

CITY OF ATLANTIC CITY

ATLANTIC COUNTY

NEW JERSEY

AUDIT REPORT

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

CITY OF ATLANTIC CITY

TABLE OF CONTENTS

	Exhibit	Page
PART 1		
Independent Auditor's Report on Financial Statements		1-4
CURRENT FUND		
Comparative Balance Sheet-Regulatory Basis	A	5-8
Comparative Statement of Operations and Change in Fund Balance-Regulatory Basis	A-1	9-10
Statement of Revenues-Regulatory Basis	A-2	11-13
Statement of Expenditures-Regulatory Basis	A-3	13-22
TRUST FUND		
Comparative Balance Sheet-Regulatory Basis	B	23
CAPITAL FUND		
Comparative Balance Sheet-Regulatory Basis	C	24
Schedule of Fund Balance-Regulatory Basis	C-1	25
GENERAL FIXED ASSETS ACCOUNT GROUP		
Statement of General Fixed Assets-Regulatory Basis	G	26
NOTES TO FINANCIAL STATEMENTS		27-48

CITY OF ATLANTIC CITY

TABLE OF CONTENTS

	Exhibit	Page
SUPPLEMENTARY DATA		
Independent Auditor's Report - Governmental Auditing Standards		49-50
Independent Auditor's Report - Single Audit in Accordance with A-133 and OMB Circular 04-04		51-53
Schedule of Expenditures of Federal Awards	Schedule A	54-55
Schedule of Expenditures of State Awards	Schedule B	56-58
Notes to Schedule of Expenditures of Federal and State Awards		59
Schedule of Findings and Questioned Costs		
Part I - Summary of Auditor's Results		60-61
Part II - Schedule of Financial Statement Findings		62
Part III - Schedule of Federal and State Award Findings and Questioned Costs		62
CURRENT FUND		
Schedule of Cash - Treasurer	A-4	63
Schedule of Cash - Collector	A-5	64
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-6	65
Schedule of Tax Title Liens	A-7	66
Schedule of Revenue Accounts Receivable	A-8	67
Schedule of Appropriation Reserves	A-9	68-73
Schedule of Local District School Tax	A-10	74
Schedule of Federal and State Grants Receivable	A-11	75-77
Schedule of Appropriated Reserves for Federal and State Grants	A-12	79-81
Schedule of Unappropriated Reserves for Federal and State Grants	A-13	82
TRUST FUNDS		
Schedule of Cash - Treasurer	B-1	83
Schedule of Cash - Collector	B-2	84
Schedule of Reserve for Animal Control Fund Expenditures	B-3	85

CITY OF ATLANTIC CITY

TABLE OF CONTENTS

	Exhibit	Page
Schedule of Due from Current Fund - Dog License Funds	B-4	86
Schedule of Amount Due To(From) State of New Jersey Animal Control Fund	B-5	86
Schedule of Reserve for Community Development Block Grant - Appropriated	B-6	87
Schedule of Reserve for Community Development Block Grant - Due to Current Fund	B-7	88
Schedule of Due from Current Fund - Other Trust Funds	B-8	89
Schedule of Miscellaneous Reserves	B-9	90
CAPITAL FUNDS		
Schedule of Cash - Treasurer	C-2	91
Analysis of Cash	C-3	92
Schedule of Capital Improvement Fund	C-4	93
Schedule of Deferred Charges to Future Taxation - Funded	C-5	94
Schedule of Deferred Charges to Future Taxation - Unfunded	C-6	95
Schedule of Improvement Authorizations	C-7	96-97
Schedule of General Serial Bonds	C-8a	98
Schedule of Tax Appeal Refunding Bonds	C-8b	99
Schedule of Bond Anticipation Notes	C-9	100
Schedule of Bonds and Notes Authorized But Not Issued	C-10	101
PART II		
General Comments		102-105
Findings and Recommendations		106-108
Status of Prior Recommendations		109
Recommendations		110

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

CITY OF ATLANTIC CITY

PART 1

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2014



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

The Honorable Mayor and
Members of City Council
City of Atlantic City, New Jersey

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United

States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Other Information

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

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2015 on our consideration of the City of Atlantic City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial

reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Atlantic City's internal control over financial reporting and compliance.

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

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

May 10, 2015

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	\$ 43,992,783.25	60,522,234.31
Cash - Collector	-	-
Cash - Change	1,470.00	1,470.00
Total Cash	<u>43,994,253.25</u>	<u>60,523,704.31</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	114,483.34	89,230.14
Other		
Total Other Receivables	<u>114,483.34</u>	<u>89,230.14</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	1,577,837.48	2,738,661.37
Tax Title and Other Liens	6,376,804.34	5,218,100.72
Property Acquired for Taxes - at Assessed Valuation	30,672,100.00	29,563,900.00
Demolition Assessments and Liens	3,687,806.96	3,437,707.38
Revenue Accounts Receivable	103,673.14	55,729.01
PILOT Receivable	260,525.00	260,525.00
Advance from AC Endowment Fund	3,000,000.00	3,000,000.00
Interfund Receivable:		
Animal Control Fund	718.20	1,000.06
CDBG	-	208,917.07
Federal and State Grant Fund	123,529.92	531,735.71
Trust		266.94
Total Receivables and Other Assets	<u>45,802,995.04</u>	<u>45,016,543.26</u>
Deferred Charges:		
Deficit in Operations	11,076,662.24	12,307,402.24
Special Emergency Appropriation	900,000.00	
Total Deferred Charges	<u>11,976,662.24</u>	<u>12,307,402.24</u>
Total Regular Fund	<u>101,888,393.87</u>	<u>117,936,879.95</u>
Federal and State Grant Fund:		
Cash	48,937.24	175,914.63
Federal and State Grants Receivable	33,110,645.31	24,928,866.72
Due from Trust Fund - Other	756.09	756.09
Total Federal and State Grant Fund	<u>33,160,338.64</u>	<u>25,105,537.44</u>
Total Current Fund	<u>\$ 135,048,732.51</u>	<u>143,042,417.39</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 14,511,389.59	10,656,375.47
Reserve for Encumbrances	8,718,286.62	7,164,549.28
Accounts Payable	1,482,832.90	1,203,831.28
Prepaid Rent	120,000.00	125,000.00
Prepaid Taxes	1,042,388.07	847,783.07
Overpaid Taxes	12,430,779.60	36,837,497.99
Local School Tax Payable	872,018.25	-
County Added Tax Payable	95,088.01	23,186.31
Due to Atlantic City MUA	91,109.96	
Due to State:		
Marriage Licenses	8,875.00	9,386.00
CCO Fees	29,929.00	13,352.00
Interfund Payable:		
Other Trust Funds	6,231,176.58	6,345,259.34
Other		
Payroll Deductions Payable	1,808,818.65	1,718,984.18
AC Endowment Fund	1,320,405.37	1,569,966.24
Reserve for Revaluation	900,000.00	
Reserve for Performance Bonds	205,862.89	204,685.69
Reserve for Police Property Room	50,338.71	50,338.71
Reserve for State Tax Appeals Pending	1,649,447.00	1,649,447.00
Reserve for Insurance	950,829.04	1,973,758.39
Reserve for Preparation of Approved Tax Map	247,657.55	264,307.55
Miscellaneous Reserves	207,757.86	5,000.00
	52,974,990.65	70,662,708.50
Reserve for Receivables and Other Assets	45,802,995.04	45,016,543.26
Fund Balance	3,110,408.18	2,257,628.19
Total Regular Fund	101,888,393.87	117,936,879.95
Federal and State Grant Fund:		
Unappropriated Reserves	17,286.85	17,251.72
Appropriated Reserves	30,536,226.68	21,674,145.83
Encumbrances Payable	2,483,295.19	2,755,391.66
Due to Current Fund	123,529.92	531,735.71
Due to Agencies	-	127,012.52
Total Federal and State Grant Fund	33,160,338.64	25,105,537.44
Total Current Fund	\$ 135,048,732.51	143,042,417.39

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

	2014	2013
Revenue and Other Income Realized		
Fund Balance	\$ -	-
Miscellaneous Revenue Anticipated	65,748,109.67	53,751,567.38
Receipts from Delinquent Taxes	4,042,951.91	668,724.61
Receipts from Current Taxes	337,094,258.29	354,102,158.20
Non Budget Revenue	1,100,596.19	1,789,749.19
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	6,231,233.86	6,652,405.47
Interfund Returned	595,868.89	1,002,480.25
Tax Appeal Refunding Bonds	40,000,000.00	47,647,029.00
Reserve for State Tax Appeals		2,750,000.00
Total Income	454,813,018.81	468,364,114.10
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	95,337,609.00	93,234,341.00
Other Expenses	68,013,032.00	64,630,012.28
Deferred Charges & Statutory Expenditures	24,003,020.29	24,913,941.01
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	6,775,799.00	7,497,707.00
Other Expenses	21,841,107.18	15,132,272.58
Capital Improvements	4,373,759.00	500,000.00
Debt Service	36,895,824.32	36,752,331.40
Deferred Charges	3,726,250.00	10,500,000.00
Local District School Tax	134,862,600.00	133,779,287.00
County Tax	40,383,091.56	32,856,891.82
County Share of Added Tax	95,088.01	23,186.31
Interfund Created		266.94
Refund of Prior Year's Revenue	63,894.78	21,384.96
Other:		
Prior Year Revenue Returned Created by Canceled Taxes	18,489,163.68	59,045,864.04
Total Expenditures	454,860,238.82	478,887,486.34
Excess/(Deficit) in Revenue	(47,220.01)	(10,523,372.24)

**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 Special Emergency Appropriation	900,000.00	
Total Adjustments	900,000.00	-
Statutory Excess to Fund Balance	852,779.99	
Fund Balance January 1	2,257,628.19	2,257,628.19
	3,110,408.18	2,257,628.19
Decreased by:		
Utilization as Anticipated Revenue	-	-
Fund Balance December 31	\$ 3,110,408.18	2,257,628.19

**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		
Fund Balance Anticipated	\$ -			-
Total Fund Balance Anticipated	-	-	-	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	140,000.00		144,508.00	4,508.00
Other	1,000,000.00		887,786.00	(112,214.00)
Fees and Permits	1,500,000.00		1,499,942.00	(58.00)
Fines and Costs:				-
Municipal Court	1,000,000.00		1,360,239.99	360,239.99
Interest and Costs on Taxes	500,000.00		2,017,945.59	1,517,945.59
Interest Earned on Investments	50,000.00		70,136.85	20,136.85
Parking Meters	550,000.00		494,836.17	(55,163.83)
Refunds and Reimbursements	400,000.00		1,553,928.87	1,153,928.87
Rent and Sale of City Property	450,000.00		612,634.92	162,634.92
Towing Fees	300,000.00		517,368.72	217,368.72
Payments in Lieu of Taxes				
Magellan Manor	119,962.00		186,722.10	66,760.10
Metropolitan Plaza	33,580.00		29,120.00	(4,460.00)
New York Ave Apt	108,495.00		110,351.79	1,856.79
Elliot House	64,898.00		56,300.00	(8,598.00)
School House Liberty	38,866.00		40,290.70	1,424.70
Town House Terraces East I	77,520.00		75,568.00	(1,952.00)
Atlantic City Townhouse	130,000.00		134,000.00	4,000.00
Baltic Plaza Apt	100,000.00		105,548.00	5,548.00
Best of Life Park	120,000.00		120,000.00	-

**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		
Community Haven	350,000.00		354,500.00	4,500.00
Bright's Villa South				-
Bright's Villa North	25,001.84		11,147.00	(13,854.84)
Brigantine Homes	48,000.00		-	(48,000.00)
Barclay Arms	40,000.00		40,667.76	667.76
Barlinvis Apt				-
The Walk Phase I	648,000.00		648,048.01	48.01
The Walk Phase II	300,000.00		359,236.85	59,236.85
				-
Total Section A: Local Revenues	8,094,322.84	-	11,430,827.32	3,336,504.48
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	6,260,714.00		6,260,714.00	-
Transitional Aid	13,000,000.00		13,000,000.00	-
Total Section B: State Aid Without Offsetting Appropriations	19,260,714.00	-	19,260,714.00	-
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	1,500,000.00		1,903,154.00	403,154.00
Total Section C: Uniform Construction Code Fees	1,500,000.00	-	1,903,154.00	403,154.00
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
Clean Communities	70,858.37		70,858.37	-
Drunk Driving Enforcement Fund	118.16		118.16	-
COPS in Shops	7,039.41	3,600.00	10,639.41	-
FEMA Assistance to Firemen	489,060.00		489,060.00	-
Bulletproof Vest Partnership		31,831.69	31,831.69	-

**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		
HIV Counseling and Testing	300,850.00		300,850.00	-
Municipal Alliance - 2014	30,059.00		30,059.00	-
Municipal Alliance - 2013	14,347.50		14,347.50	-
Body Armor - 2013		28,926.40	28,926.40	-
Atlantic County - Boys and Girls Club	400,000.00		400,000.00	-
CRDA - Demolition	1,500,000.00		1,500,000.00	-
CRDA - Brighton Park Fountain Repair		58,877.00	58,877.00	-
CRDA - Boardwalk Lighting Project		83,000.00	83,000.00	-
AC Traffic Signal Synchronization		963,947.00	963,947.00	-
SAFER	8,661,585.00		8,661,585.00	-
County Environmental Health Act	25,000.00		25,000.00	-
NJDEP - Green Arces	450,000.00		450,000.00	-
NJ DOT - Maryland to Pacific		1,026,057.00	1,026,057.00	-
NJ DOT - Compressed Natural Gas Vehicles		179,000.00	179,000.00	-
Ed Byrne Memorial Justice Assistance Act		109,723.00	109,723.00	-
Social Services Block Grant - Sandy	24,000.00		24,000.00	-
WIC		959,045.00	959,045.00	-
Summer Food	87,002.72		87,002.72	-
Recycling Tonnage Grant		109,805.70	109,805.70	-
Total Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations	<u>12,059,920.16</u>	<u>3,553,812.79</u>	<u>15,613,732.95</u>	<u>-</u>
Section G: Other Special Items				
Uniform Fire Safety Act	250,000.00		247,662.05	(2,337.95)
Atlantic City Municipal Utilities Authority	718,004.00		718,004.00	-
Capital Fund Surplus	3,726,250.00		3,726,250.00	-
Reserve to Pay Bonds	350,000.00		350,000.00	-
Reserve for Insurance	1,973,759.00		1,973,758.39	(0.61)
Insurance Proceeds	2,050,000.00		2,050,000.00	-

**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		
Interlocal Agreements				-
Pleasantville BOE		160,000.00	195,850.12	35,850.12
Atlantic City BOE		134,400.00	29,934.84	(104,465.16)
CDBG Essential Services Grant	6,775,799.00		6,775,799.00	-
Sale of Municipal Building	1,000,000.00		1,000,000.00	-
Total Section G: Other Special Items	16,843,812.00	294,400.00	17,067,258.40	(70,953.60)
Total Miscellaneous Revenues:	57,758,769.00	3,848,212.79	65,275,686.67	3,668,704.88
Receipts from Delinquent Taxes	1,000,000.00		4,042,951.91	3,042,951.91
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	197,124,665.00		166,815,878.72	(30,308,786.28)
Library Tax	5,030,736.00			(5,030,736.00)
Total Amount to be Raised by Taxes for Support of Municipal Budget	202,155,401.00	-	166,815,878.72	(35,339,522.28)
Budget Totals	260,914,170.00	3,848,212.79	236,134,517.30	(28,627,865.49)
Non- Budget Revenues:				
Other Non- Budget Revenues:			1,100,596.19	1,100,596.19
	\$ 260,914,170.00	3,848,212.79	237,235,113.49	(27,527,269.30)

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

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 337,094,258.29
--------------------------	-------------------

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

Net Revenue from Collections	337,094,258.29
------------------------------	----------------

Allocated to:

School, County and Other Taxes	175,340,779.57
--------------------------------	----------------

Balance for Support of Municipal Budget Appropriations	161,753,478.72
--	----------------

Increased by:

Appropriation "Reserved for Uncollected Taxes"	5,062,400.00
--	--------------

Amount for Support of Municipal Budget Appropriations	166,815,878.72
---	----------------

Receipts from Delinquent Taxes:

Delinquent Tax Collection	\$ 2,393,230.82
---------------------------	-----------------

Tax Title Lien Collections	1,649,721.09
----------------------------	--------------

Total Receipts from Delinquent Taxes	4,042,951.91
--------------------------------------	--------------

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Demolition Arrears and Liens	78,154.42
------------------------------	-----------

Prior Year - Non Cash	68,720.79
-----------------------	-----------

Training Reimbursement	5,448.25
------------------------	----------

Bingo	3,670.00
-------	----------

Police Detail	618,578.58
---------------	------------

Stimulus	20,955.75
----------	-----------

Scrap	1,228.00
-------	----------

Pilot	73,663.00
-------	-----------

Employee Grant and Library Fringe Reimbursed	177,982.74
--	------------

Miscellaneous	52,194.66
---------------	-----------

Total Miscellaneous Revenue Not Anticipated:	\$ 1,100,596.19
--	-----------------

Tax Collector	78,154.42
---------------	-----------

Non Cash - Prior Year	68,720.79
-----------------------	-----------

Treasurer	953,720.98
-----------	------------

	\$ 1,100,596.19
--	-----------------

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

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
DEPARTMENT OF ADMINISTRATION						
Mayor's Office						
Salaries and Wages	\$ 288,191.00	288,191.00	232,611.25		55,579.75	-
Other Expenses	26,000.00	26,000.00	17,278.78	123.64	8,597.58	-
Business Administrator						
Salaries and Wages	319,359.00	319,359.00	222,476.78		96,882.22	-
Other Expenses	249,550.00	249,550.00	129,656.60	24,669.35	95,224.05	-
Administrative Services - Mail Room						
Salaries and Wages	93,657.00	93,657.00	78,085.11		15,571.89	-
Other Expenses	156,500.00	156,500.00	148,860.23	3,252.68	4,387.09	-
Economic Development - CDBG						
Salaries and Wages	28,300.00	28,300.00	22,196.70		6,103.30	-
Solicitor's Office						
Salaries and Wages	1,114,123.00	1,094,123.00	1,038,670.02		55,452.98	-
Other Expenses	1,619,604.00	1,619,604.00	1,093,741.67	339,707.47	186,154.86	-
Prosecutor's Office						
Salaries and Wages	466,377.00	466,377.00	427,097.06		39,279.94	-
Other Expenses	51,150.00	51,150.00	26,595.00	6,744.99	17,810.01	-
Public Defender						
Salaries and Wages	390,224.00	390,224.00	351,303.67		38,920.33	-
Other Expenses	51,100.00	51,100.00	28,061.74	17,500.97	5,537.29	-
Insurance						
Unemployment	800,000.00	800,000.00	800,000.00		-	-
Liability	5,910,078.00	5,910,078.00	5,189,947.96	651,697.50	68,432.54	-
Workers Compensation	5,056,000.00	5,056,000.00	4,994,689.01	55,559.91	5,751.08	-
Employee Group	32,394,400.00	32,394,400.00	27,938,398.96	3,175,138.85	1,280,862.19	-
Health Waiver - Employee Opt Out	70,000.00	70,000.00	59,129.55		2,870.45	8,000.00
Social Services Agencies	22,000.00	22,000.00	2,583.46	5,416.54	14,000.00	-
Municipal Court						
Salaries and Wages	1,743,588.00	1,622,588.00	1,519,018.87		103,569.13	-
Other Expenses	139,520.00	139,520.00	87,379.67	35,485.70	16,654.63	-
Assessor						
Salaries and Wages	320,448.00	320,448.00	287,923.05		32,524.95	-
Other Expenses	510,729.00	1,410,729.00	1,279,609.51	85,839.54	45,279.95	-
MIS						
Salaries and Wages	415,924.00	365,924.00	348,953.44		16,970.56	-
Other Expenses	428,750.00	428,750.00	329,243.81	35,105.54	64,400.65	-

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

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
DEPARTMENT OF HUMAN RESOURCES						
Director's Office						
Salaries and Wages	158,970.00	158,970.00	151,683.27		7,286.73	-
Other Expenses	110,710.00	131,710.00	110,682.03	11,662.00	9,365.97	-
Personnel Division						
Salaries and Wages	558,161.00	558,161.00	528,516.42		29,644.58	-
Health Division						
Salaries and Wages	88,225.00	88,225.00	84,826.98		3,398.02	-
DEPARTMENT OF PLANNING AND DEVELOPMENT						
Director's Office						
Salaries and Wages	209,012.00	159,012.00	146,423.19		12,588.81	-
Other Expenses	47,450.00	47,450.00	15,095.54	218.18	32,136.28	-
Planning Division						
Salaries and Wages	453,731.00	453,731.00	406,591.35		47,139.65	-
Other Expenses	162,755.00	162,755.00	35,921.19	59,035.00	67,798.81	-
Zoning Board						
Other Expenses	19,500.00	19,500.00	12,000.00	5,000.00	2,500.00	-
City Engineer						
Salaries and Wages	467,730.00	437,730.00	401,393.81		36,336.19	-
Other Expenses	206,200.00	206,200.00	52,617.31	13,229.37	140,353.32	-
Economic Development - CDBG						
Salaries and Wages	131,700.00	131,700.00	34,005.75		97,694.25	-
DEPARTMENT OF REVENUE AND FINANCE						
Director's Office						
Salaries and Wages	289,933.00	289,933.00	255,705.59		34,227.41	-
Other Expenses	32,950.00	32,950.00	17,083.89	1,863.64	14,002.47	-
Comptroller's Office						
Salaries and Wages	1,169,895.00	1,004,895.00	932,236.65		72,658.35	-
Other Expenses	41,135.00	56,135.00	42,647.47	5,654.49	7,833.04	-
Tax Collector's Office						
Salaries and Wages	273,958.00	273,958.00	253,102.21		20,855.79	-
Other Expenses	40,600.00	40,600.00	35,960.43	1,087.63	3,551.94	-
Audit Services						
Other Expenses	125,000.00	125,000.00	125,000.00		-	-
Purchasing						
Salaries and Wages	205,132.00	204,032.00	188,268.14		15,763.86	-
Other Expenses	37,179.00	38,279.00	37,348.89	659.88	270.23	-

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

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Finance Division						
Salaries and Wages	179,633.00	179,633.00	169,625.44		10,007.56	-
Other Expenses	3,040.00	3,040.00	136.02	236.27	2,667.71	-
DEPARTMENT OF PUBLIC SAFETY						
Director						
Salaries and Wages	13,000.00	13,000.00	8,653.85		4,346.15	-
Other Expenses		-			-	-
Police						
Salaries and Wages	30,352,235.00	29,322,235.00	27,724,715.05		1,597,519.95	-
Other Expenses	1,407,992.00	1,407,992.00	700,050.08	567,682.46	140,259.46	-
Police Civilian Division						
Salaries and Wages	3,960,402.00	3,660,402.00	3,404,387.77		256,014.23	-
Other Expenses	11,680.00	11,680.00	3,008.42		8,671.58	-
Emergency Services						
Salaries and Wages	2,624,671.00	2,524,671.00	2,434,671.89		89,999.11	-
Other Expenses	230,780.00	230,780.00	214,107.41	7,223.59	9,449.00	-
Fire						
Salaries and Wages	22,807,914.00	21,567,914.00	20,414,487.31		1,153,426.69	-
Other Expenses	169,016.00	169,016.00	35,981.59	103,180.25	29,854.16	-
Fire Civilian						
Salaries and Wages	145,410.00	145,410.00	136,872.79		8,537.21	-
Uniform Fire Safety Act						
Salaries and Wages	1,189,730.00	979,730.00	907,512.29		72,217.71	-
Other Expenses	2,200.00	2,200.00	-		2,200.00	-
Communications						
Salaries and Wages	2,513,588.00	2,513,588.00	2,341,675.93		171,912.07	-
Other Expenses	408,362.00	408,362.00	307,509.81	69,487.63	31,364.56	-
DEPARTMENT OF PUBLIC WORKS						
Director's Office						
Salaries and Wages	927,536.00	747,536.00	691,741.84		55,794.16	-
Other Expenses	1,091,600.00	1,091,600.00	714,836.44	184,877.80	191,885.76	-
City Engineer						
Salaries and Wages	291,200.00	291,200.00	290,031.88		1,168.12	-
Other Expenses	160,982.00	160,982.00	75,282.12	2,535.79	83,164.09	-
Electrical Bureau						
Salaries and Wages	454,457.00	454,457.00	388,897.17		65,559.83	-

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

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Other Expenses	68,950.00	68,950.00	19,637.06	1,460.74	47,852.20	-
Parks						
Salaries and Wages	760,550.00	760,550.00	683,052.70		77,497.30	-
Other Expenses	30,700.00	30,700.00	23,827.06	1,039.10	5,833.84	-
Beach and Boardwalk						
Salaries and Wages	1,272,117.00	1,272,117.00	1,163,215.93		108,901.07	-
Other Expenses	20,400.00	20,400.00	17,711.88	1,774.84	913.28	-
Sanitation						
Salaries and Wages	2,100,119.00	1,840,119.00	1,684,199.04		155,919.96	-
Other Expenses	2,075,900.00	2,075,900.00	1,400,259.46	666,994.15	8,646.39	-
Asphalt Plant/Street Repairs						
Salaries and Wages	727,411.00	697,411.00	654,487.30		42,923.70	-
Other Expenses	50,450.00	50,450.00	39,996.59	6,399.76	4,053.65	-
Paint and Sign Shop						
Salaries and Wages	268,736.00	268,736.00	229,598.65		39,137.35	-
Other Expenses	23,200.00	23,200.00	21,241.64	1,471.15	487.21	-
Building Maintenance Division						
Salaries and Wages	1,892,306.00	1,872,306.00	1,717,787.60		154,518.40	-
Other Expenses	46,400.00	46,400.00	37,811.15	3,292.41	5,296.44	-
Community Services Act						
Other Expenses	730,000.00	890,000.00	825,805.78	63,674.38	519.84	-
Vehicle Maintenance						
Other Expenses	2,804,434.00	2,804,434.00	2,168,979.68	625,738.66	9,715.66	-
Facilities						
Salaries and Wages	515,424.00	515,424.00	480,988.62		34,435.38	-
Other Expenses	30,700.00	30,700.00	24,210.99	3,489.54	2,999.47	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Director's Office						
Salaries and Wages	246,361.00	246,361.00	234,567.27		11,793.73	-
Other Expenses	212,700.00	212,700.00	88,401.12	23,604.71	100,694.17	-
Health Administration						
Salaries and Wages	1,703,846.00	1,703,846.00	1,595,483.08		108,362.92	-
Other Expenses	76,100.00	76,100.00	48,897.80	2,699.10	24,503.10	-
Social Services						
Salaries and Wages	1,296,964.00	1,311,964.00	1,196,434.40		115,529.60	-
Other Expenses	238,100.00	238,100.00	187,545.66	30,262.33	20,292.01	-
Recreational and Cultural Affairs						
Salaries and Wages	2,321,275.00	2,171,275.00	2,038,395.72		132,879.28	-

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

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Other Expenses	172,825.00	172,825.00	108,528.49	13,384.84	50,911.67	-
Clinical Services						
Salaries and Wages	174,880.00	174,880.00	161,372.96		13,507.04	-
Other Expenses	990,650.00	990,650.00	874,917.65	911.13	114,821.22	-
Animal Control Expense						
Other Expenses	43,200.00	43,200.00	39,600.00	3,600.00	-	-
DEPARTMENT OF LICENSES AND INSPECTIONS						
Director's Office						
Salaries and Wages	202,942.00	202,942.00	180,676.05		22,265.95	-
Other Expenses	2,205.00	2,205.00	2,120.42		84.58	-
Inspections						
Salaries and Wages	806,722.00	701,722.00	653,875.15		47,846.85	-
Other Expenses	10,110.00	10,110.00	8,750.20	131.86	1,227.94	-
Regulatory Division						
Salaries and Wages	590,952.00	590,952.00	550,850.91		40,101.09	-
Other Expenses	14,973.00	14,973.00	12,935.78	1,716.19	321.03	-
CITY COUNCIL						
Salaries and Wages	309,216.00	309,216.00	297,301.36		11,914.64	-
Other Expenses	17,950.00	17,950.00	9,692.75	2,049.45	6,207.80	-
CITY CLERK						
Salaries and Wages	429,175.00	433,175.00	413,977.15		19,197.85	-
Other Expenses	137,750.00	133,750.00	72,343.00	22,651.43	38,755.57	-
UNIFORM CONSTRUCTION CODE						
Salaries and Wages	2,115,299.00	2,015,299.00	1,899,957.81		115,341.19	-
Other Expenses	18,723.00	18,723.00	11,669.65	122.33	6,931.02	-
UNCLASSIFIED						
Gas	400,000.00	400,000.00	353,066.50	41.01	46,892.49	-
Street Lighting	1,800,000.00	1,917,000.00	1,779,535.37	43,258.42	94,206.21	-
Electricity	1,700,000.00	1,700,000.00	1,483,391.26	15,685.04	200,923.70	-
Telephone	750,000.00	750,000.00	650,593.31	1,751.39	97,655.30	-
Sewer	250,000.00	250,000.00	175,171.21	17.00	74,811.79	-
Gasoline	1,950,000.00	1,950,000.00	1,115,750.30	354,249.70	480,000.00	-
City Water Usage	325,000.00	325,000.00	272,357.05		52,642.95	-
Codification of Ordinances	25,000.00	25,000.00	15,000.00		10,000.00	-

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Terminal Leave Payments	3,150,000.00	7,100,000.00	7,100,000.00		-	-
TOTAL OPERATIONS WITHIN "CAPS"	<u>162,341,641.00</u>	<u>163,358,641.00</u>	<u>146,310,777.62</u>	<u>7,361,347.32</u>	<u>9,678,516.06</u>	<u>8,000.00</u>
Contingent						-
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	<u>162,341,641.00</u>	<u>163,358,641.00</u>	<u>146,310,777.62</u>	<u>7,361,347.32</u>	<u>9,678,516.06</u>	<u>8,000.00</u>
Detail:						
Salaries and Wages	95,530,709.00	95,337,609.00	89,760,584.22	-	5,577,024.78	-
Other Expenses	66,810,932.00	68,021,032.00	56,550,193.40	7,361,347.32	4,101,491.28	8,000.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Deferred Charges:						
Operating Deficit	1,230,740.00	1,230,740.00	1,230,740.00		-	-
Prior Years						
HUD Audit Violation Repayment	15,927.00	15,927.00	15,927.00		-	-
DeCotis - Legal OE 2009-2012	177,582.00	177,582.00		177,000.00	-	582.00
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	3,534,671.00	3,534,671.00	3,534,671.00		-	-
Social Security System (O.A.S.I.)	3,900,000.00	3,783,000.00	3,426,666.87		356,333.13	-
Consolidated Police and Firemen's Pension Fund	404.30	404.30	404.30		-	-
Police and Firemen's Retirement System	14,323,084.39	14,323,084.39	14,323,084.39		-	-
Defined Contribution Retirement Program	45,000.00	45,000.00	41,901.81	1.00	3,097.19	-
Lifeguard Pension	920,000.00	920,000.00	820,002.56		24,997.44	75,000.00
Pension Increase Act - CPF	48,193.60	48,193.60	48,191.32		2.28	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	<u>24,195,602.29</u>	<u>24,078,602.29</u>	<u>23,441,589.25</u>	<u>177,001.00</u>	<u>384,430.04</u>	<u>75,582.00</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>186,537,243.29</u>	<u>187,437,243.29</u>	<u>169,752,366.87</u>	<u>7,538,348.32</u>	<u>10,062,946.10</u>	<u>83,582.00</u>
OPERATIONS - EXCLUDED FROM "CAPS"						

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

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
(A) Operations - Excluded from "CAPS"						
Maintenance of Library	5,030,736.36	5,030,736.36	3,850,798.06	1,179,938.30	-	0.00
Insurance						
Employee Group Insurance	796,796.00	796,796.00	796,796.00		-	-
Police						
Salaries and Wages	6,775,799.00	6,775,799.00	6,775,799.00		-	-
Interlocal Service Agreement - Gasoline		134,400.00			134,400.00	-
Interlocal Service Agreement - Pleasantville BOE		160,000.00	9,715.58		150,284.42	-
	<u>12,603,331.36</u>	<u>12,897,731.36</u>	<u>11,433,108.64</u>	<u>1,179,938.30</u>	<u>284,684.42</u>	<u>0.00</u>
(A) Public and Private Programs Off-Set by Revenues						
Federal Body Armor	-	31,831.69	31,831.69		-	-
Drunk Driving Enforcement	118.16	118.16	118.16		-	-
Clean Communities Program	70,858.37	70,858.37	70,858.37		-	-
Matching Funds for Grants	40,000.00	40,000.00			40,000.00	-
Assistance to Firefighters	489,060.00	489,060.00	489,060.00		-	-
Assistance to Firefighters - Local Share	54,340.00	54,340.00	54,340.00		-	-
HIV Counseling & Testing	300,850.00	300,850.00	300,850.00		-	-
Municipal Alliance - 2013	14,347.50	14,347.50	14,347.50		-	-
Municipal Alliance - 2013 - Local	3,586.87	3,586.87	3,586.87		-	-
Municipal Alliance - 2014	30,059.00	30,059.00	30,059.00		-	-
Municipal Alliance - 2014 - Local	7,515.00	7,515.00	7,515.00		-	-
Body Armor - 2013		28,926.40	28,926.40		-	-
NJDOT - Compressed Natural Gas Vehicles	-	179,000.00	179,000.00		-	-
CRDA- Boardwalk Street Lighting Project		83,000.00	83,000.00		-	-
CRDA - Brighton Park Fountain Repair		58,877.00	58,877.00		-	-
CDBG - Demolition	1,500,000.00	1,500,000.00	1,500,000.00		-	-
County Environmental Health Act	25,000.00	25,000.00	25,000.00		-	-
SAFER	8,661,585.00	8,661,585.00	8,661,585.00		-	-
NJ DEP Green Acres	450,000.00	450,000.00	450,000.00		-	-
NJDOT - Maryland Ave to Pacific		1,026,057.00	1,026,057.00		-	-
AC Traffic Signal Synchronization grant		963,947.00	963,947.00		-	-
Atlantic County - Boys and Girls Club	400,000.00	400,000.00	400,000.00		-	-
Underage Drinking - COPS in Shops - 2013	3,439.41	3,439.41	3,439.41		-	-
Underage Drinking - COPS in Shops - 2014	3,600.00	7,200.00	7,200.00		-	-
Ed Byrne Memorial Justice Assistance Act		109,723.00	109,723.00		-	-
Social Services Block Grant - Sandy	24,000.00	24,000.00	24,000.00		-	-

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

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled	
	Budget	Budget After Modifications	Paid or Charged	Encumbered		Reserved
WIC		959,045.00	959,045.00		-	-
Summer Food	87,002.72	87,002.72	87,002.72		-	-
Recycling Tonnage Grant		109,805.70	109,805.70		-	-
Total Public and Private Programs Off-Set by Revenues	<u>12,165,362.03</u>	<u>15,719,174.82</u>	<u>15,679,174.82</u>	<u>-</u>	<u>40,000.00</u>	<u>-</u>
Total Operations - Excluded from "CAPS"	24,768,693.39	28,616,906.18	27,112,283.46	1,179,938.30	324,684.42	0.00
Detail:						
Salaries and Wages	6,775,799.00	6,775,799.00	6,775,799.00	-	-	-
Other Expenses	17,992,894.39	21,841,107.18	20,336,484.46	1,179,938.30	324,684.42	0.00
(C) Capital Improvements						
Capital Improvement Fund	250,000.00	250,000.00	250,000.00		-	-
Improvements to City Property Storm Related	4,023,759.00	4,023,759.00	-		4,023,759.00	-
Purchase/Relocation of City Property	100,000.00	100,000.00	-		100,000.00	-
Total Capital Improvements	<u>4,373,759.00</u>	<u>4,373,759.00</u>	<u>250,000.00</u>	<u>-</u>	<u>4,123,759.00</u>	<u>-</u>
(D) Debt Service						
Payment of Bond Principal	26,950,000.00	26,950,000.00	26,950,000.00		-	-
Payment of Bond Anticipation Notes	-	-	-		-	-
Interest on Bonds	9,850,891.00	9,850,891.00	9,850,890.93		0.07	-
Interest on Notes	94,933.32	94,933.32	94,933.32		-	-
Total Debt Service	<u>36,895,824.32</u>	<u>36,895,824.32</u>	<u>36,895,824.25</u>	<u>-</u>	<u>0.07</u>	<u>-</u>
(E) Deferred Charges						
Emergency Authorizations		-				-
Deferred Charges to Future Taxation Unfunded						-
Ordinance 51-13	792,250.00	792,250.00	792,250.00			-
Ordinance 55-13	2,934,000.00	2,934,000.00	2,934,000.00			-
Total Deferred Charges	<u>3,726,250.00</u>	<u>3,726,250.00</u>	<u>3,726,250.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	<u>69,764,526.71</u>	<u>73,612,739.50</u>	<u>67,984,357.71</u>	<u>1,179,938.30</u>	<u>4,448,443.49</u>	<u>0.00</u>

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

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
SUBTOTAL GENERAL APPROPRIATIONS	256,301,770.00	261,049,982.79	237,736,724.58	8,718,286.62 14,511,389.59	83,582.00
(M) Reserve for Uncollected Taxes	5,062,400.00	5,062,400.00	5,062,400.00		-
TOTAL GENERAL APPROPRIATIONS	\$ 261,364,170.00	266,112,382.79	242,799,124.58	8,718,286.62 14,511,389.59	83,582.00
Budget		261,364,170.00			Cancelled 83,582.00
Appropriations by 40A:4-87		3,848,212.79			Overexpended -
Special Emergency Appropriations		900,000.00			
		266,112,382.79			83,582.00
Reserve for Uncollected Taxes			5,062,400.00		
Federal and State Grants			15,679,174.82		
Reserve for Revaluation			900,000.00		
Deferred Charges			1,230,740.00		
Disbursements			219,926,809.76		
			242,799,124.58		

EXHIBIT B - TRUST FUND

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Dog License Fund:			
Cash		\$ 1,918.00	2,281.06
		<u>1,918.00</u>	<u>2,281.06</u>
Community Development Block Grant:			
Cash		12,592.74	527,633.77
CDBG Receivable		1,556,899.67	1,530,360.58
HOME Receivable		856,095.60	915,317.32
Loans Receivable		600,896.51	617,514.94
Due from Current		43,302.63	
Deferred Loan		5,256,737.58	4,055,102.37
		<u>8,326,524.73</u>	<u>7,645,928.98</u>
Other Funds:			
Cash - Treasurer		7,294,996.64	4,462,722.12
Cash - Collector		2,022,852.41	2,369,406.31
Police Detail Receivable		134,644.87	179,671.90
Tax Title Lien Receivable		-	-
Due from Taxpayers - Tax Title Lien		-	-
Due from Current Fund		6,187,873.95	6,344,992.40
Loan Receivable - NPP Program		1,254.45	1,254.45
		<u>15,641,622.32</u>	<u>13,358,047.18</u>
		<u>23,970,065.05</u>	<u>21,006,257.22</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Dog License Fund:			
Due to Current Fund		718.20	1,000.06
Due to State of New Jersey		16.80	-
Reserve for Dog Fund Expenditures		1,183.00	1,281.00
		<u>1,918.00</u>	<u>2,281.06</u>
Community Development Block Grant:			
Reserve for Community Development			
Block Grant - Appropriated		2,446,699.76	2,742,203.72
Reserve for Loans Receivable		5,857,634.09	4,672,617.31
Due to Agencies		22,190.88	22,190.88
Due to Current Fund			208,917.07
		<u>8,326,524.73</u>	<u>7,645,928.98</u>
Other Funds:			
Deposits for Redemption of Tax Sale Certificates		1,276,612.58	259,898.06
Premiums on Tax Sale Deposits		743,600.00	2,102,700.00
Due to Taxpayers - Tax Title Lien		2,639.83	6,808.25
Reserve for Receivables - Tax Title Lien		-	-
Reserve for NNP Loan		1,254.45	1,254.45
Overpaid Special Detail Services		73,317.10	24,213.63
Due to Federal and State Grant Fund		756.09	756.09
Miscellaneous Reserves		13,543,442.27	10,962,416.70
		<u>15,641,622.32</u>	<u>13,358,047.18</u>
Total		<u>\$ 23,970,065.05</u>	<u>21,006,257.22</u>

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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

EXHIBIT C - CAPITAL FUND

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Cash	\$	22,160,544.75	37,587,905.25
Deferred Charges to Future Taxation -			
Funded		217,856,000.00	244,576,000.00
Unfunded		153,280,000.00	17,236,250.00
Interfunds and Receivables			
Due from State of New Jersey		270,000.00	270,000.00
		<u>393,566,544.75</u>	<u>299,670,155.25</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Encumbrances Payable		2,526,410.49	4,332,592.41
Bond Anticipation Notes Payable		52,800,000.00	12,800,000.00
Serial Bonds Payable		64,155,000.00	81,100,000.00
Tax Appeal Refunding Bonds		153,701,000.00	163,476,000.00
Improvement Authorizations:			
Funded		17,752,644.41	20,404,376.74
Unfunded		100,843,310.39	11,995,504.61
Reserve for Payment of Bonds		7,956.44	357,956.44
Capital Improvement Fund		511,292.97	261,292.97
Fund Balance		1,268,930.05	4,942,432.08
	\$	<u>393,566,544.75</u>	<u>299,670,155.25</u>

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

2013	4,436,250.00
2014	100,480,000.00

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

	<u>2014</u>	<u>2013</u>
Beginning Balance January 1	\$ 4,942,432.08	9,135,011.00
Increased by:		
Premiums on sale of Bonds & Notes	52,747.97	4,557,421.08
Decreased by:		
Transfer to Current Fund	3,726,250.00	8,750,000.00
Ending Balance December 31	<u>\$ 1,268,930.05</u>	<u>4,942,432.08</u>

EXHIBIT G - GENERAL FIXED ASSETS ACCOUNT GROUP

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

	<u>2014</u>	<u>2013</u>
General Fixed Assets:		
Land	\$ 622,642,682.64	624,751,382.64
Land Improvements	8,296,440.00	8,384,791.60
Buildings	63,702,056.00	63,527,601.34
Machinery and Equipment	25,311,017.58	26,011,066.44
Vehicles	<u>24,438,157.27</u>	<u>23,795,458.05</u>
	<u>744,390,353.49</u>	<u>746,470,300.07</u>
Investment in General Fixed Assets	<u>\$ 744,390,353.49</u>	<u>746,470,300.07</u>

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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Atlantic City is a resort community in the County of Atlantic, State of New Jersey. The City covers an area of approximately 12 square miles with a population according to the 2010 census of 39,558. The City operates under a Mayor and Council form of government with the Mayor being the chief executive officer of the City and directly elected by the voters. The City Council is the law making body and passes all resolutions and ordinances. The City also employs a City Administrator who is responsible for the day to day operations of the City. Except as noted below, the financial statements of the City of Atlantic City include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the City of Atlantic City, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. If the City reported under GAAP, the Atlantic City Municipal Utility Authority, 401 N. Virginia Avenue, Atlantic City and the Atlantic City Public Library, 1600 Atlantic Ave, Atlantic City would be considered component units. Complete financial statements for the component units may be obtained at the entity's administrative offices.

B. Description of Funds

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

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

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

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

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

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.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America 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 that are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the City budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts that 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 and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

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 are not included on the various balance sheets.

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

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

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

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value at the time the land is foreclosed or donated. Land purchased by the City is valued at cost.

No depreciation has been provided for in the financial statements.

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

Fixed assets acquired through grants in aid or contributed capital have been accounted for separately.

The following schedule is a summarization of the changes in general fixed assets for the most recent calendar year ended December 31, 2014 and 2013.

The large adjustment to Land was the addition of all unrecorded beach and riparian rights.

	<u>Balance as of</u> 12/31/12	<u>Additions</u>	<u>Disposals</u>	<u>Adjustments</u>	<u>Balance as of</u> 12/31/13
Land	\$ 337,463,712			287,287,671	624,751,383
Land Improvements	8,274,940	21,500		88,352	8,384,792
Buildings	63,511,831	10,225		5,545	63,527,601
Machinery and Equipment	24,610,914	495,027	48,482	953,607	26,011,066
Vehicles	22,676,046	887,012		232,400	23,795,458
	<u>\$ 456,537,443</u>	<u>1,413,764</u>	<u>48,482</u>	<u>288,567,575</u>	<u>746,470,300</u>

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

	Balance as of 12/31/13	Additions	Disposals	Adjustment	Balance as of 12/31/14
Land	\$ 624,751,383	2,356,300	4,465,000		622,642,683
Land Improvements	8,384,792			(88,352)	8,296,440
Buildings	63,527,601	180,000		(5,545)	63,702,056
Machinery and Equipment	26,011,066	257,661	4,103	(953,607)	25,311,017
Vehicles	23,795,458	875,099		(232,400)	24,438,157
	<u>\$ 746,470,300</u>	<u>3,669,060</u>	<u>4,469,103</u>	<u>(1,279,904)</u>	<u>744,390,353</u>

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 the 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.

Capitalization of Interest -- It is the policy of the City of Atlantic City to treat interest on projects as a current expense and the interest is included in the current operating budget.

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

D. Comparative Data

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

E. 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

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

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

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

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 \$5,062,400 and \$4,328,290. 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 \$0 and \$0.

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

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

Budget Category	2014	2013
Business Administrator		
Other Expenses		(120,000)
Insurance		
Unemployment		(280,000)
Municipal Court		
Salaries & Wages	(121,000)	
Comptroller's Office		
Salaries & Wages	(165,000)	
Police		
Salaries & Wages	(1,030,000)	
Police Civilian Division		
Salaries & Wages	(300,000)	(120,100)
Fire		
Salaries & Wages	(1,240,000)	
Uniform Fire Safety		
Salaries & Wages	(210,000)	
Director's Office Public Works		
Salaries & Wages	(180,000)	
Sanitation		
Salaries & Wages	(260,000)	
Beach and Boardwalk		
Salaries & Wages		160,000
Community Service Act		
Other Expenses	160,000	120,000
Vehicle Maintenance		
Other Expenses		220,000
Recreational and Cultural Affairs		
Salaries & Wages	(150,000)	(247,300)
Gas		(122,509)
Terminal Leave Payments	3,950,000	

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

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, the following budget insertions were approved:

Bulletproof Vest Partnership	31,832.00
Body Armor - 2014	28,926.00
CRDA - Brighton Park Fountain Repairs	58,877.00
CRDA - Street Lighting	83,000.00
NJ DOT - Compressed Natural Gas Vehicle	179,000.00
NJ DOT - Maryland Ave to Pacific Ave	1,026,057.00
NJ DOT - Traffic Light Synchronization	963,947.00
Ed Byrne Memorial Justice Assistance Act	109,723.00
COPS in Shops	3,600.00
WIC	959,045.00
Recycling Tonnage Grant	109,806.00

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. In 2014 the City authorized a special emergency for \$900,000.

Note 3: INVESTMENTS

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

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

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

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

Note 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The municipality’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2014 and 2013, \$0 and \$0 of the municipality’s bank balance of \$87,375,131.63 and \$107,952,510.05, respectively were exposed to custodial credit risk.

Note 5: LONG TERM DEBT

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

	Balance Beginning 12/31/2012	Additions	Reductions	Balance Ending 12/31/2013	Due in One Year
General	\$ 210,924,000.00	62,877,000.00	29,225,000.00	244,576,000.00	26,790,000.00
Comp Absences	30,751,737.00	17,031,272.80	17,160,324.30	30,622,685.50	
Total	\$ 241,675,737.00	79,908,272.80	46,385,324.30	275,198,685.50	26,790,000.00

	Balance Beginning 12/31/2013	Additions	Reductions	Balance Ending 12/31/2014	Due in One Year
General	\$ 244,576,000.00	230,000.00	26,950,000.00	217,856,000.00	24,210,000.00
Comp Absences	30,622,685.50	2,024,466.67	4,486,780.38	28,160,371.79	
Total	\$ 275,198,685.50	2,254,466.67	31,436,780.38	246,016,371.79	24,210,000.00

Paid by Current Fund:

\$29,010,000 General obligation refunding bonds dated 6/23/05 with principal payments starting 8/15/09 and ending 8/15/15. \$4,430,000 of principal was paid on 8/15/13. Semiannual interest payments began 8/15/09 with annual rates of 4.0% to 5.0%. The balance remaining as of December 31, 2014 was \$2,445,000.00. The refunding bonds replaced \$29,500,000 of the series 1998 General obligation bonds. The net present value savings exceeded \$900,000.

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

\$17,980,000 General obligation bonds dated 1/15/05 with principal payments starting 1/15/06 and ending 1/15/18. \$1,500,000 of principal was paid on 1/15/14. Semiannual interest payments began 7/15/05 with annual rates of 3.0% to 4.0%. The balance remaining as of December 31, 2014 was \$0. The 2014 refunding bonds replaced \$7,480,000 of the series 2005 General obligation bonds. The net present value savings exceeded \$281,500.

\$26,500,000 General obligation bonds dated 2/15/08 with principal payments starting 2/15/09 and ending 2/15/18. \$3,000,000 of principal was paid on 2/15/14. Semiannual interest payments began 2/15/09 with annual rates of 2.25% to 5.5%. The balance remaining as of December 31, 2014 was \$12,000,000.

\$10,750,000 General obligation refunding bonds dated 12/15/10 with principal payments starting 12/15/11 and ending 12/15/15. \$2,195,000 of principal was paid on 12/15/14. Semiannual interest payments began 6/15/11 with annual rates of 2.0% to 3.00%. The balance remaining as of December 31, 2014 was \$2,255,000. \$10,750,000 of the refunding bonds replaced \$10,475,000 of the series 2000 General obligation refunding bonds. The net present value savings exceeded \$521,000.

\$8,720,000 Tax appeal refunding bonds dated 12/15/10 with principal payments starting 12/15/11 and ending 12/15/15. \$1,800,000 of principal was paid on 12/15/14. Semiannual interest payments began 6/15/11 with annual rates of 3.0% to 4.75%. The balance remaining as of December 31, 2014 was \$1,875,000. \$6,925,000 of this issue was taxable for federal and state income taxes based on the purpose of the bond ordinance and in the opinion of Bond Council.

\$16,354,000 General Improvement bonds dated 2/1/11 with principal payments starting 2/1/12 and ending 2/1/22. \$1,600,000 of principal was paid on 2/1/14. Semiannual interest payments began 8/1/11 with annual rates of 3.0% to 5.00%. The balance remaining as of December 31, 2014 was \$12,799,000.

\$35,285,000 Tax appeal refunding bonds dated 12/15/11 with principal payments starting 12/15/12 and ending 12/15/16. \$7,225,000 of principal was paid on 12/15/14. Semiannual interest payments began 6/15/12 with annual rates of 1.40% to 3.299%. The balance remaining as of December 31, 2014 was \$11,350,000. This entire issue was taxable for federal and state income taxes based on the purpose of the bond ordinance and in the opinion of Bond Council.

\$15,710,000 General obligation refunding bonds dated 4/1/12 with principal payments starting 10/1/12 and ending 4/1/17. \$3,115,000.00 of principal was paid on 4/1/14. Semiannual interest payments began 4/1/13 with annual rates of 3.0% to 5.00%. The balance remaining as of December 31, 2014 was \$9,375,000. \$15,710,000 of the refunding bonds replaced \$16,150,000 of the series 2003 General obligation refunding bonds. The net present value savings exceeded \$606,000.

\$5,450,000 Pension refunding bonds dated 4/1/12 with principal payments starting 4/1/13 and ending 4/1/21. \$550,000.00 of principal was paid on 10/1/14. Semiannual interest payments began 4/1/13 with annual rates of 2.314% to 4.756%. The balance remaining as of December 31, 2014 was

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

\$4,445,000. \$5,450,000 of the pension refunding bonds replaced \$5,325,035 of State of New Jersey PERS ERI Program debt. The net present value savings exceeded \$421,000.

\$93,000,000 Tax appeal refunding bonds dated 12/5/12 with principal payments starting 11/1/13 and ending 11/1/32. \$750,000.00 of principal was paid on 11/1/14. Semiannual interest payments began 5/1/13 with annual rates of 1.388% to 5.00%. The balance remaining as of December 31, 2014 was \$91,500,000. \$2,620,000 of this issue was taxable for federal and state income taxes based on the purpose of the bond ordinance and in the opinion of Bond Council.

\$48,976,000 Tax appeal refunding bonds dated 12/5/13 with principal payments starting 12/1/17 and ending 12/1/33. Semiannual interest payments began 6/1/14 with annual rates of 3.00% to 5.00%. The balance remaining as of December 31, 2014 was \$48,976,000.

\$13,901,000 General Obligation bonds dated 12/5/13 with principal payments starting 12/1/14 and ending 12/1/28. \$615,000.00 of principal was paid on 12/1/14. Semiannual interest payments began 6/1/14 with annual rates of 3.00% to 5.00%. The balance remaining as of December 31, 2014 was \$13,286,000.

\$7,710,000 General obligation refunding bonds dated 1/15/14 with principal payments starting 7/15/14 and ending 1/15/18. \$160,000.00 of principal was paid on 7/15/14. Semiannual interest payments began 7/15/14 with annual rates of 2.09%. The balance remaining as of December 31, 2014 was \$7,550,000. \$7,480,000 of the refunding bonds replaced \$7,480,000 of the series 2005 General obligation refunding bonds.

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

Calendar Year	General Capital Principal	Total Interest	Total
2015	\$ 24,210,000.00	9,125,864.38	33,335,864.38
2016	23,335,000.00	8,246,478.01	31,581,478.01
2017	16,737,000.00	7,349,562.41	24,086,562.41
2018	13,620,000.00	6,626,692.91	20,246,692.91
2019	16,665,000.00	6,152,230.38	22,817,230.38
2020-2024	65,249,000.00	19,836,394.10	85,085,394.10
2025-2029	40,225,000.00	7,310,100.00	47,535,100.00
2030-2033	17,815,000.00	1,312,850.00	19,127,850.00
	\$ 217,856,000.00	65,960,172.19	283,816,172.19

As of December 31, 2014, the carrying value of the above bonds approximates the fair value of the bonds.

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

<u>Summary of Municipal Debt</u>	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Issued:</u>			
<u>General:</u>			
Bonds & Notes Issued	\$ 217,856,000.00	244,576,000.00	210,924,000.00
Notes/Loans	52,800,000.00	12,800,000.00	-
Less: Funds Temporarily Held to Pay			
Bonds and Notes	7,956.44	357,956.44	819,492.65
Net Debt Issued	<u>270,648,043.56</u>	<u>257,018,043.56</u>	<u>210,104,507.35</u>
 <u>Authorized but not issued:</u>			
<u>General:</u>			
Bonds and notes	<u>100,480,000.00</u>	<u>4,436,250.00</u>	<u>9,500,000.00</u>
Bonds & Notes Authorized But Not Issued	<u>100,480,000.00</u>	<u>4,436,250.00</u>	<u>9,500,000.00</u>
Net Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 371,128,043.56</u>	<u>261,454,293.56</u>	<u>219,604,507.35</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 2.692%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 85,886,000.00	85,886,000.00	-
General Debt	389,493,689.00	18,365,645.44	371,128,043.56
	<u>\$ 475,379,689.00</u>	<u>104,251,645.44</u>	<u>371,128,043.56</u>

Net Debt \$371,128,043.56 / Equalized Valuation Basis per NJSA 40A:2-2 as amended, \$13,787,069,551.33 = 2.692%.

The foregoing information is in agreement with the Annual Debt Statement filed with the Division of Local Government Services.

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

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 482,547,434.30
Net Debt	371,128,043.56
Remaining Borrowing Power	<u><u>\$ 111,419,390.74</u></u>

The City of Atlantic City School District, as a K-12 school district, is permitted to borrow up to 4% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amounts approved by the voters in excess of the limit is treated as an impairment of the municipal limit.

Note 6: SHORT-TERM OBLIGATIONS

	<u>Balance 12/31/13</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/14</u>
Bond Anticipation Notes and Loan Payable:				
General	\$ 12,800,000	40,000,000.00		52,800,000.00
	<u>\$ 12,800,000</u>	<u>40,000,000.00</u>	<u>-</u>	<u>52,800,000.00</u>

The City has one bond anticipation note outstanding as of December 31, 2014 with Jefferies, LLC was due February 3, 2015 with interest at 1.75% per annum. A \$12,000,000 Note was renewed/issued for six months with Merrill, Lynch, Pierce, Fenner & Smith Inc. due August 4, 2015 with interest at 5% per annum..

The City has an outstanding loan as of December 31, 2014 with the State of New Jersey due June 30, 2015 (as amended) with interest at 0.75% per annum.

	<u>Balance 12/31/12</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/13</u>
Bond Anticipation Notes payable:				
General	\$ -	12,800,000.00		12,800,000.00
	<u>\$ -</u>	<u>12,800,000.00</u>	<u>-</u>	<u>12,800,000.00</u>

The City has one bond anticipation note outstanding as of December 31, 2013 with Jefferies, LLC was due February 4, 2014 with interest at 1.50% per annum. The Note was renewed for another year.

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

Note 7: FUND BALANCES APPROPRIATED

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

Current Fund \$0

Note 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2014	2015 Budget Appropriation	Balance to Succeeding
Current fund:			
Deficit in Operations	\$ 11,076,662.24	1,230,740.00	9,845,922.24
Special Emergency	900,000.00	180,000.00	720,000.00
	<u>\$ 11,976,662.24</u>	<u>1,410,740.00</u>	<u>10,565,922.24</u>

The appropriations in the 2014 Budget are not less than that required by statute and State agreement.

Note 9: SCHOOL TAXES

Local District School Tax in the amount of \$134,862,600.00 has been raised for the 2014 calendar year and \$133,990,581.75 remitted to the school district leaving a \$872,018.25 balance payable. Since the school district operates on a July 1 to June 30 fiscal year the school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

Note 10: 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	\$ 1,042,388.07	847,783.07
Cash Liability for Taxes Collected in Advance	<u>\$ 1,042,388.07</u>	<u>847,783.07</u>

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

Note 11: PENSION FUNDS

Description of Plans

Substantially all of the City's employees are covered by the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS), a cost-sharing multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension 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 Public Employees Retirement System and Police and Fireman's Retirement System. This report may be obtained by writing to the Division of Pensions 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 Public Employees' Retirement System 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 or other state or local jurisdiction.

Police and Fireman's Retirement System

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 8.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA43:15C-1 et seq). The DCRP is a cost sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

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

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 provide for employee contributions of 6.78% through June 30, 2014 and 6.92% thereafter% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The current PERS rate is 6.92% of covered payroll and for PFRS a rate of 10.0% of covered payroll. The City's contributions to PERS for the years ending December 31, 2014, 2013 and 2012 were \$3,534,671.00, \$3,747,827.00 and \$3,986,983.00 respectively, equal to the required contributions for each year. The City's contributions to PFRS for the years ending December 31, 2014, 2013 and 2012 were \$14,323,084.39, \$14,650,387.51 and \$14,818,152.00 respectively, equal to the required contributions for each year. For the year 2009 the City elected to defer 50% of the PERS and PFRS payments. The City started to budget the deferred amount in 2012 for 5 years, in addition to 8.5% interest.

Significant Legislation

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

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES 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

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

the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.

- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

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

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

NOTE 12: PENSION PLAN FOR LIFEGUARDS

The City of Atlantic City has established a pension plan to provide retirement, disability and survivor pension benefits for the individuals who serve on the City's lifeguard force. An eligible employee becomes a plan member upon employment. Employee contributions shall be withheld

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

from the member’s salary at the rate of 4.0% and contributed to the plan for his benefit. Retiree benefits are paid out of the current fund and charged to the current operating budget of the City. A plan member may retire with a pension only after his 45th birthday and after he has completed 20 years of service, the last 10 must have been completed immediately preceding his application.

Employee contributions to the pension fund were \$89,171.35 and \$89,407.03 and benefits paid to retirees was \$909,173.91 and \$921,865.04 for the years ended December 31, 2013 and 2012, respectively. The City has not established a separate trust fund for the accumulation of contributions and the payment of retiree benefits.

Notes 13: POST-RETIREMENT BENEFITS

The City contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2009, the City authorized participation in the State Health Benefit Program through resolution 307-2009.

Members of the Public Employees’ Retirement System would generally qualify for coverage under the following criteria:

Service Retirement	Eligible at age 60
Early Retirement	Eligible after 25 years of service
Service or Early Retirement Eligibility for State-paid SHBP Benefits	Attainment of 25 years of service
Ordinary Disability Retirement	Eligible after 10 years of service
Accidental Disability	Eligible upon total and permanent disability prior to age 65 as a result of a duty injury

The New Jersey State Health Benefits Plan issues a stand-alone financial report under GASB 43. To view the report, go to <http://www.state.nj.us/treasury/pensions/shbp.htm>.

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

The City is a member of the SHBP. During 2014, \$31,910,333.81 was paid by the City for health care, of which \$8,112,988.73 was paid for retirees and additional \$3,452,049.45 was withheld and paid by employees. The amount paid during 2013 was \$29,642,827.58, of which \$7,465,982.48 was paid for retirees.

Note 14: DEFERRED COMPENSATION

Employees of the City of Atlantic City may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect to Service For State and Local Governments).

The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

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

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

Note 15: LABOR CONTRACTS

As of December 31, 2014, the City's employees are organized in the following collective bargaining units. Contracts are continually being negotiated the following table shows their current status.

Contract	Category	Expiration	Covers
ACWCPA	White Collar	12/31/14	All employees except police, fire, craft and blue collar workers. Supervisors are also excluded.
PBA	Police	12/31/15	All uniformed police, detectives, and other special police units, excluding the chief, deputy chief, inspectors, captains, and all other employees of the City.
IAFF	Firefighters	12/31/14	All uniformed firefighters
IBEW #351	Construction Code	12/31/14	All Construction Office

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

	Inspectors		inspectors.
GWU # 910	Supervisors	12/31/14	All supervisors
AFL-CIO #2303	Blue Collar	12/31/14	Blue collar workers
AFL-CIO # 2303C	Beach Patrol	12/31/12	All lifeguards, lieutenants and captains, but excludes chief, assistant chief, area chief, beach surgeon, medical assistant.
SOA	Superior Officers'	12/31/15	Police captains, excluding chief, deputy chief, inspectors, and all other employees of the City.

Note 16: ACCRUED SICK AND VACATION BENEFITS

The City has permitted full time employees to accrue unused sick and vacation time, which may be taken as time off or paid at a later date at an agreed upon rate. The monetary value of these earned and unused employee benefits has not been accrued by either charges to operations or to budgets of prior years, although in some cases they might be material, since the realization of this liability may be affected by conditions which preclude an employee from receiving full payment of the accrual. At December 31, 2014 and 2013, the City estimates this liability to approximate \$28,160,371.79 and \$30,622,685.50, respectively. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The City has established a reserve that as of December 31, 2014 and 2013 was \$5,569,274.40 and \$2,938,435.13, respectively.

Note 17: ECONOMIC DEPENDENCY

The City of Atlantic City is economically dependent on one industry as a major source of tax revenue for the City. The City receives approximately 65% of the Tax Levy from the Casino industry.

Note 18: COMMITMENTS AND CONTINGENCIES

During the normal course of operations, lawsuits are frequently brought against the governmental unit. There are presently numerous suits pending against the City.

The City has not prepared an Incurred But Not Reported (“IBNR”) report for the General Liability or Workers Compensation self funded insurance. The General Liability loss reserve calculated by the insurance consultant is approximately \$13,800,000. This Reserve is underfunded without including an IBNR calculation, by over \$11,800,000. Based on verification by the City’s Insurance Broker and Solicitor the loss reserves include an adequate basis for estimating potential liabilities to the City at December 31, 2014. Also, estimates of payments to be made in 2014 were included in the City’s 2015 budget. Additionally, the City has purchased an excess loss policy for any losses over \$500,000.

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

The Worker Compensation report, prepared by the City's other consultant, indicated current claims of over \$21,300,000. This Reserve is underfunded without including an IBNR calculation, by over \$18,100,000. Based on verification by the City's Insurance Broker and Solicitor the loss reserves include an adequate basis for estimating potential liabilities to the City at December 31, 2014. Also, estimates of payments to be made in 2015 were included in the City's 2015 budget.

In prior years the City has settled real estate tax appeals with a number of casinos. The settlements were comprised of cash payments and future tax credits. The tax credits are applied to the quarterly tax bills to a maximum of the total bill. The application of the credit results in a negative adjustment to fund balance. As of December 31, 2014 there were credits to be applied. Any appeals or settlements with the casinos may be funded with tax appeal bonds or are listed as overpaid taxes on the financial statements. As of December 31, 2014 the only unfunded tax settlement is with the Borgata Casino Hotel. The City has agreed to a settlement of \$87,950,000. The City adopted an ordinance in 2104 to refund the settlement but has not issued debt as of the date of this report.

Note 19: RISK MANAGEMENT

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

Property and Liability Insurance – The City is self insured for property, liability some employee health plans and workers compensation. The City has commercial coverage for surety bonds and employee health insurance.

The self insurance has an excess policy for covered claims over \$500,000

The following is the activity for the years ended December 31,

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

	<u>2014</u>		<u>2013</u>	
	<u>General Liability</u>	<u>Worker Compensation</u>	<u>General Liability</u>	<u>Worker Compensation</u>
Beginning of Year:				
Unencumbered Reserve	\$ 2,637,636	2,826,243	2,617,403	2,933,257
Other	84,284	278,769	19,373	202,563
Funded by Budget Appropriation	4,084,965	4,848,535	4,200,000	4,900,000
	<u>6,806,885</u>	<u>7,953,547</u>	<u>6,836,776</u>	<u>8,035,820</u>
Paid	4,852,244	4,781,710	4,199,140	5,209,577
End of Year	<u>1,954,641</u>	<u>3,171,837</u>	<u>2,637,636</u>	<u>2,826,243</u>
Analysis of Balance				
Unencumbered Reserve	1,954,641	3,171,837	2,637,636	2,826,243
Encumbrances/Payables				
	<u>\$ 1,954,641</u>	<u>3,171,837</u>	<u>2,637,636</u>	<u>2,826,243</u>

Note 20: INTERFUND BALANCES

As of December 31, 2014, the following interfunds were included on the balance sheets of the various funds of the City of Atlantic City:

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

	Due From	Due To
	<u> </u>	<u> </u>
Current Fund:		
CDBG Trust	\$	43,302.63
Grant Fund	123,529.92	
Trust Fund - Dog Fund	718.20	
Trust Funds - Other		6,187,873.95
Grant Fund:		
Current Fund		123,529.92
Trust Funds – Other	756.09	
Trust Fund:		
Current -		
Dog Fund		718.20
Other Trusts	6,187,873.95	
CDBG	43,302.63	
Grant Fund		756.09
	\$ <u>6,356,180.79</u>	<u>6,356,180.79</u>

The Grant Fund only maintains a bank account for specific grants. All other grant activity is transacted through Current Fund bank accounts. A number of the Trust Funds do not maintain bank accounts. Their activity is transacted through the Current Fund bank accounts. The CDBG interfund is due to a timing issue based on the drawdown of Federal funds.

Note 21: SUBSEQUENT EVENTS

The City has negotiated tax appeals prior to and subsequent to December 31, 2014. The appeals resulted in a reduction of assessed values and a liability of approximately \$144,151,800. The City will consider issuing tax appeal bonds before December 31, 2015 to fund the liability.

The City has evaluated events through May 10, 2015, the date which the financial statements were available to be issued and no additional items, except as noted above, were noted for disclosure.

SUPPLEMENTARY DATA



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
City of Atlantic City, New Jersey

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

Internal Control over Financial Reporting

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

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.

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.

Compliance and Other Matters

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

City's Responses to Findings

The City of Atlantic City's response to the findings identified in our audit are described in the accompanying *schedule of findings and questioned costs*. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

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

May 10, 2015



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

The Honorable Mayor and
Members of City Council
City of Atlantic City, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the City of Atlantic City's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the City of Atlantic City's major federal and state programs for the year ended December 31, 2014. The City of Atlantic City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Atlantic City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and *New Jersey OMB 04-04*. Those standards, *OMB Circular A-133* and *NJ OMB 04-04* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about City of Atlantic City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City of Atlantic City's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the City of Atlantic City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of City of Atlantic City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Atlantic City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Atlantic City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

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

May 10, 2015

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

CITY OF ATLANTIC CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014

Schedule A

Federal Grantor / Pass-through Grantor Program	CFDA Number	Pass-Through Entity ID#	Grant Period		Program or Award Amount	Unexpended Balance 12/31/13	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance 12/31/14	Accumulated Expenditures (Memo Only)
			From	To							
Department of Housing and Urban Development:											
Community Development Block Grant	14.218		1/1/2014	12/31/2014	1,117,286		1,117,286.00			1,117,286.00	
Community Development Block Grant	14.218		1/1/2013	12/31/2013	1,109,364	1,109,364.00		638,653.68	(31,233.98)	439,476.34	669,887.66
Community Development Block Grant	14.218		1/1/2012	12/31/2012	1,091,899	326,778.16		278,980.32	(47,797.84)	-	1,091,899.00
Community Development Block Grant	14.218		1/1/2010	12/31/2010	1,467,622	7,426.42			(7,426.42)	0.00	1,467,622.00
Community Development Block Grant	14.218				Program Income	387,679.46		353,837.64		33,841.82	
						1,831,248.04	1,117,286.00	1,271,471.64	(86,458.24)	1,590,604.16	
HOME Investment Partnerships Program	14.239		1/1/2014	12/31/2014	301,954		301,954.00	806.75		301,147.25	806.75
HOME Investment Partnerships Program	14.239		1/1/2013	12/31/2013	270,873	270,873.00		20,000.00		250,873.00	20,000.00
HOME Investment Partnerships Program	14.239		1/1/2012	12/31/2012	293,844	235,378.54		121,534.54		113,844.00	180,000.00
HOME Investment Partnerships Program	14.239		1/1/2011	12/31/2011	468,927	198,924.00		67,565.33		131,358.67	337,568.33
HOME Investment Partnerships Program	14.239		1/1/2010	12/31/2010	530,203	205,780.14		48,186.67	(98,720.79)	58,872.68	471,330.32
						910,955.68	301,954.00	258,093.29	(98,720.79)	856,095.60	
Economic Development	14.xxx		1/1/2008	12/31/2008	148,500	37,487.50				37,487.50	111,012.50
Social Services Block Grant	14.xxx		1/1/2014	12/31/2014	24,000		24,000.00	6,266.55		17,733.45	6,266.55
CDBG - Post Sandy Planning	14.xxx		1/1/2013	12/31/2013	345,000	345,000.00		285,000.00		60,000.00	285,000.00
CDBG - Essential Services	14.xxx		1/1/2014	12/31/2014	6,775,799	-	6,775,799.00	6,775,799.00		-	6,775,799.00
CDBG - Disaster Recovery - Inlet Seawall	14.xxx		1/1/2013	12/31/2013	658,138	618,650.00				618,650.00	39,488.00
						3,743,341.22	8,219,039.00	8,596,630.48	(185,179.03)	3,180,570.71	
Total Department of Housing and Urban Development											
Department of Agriculture											
Passed through New Jersey Department of Health											
Women, Infants and Children	10.557	98-289-WIC-03	10/1/2013	9/30/2014	867,000	756,868.34		561,421.77		195,446.57	671,553.43
Women, Infants and Children	10.557	98-289-WIC-03	10/1/2014	9/30/2015	959,045	(0.00)	959,045.00	97,368.46		861,676.54	97,368.46
						756,868.34	959,045.00	658,790.23	-	1,057,123.11	
Passed through New Jersey Department of Education:											
Summer Food Program	10.559	5120-100-034-5120	1/1/2014	12/31/2014	87,003	-	87,002.72	75,794.40		11,208.32	75,794.40
Summer Food Program	10.559	5120-100-034-5120	1/1/2013	12/31/2013	83,258	46,966.34		14,774.54		32,191.80	51,066.44
Summer Food Program	10.559	5120-100-034-5120	1/1/2012	12/31/2012	88,313	45,702.90				45,702.90	42,610.10
Summer Food Program	10.559	5120-100-034-5120	1/1/2011	12/31/2011	84,423	6,040.73				6,040.73	78,382.27
Summer Food Program	10.559	5120-100-034-5120	1/1/2010	12/31/2010	75,535	5,746.36				5,746.36	69,788.64
						104,456.33	87,002.72	90,568.94	-	100,890.11	
						861,324.67	1,046,047.72	749,359.17	-	1,158,013.22	-
Total Department of Agriculture											
Department of Justice											
Bullet Proof Vest Partnership	16.607		1/1/2013	12/31/2013	44,903	44,902.99		18,891.25		26,011.74	18,891.25
Bullet Proof Vest Partnership	16.607		1/1/2014	12/31/2014	31,832		31,831.69			31,831.69	-
						44,902.99	31,831.69	18,891.25	-	57,843.43	

CITY OF ATLANTIC CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014

Schedule A

<u>Federal Grantor / Pass-through Grantor Program</u>	<u>CFDA Number</u>	<u>Pass-Through Entity ID#</u>	<u>Grant Period</u>		<u>Program or Award Amount</u>	<u>Unexpended Balance 12/31/13</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>	<u>Adjustments</u>	<u>Unexpended Balance 12/31/14</u>	<u>Accumulated Expenditures (Memo Only)</u>
			<u>From</u>	<u>To</u>							
Justice Block Grant	16.738		1/1/2010	12/31/2010		438.15			438.15		
Ed Byrne Memorial Justice Assistance	16.738		1/1/1/09	12/31/2009	191,563	2.80			2.80	191,560.20	
Ed Byrne Memorial Justice Assistance	16.738		1/1/1/11	12/31/2011	250,000	35.23	35.23		-	250,000.00	
Ed Byrne Memorial Justice Assistance	16.738		1/1/1/12	12/31/2012	107,165	22.25			22.25	107,142.75	
Ed Byrne Memorial Justice Assistance	16.738		1/1/1/13	12/31/2013	108,096	25,150.50		18,498.60	6,651.90	101,444.10	
Ed Byrne Memorial Justice Assistance	16.738		1/1/2014	12/31/2014	109,723		109,723.00		109,723.00	-	
						-			-	-	
Justice Department Block Grant - Interest Earned	16.xxx		1/1/2000	12/31/2000	16,171	6,603.77			6,603.77		
						<u>32,252.70</u>	<u>109,723.00</u>	<u>18,533.83</u>	<u>-</u>	<u>123,441.87</u>	
Total Department of Justice						<u>77,155.69</u>	<u>141,554.69</u>	<u>37,425.08</u>	<u>-</u>	<u>181,285.30</u>	
Department of Homeland Security											
SAFER	97.044		1/1/2011	12/31/2011	9,726,403	51,493.92			51,493.92	9,674,909.08	
SAFER	97.044		1/1/2014	12/31/2015	8,661,585		8,661,585.00	2,760,957.97	5,900,627.03	2,760,957.97	
						-			-	-	
Homeland Security	97.067		1/1/2011	12/31/2011	10,000	10,000.00			10,000.00	-	
Federal Emergency Management Assistance	97.xxx		1/1/2009	12/31/2009	20,000	121.52			121.52	19,878.48	
Federal Emergency Management Assistance	97.xxx		1/1/2010	12/31/2010	20,000	20,000.00			20,000.00	-	
Federal Emergency Management Assistance	97.xxx		1/1/2011	12/31/2011	40,000	40,000.00			40,000.00	-	
Assistance to Firefighters	97.xxx		1/1/2014	12/31/2014	543,400	-	543,400.00		543,400.00	-	
Hazard Mitigation - Fisherman's Park	97.039		1/1/2013	12/31/2013	3,225,000	3,225,000.00			3,225,000.00		
State Domestic Preparedness Equipment Support	97.004		1/1/2009	12/31/2009	1,000,000	136,679.42			136,679.42	863,320.58	
Total Department of Homeland Security						<u>3,483,294.86</u>	<u>9,204,985.00</u>	<u>2,760,957.97</u>	<u>-</u>	<u>9,927,321.89</u>	
Department of Energy:											
Energy Efficiency	81.128	4220-100-046-4535	1/1/2010	12/31/2010	219,400	54,696.50			54,696.50	164,703.50	
Total Department of Energy						<u>54,696.50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,696.50</u>	
Total Federal Assistance						<u>8,219,812.94</u>	<u>18,611,626.41</u>	<u>12,144,372.70</u>	<u>(185,179.03)</u>	<u>14,501,887.62</u>	

CITY OF ATLANTIC CITY
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2014

Schedule B

State Grantor / Pass-Through Grantor / Program	State Account Number	Grant Period		Grant Award	Unexpended	Receipts or	Disbursements/ Expenditures	Adjustments	Unexpended	Accumulated Expenditures (Memo Only)
		From	To		Balance 12/31/13	Revenue Recognized			Balance 12/31/14	
Department of Transportation:										
Trust Fund Authority Act of 1984: By Formula	6320-480-601385-61	1/1/2012	12/31/2012		1,802.35				1,802.35	
Trust Fund Authority Act of 1984: By Formula	6320-480-601385-61	1/1/2011	12/31/2011	300,000	135,210.00				135,210.00	164,790.00
Trust Fund Authority Act of 1984: By Formula	6320-480-601385-61	1/1/2010	12/31/2010	190,000	-				-	190,000.00
Trust Fund Authority Act of 1984: By Formula	6320-480-601385-61	1/1/2013	12/31/2013	187,000	187,000.00				187,000.00	-
Trust Fund Authority Act of 1984: By Formula	6320-480-601385-61	1/1/2013	12/31/2013	24,798	24,798.00		11,694.28		13,103.72	11,694.28
Trust Fund Authority Act of 1984: By Formula	6320-480-601385-61	1/1/2014	12/31/2014	1,026,057		1,026,057.00			1,026,057.00	
Compressed Natural Gas Vehicles		1/1/2013	12/31/2013	181,500	12,072.00			(12,072.00)	-	169,428.00
Disaster Relief Opportunity - Atlantic Ave		1/1/2013	12/31/2013	1,130,000	1,130,000.00				1,130,000.00	-
Compressed Natural Gas Vehicles		1/1/2014	12/31/2014	179,000		179,000.00	116,536.00		62,464.00	116,536.00
AC Traffic Light Synchronization		1/1/2014	12/31/2014	963,947		963,947.00			963,947.00	-
Total Department of Transportation					1,490,882.35	2,169,004.00	128,230.28	(12,072.00)	3,519,584.07	
Department of Law and Public Safety:										
Disposition of DWI Cases	9735-760-098-Y900-001	1/1/2010	12/31/2010	3,067	3,066.66				3,066.66	0.34
Alcohol Education & Rehab.		1/1/2008	12/31/2008	7,925	6,421.94				6,421.94	1,503.06
Alcohol Education & Rehab.		1/1/2009	12/31/2009	7,750	7,750.39				7,750.39	(0.39)
Alcohol Education & Rehab.		1/1/2011	12/31/2011	539	539.35				539.35	(0.35)
Body Armor Grant	1020-718-066-1020	1/1/2008	12/31/2008	77,380	-				-	77,380.00
Body Armor Grant	1020-718-066-1020	1/1/2009	12/31/2009	39,118	12,496.84		12,496.75		0.09	39,117.91
Body Armor Grant	1020-718-066-1020	1/1/2010	12/31/2010		4,443.02		(1,896.50)		6,339.52	(6,339.52)
Body Armor Grant	1020-718-066-1020	1/1/2011	12/31/2011	27,852	-				-	27,852.00
Body Armor Grant	1020-718-066-1020	1/1/2012	12/31/2012	28,696	28,696.17				28,696.17	-
Body Armor Grant	1020-718-066-1020	1/1/2013	12/31/2013	46,166	46,166.04		4,498.00		41,668.04	4,498.00
Body Armor Grant	1020-718-066-1020	1/1/2014	12/31/2014	28,926		28,926.40			28,926.40	-
Drunk Driving Enforcement		1/1/2008	12/31/2008	35,608	2,001.46				2,001.46	33,606.54
Drunk Driving Enforcement		1/1/2009	12/31/2009	34,015	312.86				312.86	33,702.14
Drunk Driving Enforcement		1/1/2011	12/31/2011	54,572	85.89				85.89	54,486.11
Drunk Driving Enforcement		1/1/2013	12/31/2013	20,912	20,911.67				16,688.35	4,223.32
Drunk Driving Enforcement		1/1/2014	12/31/2014	118		118.16			118.16	-
Cops in Shops	1400-100-066-1400	1/1/2012	12/31/2012	12,400	2,329.85				0.00	12,400.00
Cops in Shops	1400-100-066-1400	1/1/2011	12/31/2011	11,600	-				-	11,600.00
Cops in Shops	1400-100-066-1400	1/1/2014	12/31/2014	10,639		10,639.41	6,870.10	(169.31)	3,600.00	7,039.41
Police Certification Trailer		1/1/2006	12/31/2006	1,200	1,200.00				1,200.00	-
Domestic Violence Training Program		1/1/2008	12/31/2008	1,250	1,250.00				1,250.00	-
Total Department of Law and Public Safety					137,672.14	39,683.97	28,521.52	(169.31)	148,665.28	
Department of Community Affairs:										
Neighborhood Preservation Program	8020-100-022-8020	1/1/1997	12/31/1997	85,000	1,000.00				1,000.00	84,000.00
Neighborhood Preservation Program	8020-100-022-8020	1/1/2002	12/31/2002	100,000	10,306.04				10,306.04	89,693.96
Neighborhood Preservation Program - Bungalow Park	8020-100-022-8020	1/1/1999	12/31/1999	100,000	6,138.09				6,138.09	93,861.91
Neighborhood Preservation Program	8020-100-022-8020	1/1/2003	12/31/2003	75,000	2,056.32				2,056.32	72,943.68
Neighborhood Preservation Program	8020-100-022-8020	1/1/2004	12/31/2004	300,000	12,744.19				12,744.19	287,255.81
Total Department of Community Affairs					32,244.64	-	-	-	32,244.64	

The accompanying Notes to Schedules of Federal and State Financial Assistance are an integral part of this statement

CITY OF ATLANTIC CITY
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2014

Schedule B

State Grantor / Pass-Through Grantor / Program	State Account Number	Grant Period		Grant Award	Unexpended	Receipts or	Disbursements/	Unexpended	Accumulated
		From	To		Balance	Revenue	Expenditures		
					12/31/13	Recognized	Adjustments	12/31/14	(Memo Only)
Department of Health									
AIDS Testing and Counseling	4245-100-046-4866	1/1/2014	12/31/2014	300,850	-	300,850.00	249,838.36	51,011.64	249,838.36
AIDS Testing and Counseling	4245-100-046-4866	1/1/2013	12/31/2013	300,850	29,939.42		28,692.28	(1,247.14)	300,850.00
HINI Vaccinations		1/1/2009	12/31/2009	108,198	18.00			18.00	108,180.00
Recreational Opportunities for Individuals with Disb		1/1/2013	12/31/2013	24,000	24,000.00			24,000.00	-
Total Department of Health					53,957.42	300,850.00	278,530.64	(1,247.14)	75,029.64
Department of Environmental Protection									
Green Arces		1/1/2014	12/31/2014	450,000		450,000.00		450,000.00	-
Recycling Tonnage Grant	4900-752-042-4900	1/1/2008	12/31/2008	33,322	38.14			38.14	33,283.86
Recycling Tonnage Grant	4900-752-042-4900	1/1/2009	12/31/2009	118,784	82,266.73		41,951.94	40,314.79	78,469.21
Recycling Tonnage Grant	4900-752-042-4900	1/1/2011	12/31/2011	96,196	32,948.30		21,692.00	11,256.30	84,939.70
Recycling Tonnage Grant	4900-752-042-4900	1/1/2012	12/31/2012	88,076	83,605.98		14,731.35	68,874.63	19,201.37
Recycling Tonnage Grant	4900-752-042-4900	1/1/2013	12/31/2013	73,975	73,975.00		14,546.47	59,428.53	14,546.47
Recycling Tonnage Grant	4900-752-042-4900	1/1/2014	12/31/2014	109,086		109,805.70		109,805.70	(720.00)
Clean Community Program	4900-765-042-4900	1/1/2014	12/31/2014	70,858		70,858.37	13,503.95	(5,559.19)	19,063.14
Clean Community Program	4900-765-042-4900	1/1/2013	12/31/2013	75,625	59,882.99		44,710.99	5,690.77	54,761.87
Clean Community Program	4900-765-042-4900	1/1/2012	12/31/2012	64,412	2,213.49		2,213.49	(0.00)	64,412.00
Clean Community Program	4900-765-042-4900	1/1/2011	12/31/2011	65,454	12,396.80		12,262.97	(131.58)	65,451.75
Clean Community Program	4900-765-042-4900	1/1/2010	12/31/2010	70,574	662.46		662.46	-	70,574.00
Clean Community Program	4900-765-042-4900	1/1/2009	12/31/2009	67,949	4,018.83		4,018.83	-	67,949.00
Hazardous Site - 97 - NADA									
Brownsfields Assessment	BF-97250207-0	1/1/2008	12/31/2008	8,720	4,948.93		4,948.93	-	8,720.00
Brownfield Cleanup - Riverside Park	BF-97250207-0	1/1/2007	12/31/2007	200,000	367.62		(2,358.07)	2,725.69	197,274.31
Brownfield Cleanup - South boulevard	BF-97250207-0	1/1/2013	12/31/2013	200,000	200,000.00		35,585.00	164,415.00	35,585.00
Brownfield Cleanup - South boulevard	BF-97250207-0	1/1/2013	12/31/2013	200,000	200,000.00			200,000.00	-
Total Department of Environmental Protection					757,325.27	630,664.07	208,470.31	0.00	1,179,519.03
Other State Agencies									
Enhanced 9-1-1 Grant	07-E-01-122	7/17/2007	6/30/2008	554,377	5,959.21			5,959.21	548,417.79
Total Other State Agencies					5,959.21	-	-	-	5,959.21
Total State Assistance					2,478,041.03	3,140,202.04	643,752.75	(13,488.45)	4,961,001.87

The accompanying Notes to Schedules of Federal and State Financial Assistance are an integral part of this statement

CITY OF ATLANTIC CITY
 SCHEDULE OF EXPENDITURES OF STATE AND LOCAL FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2014

Schedule B

State Grantor / Pass-Through Grantor / Program	State Account Number	Grant Period		Grant Award	Unexpended Balance 12/31/13	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance 12/31/14	Accumulated Expenditures (Memo Only)
		From	To							
Local Assistance										
County of Atlantic										
Open Space - Bungalow Park		1/1/2006	12/31/2006	360,350	360,350.00				360,350.00	-
Open Space		1/1/2008	12/31/2008	900,000	900,000.00				900,000.00	-
Boys and /girls Club		1/1/2014	12/31/2014	400,000		400,000.00			400,000.00	
Meals on Wheels		1/1/2010	12/31/2010	3,998	3,997.50				3,997.50	0.50
Meals on Wheels		1/1/2011	12/31/2011	12,090	12,090.00				12,090.00	-
Homeland Security - Inauguration		1/1/2009	12/31/2009	27,916	20,430.40				20,430.40	7,485.60
Municipal Alliance Drug and Alcoholism	4250-760-050000-63-262	1/1/2008	12/31/2008		150.00				150.00	
Municipal Alliance Drug and Alcoholism	4250-760-050000-63-262	1/1/2011	12/31/2011	35,868	1,119.70				1,119.70	34,748.30
Municipal Alliance Drug and Alcoholism	4250-760-050000-63-262	1/1/2012	12/31/2012	35,868	1,932.48			(1,932.48)	-	35,868.00
Municipal Alliance Drug and Alcoholism	4250-760-050000-63-262	1/1/2013	12/31/2013	35,869	8,499.97	17,934.37	19,592.22		6,842.12	29,026.63
Municipal Alliance Drug and Alcoholism	4250-760-050000-63-262	1/1/2014	12/31/2014	37,574		37,574.00	29,074.03		8,499.97	29,074.03
CEHA - 2012		1/1/2012	12/31/2012		-				-	-
CEHA - 2013		1/1/2013	12/31/2013	32,500	19,182.17		19,182.17		-	32,500.00
CEHA - 2014		1/1/2014	12/31/2014	25,000		25,000.00	25,000.00		-	25,000.00
CRDA - Demolition within Tourism District				1,500,000	23,920.16		8,891.57		15,028.59	1,500,000.00
CRDA - Basketball Tournament				166,000	166,000.00				166,000.00	166,000.00
CRDA - Demolition				1,300,000	304,770.00		-		304,770.00	1,300,000.00
CRDA - Garden Pier				1,800,000	40,564.00				40,564.00	1,800,000.00
CRDA - Boardwalk Street Lights				2,543,000	2,303,057.99		449,999.18		1,853,058.81	2,543,000.00
CRDA - Law Enforcement Technology				3,500,000	3,333,000.00		1,461,126.04		1,871,873.96	3,500,000.00
CRDA - Summer Concerts				24,313	0.50				0.50	24,313.00
CRDA - All Wars Memorial Building				3,359,598	3,359,598.00				3,359,598.00	-
CRDA - Street Lighting				3,225,000	1,007,136.00				1,007,136.00	2,217,864.00
CRDA - Demolition				2,500,000	404,564.05		(35,106.86)		439,670.91	2,060,329.09
CRDA - Boardwalk Repairs				1,700,000	1,318,132.66		(126,862.54)		1,444,995.20	255,004.80
CRDA - Enhanced Enforcement Building Maintenance				130,000	130,000.00		46,343.71		83,656.29	46,343.71
CRDA - Street Lighting				83,000		83,000.00	82,872.00		128.00	
CRDA - Brighton Park Fountain Repairs				58,877		58,877.00			58,877.00	
CRDA - Demolition				1,500,000		1,500,000.00	338,800.00		1,161,200.00	
Total Local Assistance					13,718,495.58	2,122,385.37	2,318,911.52	(1,932.48)	13,520,036.95	
Total State and Local Assistance					16,196,536.61	5,262,587.41	2,962,664.27	(15,420.93)	18,481,038.82	
Total Federal, State and Local Assistance					\$ 24,416,349.55	23,874,213.82	15,107,036.97	(200,599.96)	32,982,926.44	

The accompanying Notes to Schedules of Federal and State Financial Assistance are an integral part of this statement

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

Note 1: BASIS OF PRESENTATION

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

Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule do not agree with amounts reported in the City's financial statements. Receipts from Federal and State grants are realized as revenue when anticipated in the City's budget. Expenditures are recognized when they become payable. Following is a reconciliation of expenditures:

Expenditures per Schedule of Federal and State Awards	\$ 15,107,036.97
Less: Community Development Block Grant	(1,529,564.93)
Less: CDBG - Essential Services	(6,775,799.00)
Plus: Prior year encumbrances	2,755,391.66
Less: Current year encumbrances	(2,483,295.19)
Expenditures reported on Schedule A-12	<u><u>\$ 7,073,769.51</u></u>

**CITY OF ATLANTIC CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

Part I – Summary of Auditor’s Results

Financial Statement Section

- A) Type of auditor’s report issued: Adverse under GAAP/Unmodified under Regulatory
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified? X yes no
- 2) Significant Deficiencies identified that are not considered to be material weaknesses? yes X no
- C) Noncompliance material to general-purpose financial statements noted? yes X no

Federal Awards Section

- D) Dollar threshold used to determine type A programs: \$ 300,000
- E) Auditee qualified as low-risk auditee? yes X no
- F) Type of auditor’s report on compliance for major programs Unmodified
- G) Internal control over major programs:
- 1) Material weakness(es) identified? X yes no
- 2) Significant Deficiencies identified that are not considered to be material weaknesses? yes X no
- H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? yes X no
- I) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>14.218</u> <u>14.xxx</u>	<u>Community Development Block Grant</u> <u>CDBG – Essential Services Program</u>

**CITY OF ATLANTIC CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

Part I – Summary of Auditor’s Results

State Awards Section

- J) Dollar threshold used to determine Type A programs: _____ \$300,000 _____
- K) Auditee qualified as low-risk auditee? _____yes _____X_____no
- L) Type of auditor’s report issued on compliance for major programs: _____Unmodified_____
- M) Internal Control over major programs:
- 1) Material weakness(es) identified? _____yes _____X_____no
- 2) Significant Deficiencies identified that are not considered to be material weaknesses? _____yes _____X_____no
- N) Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04? _____yes _____X_____no
- O) Identification of major programs:

GMIS Number(s)

Name of State Program

6320-480-601385-61
4245-100-046-4866

Department of Transportation Trust Fund Authority Act
HIV Counseling and Testing

Part 2 -- Schedule of Financial Statement Findings

NONE

Part 3 – Schedule of Federal Award Findings and Questioned Costs

NONE

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Current Fund	Grant Fund
Balance December 31, 2013	\$ 60,522,234.31	175,914.63
Increased by Receipts:		
Tax Collector	334,634,534.85	
Revenue Accounts Receivable	46,211,393.55	
Miscellaneous Revenue	953,720.98	
Due to CDBG	252,506.88	
Due from Dog Trust	1,000.06	
State of New Jersey		
Senior Citizens and Veterans	150,660.61	
DCA Training Fees	106,181.00	
Marriage Licenses	8,721.00	
Performance Bonds	1,177.20	
Tax Appeal Bonds	40,000,000.00	
AC Endowment Fund	439.13	
Reserve for Payroll Account	89,973.64	
Reserve Miscellaneous	202,673.06	
Reserve for FEMA Hurricane Sandy	950,829.04	
Federal and State Unappropriated		35.13
Federal and State Receivables	7,415,965.81	
	430,979,776.81	35.13
	491,502,011.12	175,949.76
Decreased by Disbursements:		
Current Year Appropriation	219,926,809.76	
Prior Year Appropriations	11,272,001.31	
County Taxes	40,406,277.87	
Local District School Taxes	133,990,581.75	
Prior Year Refunds	63,893.78	
Due to Trust Other	179,072.80	
Accounts Payable	38,687.96	
State of New Jersey		
DCA Training Fees	89,604.00	
Marriage Licenses	9,232.00	
Prepaid Rent	5,000.00	
Miscellaneous Reserve		
Reserve for Preparation of Tax Maps	16,650.00	
AC Endowment Fund	250,000.00	
Refund of Tax Overpayments	34,187,647.13	
Federal and State Disbursements	7,073,769.51	127,012.52
	447,509,227.87	127,012.52
Balance December 31, 2014	\$ <u>43,992,783.25</u>	<u>48,937.24</u>

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

Balance December 31, 2013		\$
Increased by Receipts:		
Prepaid Taxes	1,042,388.07	
Taxes Receivable	329,755,215.72	
Revenue Accounts Receivable	2,096,100.01	
Tax Title and Other Liens	1,649,721.09	
Due to ACMUA	91,109.96	
		334,634,534.85
		334,634,534.85
Payments to Treasurer		334,634,534.85
		\$ -

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

Year	Balance Dec. 31, 2013	Current Year Levy	Added Taxes	Collections by Cash		Overpayments	Adjustments	Transferred To Tax Title Lien	Arrears	Balance Dec. 31, 2014
				2013	2014					
Arrears	\$ 3,598.26				3,598.26					-
2012	29,961.73				8,438.73					21,523.00
2013	2,705,101.38				2,381,193.83		183,044.25			140,863.30
	<u>2,738,661.37</u>	-	-	-	<u>2,393,230.82</u>		<u>183,044.25</u>	-	-	<u>162,386.30</u>
2014		377,401,092.56	906,427.17	848,049.90	327,534,944.58	8,711,263.81	36,745,765.07	3,055,143.06	(3,097.87)	1,415,451.18
\$	<u>2,738,661.37</u>	<u>377,401,092.56</u>	<u>906,427.17</u>	<u>848,049.90</u>	<u>329,928,175.40</u>		<u>36,928,809.32</u>	<u>3,055,143.06</u>	<u>(3,097.87)</u>	<u>1,577,837.48</u>

329,755,215.72 Cash Receipts
172,959.68 Senior Citizens and Veterans

329,928,175.40

Analysis of Current Year Tax Levy

Tax Yield:

General Property Tax 377,401,092.56
Added Taxes (54:4-63.1 et. Seq.) 906,427.17

378,307,519.73

Tax Levy:

General County Taxes 39,955,935.88
County Open Space Taxes 427,155.68
County Added and Omitted Taxes 95,088.01

Total County Taxes

40,478,179.57

Local School District Tax

134,862,600.00

Local Tax for Municipal Purposes
Add: Additional Tax Levied

202,155,401.00
811,339.16

202,966,740.16

378,307,519.73

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

Balance December 31, 2013		\$ 5,218,100.72
Increased by:		
Transfers from Taxes Receivable	3,055,143.06	
Interest and Costs Accrued by Sale of December 11, 2014	298,657.86	
Other		
	<hr/>	<u>3,353,800.92</u>
		8,571,901.64
Decreased by:		
Collections	1,649,721.09	
Transfer to Foreclosed Property	246,983.00	
Other	298,393.21	
	<hr/>	<u>2,195,097.30</u>
Balance December 31, 2014		\$ <u><u>6,376,804.34</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance	Accrued	Collected by		Balance
	Dec. 31, 2013	in 2013	Collector	Treasurer	Dec. 31, 2014
Licenses:					
Alcoholic Beverages	\$ -	144,508.00		144,508.00	-
Other	-	887,786.00		887,786.00	-
Fees an Permits	-	1,499,942.00		1,499,942.00	-
Fines and Costs:					
Municipal Court	55,729.01	1,408,184.12		1,360,239.99	103,673.14
Interest and Costs on Taxes	-	2,017,945.59	2,017,945.59		-
Interest Earned on Investments	-	70,136.85		70,136.85	-
Parking Meters	-	494,836.17		494,836.17	-
Payments in Lieu of Taxes	-	2,743,923.23		2,743,923.23	-
Refunds and Reimbursements	-	1,553,928.87		1,553,928.87	-
Rent and Sale of Property	-	612,634.92		612,634.92	-
Towing Fees	-	517,368.72		517,368.72	-
Uniform Fire Safety Act	-	247,662.05		247,662.05	-
Atlantic City Municipal Utilities Authority	-	718,004.00		718,004.00	-
Energy Receipts Tax	-	6,260,714.00		6,260,714.00	-
Transitional Aid	-	13,000,000.00		13,000,000.00	-
Capital Surplus	-	3,726,250.00		3,726,250.00	-
Reserve to Pay Bonds	-	350,000.00		350,000.00	-
Sale of Municipal Property	-	1,000,000.00		1,000,000.00	-
Uniform Construction Code Fees	-	1,903,154.00		1,903,154.00	-
Reserve for Insurance	-	1,973,758.39		1,973,758.39	-
Insurance Proceeds	-	2,050,000.00		2,050,000.00	-
CDBG Essential Services	-	6,775,799.00		6,775,799.00	-
Interlocal Agreement - Pleasantville BOE	-	195,850.12		195,850.12	-
Interlocal Agreement - Atlantic City BOE	-	29,934.84		29,934.84	-
Miscellaneous Revenue Not Anticipated	-	1,100,596.19	78,154.42	1,022,441.77	-
	<u>\$ 55,729.01</u>	<u>51,282,917.06</u>	<u>2,096,100.01</u>	<u>49,138,872.92</u>	<u>103,673.14</u>
			Cash	47,165,114.53	
			Received in Prior Years	1,973,758.39	
				<u>49,138,872.92</u>	

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS"					
DEPARTMENT OF ADMINISTRATION					
Mayor's Office					
Salaries and Wages	\$ 16,205.68	16,205.68	8,022.15	8,183.53	-
Other Expenses	26,445.13	26,445.13	200.85	26,244.28	-
Business Administrator's Office					
Salaries and Wages	12,702.94	12,702.94		12,702.94	-
Other Expenses	112,721.88	112,721.88	46,857.06	65,864.82	-
Solicitor's Office					
Salaries and Wages	72,241.63	72,241.63	40,535.80	31,705.83	-
Other Expenses	198,162.15	264,162.15	102,731.53	161,430.62	-
Administrative Services - Mail Room					
Salaries and Wages	4,327.87	4,327.87	3,480.92	846.95	-
Other Expenses	21,688.81	24,288.81	23,789.70	499.11	-
Economic Development - CDBG					
Salaries and Wages	78,282.04	78,282.04	827.72	77,454.32	-
Municipal Court					
Salaries and Wages	74,236.50	71,636.50	64,876.99	6,759.51	-
Other Expenses	17,155.21	17,155.21	15,842.96	1,312.25	-
Prosecutor's Office					
Salaries and Wages	43,529.16	43,529.16	16,939.36	26,589.80	-
Other Expenses	10,140.50	10,140.50	1,850.28	8,290.22	-
Insurance					
Liability	642,031.04	642,031.04	632,693.61	9,337.43	-
Workers Compensation	37,642.33	37,642.33	4,721.33	32,921.00	-
Employee Group	3,800,218.18	3,800,218.18	2,808,711.17	991,507.01	-
Health Waiver - Employee Opt Out	1,367.44	23,567.44	23,469.05	98.39	-
Public Defender					
Salaries and Wages	20,976.39	20,976.39	14,095.80	6,880.59	-
Other Expenses	14,913.31	14,913.31	14,251.90	661.41	-
Miscellaneous					
Social Services Agencies	24,360.78	14,200.66	2,133.84	12,066.82	-
Assessor					
Salaries and Wages	16,769.80	16,769.80	11,778.39	4,991.41	-
Other Expenses	172,413.07	172,413.07	111,393.39	61,019.68	-
Data Processing/Management Information (MIS)					

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Salaries and Wages	17,743.85	17,743.85	14,091.84	3,652.01	-
Other Expenses	72,357.06	72,357.06	42,408.86	29,948.20	-
DEPARTMENT OF HUMAN RESOURCES					
Director's Office					
Salaries and Wages	8,668.59	8,668.59	6,065.98	2,602.61	-
Other Expenses	30,775.30	30,775.30	18,259.01	12,516.29	-
Personnel Division					
Salaries and Wages	26,070.87	26,070.87	21,864.23	4,206.64	-
Health Division					
Salaries and Wages	3,751.45	3,751.45	3,371.77	379.68	-
DEPARTMENT OF PLANNING AND DEVELOPMENT					
Director's Office					
Salaries and Wages	53,633.51	53,633.51	5,840.60	47,792.91	-
Other Expenses	23,827.46	23,827.46	17,600.00	6,227.46	-
Planning Division					
Salaries and Wages	87,105.68	87,105.68	13,928.54	73,177.14	-
Other Expenses	129,118.15	129,118.15	42,422.51	86,695.64	-
Zoning Board					
Other Expenses	8,000.00	8,000.00	3,160.00	4,840.00	-
DEPARTMENT OF REVENUE AND FINANCE					
Director's Office					
Salaries and Wages	12,632.97	12,632.97	10,775.22	1,857.75	-
Other Expenses	12,935.24	12,935.24	1,827.09	11,108.15	-
Comptroller's Office					
Salaries and Wages	47,252.37	47,252.37	40,858.57	6,393.80	-
Other Expenses	17,231.03	17,231.03	5,640.11	11,590.92	-
Tax Collector's Office					
Salaries and Wages	13,443.68	13,443.68	10,160.49	3,283.19	-
Other Expenses	17,596.12	17,596.12	2,811.52	14,784.60	-
Audit Service					
Other Expenses	15,000.00	15,000.00		15,000.00	-
Purchasing					
Salaries and Wages	8,329.33	8,329.33	7,406.48	922.85	-

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Other Expenses	611.40	611.40	409.41	201.99	-
Finance Division					
Salaries and Wages	7,791.51	7,791.51	6,920.53	870.98	-
Other Expenses	1,656.80	1,656.80	298.00	1,358.80	-
DEPARTMENT OF PUBLIC SAFETY					
Director's Office					
Salaries and Wages	6,600.55	6,600.55	3,461.54	3,139.01	-
Other Expenses	2,124.80	2,124.80	175.20	1,949.60	-
Police					
Salaries and Wages	2,916,716.41	2,916,716.41	1,963,607.32	953,109.09	-
Other Expenses	679,857.50	679,857.50	538,892.70	140,964.80	-
Police Civilian Division					
Salaries and Wages	466,427.86	400,427.86	144,773.72	255,654.14	-
Other Expenses	77,053.71	77,053.71	32,912.24	44,141.47	-
Emergency Services					
Salaries and Wages	134,523.87	96,523.87	20,438.84	76,085.03	-
Other Expenses	20,593.46	26,393.46	8,728.28	17,665.18	-
Fire					
Salaries and Wages	1,014,810.63	1,014,810.63	1,014,810.63	-	-
Other Expenses	75,647.17	75,647.17	43,058.14	32,589.03	-
Fire Civilian					
Salaries and Wages	6,481.36	6,481.36	5,592.65	888.71	-
Uniform Fire Safety Act					
Salaries and Wages	416,990.78	416,990.78	31,696.24	385,294.54	-
Other Expenses	2,200.00	2,200.00		2,200.00	-
Communications					
Salaries and Wages	86,171.42	96,171.42	95,043.16	1,128.26	-
Other Expenses	67,258.73	67,258.73	19,967.19	47,291.54	-
DEPARTMENT OF PUBLIC WORKS					
Director's Office					
Salaries and Wages	29,126.87	29,126.87	20,311.45	8,815.42	-
Other Expenses	334,241.05	312,618.05	301,598.93	11,019.12	-
City Engineer					
Salaries and Wages	50,081.83	50,081.83	30,983.83	19,098.00	-

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Other Expenses	295,854.36	295,854.36	86,204.68	209,649.68	-
Electrical Bureau					
Salaries and Wages	30,784.76	30,784.76	16,845.63	13,939.13	-
Other Expenses	6,726.53	6,726.53	4,166.22	2,560.31	-
Parks					
Salaries and Wages	25,333.61	25,333.61	23,420.62	1,912.99	-
Other Expenses	13,737.22	13,737.22	1,168.61	12,568.61	-
Beach and Boardwalk					
Salaries and Wages	80,256.40	80,256.40	45,100.96	35,155.44	-
Other Expenses	838.63	838.63	148.95	689.68	-
Sanitation					
Salaries and Wages	106,672.50	106,672.50	65,273.37	41,399.13	-
Other Expenses	335,425.79	285,425.79	178,079.35	107,346.44	-
Asphalt Plant/Street Repairs					
Salaries and Wages	54,258.14	54,258.14	25,834.95	28,423.19	-
Other Expenses	6,645.23	6,645.23	2,746.40	3,898.83	-
Paint and Sign Shop					
Salaries and Wages	14,305.06	14,305.06	9,977.69	4,327.37	-
Other Expenses	7,339.65	7,339.65	10.27	7,329.38	-
Building Maintenance Division					
Salaries and Wages	131,371.98	131,371.98	70,035.52	61,336.46	-
Other Expenses	6,836.00	6,836.00	3,954.68	2,881.32	-
Community Services Act					
Other Expenses	74,685.55	124,685.55	87,491.71	37,193.84	-
Vehicle Maintenance					
Other Expenses	717,894.07	739,517.07	734,525.92	4,991.15	-
Facilities					
Salaries and Wages	36,124.07	36,124.07	20,760.89	15,363.18	-
Other Expenses	5,871.33	5,871.33	2,135.60	3,735.73	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Director's Office					
Salaries and Wages	9,198.15	9,198.15	8,607.29	590.86	-
Other Expenses	155,265.64	155,265.64	51,144.09	104,121.55	-
Health Administration					
Salaries and Wages	91,601.37	91,601.37	58,908.54	32,692.83	-

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Other Expenses	29,037.29	29,037.29	12,052.10	16,985.19	-
Social Services					
Salaries and Wages	52,147.13	52,147.13	31,956.59	20,190.54	-
Other Expenses	57,232.29	57,232.29	31,041.17	26,191.12	-
Recreational and Cultural Affairs					
Salaries and Wages	147,454.12	147,454.12	65,172.35	82,281.77	-
Other Expenses	24,023.54	24,023.54	9,201.43	14,822.11	-
Clinical Services					
Salaries and Wages	12,831.03	12,831.03	5,853.31	6,977.72	-
Other Expenses	3,996.45	3,996.45	2,661.85	1,334.60	-
Animal Control Expense					
Other Expenses	3,600.00	3,600.00	3,600.00	-	-
DEPARTMENT OF LICENSES AND INSPECTIONS					
Director's Office					
Salaries and Wages	11,947.06	11,947.06	4,226.87	7,720.19	-
Other Expenses	156.66	156.66	73.64	83.02	-
Inspections					
Salaries and Wages	76,211.23	76,211.23	34,106.54	42,104.69	-
Other Expenses	764.89	764.89	691.41	73.48	-
Regulatory Division					
Salaries and Wages	60,725.23	60,725.23	19,769.41	40,955.82	-
Other Expenses	2,647.86	2,647.86	2,407.93	239.93	-
CITY COUNCIL					
Salaries and Wages	21,168.20	21,168.20	12,464.32	8,703.88	-
Other Expenses	8,512.52	8,512.52	1,088.96	7,423.56	-
CITY CLERK					
Salaries and Wages	24,487.50	24,487.50	16,417.75	8,069.75	-
Other Expenses	130,791.24	130,791.24	18,076.32	112,714.92	-
UNIFORM CONSTRUCTION CODE					
Salaries and Wages	103,439.26	103,439.26	72,122.11	31,317.15	-
Other Expenses	1,250.09	1,250.09	639.87	610.22	-

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
UNCLASSIFIED					
Electricity	307,681.24	111,681.24	96,130.99	15,550.25	-
Street Lighting	162,044.15	218,044.15	171,440.66	46,603.49	-
Telephone	202,888.51	202,888.51	82,471.00	120,417.51	-
City Water Usage	57,076.44	57,076.44		57,076.44	-
Gas	46,858.36	46,858.36	19,422.10	27,436.26	-
Sewer	78,619.65	78,619.65	5.00	78,614.65	-
Gasoline	536,813.89	536,813.89	236,587.95	300,225.94	-
Codificaiton of Ordinances	7,000.00	7,000.00		7,000.00	-
STATUTORY EXPENDITURES					
Contribution to					
Public Employees' Retirement System		127,292.50	(7,318.11)	134,610.61	-
Social Security	179,329.02	130,029.02	129,930.88	98.14	-
Defined Contribution Retirement	1.00	4,301.00	3,831.16	469.84	-
Lifeguard Pension	2,541.99	2,541.99		2,541.99	-
Consolidated Police and Firemen's Pension Fund	1.02	67,868.64	48,600.39	19,268.25	-
OPERATIONS EXCLUDED FROM "CAPS"					
Maintenance of Library	467,046.38	467,046.38	467,046.38	-	-
Match for Grant	14,026.25	14,026.25		14,026.25	-
All Other Accounts - No Change	358,575.01	358,575.01		358,575.01	
	<u>\$ 17,820,924.75</u>	<u>17,820,924.75</u>	<u>11,589,690.89</u>	<u>6,231,233.86</u>	<u>-</u>
		Cash Disbursements	11,272,001.31		
		Accounts Payable	317,689.58		
			<u>11,589,690.89</u>		

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

Balance December 31, 2013	\$	-
Increased by:		
Levy - Calender Year 2014		<u>134,862,600.00</u>
		134,862,600.00
Decreased by:		
Payments		<u>133,990,581.75</u>
Balance December 31, 2014	\$	<u><u>872,018.25</u></u>

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

<u>Purpose</u>	<u>Balance Dec. 31, 2013</u>	<u>Transferred From 2014 Revenues</u>	<u>Received</u>	<u>Adjustments</u>	<u>Balance Dec. 31, 2014</u>
FEDERAL GRANTS:					
Bulletproof Vest Partnership -2011	\$ 109.24				109.24
Bulletproof Vest Partnership -2013	44,902.99				44,902.99
Bulletproof Vest Partnership -2014		31,831.69			31,831.69
FEMA-Asistance to Firefighters	82,800.00	489,060.00	82,800.00		489,060.00
FEMA-Hazard Mitigation Fisherman's Park	3,225,000.00				3,225,000.00
FEMA-Homeland Security	10,000.00		10,000.00		-
US DOE Energy Efficiency	51,350.00				51,350.00
HUD - Economic Development	37,487.50				37,487.50
SAFER	172,667.59	8,661,585.00	3,823,765.49		5,010,487.10
CDBG - Disaster Recovery Inlet Seawall	658,138.00		5,842.00		652,296.00
Pass Through New Jersey Department of Education:					
Summer Food - 2014		87,002.72	57,928.93		29,073.79
Summer Food - 2013	43,724.66		16,140.39		27,584.27
Summer Food - 2012	45,702.96				45,702.96
Justice Assistance - 2011	4,735.73		4,735.73		0.00
Ed Byrne Memorial Justice Assistance Grant - 2014		109,723.00			109,723.00
Ed Byrne Memorial Justice Assistance Grant - 2013	108,096.00		101,444.10		6,651.90
Ed Byrne Memorial Justice Assistance Grant - 2012	107,165.00				107,165.00
Ed Byrne Memorial Justice Assistance Grant - 2012	98,350.00		98,350.00		-
Ed Byrne Memorial Justice Assistance Grant - 2011	-		107,142.75		(107,142.75)
Social Services Block Grant - Sandy	-	24,000.00	6,266.55		17,733.45
Pass Through New Jersey Department of Health					
WIC - 2014		959,045.00			959,045.00
WIC - 2013	867,000.00		556,928.00		310,072.00
WIC - 2012	17,535.00		11,766.00		5,769.00
WIC - 2011	17,669.00				17,669.00
WIC - 2010	32,399.67				32,399.67
Total Federal	5,624,833.34	10,362,247.41	4,883,109.94	-	11,103,970.81
LOCAL GRANTS:					
CRDA - All Wars Memorial	3,359,598.00				3,359,598.00
CRDA - Street Lighting	1,194,069.66				1,194,069.66

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

<u>Purpose</u>	<u>Balance Dec. 31, 2013</u>	<u>Transferred From 2014 Revenues</u>	<u>Received</u>	<u>Adjustments</u>	<u>Balance Dec. 31, 2014</u>
CRDA - Demolition	782,452.56		71,846.90		710,605.66
CRDA - Law Enforcement Technology	3,483,000.00				3,483,000.00
CRDA - Boardwalk Demolition	650,000.00				650,000.00
CRDA - Demolition within Tourism District	1,193,847.42		1,263,847.38		(69,999.96)
CRDA - Garden Pier	110,930.67				110,930.67
CRDA - Boardwalk/Street Lighting	2,543,000.00		240,269.99		2,302,730.01
CRDA - Basketball Tournament	166,000.00				166,000.00
CRDA - Boardwalk Repairs	1,700,000.00		285,393.89		1,414,606.11
CRDA - Enhanced Enforcement Building Maintenance	130,000.00		21,557.78		108,442.22
CRDA - Street Lighting		83,000.00			83,000.00
CRDA - Brighton Park Fountain Repairs		58,877.00			58,877.00
CRDA - Demolition		1,500,000.00			1,500,000.00
County of Atlantic:					
Atlantic County Alliance - 2014		30,059.00			30,059.00
Atlantic County Alliance - 2013	28,695.00	14,347.50	41,858.22		1,184.28
Atlantic County Alliance - 2012	1,591.18			1,591.18	-
Atlantic County Alliance - 2010	909.06			909.06	-
CEHA - 2014	-	25,000.00	25,000.00		-
CEHA - 2013	32,500.00		32,500.00		-
OHSP - State Aid Regional Grant Program	151,589.42				151,589.42
Open Space - 2008	900,000.00				900,000.00
Open Space - Bungalow Park	360,350.00				360,350.00
Boys and Girls Club		400,000.00			400,000.00
Total Local	16,788,532.97	2,111,283.50	1,982,274.16	2,500.24	16,915,042.07

STATE GRANTS:

NJ DOT: Trust Fund Authority Act of 1984					
Compressed Natural Gas Vehicle	181,500.00		32,675.40	12,072.00	136,752.60
Route 187 to Pacific	24,798.00		613.52		24,184.48
NJ DOT - Ohio / MLK	187,000.00				187,000.00
2011 Grant	75,000.00				75,000.00
Artic Avenue 2010	47,500.00				47,500.00

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

<u>Purpose</u>	<u>Balance Dec. 31, 2013</u>	<u>Transferred From 2014 Revenues</u>	<u>Received</u>	<u>Adjustments</u>	<u>Balance Dec. 31, 2014</u>
Disaster Relief Opportunity - Atlantis Ave	1,130,000.00				1,130,000.00
Compressed Natural Gas		179,000.00			179,000.00
Maryland to Route 187		1,026,057.00			1,026,057.00
					-
AC Traffic Light Synchronization		963,947.00			963,947.00
New Jersey Department of Community Affairs					
Post Sandy Planning Grant	345,000.00		5,000.00		340,000.00
NJ Department of Law & Public Safety					
COPs in SHOPS - 2012	8,009.81		8,009.81		-
COPs in SHOPS - 2014	-	10,639.41	6,870.10	169.31	3,600.00
Drunk Driving Enforcement	-	118.16	118.16		-
Body Armor - 2014	-	28,926.40	28,926.40		-
New Jersey Department of Health and Human Services					
HIV Counseling and Testing 2013	85,043.00		83,796.00	1,247.00	-
HIV Counseling and Testing 2014	0.00	300,850.00	187,732.00		113,118.00
Recreational Opportunities for individuals with Disa.	20,000.00				20,000.00
NJ Department of Environmental Protection	-				-
Brownsfield - 2007	11,649.60		9,905.00		1,744.60
Brownfield Cleanup Riverside Park	200,000.00		6,271.25		193,728.75
Brownfield Cleanup South Boulevard	200,000.00				200,000.00
Clean Community	-	70,858.37	70,858.37		-
Green Acres	-	450,000.00			450,000.00
Recycling Tonnage	-	109,805.70	109,805.70		-
Total State	<u>2,515,500.41</u>	<u>3,140,202.04</u>	<u>550,581.71</u>	<u>13,488.31</u>	<u>5,091,632.43</u>
	<u>\$ 24,928,866.72</u>	<u>15,613,732.95</u>	<u>7,415,965.81</u>	<u>15,988.55</u>	<u>33,110,645.31</u>
		Cash	7,415,965.81		
		Unappropriated Reserves	-		
			<u>7,415,965.81</u>		

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance December 31, 2013		2014 Appropriations	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2014
	Appropriated	Reserve for Encumbrances					
FEDERAL GRANTS:							
HUD Economic Development	\$ 37,487.50						37,487.50
SAFER	51,493.92	1,151,448.28		1,151,448.28			51,493.92
SAFER			8,661,585.00	2,760,957.97			5,900,627.03
Homeland Security	10,000.00						10,000.00
State Domestic Preparedness Equipment Support	136,679.42						136,679.42
Federal Emergency Management							
Emergency Assistance - 2011	40,000.00						40,000.00
Emergency Assistance - 2009	121.52						121.52
Emergency Assistance - 2010	20,000.00						20,000.00
Assistance to Firefighters	-	92,000.00	543,400.00	92,000.00			543,400.00
Hazard Mitigation Fisherman's Park	3,225,000.00						3,225,000.00
Department of Justice							
Bullet Proof Vest Partnership 2013	44,902.99			16,527.75	2,363.50		26,011.74
Bullet Proof Vest Partnership 2014	-		31,831.69				31,831.69
Justice Assistance - 2011	35.23	4,700.50		4,735.73			0.00
Ed Byrne Memorial Justice Assistance Grant - 2014			109,723.00				109,723.00
Ed Byrne Memorial Justice Assistance Grant - 2013	25,150.50	64,462.50		82,961.10			6,651.90
Ed Byrne Memorial Justice Assistance Grant - 2012	22.25	78,123.75		78,123.75			22.25
Ed Byrne Memorial Justice Assistance Grant - 2010	2.80						2.80
Ed Byrne Memorial Justice Assistance Grant - 2012	-						-
Department of Justice Block Grant	438.15						438.15
Local Law Enforcement Block Grant - interest	6,603.77						6,603.77
CDBG - Post Sandy Planning Grant	345,000.00			24,924.00	260,076.00		60,000.00
US DOE Energy Efficiency	54,696.50						54,696.50
Social Service Block Grant - Sandy			24,000.00	6,266.55			17,733.45
CDBG - Disaster Recovery Inlet Seawall	618,650.00	39,488.00		10,279.49	29,208.51		618,650.00
Pass through New Jersey Department of Education							
Summer Food Program - 2010	5,746.36						5,746.36
Summer Food Program - 2011	6,040.73						6,040.73
Summer Food Program - 2012	45,702.90						45,702.90
Summer Food Program - 2013	46,966.34	371.54		15,146.08			32,191.80
Summer Food Program - 2014			87,002.72	52,170.93	23,623.47		11,208.32
Pass through New Jersey Department of Health							
WIC - 2014	(0.00)		959,045.00	97,368.46			861,676.54
WIC - 2013	756,868.34			561,421.77			195,446.57
Total Federal	<u>5,477,609.22</u>	<u>1,430,594.57</u>	<u>10,416,587.41</u>	<u>4,954,331.86</u>	<u>315,271.48</u>	<u>-</u>	<u>12,055,187.86</u>
LOCAL GRANTS:							
CRDA - All Wars Memorial	3,359,598.00						3,359,598.00
CRDA - Street Lighting	1,007,136.00						1,007,136.00
CRDA - Demolition	404,564.05	117,927.43		82,820.57			439,670.91
CRDA - Law Enforcement Technology	3,333,000.00	150,000.00		6,562.50	1,604,563.54		1,871,873.96
CRDA - Boardwalk Demolition	304,770.00	345,230.00		320,229.20	25,000.80		304,770.00
CRDA - Demolition within Tourism District	23,920.16	360,354.94		312,353.53	56,892.98		15,028.59

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FERERAL AND STATE GRANTS

	Balance December 31, 2013		2014 Appropriations	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2014
	Appropriated	Reserve for Encumbrances					
CRDA - Community Development	-						-
CRDA - Garden Pier	40,564.00	80,584.62			80,584.62		40,564.00
CRDA - Boardwalk/Street Lighting	2,303,057.99	1,294.10		451,293.28			1,853,058.81
CRDA - Basketball Tournament	166,000.00						166,000.00
CRDA - Summer Concerts	0.50						0.50
CRDA - Boardwalk Repairs	1,318,132.66	5.00		(153,248.47)	26,390.93		1,444,995.20
CRDA - Enhanced Enforcement Building Maintenance	130,000.00			46,343.71			83,656.29
CRDA - Street Lighting			83,000.00		82,872.00		128.00
CRDA - Brighton Park Fountain Repairs			58,877.00				58,877.00
CRDA - Demolition			1,500,000.00	259,034.00	79,766.00		1,161,200.00
Atlantic County:							
Municipal Alliance - 2008	150.00						150.00
Municipal Alliance - 2011	1,119.70	80.00			80.00		1,119.70
Municipal Alliance - 2012	1,932.48					1,932.48	-
Municipal Alliance - 2013	8,499.97	27,368.78	17,934.37	46,961.00			6,842.12
Municipal Alliance - 2014			37,574.00	8,025.00	21,049.03		8,499.97
Atlantic County - Open Spaces - 2008	900,000.00						900,000.00
Atlantic County - Open Spaces - Bungalow Park	360,350.00						360,350.00
CEHA - 2014	-		25,000.00	25,000.00			-
CEHA - 2013	19,182.17	8,523.84		27,706.01			0.00
Meals on Wheels	3,997.50						3,997.50
Meals on Wheels - 2011	12,090.00						12,090.00
Homeland Security - Inauguration	20,430.40						20,430.40
Boys and Girls Club			400,000.00				400,000.00
Total Local	<u>13,718,495.58</u>	<u>1,091,368.71</u>	<u>2,122,385.37</u>	<u>1,433,080.33</u>	<u>1,977,199.90</u>	<u>1,932.48</u>	<u>13,520,036.95</u>

STATE GRANTS:

New Jersey Department of Transportation							
Artic Avenue 2011	135,210.00						135,210.00
Artic Avenue 2009	1,802.35						1,802.35
Artic Avenue 2010	0.00	45,933.14		45,933.14			0.00
NJ DOT - Compressed Natural Gas Vehicle	12,072.00	169,428.00		169,428.00		12,072.00	-
NJ DOT - Ohio / MLK	187,000.00						187,000.00
NJ DOT Route 187 to Pacific	24,798.00			11,694.28			13,103.72
Disaster Relief Opportunity - Atlantis Ave	1,130,000.00						1,130,000.00
NJ DOT Compressed Natural Gas			179,000.00		116,536.00		62,464.00
NJ DOT Maryland Ave to Route 187			1,026,057.00				1,026,057.00
AC Traffic Light Synchronization			963,947.00				963,947.00
New Jersey Department of Law & Public Safety							
Disposition of DWI - 2010	3,066.66						3,066.66

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

	Balance December 31, 2013		2014 Appropriations	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2014
	Appropriated	Reserve for Encumbrances					
Alcohol Education & Rehab - 2011	539.35						539.35
Alcohol Education & Rehab - 2009	7,750.39						7,750.39
Alcohol Education & Rehab - 2008	6,421.94						6,421.94
Drunk Driving Enforcement - 2014			118.16				118.16
Drunk Driving Enforcement - 2013	20,911.67			4,223.32			16,688.35
Drunk Driving Enforcement - 2008	2,001.46						2,001.46
Drunk Driving Enforcement - 2011	85.89						85.89
Drunk Driving Enforcement - 2009	312.86						312.86
Domestic Violence Training Program	1,250.00						1,250.00
Body Armor - 2014			28,926.40				28,926.40
Body Armor - 2013	46,166.04			4,031.00	467.00		41,668.04
Body Armor - 2012	28,696.17						28,696.17
Body Armor - 2009	12,496.84			12,496.75			0.09
Body Armor - 2010	4,443.02	1,896.50					6,339.52
COPs in SHOPS - 2012	2,329.85			2,329.85			0.00
COPs in SHOPS - 2014			10,639.41	6,870.10		169.31	3,600.00
NJ State Police Certification Trailer	1,200.00						1,200.00
New Jersey Department of Community Affairs							
Neighborhood Preservation - 1997	1,000.00						1,000.00
Neighborhood Preservation - 2003	10,306.04						10,306.04
Neighborhood Preservation - 2004	2,056.32						2,056.32
Neighborhood Preservation - Bungalow Park - Year 4	6,138.09						6,138.09
Neighborhood Preservation - Balanced Housing	12,744.19						12,744.19
Enhanced 9-1-1	5,959.21						5,959.21
New Jersey Department of Health and Human Services							
HIV Testing & Counselling - 2013	29,939.42	89.64		28,781.92		1,247.14	-
HIV Testing & Counselling - 2014	-		300,850.00	243,866.57	5,971.79		51,011.64
H1N1 Vaccinations	18.00						18.00
Recreational Opportunities for individuals with Disa.	24,000.00						24,000.00
New Jersey Department of Environmental Protection							
Clean Communities Program - 2010	662.46			662.46			-
Clean Communities Program - 2009	4,018.83			4,018.83			-
Clean Communities Program - 2011	12,396.80	2.25		12,265.22		131.58	2.25
Clean Communities Program - 2012	2,213.49	10.00		2,213.49	10.00		(0.00)
Clean Communities Program - 2013	59,882.99	1,642.00		42,954.26	3,398.73	(5,690.77)	20,862.77
Clean Communities Program - 2014			70,858.37	11,028.95	2,475.00	5,559.19	51,795.23
Brownsfield	4,948.93			4,948.93			-
Brownsfield -2007	367.62	11,281.98		4,956.07	3,967.84		2,725.69
Brownfield Cleanup Riverside Park	200,000.00			6,271.25	29,313.75		164,415.00
Brownfield Cleanup South Boulevard	200,000.00						200,000.00
Recycling Tonnage Grant - 2014			109,805.70				109,805.70
Recycling Tonnage Grant - 2013	73,975.00			10,778.47	3,768.00		59,428.53

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance December 31, 2013		2014 Appropriations	Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2014
	Appropriated	Reserve for Encumbrances					
Recycling Tonnage Grant - 2012	83,605.98			14,731.35			68,874.63
Recycling Tonnage Grant - 2011	32,948.30				21,692.00		11,256.30
Recycling Tonnage Grant - 2009	82,266.73	3,077.89		41,873.11	3,156.72		40,314.79
Recycling Tonnage Grant -2008	38.14	66.98			66.98		38.14
Green Acres			450,000.00				450,000.00
Total State	<u>2,478,041.03</u>	<u>233,428.38</u>	<u>3,140,202.04</u>	<u>686,357.32</u>	<u>190,823.81</u>	<u>13,488.45</u>	<u>4,961,001.87</u>
Total Federal State and Local	<u>21,674,145.83</u>	<u>2,755,391.66</u>	<u>15,679,174.82</u>	<u>7,073,769.51</u>	<u>2,483,295.19</u>	<u>15,420.93</u>	<u>30,536,226.68</u>

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES

<u>Purpose</u>	<u>Balance Dec. 31, 2013</u>	<u>Transferred To 2014 Appropriations</u>	<u>Received</u>	<u>Adjustments</u>	<u>Balance Dec. 31, 2014</u>
FEDERAL GRANTS:					
	\$				-
Total Federal	-	-	-	-	-
STATE GRANTS:					
Interest	14,401.39		35.13		14,436.52
Alcohol Education & Rehab - 2011	2,849.83				2,849.83
Recycling Tonnage Grant - 2013	0.50				0.50
Total State	17,251.72	-	35.13	-	17,286.85
	\$ 17,251.72	-	35.13	-	17,286.85

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

Ref.	Dog Licenses	Community Development Block Grant	Other
Balance December 31, 2013	\$ 2,281.06	527,633.77	4,462,722.12
Increased by Receipts:			
Dog License Fees 2014	637.00		
Due to State of New Jersey			
Police Detail Net Accounts Receivables			118,344.13
Payroll Deductions Payable			
Miscellaneous Trust Reserves			14,384,112.92
Account Receivable Police Detail			
CDBG Draws		1,369,593.39	
CDBG Program Income			
Due from Current			
	637.00	1,369,593.39	14,502,457.05
	2,918.06	1,897,227.16	18,965,179.17
Decreased by Disbursements			
Statutory Expenditures	-		
Due to State of New Jersey			
Payroll Deductions Payable			
Miscellaneous Trust Reserves			11,669,915.59
Due to Current	1,000.06		266.94
CDBG - Expenditures		1,884,634.42	
Due to Current Fund			
	1,000.06	1,884,634.42	11,670,182.53
Balance December 31, 2014	\$ <u>1,918.00</u>	<u>12,592.74</u>	<u>7,294,996.64</u>

**TRUST FUND
SCHEDULE OF CASH - COLLECTOR**

Ref.

Balance December 31, 2013		\$ 2,369,406.31
Increased by Receipts:		
Premiums	2,069,100.00	
Deposits for Redemption of Tax Sale Certificates	9,086,065.64	
		11,155,165.64
		13,524,571.95
Decreased by Disbursements:		
Premiums	3,428,200.00	
Tax Collector Clearing Account (net)	4,168.42	
Tax Sale Redemptions	8,069,351.12	
		11,501,719.54
Balance December 31, 2014		\$ 2,022,852.41

ANALYSIS OF BALANCE - DECEMBER 31, 2014

Tax Title Lien Redemption		1,276,612.58
Tax Sale Premium		743,600.00
Due to Taxpayers		2,639.83
		2,022,852.41

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

	Ref.		
Balance December 31, 2013		\$	1,281.00
Increased by:			
Dog License Fees Collected		637.00	
		<u>637.00</u>	<u>637.00</u>
			1,918.00
Decreased by:			
Statutory Excess		735.00	
Expenditures under N.J.S. 4:19-15:11		<u>-</u>	<u>735.00</u>
Balance December 31, 2014		\$	<u><u>1,183.00</u></u>

License Fees Collected:

Year	Amount
2013	\$ 539.00
2012	644.00
	<u>1,183.00</u>
	<u><u>\$ 1,183.00</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2013		\$ 1,000.06
Increased by:		
Statutory Excess	<u>735.00</u>	<u>735.00</u>
		1,735.06
Decreased by:		
State Health held by Current Fund	16.80	
Payment	<u>1,000.06</u>	<u>1,016.86</u>
Balance December 31, 2014		<u><u>\$ 718.20</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2013		\$ -
Increased by:		
2014 State License Fees	<u>262.20</u>	<u>262.20</u>
		262.20
Decreased by:		
Disbursements to the State		<u>245.40</u>
Balance December 31, 2014		<u><u>\$ 16.80</u></u>

**TRUST FUND
SCHEDULE OF RESERVE FOR
COMMUNITY DEVELOPMENT BLOCK GRANT - APPROPRIATED**

	Ref.	
Balance December 31, 2013		\$ 2,742,203.72
Increased by:		
Program Awards:		
CDBG	\$ 1,117,286.00	
HOME	301,954.00	
IDIS Adjustment		
Program Income		
		1,419,240.00
		4,161,443.72
Decreased by:		
Program Expenditures:		
CDBG	917,634.00	
HOME	258,093.29	
IDIS Adjustment	185,179.03	
Program Income	353,837.64	
		1,714,743.96
Balance December 31, 2014		\$ 2,446,699.76
Analysis of Balance:		
Community Development Block Grant		1,556,762.34
HOME		856,095.60
Program Income		33,841.82
		2,446,699.76

**TRUST FUND
COMMUNITY DEVELOPMENT BLOCK GRANT
DUE TO(FROM) CURRENT FUND**

Balance December 31, 2013		\$	208,917.07
Increase by:			
Receipts	1,563,693.93		
Adjustment	<u>68,720.79</u>		
			<u>1,632,414.72</u>
			1,841,331.79
Decreased by:			
Disbursements	<u>1,884,634.42</u>		
			<u>1,884,634.42</u>
Balance December 31, 2014		\$	<u><u>(43,302.63)</u></u>

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

<u>Reserve</u>	Balance Dec 31, 2013	Receipts	Disbursements	Balance Dec 31, 2014
Uniform Fire Safety	\$ (153,897.81)	22,957.66	34,688.00	(165,628.15)
Law Enforcement	-	19,306.57	14,606.57	4,700.00
Parking Offense Adjudication Act	(25,670.62)		8,199.00	(33,869.62)
Unemployment Compensation	(691,337.48)	635,012.01	800,000.00	(856,325.47)
Workers Compensation	(2,826,242.99)	4,781,710.60	5,127,304.22	(3,171,836.61)
Self Insurance Fund	(2,637,636.22)	4,852,244.80	4,169,249.23	(1,954,640.65)
Environmental Quality and Enforcement	(10,474.22)	2,075.77	1,875.00	(10,273.45)
Terminal Leave	266.94		266.94	(0.00)
	<u>\$ (6,344,992.40)</u>	<u>10,313,307.41</u>	<u>10,156,188.96</u>	<u>(6,187,873.95)</u>

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

<u>Reserve</u>	Balance Dec 31, 2013	Increased by		Decreased by		Adjustment	Balance Dec 31, 2014
		Receipts	Collections made by Current Fund	Disbursements	Payments made by Current Fund		
Uniform Fire Safety	\$ 153,897.81		34,688.00		22,957.66		165,628.15
Parking Offense Adjudication Act	24,914.53		8,199.00				33,113.53
Unemployment Compensation	691,337.48		800,000.00		635,012.01		856,325.47
Law Enforcement	449,095.03	84,102.83	14,606.57	73,911.41	19,306.57		454,586.45
Workers Compensation	2,831,759.55	4,670,374.53	5,127,304.22	4,675,840.08	4,781,710.60	100.91	3,171,786.71
Self Insurance Fund	2,637,535.31		4,169,249.23		4,852,244.80	(100.91)	1,954,640.65
Environmental Quality and Enforcement	10,474.22		1,875.00		2,075.77		10,273.45
Accumulated Sick and Vacation	2,938,435.13	7,100,667.06		4,469,827.79			5,569,274.40
Neighborhood Preservation	10,849.34						10,849.34
Planning Developer's Escrow	311,890.03	25,125.20					337,015.23
Police Detail	902,228.27	2,503,843.30		2,450,336.31		(24,213.63)	979,948.89
	<u>\$ 10,962,416.70</u>	<u>14,384,112.92</u>	<u>10,155,922.02</u>	<u>11,669,915.59</u>	<u>10,313,307.41</u>	<u>(24,213.63)</u>	<u>13,543,442.27</u>

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

Balance December 31, 2013		\$ 37,587,905.25
Increased by:		
Receipts	44,258,997.97	
	44,258,997.97	44,258,997.97
		81,846,903.22
Decreased by:		
Disbursements	59,686,358.47	
	59,686,358.47	59,686,358.47
Balance December 31, 2014		\$ <u><u>22,160,544.75</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	\$ 4,942,432.08	52,747.97			3,726,250.00			1,268,930.05
Capital Improvement Fund	261,292.97	250,000.00						511,292.97
Contracts Payable	4,332,592.41					4,332,592.41	2,526,410.49	2,526,410.49
Reserve for Bond Payments	357,956.44				350,000.00			7,956.44
Grant Receivable	(270,000.00)							(270,000.00)
Improvement Authorizations:								
17-98 City Wide UTS Cleanup	-					3,371.15	3,371.15	-
76-00 Various Improvements	59.62			6,007.35		24,620.00	30,627.35	59.62
31-01 Various Improvements	-			28,017.50			28,017.50	-
50-01 Underground Storage Removal	-			12,447.00		106,293.64	118,740.64	-
22-02 Various Improvements	2,000.00						8,000.00	10,000.00
23-03 Demolition	-			16,639.60		16,943.25	33,582.85	-
38-03 Various Improvements	79.51						0.40	79.91
88-04 Various Improvements	30,000.00			1,500.00		1,500.00	3,000.00	30,000.00
77-05 Various Improvements	119,770.23			16,638.00		119,584.57	16,638.60	186.26
47-06 Various Improvements	35,670.87			29,528.67		61,625.80	62,905.80	7,422.20
57-07/47-06 Various Improvements	49.00							49.00
77-07 Various Improvements	18,945.02			3,290.00			3,481.97	19,136.99
77-05/34-08 Sand Castle/Bader Field	4,867.48							4,867.48
86-08 Various Improvements	421,410.44			11,237.66		221,463.44	193,013.44	381,722.78
32-09 Rrecreation Playground Acquistion	284.40			11,323.60		19,185.00	46,811.10	16,586.90
51-10 Various Improvements	4,284,710.88			423,667.02		883,510.26	756,918.82	3,734,452.42
5-11/86-08 Redevelopment	11,740.03					1,830.00	1,830.00	11,740.03
69-11/51-10 Various Improvements	318,531.05			343,782.00		302,782.00	343,782.00	15,749.05
74-11/51-11 Improvements to Garden Pier	133,346.00					15,818.86	15,818.86	133,346.00
27-12 Various Improvements	275,674.80			53,585.89		19,304.60	43,330.84	246,115.15
03-13 Construction of Playground	270,000.00							270,000.00
25-13 Street Reconstruction	156,643.07			66,522.94		59.70	7,912.64	97,973.07
41-13 Various Improvements	28,078.50			291,365.55		43,770.95	335,136.50	28,078.50
33-13 Various Capital Improvemnts	10,135,774.73			10,028,801.42		133,490.00	133,490.00	106,973.31
33-13 Special Emergency - Sandy	357,479.88			1,135,440.97		194,437.97	1,228,736.14	256,337.08
43-13 Refunding	-	230,000.00		230,000.00				-
51-13 General Obligation	14,292,515.84	792,250.00		914,544.94		2,246,614.22	24,000.00	11,947,606.68
55-13 Tax Appeals	(2,934,000.00)	2,934,000.00		893,445.81			893,445.81	0.00
51-13/16-14 Sandy Repairs				985,477.71		200,305.08	1,200,000.00	14,217.21
51-13/40-14 Road and Sidewalk Improvements				106,844.84			150,000.00	43,155.16
51-13/80-14 Building Improvements							740,100.00	740,100.00
47-14 Tax Appeals			40,000,000.00	40,000,000.00				-
								-
	\$ 37,587,905.25	4,258,997.97	40,000,000.00	55,610,108.47	4,076,250.00	8,949,102.90	8,949,102.90	22,160,544.75

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

Balance December 31, 2013		\$	261,292.97
Increased by:			
2013 Budget Appropriation	250,000.00		
			250,000.00
			511,292.97
Decreased by:			
Appropriated to Finance Improvement Authorizations			
			-
Balance December 31, 2014		\$	511,292.97

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

Balance December 31, 2013		\$ 244,576,000.00
Increased by:		
Bonds issued	7,710,000.00	
	<hr/>	<hr/>
		7,710,000.00
		252,286,000.00
Decreased by:		
Bonds redeemed	34,430,000.00	
	<hr/>	<hr/>
		34,430,000.00
Balance December 31, 2014		\$ <u><u>217,856,000.00</u></u>

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

Ord #	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Raised in 2014 Budget	Debt Issued	Balance Dec. 31, 2014	Analysis of Balance		Unexpended Improvement Authorizations
							Bond Anticipation Notes	Expenditures	
03-13	Construction of Playground	\$ 480,000.00				480,000.00			480,000.00
33-13	Various Capital Improvemnts	10,300,000.00				10,300,000.00	10,300,000.00		
33-13	Special Emergency - Sandy	2,500,000.00				2,500,000.00	2,500,000.00		
43-13	Refunding	230,000.00			230,000.00	-			
51-13	General Obligation	792,250.00		792,250.00		-			
55-13	Tax Appeals	2,934,000.00		2,934,000.00		-			
47-14	Tax Appeals		140,000,000.00			140,000,000.00	40,000,000.00		100,000,000.00
		<u>\$ 17,236,250.00</u>	<u>140,000,000.00</u>	<u>3,726,250.00</u>	<u>230,000.00</u>	<u>153,280,000.00</u>	<u>52,800,000.00</u>	<u>-</u>	<u>100,480,000.00</u>
									Improvement Authorizations Unfunded
									Less:
									Unexpended Proceeds of Bond
									Anticipation Notes Issued:
						<u>Ord. Number</u>			
						33-13	106,973.31		
						33-13	256,337.08		
									<u>363,310.39</u>
									<u>100,480,000.00</u>

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2013		Prior Year Encumbrances	Authorizations			Canceled or Transferred	Balance December 31, 2014	
				Funded	Unfunded		Other Funding	Deferred Charges to Future Taxation	Paid or Charged		Encumbrances	Funded
17-98	City Wide UST Cleanup	4/22/1998	75,000	\$ -	-	3,371.15	-	-	-	-	-	-
76-00	MIS Conversions	12/24/2001	175,000	-	-	24,620.00	-	-	-	-	-	-
76-00	Drainage Improvements	12/24/2001	430,000	-	-	6,007.35	-	6,007.35	-	-	-	-
76-00	Beach/Boardwalk Improvements	12/24/2001	385,000	59.62	-	-	-	-	-	-	59.62	-
31-01	Street Reconstruction	6/20/2001	800,000	-	-	28,017.50	-	-	28,017.50	-	-	-
50-01	Underground Storage Tank Removal	-	300,000	-	-	118,740.64	-	-	12,447.00	-	-	-
22-02	Land Acquisition	7/26/2002	10,000	2,000.00	-	8,000.00	-	-	-	(106,293.64)	-	-
23-03	Demolition	6/20/2003	2,000,000	-	-	33,582.85	-	-	16,639.60	16,943.25	10,000.00	-
38-03-1	Boardwalk, Dunes & Outfalls	7/17/2003	700,000	79.51	-	0.40	-	-	-	-	79.91	-
88-04	Building Improvements	9/8/2004	650,000	-	-	1,500.00	-	-	-	1,500.00	-	-
88-04	Boardwalk, Dunes & Outfalls	9/8/2004	450,000	30,000.00	-	-	-	-	-	-	30,000.00	-
88-04	Street Reconstruction	9/8/2004	750,000	-	-	1,500.00	-	-	1,500.00	-	-	-
77-05	MIS Equipment	10/21/2005	1,000,000	186.26	-	-	-	-	-	-	186.26	-
77-05	All Wars Memorial Building	10/21/2005	5,000,000	119,583.97	-	16,638.60	-	-	16,638.00	-	(119,584.57)	-
47-06	Building Improvements	6/28/2006	750,000	-	-	6,874.00	-	-	-	6,874.00	-	-
47-06	Boardwalk, Dune & Outfall Improvements	6/28/2006	500,000	35,670.87	-	56,031.80	-	-	29,528.67	54,751.80	7,422.20	-
57-07/47-06	Various Building Improvements	8/8/2007	500,000	49.00	-	-	-	-	-	-	49.00	-
77-07	Acquisition of Vehicles	10/3/2007	2,500,000	2,734.74	-	-	-	-	-	-	2,734.74	-
77-07	Acquisition of Vehicles	10/3/2007	700,000	799.88	-	3,481.97	-	-	3,290.00	-	991.85	-
77-07	Various Equipment	10/3/2007	550,000	3,328.81	-	-	-	-	-	-	3,328.81	-
77-07	City Wide Cameras	10/3/2007	4,250,000	12,081.59	-	-	-	-	-	-	12,081.59	-
77-05/34-08	Sand Castle/Bader Field	8/6/2008	500,000	4,867.48	-	-	-	-	-	-	4,867.48	-
86-08	Boardwalk Infrastructure	9/17/2008	2,000,000	2.80	-	13,013.44	-	-	-	13,013.44	2.80	-
86-08	Redevelopment	9/17/2008	1,100,000	12,044.15	-	-	-	-	-	-	12,044.15	-
86-08	Communications/Lifestations	9/17/2008	249,000	43,051.62	-	180,000.00	-	-	-	-	223,051.62	-
86-08	Fire Equipment	9/17/2008	1,750,000	318,948.84	-	-	-	-	-	108,450.00	(100,000.00)	110,498.84
86-08	Recreation/Youth Services Equipment	9/17/2008	54,000	29,356.44	-	-	-	-	11,237.66	-	18,118.78	-
86-08	Records Storage Systems	9/17/2008	31,000	13,083.63	-	-	-	-	-	-	13,083.63	-
86-08	Biometric Program Systems	9/17/2008	5,000	4,922.96	-	-	-	-	-	-	4,922.96	-
77-05/90-04/32-09	Recreation Playground Acquisition	6/26/2009	1,818,027	284.40	-	46,811.10	-	-	11,323.60	19,185.00	16,586.90	-
51-10	Improvements to Buildings	8/31/2010	1,073,000	217,777.48	-	158,003.24	-	-	126,933.34	40,462.54	(207,777.00)	607.84
51-10	Improvements to Boardwalk and Dunes	8/31/2010	3,700,000	712,165.89	-	-	-	-	-	26,409.67	685,756.22	-
51-10	Stormwater and Drainage Improvements	8/31/2010	2,225,000	1,927,166.32	-	64,665.70	-	-	34,743.00	20,899.50	1,936,189.52	-
51-10	MIS Upgrades	8/31/2010	286,392	101,559.49	-	-	-	-	77,606.00	23,953.49	0.00	-
51-10	Demolition	8/31/2010	500,000	65,937.68	-	20,691.75	-	-	30,425.26	36,269.75	19,934.42	-
51-10	Furniture and Misc. Equipment	8/31/2010	1,173,475	395,577.45	-	4,381.25	-	-	4,378.40	9,699.87	385,880.43	-
51-10	Recreation Improvements	8/31/2010	775,000	540,330.71	-	125,050.16	-	-	26,520.08	256,972.66	381,888.13	-
51-10	Road Improvements	8/31/2010	560,000	7,482.17	-	384,126.72	-	-	123,060.94	261,065.78	7,482.17	-
51-10	Traffic Signal Improvements	8/31/2010	450,000	300,244.39	-	-	-	-	-	-	300,244.39	-
51-10	Vehicles and Equipment	8/31/2010	1,211,675	16,469.30	-	-	-	-	-	-	16,469.30	-
5-11/86-08	Redevelopment-Sand Castle Stadium	2/16/2011	300,000	11,740.03	-	1,830.00	-	-	-	1,830.00	11,740.03	-
69-11/51-10	Acquisition of Vehicles	10/25/2011	750,000	318,531.05	-	343,782.00	-	-	343,782.00	302,782.00	15,749.05	-
74-11/51-11	Improvements to Garden Pier	11/28/2001	750,000	133,346.00	-	15,818.86	-	-	-	15,818.86	133,346.00	-
27-12	Sand Castle/Bader Field	-	800,000	275,674.80	-	42,345.24	-	-	53,585.89	18,319.00	246,115.15	-
27-12	New Hampshire Avenue Seawall	-	410,000	-	-	985.60	-	-	-	985.60	-	-
25-13	Street Reconstruction	-	202,550	156,643.07	-	7,912.64	-	-	66,522.94	59.70	97,973.07	-
41-13	Relocate Boiler Fire Station 2	-	110,000	-	-	110,000.00	-	-	66,229.05	43,770.95	-	-
41-13	Dump Truck Lift	-	3,200	3,200.00	-	-	-	-	-	-	3,200.00	-
41-13	Engineer Document Printer	-	17,800	15.00	-	-	-	-	-	-	15.00	-
41-13	Penrose Ave Bridge Repairs	-	250,000	24,863.50	-	225,136.50	-	-	225,136.50	-	24,863.50	-
03-13	Construction of Playground	2/14/2013	750,000	270,000.00	480,000.00	-	-	-	-	-	270,000.00	480,000.00
33-13	Various Capital Improvements	6/13/13	10,300,000	-	10,135,774.73	133,490.00	-	-	10,028,801.42	133,490.00	-	106,973.31
33-13	Special Emergency - Sandy	6/13/13	2,500,000	-	357,479.88	1,228,736.14	-	-	1,135,440.97	194,437.97	-	256,337.08
43-13	Refunding	7/11/2013	230,000	-	230,000.00	-	-	-	230,000.00	-	-	-
51-13	Improvements to Buildings	9/26/2013	454,600	454,600.00	-	-	-	-	16,008.85	49,220.81	(50,000.00)	339,370.34
51-13	Improvements to Boardwalk and Dunes	9/26/2013	228,000	228,000.00	-	-	-	-	-	-	(500,000.00)	228,000.00
51-13	Stormwater and Drainage Improvements	9/26/2013	2,900,000	2,900,000.00	-	-	-	-	-	-	(500,000.00)	2,400,000.00
51-13	MIS Upgrades	9/26/2013	1,689,200	1,689,200.00	-	-	-	-	92,474.22	50,546.51	-	1,546,179.27
51-13	Demolition	9/26/2013	500,000	475,000.00	-	-	-	-	147,378.00	216,940.00	-	110,682.00
51-13	Furniture and Misc. Equipment	9/26/2013	247,800	212,515.00	-	-	-	-	-	-	-	212,515.00
51-13	Remediation to City Properties	9/26/2013	3,380,000	2,570,085.84	792,250.00	-	-	-	-	-	(3,362,280.84)	55.00
51-13	Environmental Remediation - Bader Field	-	-	-	-	-	-	-	-	-	250,000.00	250,000.00
51-13	Environmental Remediation - Riverside	-	-	-	-	-	-	-	-	-	250,000.00	250,000.00
51-13	Boys & Girls Club Playground	-	-	-	-	-	-	-	-	16,200.00	290,000.00	273,800.00
51-13	Chelsea Heights Ball Field	-	-	-	-	-	-	-	-	-	502,960.00	502,960.00
51-13	3rd Ward park & Harold Memorial Park	-	-	-	-	-	-	-	-	12,010.00	120,000.00	107,990.00
51-13	Uptown Park Community Garden	-	-	-	-	-	-	-	-	-	68,000.00	68,000.00
51-13	Altman Playground Storm Restoration	-	-	-	-	-	-	-	9,600.00	4,000.00	801,335.84	787,735.84
51-13	Dwayne Harris Playground	-	-	-	-	-	-	-	-	-	78,000.00	78,000.00
51-13	Other City Environmental Remediation	-	-	-	-	-	-	-	-	-	500,000.00	467,272.84
51-13	Arizona Ave & Bay Park	-	-	-	-	-	-	-	-	-	5,000.00	5,000.00
51-13	Delaware Ave Park - Clock Tower	-	-	-	-	-	-	-	-	-	25,000.00	25,000.00
51-13	Fisherman's Park	-	-	-	-	-	-	-	-	-	68,846.00	68,846.00

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2013		Prior Year Encumbrances	Authorizations		Paid or Charged	Encumbrances	Canceled or Transferred	Balance December 31, 2014	
				Funded	Unfunded		Other Funding	Deferred Charges to Future Taxation				Funded	Unfunded
51-13	Gardner's Basin Maritime Park										150,000.00	150,000.00	
51-13	Brown Memorial Park										29,590.00	29,590.00	
51-13	Bryant Playground										59,983.00	59,983.00	
51-13	Kingston Ave Playground										69,033.00	69,033.00	
51-13	Texas Ave Playground										28,357.00	28,357.00	
51-13	Westside Memorial Park										41,176.00	41,176.00	
51-13	Winchester Ave Park										25,000.00	25,000.00	
51-13	Road Improvements	9/26/2013	3,192,000	3,146,000.00		24,000.00		45,737.00			(1,006,444.79)	2,117,818.21	
51-13	Traffic Signal Improvements	9/26/2013	375,000	375,000.00								375,000.00	
51-13	Vehicles and Equipment	9/26/2013	1,475,000	1,433,715.00				577,290.62	303,090.00			553,334.38	
51-13	Repairs to Venice Lagoon and Ohio Bdg	9/26/2013	300,000	300,000.00								300,000.00	
51-13	Emergency Management Infrastructure	9/26/2013	181,000	181,000.00								181,000.00	
51-13	Purchase Safet Equipment	9/26/2013	327,400	327,400.00				26,056.25	5,434.95			295,908.80	
55-13	Tax Appeals	10/4/2013	51,910,000	0.00	-	893,445.81		893,445.81				0.00	-
51-13/16-14	Sandy Repairs		1,200,000					985,477.71	200,305.08		1,200,000.00	14,217.21	
51-13/40-14	Road and Sidewalk Improvements		150,000					106,844.84			150,000.00	43,155.16	
51-13/80-14	Building Improvements - Elevator		740,100								740,100.00	740,100.00	
47-14	Tax Appeals		140,000,000										100,000,000.00
				\$ 20,404,376.74	11,995,504.61	4,332,592.41	-	140,000,000.00	55,610,108.47	2,526,410.49	-	17,752,644.41	100,843,310.39

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2014		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
General Improvement Bonds of 2005 (non-taxable)	1/15/2005	17,980,000				\$ 8,980,000.00		8,980,000.00	-
Refunding Issue 2005	5/24/2005	29,010,000	8/15/2014	2,445,000.00	4.50%	6,885,000.00		4,440,000.00	2,445,000.00
General Obligation Bonds of 2008	2/15/2008	26,500,000	2/15/2015	3,000,000.00	3.75%	15,000,000.00			12,000,000.00
			2/15/2016	3,000,000.00	5.00%				
			2/15/2017	3,000,000.00	5.50%				
			2/15/2018	3,000,000.00	5.50%				
Refunding Issue 2010	12/15/2010	10,750,000	12/15/2015	2,255,000.00	3.00%	4,450,000.00		2,195,000.00	2,255,000.00
General Obligation Bonds of 2011	2/1/2011	16,354,000	2/1/2015	1,600,000.00	4.00%	14,399,000.00			12,799,000.00
			2/1/2016	1,600,000.00	4.00%				
			2/1/2017	1,600,000.00	4.00%				
			2/1/2018	1,600,000.00	4.00%				
			2/1/2019	1,600,000.00	5.00%				
			2/1/2020	1,600,000.00	5.00%				
			2/1/2021	1,600,000.00	4.50%				
			2/1/2022	1,599,000.00	5.00%				
Pension Refunding Bonds	4/1/2012	5,450,000	4/1/2015	565,000.00	2.993%	4,995,000.00		550,000.00	4,445,000.00
			4/1/2016	585,000.00	3.332%				
			4/1/2017	605,000.00	3.582%				
			4/1/2018	630,000.00	3.953%				
			4/1/2019	655,000.00	4.253%				
			4/1/2020	685,000.00	4.556%				
			4/1/2021	720,000.00	4.756%				
Refunding Issue 2012	4/1/2012	15,710,000	4/1/2015	3,080,000.00	4.00%	12,490,000.00		3,115,000.00	9,375,000.00
			4/1/2016	3,075,000.00	4.00%				
			4/1/2017	3,220,000.00	5.00%				
General Obligation	12/1/2013	13,901,000	12/1/2015	615,000.00	4.00%	13,901,000.00		615,000.00	13,286,000.00
			12/1/2016	790,000.00	5.00%				
			12/1/2017	816,000.00	5.00%				
			12/1/2018	835,000.00	5.00%				
			12/1/2019	860,000.00	5.00%				
			12/1/2020	890,000.00	5.00%				
			12/1/2021	920,000.00	5.00%				
			12/1/2022	950,000.00	5.00%				
			12/1/2023	990,000.00	5.00%				
			12/1/2024	1,030,000.00	5.00%				
			12/1/2025	1,070,000.00	5.00%				
			12/1/2026	1,115,000.00	5.00%				
			12/1/2027	1,175,000.00	5.00%				
			12/1/2028	1,230,000.00	5.00%				
Refunding Issue 2014	1/15/2014	7,710,000	1/15/2015	1,570,000.00	2.09%		7,710,000.00	160,000.00	7,550,000.00
			1/15/2016	2,020,000.00	2.09%				
			1/15/2017	2,000,000.00	2.09%				
			1/15/2018	1,960,000.00	20.90%				
						<u>\$ 81,100,000.00</u>	<u>7,710,000.00</u>	<u>24,655,000.00</u>	<u>64,155,000.00</u>
							Refunded	7,480,000.00	
							Redeemed	17,175,000.00	
								<u>24,655,000.00</u>	

**GENERAL CAPITAL FUND
SCHEDULE OF TAX APPEAL REFUNDING BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2014		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
Series 2010 (tax-exempt)	12/15/2010	1,795,000	12/15/2015	380,000.00	3.50%	\$ 750,000.00		370,000.00	380,000.00
Series 2010 (taxable)	12/15/2010	6,925,000	12/15/2015	1,495,000.00	4.75%	2,925,000.00		1,430,000.00	1,495,000.00
Series 2011 (taxable)	12/15/2011	35,285,000	12/15/2015	6,650,000.00	3.099%	18,575,000.00		7,225,000.00	11,350,000.00
			12/15/2016	4,700,000.00	3.299%				
Series 2012 (taxable)	12/5/2012	2,620,000	11/1/2015	555,000.00	2.261%	1,870,000.00		750,000.00	1,120,000.00
			11/1/2016	565,000.00	2.703%				
Series 2012 (tax exempt)	12/5/2012	90,380,000	11/1/2016	7,000,000.00	4.00%	90,380,000.00			90,380,000.00
			11/1/2017	4,740,000.00	4.00%				
			11/1/2018	4,840,000.00	4.00%				
			11/1/2019	6,425,000.00	5.00%				
			11/1/2020	5,035,000.00	5.00%				
			11/1/2021	4,680,000.00	5.00%				
			11/1/2022	4,155,000.00	5.00%				
			11/1/2023	5,730,000.00	4.00%				
			11/1/2024	5,760,000.00	4.00%				
			11/1/2025	5,790,000.00	4.00%				
			11/1/2026	5,590,000.00	4.00%				
			11/1/2027	5,610,000.00	4.00%				
			11/1/2028	5,630,000.00	3.00%				
			11/1/2029	5,140,000.00	3.00%				
			11/1/2030	5,095,000.00	3.00%				
11/1/2031	4,600,000.00	3.125%							
11/1/2032	4,560,000.00	3.125%							
Series 2013 (tax exempt)	12/1/2013	48,976,000	12/1/2017	756,000.00	5.000%	48,976,000.00			48,976,000.00
			12/1/2018	755,000.00	5.000%				
			12/1/2019	7,125,000.00	5.000%				
			12/1/2020	6,680,000.00	5.000%				
			12/1/2021	6,235,000.00	5.000%				
			12/1/2022	6,055,000.00	5.000%				
			12/1/2023	5,790,000.00	5.000%				
			12/1/2024	4,145,000.00	5.000%				
			12/1/2025	4,315,000.00	5.000%				
			12/1/2026	890,000.00	5.000%				
			12/1/2027	890,000.00	5.000%				
			12/1/2028	890,000.00	5.000%				
			12/1/2029	890,000.00	5.000%				
			12/1/2030	890,000.00	5.000%				
			12/1/2031	890,000.00	5.000%				
12/1/2032	890,000.00	5.000%							
12/1/2033	890,000.00	5.000%							
						\$ 163,476,000.00	-	9,775,000.00	153,701,000.00

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

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
Various Capital Improvements	33-13	8/6/2013	8/6/2013	2/4/2014	1.500%	\$ 10,300,000.00			10,300,000.00
Special Emergency - Sandy	33-13	8/6/2013	8/6/2013	2/4/2014	1.500%	2,500,000.00			2,500,000.00
Tax Appeal	47-14						40,000,000.00		40,000,000.00
						<u>\$ 12,800,000.00</u>	<u>40,000,000.00</u>	<u>-</u>	<u>52,800,000.00</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Debt Issued	Raised in Budget	Balance Dec. 31, 2014
51-13	General Obligation	\$ 792,250.00			792,250.00	-
55-13	Tax Appeals	2,934,000.00			2,934,000.00	-
43-13	Refunding	230,000.00		230,000.00		-
33-13	Construction of Playground	480,000.00				480,000.00
47-14	Tax Appeals		140,000,000.00	40,000,000.00		100,000,000.00
		<u>\$ 4,436,250.00</u>	<u>140,000,000.00</u>	<u>40,230,000.00</u>	<u>3,726,250.00</u>	<u>100,480,000.00</u>

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

CITY OF ATLANTIC CITY

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

GENERAL COMMENTS

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

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

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

The minutes indicate bids were requested by public advertising for the following items: HVAC maintenance, Pest Control, Uniforms, Office Supplies, Ambulance Dispatch, Demolition, Summer Food Program, Elevator Maintenance, Janitorial Supplies, Hardware, Lumber and Misc. Building Improvements, Fleet Maintenance, Debris Removal, Asbestos Removal, Boardwalk Lumber and Repairs, Software for Licenses, Software for Finances, Asbestos Identification, All Terrain Litter Vacuums, Road Repairs, Storm Damage Repairs, Solid Waste Services, Parking for Motorized Trams, Brighton Park Fountain Repair, Landscape Improvements, 4500 PSI Cylinders, AC Electric Lighting Project.

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

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

Collection of Interest on Delinquent Taxes and Assessments

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

"BE IT RESOLVED" by the City Council of the City of Atlantic City, in accordance with Chapter 435, New Jersey Laws of 1979, and N.J.S.A. 54:4-67, 54:5-24, 54:5-32 and 54:5-35, which authorizes the Governing Body to fix the rate of interest to be charged, in the City of Atlantic City, for the nonpayment of taxes and assessments, said rate of interest shall be and is hereby fixed at 8 percent per annum on the first \$1,500 of delinquency and 18% per annum on any amount in excess of \$1,500 to be calculated from the date when the taxes and assessments become delinquent. In addition, a 6% penalty is authorized for delinquencies in excess of \$10,000 at the end of the year. This resolution was amended by City Council on August 15, 2014 to reduce the interest rates for the 3rd and 4th quarters by 50%. The yearend penalty remained at 6%.

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 11, 2014 and was complete. There are several bankruptcies from prior years not sold.

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

<u>Year</u>	<u>Number of Liens</u>
2014	1,092
2013	820
2012	842

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

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payment of 2014 and 2015 Taxes	5
Municipal Court	10

All delinquent taxes, except those in bankruptcy, were included in the accelerated tax sale. Therefore, no delinquent tax balances were available to verify. As of the date of this audit report, all verifications have not been returned. However, no problems were noted with those that have been returned.

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2014	\$ 347,223,794	@@	\$ 337,094,258	97.08%
2013	358,998,095	##	\$ 354,102,158	98.64%
2012	363,741,586	**	\$ 358,976,575	98.69%
2011	373,123,879	&&	368,505,897	98.76%
2010	361,447,771	^^	358,890,658	99.29%

@@ Reduced by \$31,083,726 in tax appeals

Reduced by \$7,202,241 in tax appeals

** Reduced by \$27,796,636 in tax appeals

&& Reduced by \$4,040,227 in tax appeals

^^Reduced by \$5,300,737 in tax appeals

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	3.348	2.542	2.164	1.928	1.770
Apportionment of Tax Rate:					
Municipal	1.749	1.349	1.10	0.99	0.93
Municipal Library	0.045	0.035	0.032	0.027	
County	0.357	0.229	0.29	0.24	0.26
Local School	1.197	0.929	0.74	0.67	0.58
Assessed Valuation:	11,272,717,903	14,402,873,676	18,097,335,367	19,457,830,928	20,480,854,452

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent Taxes</u>	<u>Percentage of Tax Levy</u>
2014	\$ 6,376,804	1,577,837	7,954,641	2.10%
2013	5,218,101	2,738,661	7,956,762	2.17%
2012	4,016,847	71,562	4,088,409	1.04%
2011	7,780,196	135,244	7,915,440	2.12%
2010	4,051,806	662,637	4,714,443	1.29%

Uniform Construction Code

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

Law Enforcement Trust Fund

In order to promote statewide uniformity and accountability, the State Attorney General has issued standards concerning the administration of seized and forfeited property and monies. Funds distributed to a municipality from seizures or forfeitures, or the sale of forfeited property is to be deposited into a special law enforcement trust fund to be used for a law enforcement purpose. NJAC 13:77-1.4 defines a law enforcement purpose as a purpose which is calculated to enhance a law enforcement agency's ability to conduct criminal investigations, surveillance, arrests, and prosecutions and to respond more fully to the effects of crime and, for the purposes of these rules, shall be beyond that allocated by the law enforcement agency's annual budget. This special law enforcement trust fund must be under the direct control of the funding entity. Any local governmental body that receives forfeited proceeds or property shall comply with auditing requirements specified under NJSA 40A:5-4.

FINDINGS AND RECOMMENDATIONS

Finding 14-1

Criteria

Court bank reconciliations are to be accurately completed each month.

Condition

It was noted during testing that the reconciliations were not in balance, and that the bank activity was not always in agreement with the ATS/ACS system activity.

Cause

All required information has not been timely entered into the ATS/ACS system, thus requiring many manual adjustments on the bank reconciliation, making it difficult to bring the reconciliation into balance.

Effect

The Court is not in compliance with the Administrative Office of the Courts requirement that accurate bank reconciliations are prepared monthly.

Recommendation

Court personnel should ensure that all bail and general account activity is properly posted into the ATS/ACS system. Any discrepancies on the bank reconciliation should be investigated and cleared as soon as possible.

Management Response

New internal control procedures are being implemented at the Court to ensure proper reconciliations are completed.

Finding 14-2

Criteria

Grants must be properly documented and reimbursements requested in a timely manner.

Condition

Grant award and receipt information was not available for all grants for the current year.

Cause

Grant coordinator retired in 2013 and was not replaced until the 2015 calendar year.

Effect

The supporting documentation for the 2014 grants was not available for review, and would not be available for any OPRA requests.

Recommendation

Complete grant files should be maintained for each grant received by the City. The files should include grant award information, drawdown requests, copies of checks received, and support for expenditures made.

Management Response

A new grant coordinator has been hired and will be trained on how to manage the City's grants.

Finding 14-3

Criteria

PILOT payments are to be reconciled with financial statements on an annual basis to ensure compliance with the PILOT agreement.

Condition

Supporting documentation for the payments received was not available for examination, and no reconciliation with audited financial statements was prepared by the City,

Cause

The employee previously responsible for monitoring the PILOT agreements was moved to another department, and City management was unaware that the task was not re-assigned.

Effect

The City may be over or underfunded for each of the PILOT agreements on file.

Recommendation

The City should perform a reconciliation each year of the payments received for each approved program with the financial statements obtained from the business.

Management Response

The City has designated personnel that will ensure the reconciliation is prepared for all PILOT programs.

Finding 14-4**Criteria**

Proper segregation of duties is required between the Human Resources Department and the Payroll Department to ensure proper internal controls are maintained.

Condition

The payroll department currently has access within the payroll accounting system to adjust the salaries of City employees.

Cause

Employees were unaware of the internal control procedures to ensure that the payroll process is segregated from the input of salary information.

Effect

There is an opportunity for personnel to adjust salaries without proper approvals.

Recommendation

Payroll personnel should not have access to change salary information in the accounting system, that access should only be available to the Human Resource department.

Management Response

Computer access will be restricted for salary information input.

Finding 14-5

Criteria

Issued certificates of occupancy are to be recorded in the tax rolls as added and omitted taxes each year.

Condition

Only two properties were included in the added and omitted list for new construction for the 2014 year.

Cause

The current computer system does not allow for the assessor's office to receive information directly from the construction office so they are aware of new construction that has been inspected and approved. In addition, this information is not communicated to the mercantile department to ensure that any applicable licenses or inspections are obtained each year.

Effect

The City may not be collecting all of the taxes that they should be for each year until the properties are properly included in the tax duplicate.

Recommendation

All properties that have been approved and finalized should be included in the added and omitted tax assessments each year.

Management Response

The City has purchased new software that will have the ability to interface with all three departments to correct the issue.

STATUS OF PRIOR RECOMMENDATIONS

Finding 13-1

Personnel should receive appropriate training for their function within the CDBG department. All supporting documentation should be maintained for draw down of funds, and no funds should be drawn down prior to being properly expended.

This finding was corrected in 2014.

Finding 13-2

Court personnel should ensure that all bail and general account activity is properly posted into the ATS/ACS system. Any discrepancies on the bank reconciliations should be investigated and cleared as soon as possible.

This finding was not corrected in 2014.

Management will work with the Administrative Office of the Court to provide additional training.

Finding 13-3

Any purchases should be approved and encumbered in the accounting system prior to the goods or services being ordered to ensure that appropriate funding is available.

This finding was corrected in 2014.

Finding 13-4

Any purchases should be approved and encumbered in the accounting system prior to the goods or services being ordered to ensure that appropriate funding is available.

This finding was corrected in 2014.

RECOMMENDATIONS

Court personnel should ensure that all bail and general account activity is properly posted into the ATS/ACS system. Any discrepancies on the bank reconciliation should be investigated and cleared as soon as possible.

1. Court personnel should ensure that all bail and general account activity is properly posted into the ATS/ACS system. Any discrepancies on the bank reconciliation should be investigated and cleared as soon as possible.
2. Complete grant files should be maintained for each grant received by the City. The files should include grant award information, drawdown requests, copies of checks received, and support for expenditures made.
3. The City should perform a reconciliation each year of the payments received for each approved PILOT program with the financial statements obtained from the business.
4. Payroll personnel should not have access to change salary information in the accounting system, that access should only be available to the Human Resource department.
5. All properties that have been approved for occupancy should be included in the added and omitted tax assessments each year.

In accordance with OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and Division of Local Government Services Regulations, a corrective action plan must be prepared and filed by the City Council in response to my comments.

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

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

Very truly yours,

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

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

May 10, 2015