,256.00	-
Ice Cream Vendor Bid		31,200.00	31,200.00	-
Comcast Franchise Fee		13,149.93	13,149.93	-
Uniform Construction Code Fees		175,143.00	175,143.00	-
Energy Receipts Tax		122,345.00	122,345.00	-
Anticipated Utility Operating Surplus		268,000.00	268,000.00	-
Miscellaneous Revenue Not Anticipated		272,290.92	272,290.92	-
	<u>5,730.11</u>	<u>1,236,374.24</u>	<u>1,239,252.27</u>	<u>2,852.08</u>
	\$			

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed
OPERATIONS WITHIN "CAPS"				
GENERAL GOVERNMENT:				
General Administration				
Other Expenses	2,525.14	2,525.14	174.02	2,351.12
Human Resources				
Salaries and Wages	502.26	502.26		502.26
Other Expenses	2,097.89	2,097.89	1,277.10	820.79
Mayor and Commissioners				
Salaries and Wages	599.70	599.70		599.70
Other Expenses	4.14	4.14		4.14
Borough Clerk				
Salaries and Wages	128.31	128.31		128.31
Other Expenses	15,008.30	15,008.30	328.24	14,680.06
Finance Department				
Salaries and Wages	502.26	502.26		502.26
Other Expenses	754.25	754.25		754.25
Data Processing				
Other Expenses	8,011.80	8,011.80	97.78	7,914.02
Collection of Taxes				
Salaries and Wages	34.94	34.94		34.94
Other Expenses	1,195.37	1,195.37	504.45	690.92
Assessment of Taxes				
Salaries and Wages	152.90	152.90		152.90
Other Expenses	522.16	522.16	411.98	110.18
Legal Services and Costs				
Other Expenses	103,653.19	103,653.19	12,621.03	91,032.16

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed
LAND USE ADMINISTRATION				
Planning Board				
Salaries and Wages	22.00	22.00		22.00
Other Expenses	757.74	757.74	749.98	7.76
PUBLIC SAFETY				
Police				
Salaries and Wages	28,452.68	28,452.68		28,452.68
Other Expenses	54,809.91	54,809.91	49,080.04	5,729.87
Emergency Management				
Salaries and Wages	149.51	149.51		149.51
Other Expenses	5,409.88	5,409.88	4,081.60	1,328.28
Dispatch				
Salaries and Wages	6,749.78	6,749.78		6,749.78
Community Rating System				
Salaries and Wages	0.04	0.04		0.04
Other Expenses	532.81	532.81		532.81
Fire				
Salaries and Wages	2,708.12	2,708.12		2,708.12
Other Expenses	15,199.47	15,199.47	14,357.66	841.81
Prosecutor				
Salaries and Wages	43.08	43.08		43.08
Beach Guards				
Salaries and Wages	3,168.81	8,668.81	8,337.23	331.58
Other Expenses	3,227.19	3,227.19	594.28	2,632.91
Beach Control				
Salaries and Wages	453.52	453.52		453.52
Other Expenses	0.38	0.38		0.38
HEALTH AND HUMAN SAFETY				
Animal Control				
Other Expenses	100.00	100.00		100.00

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed
PUBLIC WORKS				
Streets and Roads				
Salaries and Wages	24,236.63	19,736.63		19,736.63
Other Expenses	211,149.25	214,149.25	211,952.50	2,196.75
Garbage and Trash Removal				
Other Expenses				
Solid Waste Collection	7,366.71	7,366.71	7,239.33	127.38
Tipping Fees	6,142.56	6,142.56	2,113.55	4,029.01
Public Buildings and Grounds				
Other Expenses	2,750.88	3,750.88	2,892.21	858.67
PARKS AND RECREATION				
Parks and Recreation				
Salaries and Wages	1,073.22	1,073.22		1,073.22
Other Expenses	2,113.94	2,113.94	790.75	1,323.19
Maintenance of Parks				
Other Expenses	144.44	644.44	133.15	511.29
Municipal Court				
Salaries and Wages	5,417.85	5,417.85		5,417.85
Other Expenses	2,121.22	2,121.22		2,121.22
Public Defender				
Salaries and Wages	1,553.50	1,553.50	776.75	776.75
INSURANCE				
Salaries and Wages	109.04	109.04		109.04
Employee Group Health	62,363.45	62,363.45	48,400.07	13,963.38
Employee Group Health Opt Out	3,103.89	3,103.89		3,103.89
Liability Insurance	1,347.00	1,347.00	35.00	1,312.00

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed
UNIFORM CONSTRUCTION CODE				
Construction Code Official				
Salaries and Wages	771.66	771.66		771.66
Other Expenses	978.10	978.10	675.79	302.31
Other Code Enforcement				
Salaries and Wages	150.55	150.55		150.55
Other Expenses	865.00	865.00		865.00
UNCLASSIFIED				
Celebration of Public Events				
Other Expenses	2,439.30	2,439.30	228.15	2,211.15
UTILITY EXPENSES AND BULK PURCHASES				
Electricity	17,142.76	11,642.76		11,642.76
Street Lighting	1,708.09	1,708.09		1,708.09
Telephone	529.32	529.32		529.32
Natural Gas	7,948.32	7,948.32		7,948.32
Gasoline	15,081.43	15,081.43	2,799.46	12,281.97
STATUTORY EXPENDITURES				
Contributions to:				
Social Security System (O.A.S.I.)	14,498.58	14,498.58		14,498.58
DCRP (Defined Contribution Retirement Program)	17.27	17.27		17.27
Lifeguard Pension	16,000.00	16,000.00	15,611.00	389.00
	<u>\$ 666,601.49</u>	<u>666,601.49</u>	<u>386,263.10</u>	<u>280,338.39</u>

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

Balance December 31, 2013			
School Tax Payable	\$	153,294.90	
School Tax Deferred		487,682.50	
		<u> </u>	640,977.40
Increased by:			
Levy - School Year July 1, 2014 to June 30, 2015			<u>994,872.00</u>
			1,635,849.40
Decreased by:			
Payments			<u>983,167.80</u>
Balance December 31, 2014			
School Tax Payable		164,999.10	
School Tax Deferred		487,682.50	
		<u> </u>	<u>652,681.60</u>
Current Year Liability for Local School District School Tax:			
Tax Paid			983,167.80
Tax Payable Ending			<u>164,999.10</u>
			1,148,166.90
Less: Tax Payable Beginning			<u>153,294.90</u>
Amount charged to Current Year Operations			<u><u>\$ 994,872.00</u></u>

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

<u>Purpose</u>	Balance Dec. 31, 2013	Transferred From 2014 Revenues	Received	Balance Dec. 31, 2014
FEDERAL GRANTS:				
CDBG	\$ 75,000.00	45,000.00		120,000.00
Total Federal	<u>75,000.00</u>	<u>45,000.00</u>	<u>-</u>	<u>120,000.00</u>
STATE GRANTS:				
NJ Transportation Trust Fund	71,315.83			71,315.83
Clean Communities	5,785.85			5,785.85
Green Communities	3,000.00			3,000.00
Atlantic County JIF	4,387.00			4,387.00
Atlantic County DWI Traffic Enforcement Grant	197.32			197.32
Atlantic County Open Spaces Grant	39,935.00			39,935.00
Life Hazard Use Fees	2,190.95			2,190.95
NJ Click it or Ticket	1,176.00			1,176.00
Drunk Driving Enforcement Fund	8,205.12			8,205.12
Municipal Alcohol Education/Rehabilitation	7.63			7.63
Pedestrian Safety Grant	60.96			60.96
Optional Safety Grant	2,300.00			2,300.00
Optional Safety Grant		1,000.00	1,000.00	-
Over the Limit - Under Arrest	8,677.70			8,677.70
Body Armor Replacement	4,424.61			4,424.61
NJ DEP Municipal Stormwater	1,705.00			1,705.00
NJ DEP Municipal Stormwater	6,822.00			6,822.00
Sustainability	306.16			306.16
Total State	<u>160,497.13</u>	<u>1,000.00</u>	<u>1,000.00</u>	<u>160,497.13</u>
	<u>\$ 235,497.13</u>	<u>46,000.00</u>	<u>1,000.00</u>	<u>280,497.13</u>

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

	Balance December 31, 2013		2014 Appropriations	Disbursed	Balance Dec. 31, 2014
	Appropriated	Reserve for Encumbrances			
FEDERAL GRANTS:					
COPS Fast	\$ 5,058.00				5,058.00
COPS Universal	2,133.00				2,133.00
FEMA - June 2012 Storm	2995.94		-		2,995.94
Total Federal	<u>10,186.94</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,186.94</u>
STATE GRANTS:					
Municipal Alcohol Education Rehabilitation	20,126.46		1,890.56	4,200.00	17,817.02
Drunk Driving Enforcement	2,336.37		7,525.14	5,563.30	4,298.21
Atlantic County DWI Traffic Enforcement Grant	197.32				197.32
NJ DEP Municipal Stormwater	6,822.00				6,822.00
NJ Click it or Ticket	3,257.47		5,469.67	3,714.09	5,013.05
Pedestrian Safety Grant	11,813.60				11,813.60
Clean Communities Program	10,428.62		6,954.80	3,920.62	13,462.80
2007 Municipal Stormwater	6,822.00				6,822.00
Optional Safety Grant	730.71		1,000.00	861.46	869.25
ACIA - CDBG	3,690.00				3,690.00
Atlantic County Open Space Grant	43,706.47				43,706.47
Life Hazard Use Fees	3,497.45				3,497.45
Green Communities	3,000.00				3,000.00
Recycling Tonnage	8,673.42		1,296.40		9,969.82
Sustainability	306.16				306.16
Drive Sober or Get Pulled Over Over the Limit Under Arrest			4,699.28	4,699.28	-
Body Armor Replacement	1,289.38		4,761.34		4,761.34
Bullet Proof Vest Grant - 2008	665.38				1,289.38
Bullet Proof Vest Grant - 2010	219.73				665.38
Body Armor Replacement	1,984.15		5,195.84	1,690.00	219.73
CDBG	60,000.00		45,000.00	105,000.00	5,489.99
N.J. Transportation Trust Fund Authority Act	71,315.83				-
Total State	<u>260,882.52</u>	<u>-</u>	<u>83,793.03</u>	<u>129,648.75</u>	<u>215,026.80</u>
OTHER GRANTS:					
Haas Trust	500.00				500.00
Total Other	<u>500.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500.00</u>
	<u>\$ 271,569.46</u>	<u>-</u>	<u>83,793.03</u>	<u>129,648.75</u>	<u>225,713.74</u>

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

<u>Purpose</u>	Balance Dec. 31, 2013	Transferred To 2014 Appropriations	Received	Adjustments	Balance Dec. 31, 2014
FEDERAL GRANTS:					
None	\$ -				-
Total Federal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
STATE GRANTS:					
Body Armor Replacement	3,599.27	5,195.84	1,596.57		-
Recycling Tonnage Grant	1,296.40	1,296.40	2,287.25		2,287.25
Drunk Driving Enforcement Fund	4,743.07	7,525.14	3,827.07		1,045.00
Over the Limit Under Arrest	4,761.34	4,761.34			-
Buckle Up South Jersey	1,755.59	1,755.59			-
Clean Communities	6,954.80	6,954.80	6,954.80		-
Alcohol Education & Rehabilitation	1,890.56	1,890.56	1,890.56		-
Drive Sober or Get Pulled Over	4,699.28	4,699.28	4,699.28		-
NJ Click it or Ticket	3,714.08	3,714.08	3,714.08		-
Total State	<u>16,155.67</u>	<u>37,793.03</u>	<u>24,969.61</u>	<u>-</u>	<u>3,332.25</u>
\$	<u>16,155.67</u>	<u>37,793.03</u>	<u>24,969.61</u>	<u>-</u>	<u>3,332.25</u>

**TRUST FUND
SCHEDULE OF DOG TRUST CASH - TREASURER**

Balance December 31, 2013		\$	615.75
Increased by:			
Cash Receipts for:			
Dog Licenses Collected	113.80		
Due to State of NJ	20.40		
Interest on Investments	0.94		
	<hr/>		<hr/>
			135.14
			750.89
Decreased by:			
Cash Disbursed for:			
Dog Fund Expenditures	78.39		
Due to State of New Jersey	18.00		
Due from Current Fund			
	<hr/>		<hr/>
			96.39
Balance December 31, 2014		\$	<u><u>654.50</u></u>

**TRUST FUND
SCHEDULE OF OTHER TRUST CASH - TREASURER**

Balance December 31, 2013		\$ 418,388.14
Increased by:		
Cash Receipts for Other Reserves:		
Interest on Investments	1,615.15	
Employee Withholdings	22,233.71	
Budget Appropriations	79,611.00	
Other Receipts	5,172.36	
	<hr/>	<hr/> 108,632.22
		527,020.36
Decreased by:		
Cash Disbursed for Other Reserves	63,744.57	
	<hr/>	<hr/> 63,744.57
Balance December 31, 2014		\$ <u><u>463,275.79</u></u>

**TRUST FUND
ANIMAL CONTROL FUND - RESERVE FOR DOG FUND EXPENDITURES**

Balance December 31, 2013		\$	379.13
Increased by:			
Dog License - Cash Receipts	113.80		
Interest on Investments	0.94		
	<u> </u>		<u>114.74</u>
			493.87
Decreased by:			
Cash Disbursed	78.39		
	<u> </u>		<u>78.39</u>
Balance December 31, 2014		\$	<u><u>415.48</u></u>

Fess Collected	2013	98.60
	2012	316.88
		<u><u>415.48</u></u>

**TRUST FUND
ANIMAL CONTROL FUND - DUE TO STATE OF NEW JERSEY**

Balance December 31, 2013	\$	2.40
Increased by:		
Cash Receipts	20.40	
	<hr/>	<hr/>
		20.40
		22.80
Decreased by:		
Cash Disbursed	18.00	
	<hr/>	<hr/>
		18.00
Balance December 31, 2014	\$	<u><u>4.80</u></u>

**TRUST FUND
SCHEDULE OF OTHER RESERVES**

Title	Balance Dec. 31, 2013	Interest on Investments	Employee Withholdings	Budget Appropriation	Other Cash Receipts	Interfund Receivable	Cash Disbursed	Balance Dec. 31, 2014
Unemployment Compensation	\$ 17,931.65	30.89	5,162.19	39,000.00			40,394.50	21,730.23
Lifeguard Pension	321,382.75	1,461.90	17,071.52	15,611.00			18,144.93	337,382.24
Parking Offenses Adjudication Act	1,646.00					74.00		1,720.00
Developers Escrow	571.81	0.84						572.65
Accumulated Sick Leave Fund	76,433.07	118.44		25,000.00				101,551.51
Recreation	361.16	0.68			2,794.36		2,654.02	502.18
Donations for Municipal Equipment and Building Improvements	304.51					749.66		1,054.17
Disposal of Forfeited Property	1,683.69	2.40			2,378.00		2,551.12	1,512.97
Flexible Spending Account	0.01							0.01
	<u>\$ 420,314.65</u>	<u>1,615.15</u>	<u>22,233.71</u>	<u>79,611.00</u>	<u>5,172.36</u>	<u>823.66</u>	<u>63,744.57</u>	<u>466,025.96</u>

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

Balance December 31, 2013		\$ 5,707,994.17
Increased by:		
Serial Bonds Issued	7,075,000.00	
Premium on Sale of Bonds	345,614.95	
Budget Appropriation:		
Deferred Charges to Future Taxation Unfunded	7,500.00	
		<u>7,428,114.95</u>
		13,136,109.12
Decreased by:		
Improvement Authorizations	1,323,630.65	
Encumbrances Payable	378,817.50	
Bond Anticipation Notes Paid	7,076,500.00	
Due from Current Fund	<u>4,050,491.48</u>	
		<u>12,829,439.63</u>
Balance December 31, 2014		\$ <u><u>306,669.49</u></u>

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance Dec. 31, 2014
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 25,398.46							365,233.41
Encumbrances Payable	669,826.00	345,614.95			378,817.50	5,780.00	129,217.00	420,225.50
Reserve to pay Notes	12,212.48							12,212.48
Due to/(from) Current Fund	-				4,051,991.48			(4,051,991.48)
FEMA Receivable	(5,780.00)						5,780.00	-
Improvement Authorizations:								
01-04 Various Improvements	(960.00)							(960.00)
03-03 Various Improvements	(715.00)							(715.00)
02-17 Various Improvements	(1,118.92)							(1,118.92)
03-08 Various Improvements	5,788.83							5,788.83
06-14 Ambulance	(20,131.00)	7,500.00						(12,631.00)
08-01 Public Safety Software Upgrade	(234.42)							(234.42)
08-18 Various General Improvements	58,281.52			4,320.88				53,960.64
10-07 Various General Improvements	46,378.82		735,000.00	31,327.86	735,000.00			15,050.96
12-20 Various General Improvements	1,375,230.10		1,870,000.00	449,055.95	1,870,000.00			926,174.15
13-02 Various General Improvements	3,543,817.30		4,470,000.00	838,925.96	4,470,000.00	129,217.00		2,575,674.34
	<u>\$ 5,707,994.17</u>	<u>353,114.95</u>	<u>7,075,000.00</u>	<u>1,323,630.65</u>	<u>11,505,808.98</u>	<u>134,997.00</u>	<u>134,997.00</u>	<u>306,669.49</u>

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

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

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

Balance December 31, 2013		\$ 2,562,571.00
Increased by:		
Serial Bonds Issued	7,075,000.00	
	<hr/>	<hr/> 7,075,000.00
		9,637,571.00
Decreased by:		
Serial Bonds Paid	900,000.00	
Loan Principal Paid	224,043.00	
	<hr/>	<hr/> 1,124,043.00
Balance December 31, 2014		\$ <u><u>8,513,528.00</u></u>

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

Ord #	Improvement Description	Balance Dec. 31, 2013	Raised in 2014 Budget	Debt Issued	Balance Dec. 31, 2014	Analysis of Balance	
						Expenditures	Unexpended Improvement Authorizations
01-04	Various Improvements	\$ 960.00	\$		960.00	960.00	
02-07/03-03	Various General Improvements	715.00			715.00	715.00	
02-17	Various General Improvements	1,118.92			1,118.92	1,118.92	
06-14	Ambulance	22,500.00	7,500.00		15,000.00	12,631.00	2,369.00
08-01	Public Safety Software Upgrade	234.42			234.42	234.42	
08-18	Various General Improvements	240.00			240.00		240.00
10-07	Various General Improvements	735,000.00		735,000.00	-		
12-20	Various General Improvements	1,871,500.00		1,871,500.00	-		
13-02	Various General Improvements	4,470,000.00		4,470,000.00	-		
		<u>\$ 7,102,268.34</u>	<u>7,500.00</u>	<u>\$ 7,076,500.00</u>	<u>18,268.34</u>	<u>15,659.34</u>	<u>2,609.00</u>

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2013		Paid or Charged	Balance December 31, 2014	
				Funded	Unfunded		Funded	Unfunded
03-08	Various General Improvements f) Shore Protection	5/17/2003	2,014,000	\$ 5,788.83			5,788.83	
06-14	Ambulance	2006	125,000		2,369.00			2,369.00
08-18	Various General Improvements	10/5/2008	839,199	58,281.52	240.00	4,320.88	53,960.64	240.00
10-07	Various General Improvements	7/7/2011	800,000		46,378.82	31,327.86	15,050.96	-
12-20	Various General Improvements	12/19/2012	1,970,000		1,375,230.10	449,055.95	926,174.15	-
13-02	Various General Improvements	2/21/2013	4,470,000		3,543,817.30	968,142.96	2,575,674.34	-
				\$ 64,070.35	4,968,035.22	1,452,847.65	3,576,648.92	2,609.00

**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, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
General Improvement Bonds of 2001	7/15/2001	4,800,000	7/15/2015	400,000.00	4.600%	\$ 800,000.00	\$	400,000.00	400,000.00
General Improvement Bonds of 2003	8/15/2003	3,920,000				500,000.00		500,000.00	-
General Improvement Bonds of 2014	1/29/2014	7,075,000	1/15/2015	375,000.00	4.000%		7,075,000.00		7,075,000.00
			1/15/2016 - 2018	475,000.00	4.000%				
			1/15/2019	475,000.00	3.000%				
			1/15/2020 - 2027	470,000.00	3.000%				
			1/15/2028 - 2029	520,000.00	3.000%				
						<u>\$ 1,300,000.00</u>	<u>\$ 7,075,000.00</u>	<u>900,000.00</u>	<u>7,475,000.00</u>

**GENERAL CAPITAL FUND
SCHEDULE OF LOANS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Decreased	Balance Dec. 31, 2014
			Date	Amount				
New Jersey Wastewater Trust Loan: Infrastructure Improvements	10/15/1997	1,417,300	2015	85,465.00	Var.	360,576.00	86,993.00	273,583.00
			2016	91,993.00				
			2017	96,125.00				
New Jersey Environmental Infrastructure Trust Fund Loan: Water and Sewer Improvements	11/1/1999	2,920,000	2015	142,603.00	Var.	901,995.00	137,050.00	764,945.00
			2016	147,981.00				
			2017	153,187.00				
			2018	158,218.00				
			2019	162,956.00				
					\$	<u>1,262,571.00</u>	<u>224,043.00</u>	<u>1,038,528.00</u>

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

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Decreased	Balance Dec. 31, 2014
Various General Improvements	10-07	10/21/2010	8/16/2013	3/27/2014	1.250% \$	735,000.00	735,000.00	-
Various General Improvements	12-20	1/31/2013	1/31/2013	1/31/2014	0.950%	1,871,500.00	1,871,500.00	-
Various General Improvements	13-01	3/28/2013	3/28/2013	3/27/2014	1.250%	4,470,000.00	4,470,000.00	-
					\$	<u>7,076,500.00</u>	<u>7,076,500.00</u>	<u>-</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Other	Balance Dec. 31, 2014
01-04	Various General Improvements	\$ 960.00			960.00
02-07/03-03	Various General Improvements	715.00			715.00
02-17	Various General Improvements	1,118.92			1,118.92
06-14	Ambulance	22,500.00		7,500.00	15,000.00
08-01	Public Safety Software Upgrade	234.42			234.42
08-18	Various General Improvements	240.00			240.00
		<u>\$ 25,768.34</u>	<u>-</u>	<u>7,500.00</u>	<u>18,268.34</u>

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

	Operating Fund	Capital Fund
Balance December 31, 2013	\$ 302,818.78	37,786.85
Increased by Receipts:		
Water & Sewer Accounts Receivable	925,372.44	
Miscellaneous Revenue Not Anticipated	56,767.97	
Prepaid Water & Sewer Rents	8,762.56	
Bonds Issued		1,175,000.00
Bond Anticipation Notes Issued		150,000.00
Premium on Sale of Bonds		57,434.55
Due from Water & Sewer Utility Operating		35,084.22
	<u>990,902.97</u>	<u>1,417,518.77</u>
	1,293,721.75	1,455,305.62
Decreased by Disbursements:		
Current Year Appropriation	928,013.01	
Prior Year Appropriations	3,278.09	
Refund of Overpaid Water & Sewer Rents	2,074.87	
Encumbrances Payable	4,158.44	144,084.77
Improvement Authorizations		98,434.00
Accrued Interest on Bonds	26,693.37	
Bond Anticipation Notes Paid		1,175,000.00
Due to Water & Sewer Capital Fund	35,084.22	
	<u>999,302.00</u>	<u>1,417,518.77</u>
Balance December 31, 2014	\$ <u>294,419.75</u>	<u>37,786.85</u>

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

	Balance Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance Dec. 31, 2014
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	-	57,434.55						57,434.55
Due from Water & Sewer Operating Fund	(81,337.03)	35,084.22						(46,252.81)
Encumbrances Payable	144,084.77			144,084.77		67,728.00		67,728.00
<u>Improvement Authorizations:</u>								
93-07 Purchase of Equipment	(7,869.00)							(7,869.00)
97-02 Infrastructure Improvements	(29,829.77)							(29,829.77)
99-4 / 00-3 Various Water & Sewer Improvements	(4,842.00)							(4,842.00)
08-19 Various Water & Sewer Improvements	16,455.88			14,754.00				1,701.88
11-10 Various Water & Sewer Improvements	1,124.00			(7,068.00)	2,728.00			5,464.00
13-25 Various Water & Sewer Improvements			150,000.00	90,748.00	59,252.00			-
14-13 Various Water & Sewer Improvements					5,748.00			(5,748.00)
	<u>37,786.85</u>	<u>92,518.77</u>	<u>150,000.00</u>	<u>98,434.00</u>	<u>67,728.00</u>	<u>67,728.00</u>		<u>37,786.85</u>
\$								

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

Balance December 31, 2013		\$	37,555.63
Increased by Receipts:			
Consumer Accounts Charges and Levies	931,465.99		
			931,465.99
			969,021.62
Decreased by Disbursements:			
Collections	925,372.44		
Prepayments & Overpayments Applied	6,206.43		
			931,578.87
Balance December 31, 2014		\$	37,442.75

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed
Operating:				
Salaries and Wages	\$ 938.13	8.13		8.13
Other Expenses	286.29	3,291.29	3,278.09	13.20
Social Security System	2,078.03	3.03		3.03
	<u>\$ 3,302.45</u>	<u>3,302.45</u>	<u>3,278.09</u>	<u>24.36</u>

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

Balance December 31, 2013		\$	5,600.00
Increased by:			
Budget Appropriations			39,934.62
			39,934.62
			45,534.62
Decreased By:			
Payments of Debt Service Interest			26,693.37
			26,693.37
Balance December 31, 2014		\$	18,841.25

Analysis of Accrued Interest December 31, 2014

Principal Outstanding December 31, 2014	Interest Rate	From	To	Days	Amount
1,175,000.00	3.00%	7/15/2014	12/31/2014	167	\$ 18,167.16
150,000.00	0.95%	1/30/2014	12/31/2014	333	674.09
					\$ 18,841.25

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

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2013		Paid or Charged	Authorizations Deferred Charges to Future Revenue	Balance December 31, 2014	
				Funded	Unfunded			Funded	Unfunded
08-19	Water and Sewer Improvements	10/15/2010	960,000	\$ 16,455.88	1,701.88	14,754.00		1,701.88	
11-10	Various Water & Sewer Improvements	2011	400,000	1,124.00	5,464.00	(4,340.00)		5,464.00	
13-25	Various Water & Sewer Improvements	12/18/2013	150,000	150,000.00	-	150,000.00		-	
14-13	Various Water & Sewer Improvements	11/12/2014	50,000		50,000.00	5,748.00		5,748.00	44,252.00
				\$ 167,579.88		166,162.00	50,000.00	7,165.88	44,252.00

**WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
Water & Sewer Utility Bonds	1/29/2014	\$ 1,175,000.00	1/15/2015 - 2018	75,000.00	4.00%	\$	1,175,000.00	\$	1,175,000.00
			1/15/2019	75,000.00	3.00%				
			1/15/2020 - 2029	80,000.00	3.00%				
						\$	\$	\$	\$
						-	1,175,000.00	-	1,175,000.00

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

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
Water and Sewer Improvements	08-19	12/10/2008	8/16/2013	3/27/2014	1.250% \$	775,000.00		775,000.00	-
Water and Sewer Improvements	11-10	12/10/2011	8/16/2013	3/27/2014	1.250%	400,000.00		400,000.00	-
Water & Sewer Improvements	13-25	1/30/2014	1/30/2014	1/29/2015	0.950%		150,000.00		150,000.00
						<u>\$ 1,175,000.00</u>	<u>150,000.00</u>	<u>1,175,000.00</u>	<u>150,000.00</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Debt Issued	Balance Dec. 31, 2014
93-7	Purchase of Equipment	\$ 7,869.00			7,869.00
97-02 / 99-14	Infrastructure Improvements	29,829.77			29,829.77
99-4 / 00-3	Water and Sewer Improvements	4,842.00			4,842.00
13-25	Various Water & Sewer Improvements	150,000.00		150,000.00	-
14-13	Various Water & Sewer Improvements		50,000.00		50,000.00
		<u>\$ 192,540.77</u>	<u>50,000.00</u>	<u>150,000.00</u>	<u>92,540.77</u>

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BOROUGH OF LONGPORT

PART II

GENERAL COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2014

BOROUGH OF LONGPORT

GENERAL COMMENTS

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

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law." The bid threshold is \$36,000.

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

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

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

- 2014 Replacement of Oceanfront Bulkhead – 24th to 27th Avenue
- 2014 Furnishing, Delivery & Installation of New Motor & Pumping Equipment in Well Number 3
- 2014 Access Improvements to Municipal Hall
- Completion of Structural Repairs and Painting of Municipal Water Tower
- 2014 Stormwater Pumping Station at 34th Avenue
- Municipal Hall Archive Offices

Collection of Interest on Delinquent Taxes and Assessments

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

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

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

BE IT FURTHER RESOLVED by the Borough Commission of the Borough of Longport, in accordance with N.J.S.A. 54:4-67, Chapter 75, New Jersey Laws of 1991, and Chapter 32, New Jersey Laws of 1994, which permits a 6 per cent penalty on taxes and municipal charges greater than \$10,000 as of the close of the fiscal year, that said end-of-year penalty shall be fixed for the Year 2012.

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

BOROUGH OF LONGPORT

GENERAL COMMENTS (Continued)

Delinquent Taxes and Tax Title Liens

The tax sale was held 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 31st of the last three years:

Year	Number
2014	0
2013	0
2012	0

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2014 and 2015 Taxes	5
Delinquent Taxes	5
Payment of Water and Sewer Rents	5
Delinquent Water and Sewer Rents	5
Total	<u>20</u>

Deposit of Municipal Funds

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

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

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

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

BOROUGH OF LONGPORT

GENERAL COMMENTS (Continued)

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>Cash Collections</u>	<u>Percentage of Collections</u>
2014	\$ 16,227,315.16	15,840,801.51	97.62%
2013	16,069,565.80	15,671,217.05	97.52%
2012	13,933,854.21	13,656,211.46	98.01%
2011	14,484,992.48	14,218,081.33	98.16%
2010	13,814,609.95	13,519,708.16	97.87%

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012 R</u>	<u>2011</u>	<u>2010</u>
Tax Rate	\$ 0.898	0.897	0.772	0.923	0.867
Apportionment of Tax Rate:					
Municipal	0.332	0.329	0.319	0.367	0.349
County	0.510	0.513	0.402	0.500	0.460
Local School	0.056	0.055	0.051	0.056	0.058

R = A revaluation of properties was performed in 2011 in order to bring the assessed property values in line with their true value. The revaluation was effective for the 2012 tax year.

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 four years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2014	\$ -	229,975.81	229,975.81	1.42%
2013	-	249,570.32	249,570.32	1.55%
2012	-	226,406.80	226,406.80	1.62%
2011	-	193,273.94	193,273.94	1.33%
2010	-	259,149.10	259,149.10	1.88%

BOROUGH OF LONGPORT

FINDINGS AND RECOMMENDATIONS

None

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

Michael S. Garcia
Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472

March 31, 2015