

**CITY OF ATLANTIC CITY**

**ATLANTIC COUNTY**

**NEW JERSEY**

**AUDIT REPORT**

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



# CITY OF ATLANTIC CITY

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**CITY OF ATLANTIC CITY**

**PART 1**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2015**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditor's Report

The Honorable Mayor and  
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, 2015 and 2014, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the City of 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, 2015 and 2014, or changes in financial position for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2015 and 2014, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2015 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

## ***Other Matters***

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of 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 Uniform Guidance and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *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 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2016 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**

*Leon P. Costello*

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

**July 11, 2016**

**EXHIBIT A - CURRENT FUND**

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

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 29,777,037.69	43,992,783.25
Cash - Collector	-	-
Cash - Change	1,470.00	1,470.00
Total Cash	<u>29,778,507.69</u>	<u>43,994,253.25</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	134,459.95	114,483.34
Due from State - Qualified Bond	3,289,975.85	-
Due from State - ACA	30,000,000.00	-
Total Other Receivables	<u>33,424,435.80</u>	<u>114,483.34</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	686,026.71	1,577,837.48
Tax Title and Other Liens	9,094,292.76	6,376,804.34
Property Acquired for Taxes - at Assessed Valuation	28,874,400.00	30,672,100.00
Demolition Assessments and Liens	4,037,562.21	3,687,806.96
Revenue Accounts Receivable	89,182.19	103,673.14
PILOT Receivable	-	260,525.00
Advance from AC Endowment Fund	3,000,000.00	3,000,000.00
Interfund Receivable:		
Animal Control Fund	1,134.00	718.20
CDBG	1,531,079.27	-
Federal and State Grant Fund	4,753,377.74	123,529.92
Trust Other	3.29	-
Total Receivables and Other Assets	<u>52,067,058.17</u>	<u>45,802,995.04</u>
Deferred Charges:		
Deficit in Operations	9,845,922.24	11,076,662.24
Expenditure without an Appropriation	30,000.00	-
Deficit due to Tax Appeals	63,483,815.00	-
Prior Outstanding Payables	37,743,249.74	-
Special Emergency Appropriation	350,000.00	900,000.00
Total Deferred Charges	<u>111,452,986.98</u>	<u>11,976,662.24</u>
Total Regular Fund	<u>226,722,988.64</u>	<u>101,888,393.87</u>
Federal and State Grant Fund:		
Cash	48,942.16	48,937.24
Federal and State Grants Receivable	58,537,490.78	33,110,645.31
Due from Trust Fund - Other	756.09	756.09
Total Federal and State Grant Fund	<u>58,587,189.03</u>	<u>33,160,338.64</u>
Total Current Fund	<u>\$ 285,310,177.67</u>	<u>135,048,732.51</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2015</u>	<u>2014</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 13,470,357.21	14,511,389.59
Reserve for Encumbrances	3,909,631.78	8,718,286.62
Accounts Payable	406,503.49	1,482,832.90
Prior Outstanding Payables	37,743,249.74	-
Accrued Interest on Judgement	14,648,002.00	-
Prepaid Rent	-	120,000.00
Prepaid Taxes	1,237,391.88	1,042,388.07
Overpaid Taxes	62,002,242.21	12,430,779.60
Local School Tax Payable	0.75	872,018.25
County Added Tax Payable	39,636.47	95,088.01
Due to Atlantic City MUA	-	91,109.96
Due to State:		
Marriage Licenses	4,690.00	8,875.00
CCO Fees	42,558.00	29,929.00
Interfund Payable:		
Other Trust Funds	15,124,910.69	6,231,176.58
Other		
Payroll Deductions Payable	2,788,330.39	1,808,818.65
AC Endowment Fund	1,320,537.38	1,320,405.37
Reserve for Revaluation	900,000.00	900,000.00
Reserve for Performance Bonds	205,862.89	205,862.89
Reserve for Police Property Room	50,338.71	50,338.71
Reserve for State Tax Appeals Pending	15,421,145.62	1,649,447.00
Reserve for Insurance	-	950,829.04
Reserve for Preparation of Approved Tax Map	188,107.55	247,657.55
Miscellaneous Reserves	205,000.00	207,757.86
	169,708,496.76	52,974,990.65
Reserve for Receivables and Other Assets	52,067,058.17	45,802,995.04
Fund Balance	4,947,433.71	3,110,408.18
Total Regular Fund	226,722,988.64	101,888,393.87
Federal and State Grant Fund:		
Unappropriated Reserves	83,845.13	17,286.85
Appropriated Reserves	43,768,349.16	30,536,226.68
Encumbrances Payable	9,981,617.00	2,483,295.19
Due to Current Fund	4,753,377.74	123,529.92
	58,587,189.03	33,160,338.64
Total Federal and State Grant Fund	58,587,189.03	33,160,338.64
Total Current Fund	\$ 285,310,177.67	135,048,732.51

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

	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized		
Fund Balance	\$ -	-
Miscellaneous Revenue Anticipated	130,102,029.22	65,748,109.67
Receipts from Delinquent Taxes	1,585,954.45	4,042,951.91
Receipts from Current Taxes	236,406,571.75	337,094,258.29
Non Budget Revenue	2,235,815.89	1,100,596.19
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	12,350,954.59	6,231,233.86
Interfund Returned	-	595,868.89
Tax Appeal Refunding Bonds	-	40,000,000.00
Cancelled Grants	162,018.19	-
Cancelled Reserves and Accounts Payable	2,267,673.45	-
Reserve for State Tax Appeals	13,728,301.38	-
Total Income	<u>398,839,318.92</u>	<u>454,813,018.81</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	74,976,264.00	95,337,609.00
Other Expenses	83,108,294.88	68,013,032.00
Deferred Charges & Statutory Expenditures	6,399,162.38	24,003,020.29
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	14,805,000.00	6,775,799.00
Other Expenses	42,819,848.42	21,841,107.18
Capital Improvements	200,000.00	4,373,759.00
Debt Service	34,697,364.38	36,895,824.32
Deferred Charges	900,000.00	3,726,250.00
Local District School Tax	91,060,723.00	134,862,600.00
County Tax	28,259,234.47	40,383,091.56
County Share of Added Tax	39,636.47	95,088.01
Interfund Created	6,165,449.09	-
Refund of Prior Year's Revenue	193,014.92	63,894.78
Other:		
Prior Year Overpayments	62,564,114.38	-
Judgement for Interest on Tax Appeals	14,648,002.00	-
Prior Year Revenue Returned Created by Canceled Taxes	-	18,489,163.68
Total Expenditures	<u>460,836,108.39</u>	<u>454,860,238.82</u>
Excess/(Deficit) in Revenue	(61,996,789.47)	(47,220.01)

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

	2015	2014
Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute Deferred Charges to Budgets of		
Succeeding Year	63,483,815.00	-
Special Emergency Appropriation	350,000.00	900,000.00
Total Adjustments	63,833,815.00	900,000.00
Statutory Excess to Fund Balance	1,837,025.53	852,779.99
Fund Balance January 1	3,110,408.18	2,257,628.19
	4,947,433.71	3,110,408.18
Decreased by:		
Utilization as Anticipated Revenue	-	-
Fund Balance December 31	\$ 4,947,433.71	3,110,408.18

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

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Fund Balance Anticipated	-	-	-
Total Fund Balance Anticipated	-	-	-
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Alcoholic Beverages	140,000.00		145,308.00
Other	800,000.00		843,706.00
Fees and Permits	1,450,000.00		1,323,733.76
Fines and Costs:			
Municipal Court	1,200,000.00		1,470,828.17
Interest and Costs on Taxes	750,000.00		2,453,074.83
Interest Earned on Investments	50,000.00		23,960.11
Parking Meters	500,000.00		521,227.34
Boardwalk Tram Fees	115,000.00		105,000.00
Refunds and Reimbursements	400,000.00		3,797,255.61
Rent and Sale of City Property	500,000.00		497,763.45
Towing Fees	500,000.00		394,268.23
Payments in Lieu of Taxes			
Magellan Manor	119,962.00		75,468.00
Metropolitan Plaza	30,000.00		28,510.36
New York Ave Apt	108,495.00		108,553.60
Elliot House	56,000.00		44,574.00
School House Liberty	38,866.00		29,791.92
Town House Terraces East I	75,000.00		68,784.00
Atlantic City Townhouse	130,000.00		-
Baltic Plaza Apt	100,000.00		109,812.00
Best of Life Park	120,000.00		120,000.00
			-

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

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Community Haven	350,000.00		1,270.00
Bright's Villa North	10,000.00		1,510.00
Barclay Arms	40,000.00		14,357.23
The Walk Phase I	648,000.00		48.01
The Walk Phase II	300,000.00		(41,763.43)
Atlantic Marina	450,000.00		22,101.00
<b>Total Section A: Local Revenues</b>	<b>8,981,323.00</b>	<b>-</b>	<b>4,975,819.19</b>
<b>Section B: State Aid Without Offsetting Appropriations</b>			
Consolidated Municipal Property Tax Relief Act	10,000,000.00		-
Energy Receipts Tax	6,260,714.00		(0.02)
Transitional Aid	13,000,000.00		-
<b>Total Section B: State Aid Without Offsetting Appropriations</b>	<b>29,260,714.00</b>	<b>-</b>	<b>(0.02)</b>
<b>Section C: Uniform Construction Code Fees</b>			
Uniform Construction Code Fees	1,500,000.00		114,768.00
<b>Total Section C: Uniform Construction Code Fees</b>	<b>1,500,000.00</b>	<b>-</b>	<b>114,768.00</b>
<b>Section F: Special Items - Public and Private Programs</b>			
Off-Set with Appropriations			
Clean Communities	86,134.64		-
COPS in Shops	3,000.00	2,924.64	-
Main Street Streetscape	588,095.00		-
NJ EDA Boardwalk Reconstruction	5,000,000.00		-
HIV Counseling and Testing	300,850.00		-
Sustainable Jersey	20,000.00		-
PAL and all Wars Building Generator	430,000.00		-
AC Seafood Festival	13,500.00		-

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

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
National Fish and Wildlife	125,000.00		125,000.00	-
FEMA Flood Hazard Mitigation	773,177.00		773,177.00	-
CRDA - Winter Wonderland Festival	17,364.49		17,364.49	-
AC Traffic Signal Synchronization	917,246.00		917,246.00	-
SAFER	21,517,020.00		21,517,020.00	-
County Environmental Health Act		28,000.00	28,000.00	-
Atlantis Pump Gate Station	6,500,000.00		6,500,000.00	-
NJ DOT - Resurface Artic Ave	200,000.00		200,000.00	-
NJ DOT - Rsurface Ventnor Ave	210,000.00		210,000.00	-
Transportation Alternative Program	966,000.00		966,000.00	-
Ed Byrne Memorial Justice Assistance Act		93,893.00	93,893.00	-
Law Enforcement Block Grant - Interest	14,437.00		14,437.00	-
NJ Body Armor		23,232.42	23,232.42	-
NJ Historic Trust	531,848.12		531,848.12	-
Summer Food	80,565.99		80,565.99	-
Altman Field Playground - Site Remediation	39,974.00		39,974.00	-
James Usry Center - Site Remediation	118,290.00		118,290.00	-
<b>Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations</b>	<b>38,452,502.24</b>	<b>148,050.06</b>	<b>38,600,552.30</b>	<b>-</b>
<b>Section G: Other Special Items</b>				
Uniform Fire Safety Act	245,000.00		236,319.07	(8,680.93)
Atlantic City Municipal Utilities Authority	690,857.00		690,857.00	-
Reserve to Pay Bonds	7,956.00		7,956.44	0.44
FEMA Reimbursement	175,423.00		886,194.11	710,771.11
Casino Redirected Anticipated Revenue	33,500,000.00		30,000,000.00	(3,500,000.00)
Interlocal Agreements				
Pleasantville BOE	160,000.00		42,526.13	(117,473.87)
CDBG Essential Services Grant	14,805,000.00		14,805,000.00	-

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

	Anticipated			Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	Realized	
Total Section G: Other Special Items	49,584,236.00	-	46,668,852.75	(2,915,383.25)
Total Miscellaneous Revenues:	127,778,775.24	148,050.06	130,102,029.22	2,175,203.92
Receipts from Delinquent Taxes	2,500,000.00		1,585,954.45	(914,045.55)
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	128,410,646.00		118,328,494.81	(10,082,151.19)
Library Tax	3,755,692.00		3,755,692.00	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	132,166,338.00	-	122,084,186.81	(10,082,151.19)
Budget Totals	262,445,113.24	148,050.06	253,772,170.48	(8,820,992.82)
Non- Budget Revenues:				
Other Non- Budget Revenues:			2,235,815.89	2,235,815.89
	\$ 262,445,113.24	148,050.06	256,007,986.37	(6,585,176.93)

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

## Analysis of Realized Revenues

## Allocation of Current Tax Collections:

Revenue from Collections	\$ 236,406,571.75
Less: Reserve for Tax Appeals Pending	<u>-</u>
Net Revenue from Collections	236,406,571.75
Allocated to:	
School, County and Other Taxes	<u>119,359,593.94</u>
Balance for Support of Municipal Budget Appropriations	117,046,977.81
Increased by:	
Appropriation "Reserved for Uncollected Taxes"	<u>5,037,209.00</u>
Amount for Support of Municipal Budget Appropriations	<u><u>122,084,186.81</u></u>

## Receipts from Delinquent Taxes:

Delinquent Tax Collection	\$ 795,118.47
Tax Title Lien Collections	<u>790,835.98</u>
Total Receipts from Delinquent Taxes	<u><u>1,585,954.45</u></u>

## Analysis of Non-Budget Revenue:

## Miscellaneous Revenue Not Anticipated:

Demolition Arrears and Liens	69,416.69
Insurance Proceeds	111,825.30
Escrow Administrative Fees	52,338.41
Police Detail	481,914.85
FEMA Reimbursement	124,828.12
Senior Citizens and Vets Administrative Fee	2,870.00
Skate Zone Payments	75,000.00
Surf Stadium Parking Fees	11,500.00
Beachview	19,495.00
Pilot	262,017.00
AC BOE Gasoline Reimbursement	115,622.93
AC BOE Garbage Reimbursement	49,060.39
Employee Grant and Library Fringe Reimbursed	644,933.02
Miscellaneous	<u>214,994.18</u>

Total Miscellaneous Revenue Not Anticipated: \$ 2,235,815.89

Tax Collector	69,416.69
Treasurer	<u>2,166,399.20</u>
	<u><u>\$ 2,235,815.89</u></u>

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

	Appropriations		Budget After Modifications	Expended		(Over expended) Unexpended Balance Cancelled	
	Budget	Budget After Modifications		Paid or Charged	Encumbered		Reserved
<b>OPERATIONS WITHIN "CAPS"</b>							
<b>DEPARTMENT OF ADMINISTRATION</b>							
Mayor's Office							
Salaries and Wages	250,000.00	250,000.00	248,376.72		1,623.28	-	
Other Expenses	29,500.00	29,500.00	16,226.02	2,416.89	10,857.09	-	
Business Administrator							
Salaries and Wages	234,312.00	234,312.00	232,736.52		1,575.48	-	
Other Expenses	374,900.00	374,900.00	100,120.60	30,966.59	243,812.81	-	
Administrative Services - Mail Room							
Salaries and Wages	88,111.00	88,111.00	86,160.45		1,950.55	-	
Other Expenses	161,200.00	161,200.00	160,112.76	105.47	981.77	-	
Solicitor's Office							
Salaries and Wages	890,354.00	890,354.00	879,562.84		10,791.16	-	
Other Expenses	1,632,160.00	1,648,238.00	1,046,706.66	575,980.98	25,550.36	-	
Prosecutor's Office							
Salaries and Wages	393,849.00	393,849.00	392,001.51		1,847.49	-	
Other Expenses	37,550.00	37,550.00	17,267.15	13,687.74	6,595.11	-	
Public Defender							
Salaries and Wages	317,256.00	317,256.00	312,539.45		4,716.55	-	
Other Expenses	48,600.00	48,600.00	21,602.91	8,485.07	18,512.02	-	
Insurance							
Unemployment	2,000,000.00	2,000,000.00	2,000,000.00		-	-	
Liability	10,200,587.00	10,200,587.00	9,306,771.60	545,834.43	347,980.97	-	
Workers Compensation	5,336,000.00	5,336,000.00	5,228,696.82	84,851.17	22,452.01	-	
Employee Group	12,000,000.00	12,000,000.00	10,786,246.99	5,833.33	1,207,919.68	-	
Health Waiver - Employee Opt Out	70,000.00	70,000.00	63,411.66		6,588.34	-	
Social Services Agencies	14,500.00	14,500.00		1,460.53	13,039.47	-	
Municipal Court							
Salaries and Wages	1,250,872.00	1,250,872.00	1,189,612.60		61,259.40	-	
Other Expenses	108,889.00	108,889.00	70,880.05	26,653.82	11,355.13	-	
Assessor							
Salaries and Wages	254,581.00	254,581.00	237,957.33		16,623.67	-	
Other Expenses	525,857.00	525,857.00	267,098.43	201,977.17	56,781.40	-	
MIS							
Salaries and Wages	376,086.00	376,086.00	323,934.58		52,151.42	-	
Other Expenses	431,500.00	431,500.00	241,874.50	45,931.58	143,693.92	-	
<b>DEPARTMENT OF HUMAN RESOURCES</b>							
Director's Office							
Salaries and Wages	166,670.00	166,670.00	153,920.95		12,749.05	-	
Other Expenses	80,632.00	80,632.00	70,710.23	1,678.20	8,243.57	-	
Personnel Division							
Salaries and Wages	442,545.00	442,545.00	430,831.31		11,713.69	-	
Health Division							

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

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Salaries and Wages	89,331.00	89,331.00	88,668.12		662.88	-
<b>DEPARTMENT OF PLANNING AND DEVELOPMENT</b>						
Director's Office						
Salaries and Wages	208,529.00	208,529.00	181,285.18		27,243.82	-
Other Expenses	146,900.00	146,900.00	117,130.47	14,045.62	15,723.91	-
Planning Division						
Salaries and Wages	273,119.00	274,169.00	271,876.72		2,292.28	-
Other Expenses	144,365.00	144,365.00	50,164.10	83,607.14	10,593.76	-
Zoning Board						
Other Expenses	17,000.00	17,000.00	12,000.00	4,000.00	1,000.00	-
City Engineer						
Salaries and Wages	496,214.00	495,164.00	482,830.42		12,333.58	-
Other Expenses	364,982.00	364,982.00	190,394.64	168,044.92	6,542.44	-
Economic Development - CDBG						
Salaries and Wages	140,000.00	140,000.00	93,952.71		46,047.29	-
<b>DEPARTMENT OF REVENUE AND FINANCE</b>						
Director's Office						
Salaries and Wages	220,375.00	220,375.00	217,417.04		2,957.96	-
Other Expenses	20,400.00	20,400.00	9,587.99	354.84	10,457.17	-
Comptroller's Office						
Salaries and Wages	820,001.00	820,001.00	773,616.10		46,384.90	-
Other Expenses	100,059.00	100,059.00	26,465.41	1,155.40	72,438.19	-
Tax Collector's Office						
Salaries and Wages	277,923.00	277,923.00	264,467.44		13,455.56	-
Other Expenses	40,600.00	40,600.00	31,671.22	1,147.50	7,781.28	-
Audit Services						
Other Expenses	174,000.00	284,426.00	222,625.00	46,350.00	15,451.00	-
Purchasing						
Salaries and Wages	204,845.00	204,845.00	201,100.17		3,744.83	-
Other Expenses	38,652.00	38,652.00	33,823.48	2,423.19	2,405.33	-
Finance Division						
Salaries and Wages	181,130.00	181,130.00	178,107.66		3,022.34	-
Other Expenses	2,990.00	2,989.00	166.99	554.98	2,267.03	-
<b>DEPARTMENT OF PUBLIC SAFETY</b>						
Police						
Salaries and Wages	19,988,306.00	19,988,306.00	19,988,306.00		-	-
Other Expenses	1,456,394.00	1,456,394.00	657,748.91	480,617.95	318,027.14	-
Police Civilian Division						
Salaries and Wages	5,495,763.00	5,495,763.00	4,861,643.57		634,119.43	-
Other Expenses	673,813.88	673,813.88	487,506.65	22,232.79	164,074.44	-

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

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Emergency Services						
Salaries and Wages	2,226,072.00	2,226,072.00	1,944,222.92		281,849.08	-
Other Expenses	246,335.24	246,335.24	217,540.54	11,477.82	17,316.88	-
Fire						
Salaries and Wages	19,049,214.00	19,049,214.00	18,211,491.50		837,722.50	-
Other Expenses	142,572.00	142,572.00	31,890.03	106,573.49	4,108.48	-
Fire Civilian						
Salaries and Wages	129,538.00	129,538.00	90,487.87		39,050.13	-
Uniform Fire Safety Act						
Salaries and Wages	687,737.00	687,737.00	642,304.83		45,432.17	-
Other Expenses	2,208.00	2,208.00	1,826.77	166.07	215.16	-
Communications						
Salaries and Wages	2,000.00	2,000.00	1,580.31		419.69	-
DEPARTMENT OF PUBLIC WORKS						
Director's Office						
Salaries and Wages	403,904.00	403,904.00	358,798.77		45,105.23	-
Other Expenses	1,114,150.00	1,464,150.00	734,856.02	169,006.10	560,287.88	-
Electrical Bureau						
Salaries and Wages	338,163.00	338,163.00	305,072.97		33,090.03	-
Other Expenses	35,400.00	35,400.00	26,545.86	1,867.12	6,987.02	-
Parks						
Salaries and Wages	588,710.00	598,710.00	579,098.11		19,611.89	-
Other Expenses	27,250.00	27,250.00	14,128.01	642.57	12,479.42	-
Beach and Boardwalk						
Salaries and Wages	965,175.00	955,175.00	866,579.28		88,595.72	-
Other Expenses	24,450.00	24,450.00	15,893.20	2,808.95	5,747.85	-
Sanitation						
Salaries and Wages	1,743,524.00	1,743,524.00	1,553,953.02		189,570.98	-
Other Expenses	1,903,850.00	1,903,850.00	855,413.29	145,881.55	902,555.16	-

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

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Asphalt Plant/Street Repairs	546,671.00	546,671.00	491,413.45		55,257.55	-
Salaries and Wages	50,550.00	50,550.00	40,451.36	10,064.28	34.36	-
Other Expenses						
Paint and Sign Shop	127,775.00	127,775.00	122,989.55		4,785.45	-
Salaries and Wages	23,800.00	23,800.00	21,667.84	1,162.50	969.66	-
Other Expenses						
Building Maintenance Division	1,191,979.00	1,191,979.00	1,153,219.87	1,301.50	38,759.13	-
Salaries and Wages	46,050.00	46,050.00	18,239.28		26,509.22	-
Other Expenses						
Community Services Act	900,000.00	900,000.00	862,930.48	3,866.68	33,202.84	-
Other Expenses						
Vehicle Maintenance	2,804,434.00	2,804,434.00	2,055,785.74	512,728.21	235,920.05	-
Other Expenses						
Facilities	528,630.00	528,630.00	515,010.12		13,619.88	-
Salaries and Wages	31,350.00	31,350.00	26,099.07	489.91	4,761.02	-
Other Expenses						
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
Director's Office						
Salaries and Wages	108,865.00	108,865.00	100,863.41		8,001.59	-
Other Expenses	140,100.00	140,100.00	36,765.85	17,754.97	85,579.18	-
Health Administration						
Salaries and Wages	1,084,378.00	1,084,378.00	1,017,223.29		67,154.71	-
Other Expenses	48,525.00	48,525.00	23,152.93	1,296.05	24,076.02	-
Social Services						
Salaries and Wages	1,035,388.00	1,050,388.00	993,206.58		57,181.42	-
Other Expenses	230,650.00	230,650.00	177,788.34	45,711.16	7,150.50	-
Recreational and Cultural Affairs						
Salaries and Wages	1,463,505.00	1,448,505.00	1,289,455.16		159,049.84	-
Other Expenses	96,025.00	96,025.00	54,642.28	919.41	40,463.31	-
Clinical Services						
Salaries and Wages	169,761.00	169,761.00	160,859.03		8,901.97	-
Other Expenses	659,000.00	659,000.00	550,827.94	31,631.41	76,540.65	-
Animal Control Expense						
Other Expenses	43,200.00	43,200.00	39,600.00	3,600.00	-	-

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

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

	Appropriations		Budget After Modifications	Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget			Encumbered	Reserved	
<b>DEPARTMENT OF LICENSES AND INSPECTIONS</b>							
Director's Office							
Salaries and Wages	202,742.00	202,742.00	202,686.01		55.99	-	-
Other Expenses	2,820.00	18,802.00	1,941.03	438.18	16,422.79	-	-
Inspections							
Salaries and Wages	689,188.00	689,188.00	642,615.48	1,529.13	46,572.52	-	-
Other Expenses	7,350.00	7,350.00	5,098.48		722.39	-	-
Regulatory Division							
Salaries and Wages	534,218.00	534,218.00	507,584.44	1,415.35	26,633.56	-	-
Other Expenses	12,150.00	12,150.00	7,975.71		2,758.94	-	-
CITY COUNCIL							
Salaries and Wages	309,136.00	309,236.00	309,234.05	126.18	1.95	-	-
Other Expenses	14,000.00	13,900.00	6,999.33		6,774.49	-	-
CITY CLERK							
Salaries and Wages	354,150.00	354,150.00	349,252.72	14,300.63	4,897.28	-	-
Other Expenses	130,200.00	130,200.00	75,421.17		40,478.20	-	-
UNIFORM CONSTRUCTION CODE							
Salaries and Wages	1,814,687.00	1,814,687.00	1,737,428.88	2,539.05	77,258.12	-	-
Other Expenses	11,523.00	11,523.00	7,860.73		1,123.22	-	-
UNCLASSIFIED							
Gas	475,000.00	475,000.00	339,719.70	26.00	135,254.30	-	-
Street Lighting	2,000,000.00	2,000,000.00	1,813,724.94	(49.78)	186,324.84	-	-
Electricity	1,700,000.00	1,700,000.00	1,542,584.69	15,437.57	141,977.74	-	-
Telephone	750,000.00	750,000.00	717,621.57	656.37	31,722.06	-	-
Sewer	250,000.00	250,000.00	184,124.40		65,875.60	-	-
Gasoline	1,500,000.00	1,320,736.00	696,040.06	44,786.66	579,909.28	-	-
City Water Usage	75,000.00	75,000.00	44,652.37		30,347.63	-	-
Codification of Ordinances	25,000.00	25,000.00	15,000.00		10,000.00	-	-
Terminal Leave Payments	5,601,082.00	5,601,082.00	5,601,082.00		-	-	-
Reserve for Tax Appeals	27,500,000.00	27,500,000.00	27,500,000.00		-	-	-
Refund of Overpayments	1,650,000.00	1,650,000.00	1,650,000.00		-	-	-
Interest to State for Deferred Payments	1,880,000.00	1,880,000.00	6,468.46		1,873,531.54	-	-
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>157,741,337.12</b>	<b>158,054,558.12</b>	<b>143,496,907.72</b>	<b>3,520,552.39</b>	<b>11,037,098.01</b>	<b>-</b>	<b>-</b>
Contingent							

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

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<u>157,741,337.12</u>	<u>158,054,558.12</u>	<u>143,496,907.72</u>	<u>3,520,552.39</u>	<u>11,037,098.01</u>	<u>-</u>
Detail:						
Salaries and Wages	74,956,364.00	74,956,464.00	71,838,619.01	-	3,117,844.99	-
Other Expenses	82,784,973.12	83,098,094.12	71,658,288.71	3,520,552.39	7,919,253.02	-
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>						
Deferred Charges:						
Operating Deficit Prior Years	1,230,740.00	1,230,740.00	1,230,740.00	-	-	-
FEMA Deobligation PW 490	197,566.50	197,566.50	197,546.50	-	-	20.00
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	3,500,000.00	3,500,000.00	3,134,204.81	-	365,795.19	-
Social Security System (O.A.S.I.)	434.38	434.38	416.30	-	18.08	-
Consolidated Police and Firemen's Pension Fund	283,761.58	283,761.58	83,761.58	-	200,000.00	-
Police and Firemen's Retirement System	50,000.00	50,000.00	35,511.02	-	14,488.98	-
Defined Contribution Retirement Program	1,075,000.00	1,081,778.00	1,007,594.82	-	74,183.18	-
Lifeguard Pension	54,901.92	54,901.92	54,901.92	-	-	-
Pension Increase Act - CPF						
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>	<u>6,392,404.38</u>	<u>6,399,182.38</u>	<u>5,744,676.95</u>	<u>-</u>	<u>654,485.43</u>	<u>20.00</u>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<u>164,133,741.50</u>	<u>164,453,740.50</u>	<u>149,241,584.67</u>	<u>3,520,552.39</u>	<u>11,691,583.44</u>	<u>20.00</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
(A) Operations - Excluded from "CAPS"	3,755,692.12	3,755,692.12	3,366,612.73	389,079.39	-	-
Maintenance of Library Insurance						
Employee Group Insurance						
Police						
Salaries and Wages	14,805,000.00	14,805,000.00	13,402,825.99	-	1,402,174.01	-
Interlocal Service Agreement - Pleasantville BOE	160,000.00	160,000.00	-	-	160,000.00	-
<b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>	<u>18,720,692.12</u>	<u>18,720,692.12</u>	<u>16,769,438.72</u>	<u>389,079.39</u>	<u>1,562,174.01</u>	<u>-</u>

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

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

	Appropriations		Budget After Modifications	Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget				Encumbered	Reserved	
(A) Public and Private Programs Off-Set by Revenues							
Clean Communities	86,134.64		86,134.64				-
NJ Body Armor			23,232.42				-
COPS in Shops	3,000.00		5,924.64				-
Main Street Streetscape	588,095.00		588,095.00				-
NJ EDA Boardwalk Reconstruction	5,000,000.00		5,000,000.00				-
HIV Counseling and Testing	300,850.00		300,850.00				-
Sustainable Jersey	20,000.00		20,000.00				-
PAL and all Wars Building Generator	430,000.00		430,000.00				-
AC Seafood Festival	13,500.00		13,500.00				-
AC Seafood Festival - Match	3,375.00		3,375.00				-
National Fish and Wildlife	125,000.00		125,000.00				-
National Fish and Wildlife - Match	62,500.00		62,500.00				-
FEIMA Flood Hazard Mitigation	773,177.00		773,177.00				-
CRDA - Winter Wonderland Festival	17,364.49		17,364.49				-
AC Traffic Signal Synchronization	917,246.00		917,246.00				-
SAFER	21,517,020.00		21,517,020.00				-
County Environmental Health Act			28,000.00				-
Atlantis Pump Gate Station	6,500,000.00		6,500,000.00				-
NJ DOT - Resurface Artic Ave	200,000.00		200,000.00				-
NJ DOT - Rsurface Ventnor Ave	210,000.00		210,000.00				-
Transportation Alternative Program	966,000.00		966,000.00				-
Ed Byme Memorial Justice Assistance Act			93,893.00				-
Law Enforcement Block Grant - Interest	14,437.00		14,437.00				-
NJ Historic Trust	531,848.12		531,848.12				-
Summer Food	80,565.99		80,565.99				-
Altman Field Playground - Site Remediation	39,974.00		39,974.00				-
Altman Field Playground - Site Remediation - Match	11,700.00		11,700.00				-
James Ustry Center - Site Remediation	118,290.00		118,290.00				-
James Ustry Center - Site Remediation - Match	39,430.00		39,430.00				-
Matching Funds	186,599.00		186,599.00				-
<b>Total Public and Private Programs Off-Set by Revenues</b>	<b>38,756,106.24</b>		<b>38,904,156.30</b>	<b>38,717,557.30</b>	<b>-</b>	<b>186,599.00</b>	<b>-</b>
<b>Total Operations - Excluded from "CAPS"</b>	<b>57,476,798.36</b>		<b>57,624,848.42</b>	<b>55,486,996.02</b>	<b>389,079.39</b>	<b>1,748,773.01</b>	<b>-</b>
Detail:							
Salaries and Wages	14,805,000.00		14,805,000.00	13,402,825.99	-	1,402,174.01	-
Other Expenses	42,671,798.36		42,819,848.42	42,084,170.03	389,079.39	346,599.00	-

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

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(C) Capital Improvements						
Capital Improvement Fund	200,000.00	200,000.00	200,000.00	-	-	-
Deferred Charges Unfunded		30,000.00	30,000.00			
Total Capital Improvements	<u>200,000.00</u>	<u>230,000.00</u>	<u>230,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
(D) Debt Service						
Payment of Bond Principal	24,210,000.00	24,210,000.00	24,210,000.00	-	-	-
Payment of Bond Anticipation Notes	800,000.00	800,000.00	800,000.00	-	-	-
Interest on Bonds	9,125,864.38	9,125,865.38	9,125,864.40	-	-	0.98
Interest on Notes	561,500.00	561,500.00	561,499.98	-	-	0.02
Total Debt Service	<u>34,697,364.38</u>	<u>34,697,365.38</u>	<u>34,697,364.38</u>	<u>-</u>	<u>-</u>	<u>1.00</u>
(E) Deferred Charges						
Special Emergency Authorization	900,000.00	900,000.00	900,000.00	-	-	-
Total Deferred Charges	<u>900,000.00</u>	<u>900,000.00</u>	<u>900,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	93,274,162.74	93,452,213.80	91,314,360.40	389,079.39	1,748,773.01	1.00
SUBTOTAL GENERAL APPROPRIATIONS	257,407,904.24	257,905,954.30	240,555,945.07	3,909,631.78	13,440,356.45	21.00
(M) Reserve for Uncollected Taxes	5,037,209.00	5,037,209.00	5,037,209.00			-
TOTAL GENERAL APPROPRIATIONS	<u>\$ 262,445,113.24</u>	<u>262,943,163.30</u>	<u>245,593,154.07</u>	<u>3,909,631.78</u>	<u>13,440,356.45</u>	<u>21.00</u>
Budget		262,445,113.24				21.00
Appropriations by 40A.4-87		148,050.06				-
Special Emergency Appropriations		350,000.00				
		<u>262,943,163.30</u>				<u>21.00</u>
Reserve for Uncollected Taxes		5,037,209.00				
Federal and State Grants		38,717,557.30				
Reserve for Tax Appeals		27,500,000.00				
Deferred Charges		2,328,286.50				
Disbursements		172,010,101.27				
		<u>245,593,154.07</u>				
				Cancelled		
				Overexpended		

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

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**EXHIBIT B - TRUST FUND**

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Dog License Fund:			
Cash	\$	2,310.00	1,918.00
		<u>2,310.00</u>	<u>1,918.00</u>
Community Development Block Grant:			
Cash		1,430,173.16	12,592.74
CDBG Receivable		1,407,022.42	1,556,899.67
HOME Receivable		724,839.65	856,095.60
Loans Receivable		600,896.51	600,896.51
Due from Current		-	43,302.63
Deferred Loan		5,256,737.58	5,256,737.58
		<u>9,419,669.32</u>	<u>8,326,524.73</u>
Other Funds:			
Cash - Treasurer		2,608,615.43	7,294,996.64
Cash - Collector		4,184,409.26	2,022,852.41
Police Detail Receivable		35,510.83	134,644.87
Tax Title Lien Receivable		-	-
Due from Taxpayers - Tax Title Lien		-	-
Due from Current Fund		15,124,910.69	6,187,873.95
Loan Receivable - NPP Program		1,254.45	1,254.45
		<u>21,954,700.66</u>	<u>15,641,622.32</u>
		<u>31,376,679.98</u>	<u>23,970,065.05</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Dog License Fund:			
Due to Current Fund		1,134.00	718.20
Due to State of New Jersey		-	16.80
Reserve for Dog Fund Expenditures		1,176.00	1,183.00
		<u>2,310.00</u>	<u>1,918.00</u>
Community Development Block Grant:			
Reserve for Community Development Block Grant - Appropriated		2,020,654.83	2,446,699.76
Reserve for Loans Receivable		5,857,634.09	5,857,634.09
Due to Agencies		10,301.13	22,190.88
Due to Current Fund		1,531,079.27	-
		<u>9,419,669.32</u>	<u>8,326,524.73</u>
Other Funds:			
Deposits for Redemption of Tax Sale Certificates		1,566,969.67	1,276,612.58
Premiums on Tax Sale Deposits		2,614,800.00	743,600.00
Due to Taxpayers - Tax Title Lien		2,639.59	2,639.83
Accounts Payable		1,346,219.39	-
Reserve for NNP Loan		-	1,254.45
Overpaid Special Detail Services		148,344.09	73,317.10
Due to Current		3.29	-
Due to Federal and State Grant Fund		756.09	756.09
Miscellaneous Reserves		16,274,968.54	13,543,442.27
		<u>21,954,700.66</u>	<u>15,641,622.32</u>
Total	\$	<u>31,376,679.98</u>	<u>23,970,065.05</u>

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

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**EXHIBIT C - CAPITAL FUND**

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash	\$	18,473,829.50	22,160,544.75
Deferred Charges to Future Taxation -			
Funded		247,406,000.00	217,856,000.00
Unfunded		480,000.00	153,280,000.00
Interfunds and Receivables			
Due from State of New Jersey		270,000.00	270,000.00
		<u>266,629,829.50</u>	<u>393,566,544.75</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Encumbrances Payable		3,432,324.18	2,526,410.49
Bond Anticipation Notes Payable		-	52,800,000.00
Serial Bonds Payable		61,025,000.00	64,155,000.00
Tax Appeal Refunding Bonds		186,381,000.00	153,701,000.00
Improvement Authorizations:			
Funded		11,139,070.49	17,752,644.41
Unfunded		480,000.00	100,843,310.39
Reserve for Payment of Bonds		-	7,956.44
Capital Improvement Fund		711,292.97	511,292.97
Fund Balance		3,461,141.86	1,268,930.05
	\$	<u>266,629,829.50</u>	<u>393,566,544.75</u>

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

2014	100,480,000.00
2015	480,000.00

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

	<u>2015</u>	<u>2014</u>
Beginning Balance January 1	\$ 1,268,930.05	4,942,432.08
Increased by:		
Premiums on sale of Bonds & Notes	342,054.25	52,747.97
Canceled Improvement Authorizations	3,225,157.56	-
Decreased by:		
Transfer to Current Fund	-	3,726,250.00
Improvement Authorizations	1,375,000.00	-
Ending Balance December 31	<u>\$ 3,461,141.86</u>	<u>1,268,930.05</u>

**EXHIBIT G - GENERAL FIXED ASSETS ACCOUNT GROUP**

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

	<u>2015</u>	<u>2014</u>
General Fixed Assets:		
Land	\$ 622,642,682.64	622,642,682.64
Land Improvements	8,965,912.25	8,296,440.00
Buildings	63,702,056.00	63,702,056.00
Machinery and Equipment	25,317,845.54	25,311,017.58
Vehicles	<u>24,907,797.27</u>	<u>24,438,157.27</u>
	<u>745,536,293.70</u>	<u>744,390,353.49</u>
Investment in General Fixed Assets	<u>\$ 745,536,293.70</u>	<u>744,390,353.49</u>

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

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

**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, 2015 AND 2014**

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, 2015 AND 2014**

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, 2015 and 2014.

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

	Balance as of 12/31/13	Additions	Disposals	Adjustments	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>

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

	Balance as of 12/31/14	Additions	Disposals	Adjustment	Balance as of 12/31/15
Land	\$ 622,642,683				622,642,683
Land Improvements	8,296,440	669,472			8,965,912
Buildings	63,702,056				63,702,056
Machinery and Equipment	25,311,017	6,829			25,317,846
Vehicles	24,438,157	469,640			24,907,797
	<u>\$ 744,390,353</u>	<u>1,145,941</u>	<u>-</u>	<u>-</u>	<u>745,536,294</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 February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72 "Fair Value Measurement and Application". This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the City's financial reporting.

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

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73 “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”. This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the City’s financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74 “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”. This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the City’s financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”. This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the City’s financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76 “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the City’s financial reporting.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 “Tax Abatement Disclosures”. This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the City’s financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78 “Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans”. This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the City’s financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 79 “Certain External Investment Pools and Pool Participants”. This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the City’s financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80 “Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14”. This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the City’s financial reporting.

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

**Note 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2015 and 2014 statutory budgets included a reserve for uncollected taxes in the amount of \$5,037,209 and \$5,062,400. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2015 and 2014 statutory budgets was \$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 2015 and 2014 calendar years:

Budget Category	2015	2014
Audit Services		
Other Expenses	110,426	
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)
Fire		
Salaries & Wages		(1,240,000)
Uniform Fire Safety		
Salaries & Wages		(210,000)
Director's Office Public Works		
Salaries & Wages		(180,000)
Other Expenses	350,000	
Sanitation		
Salaries & Wages		(260,000)
Community Service Act		
Other Expenses		160,000
Recreational and Cultural Affairs		
Salaries & Wages		(150,000)
Gasoline	(179,264)	
Terminal Leave Payments		3,950,000

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

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2015, the following budget insertions were approved:

NJ Body Armor	\$	23,232.42
COPS in Shops		2,924.64
County Environmental Health Act		28,000.00
Ed Byrne Memorial Justice Assistance		93,893.00

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 2015, the City authorized an emergency for \$350,000 and 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.

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

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

**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, 2015 and 2014, \$0 and \$0 of the municipality’s bank balance of \$71,209,316.19 and \$87,375,131.63, respectively were exposed to custodial credit risk.

**Note 5: LONG TERM DEBT**

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

	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	
<b>Total</b>	<b>\$ 275,198,685.50</b>	<b>2,254,466.67</b>	<b>31,436,780.38</b>	<b>246,016,371.79</b>	<b>24,210,000.00</b>

	Balance Beginning 12/31/2014	Additions	Reductions	Balance Ending 12/31/2015	Due in One Year
General	\$ 217,856,000.00	53,760,000.00	24,210,000.00	247,406,000.00	23,760,000.00
Comp Absences	28,160,371.79	2,676,970.65	6,644,891.67	24,192,450.77	
<b>Total</b>	<b>\$ 246,016,371.79</b>	<b>56,436,970.65</b>	<b>30,854,891.67</b>	<b>271,598,450.77</b>	<b>23,760,000.00</b>

**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. \$2,445,000 of principal was paid on 8/15/15. Semiannual interest payments began 8/15/09 with annual rates of 4.0% to 5.0%. The balance remaining as of December 31, 2015 was \$0. The refunding bonds replaced \$29,500,000 of the series 1998 General obligation bonds. The net present value savings exceeded \$900,000.

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\$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 2/15/15. Semiannual interest payments began 2/15/09 with annual rates of 2.25% to 5.5%. The balance remaining as of December 31, 2015 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. \$2,255,000 of principal was paid on 12/15/15. Semiannual interest payments began 6/15/11 with annual rates of 2.0% to 3.00%. The balance remaining as of December 31, 2015 was \$0. \$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. \$1,875,000 of principal was paid on 12/15/15. Semiannual interest payments began 6/15/11 with annual rates of 3.0% to 4.75%. The balance remaining as of December 31, 2015 was \$0. \$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 2/1/15. Semiannual interest payments began 8/1/11 with annual rates of 3.0% to 5.00%. The balance remaining as of December 31, 2015 was \$11,199,000.

\$35,285,000 Tax appeal refunding bonds dated 12/15/11 with principal payments starting 12/15/12 and ending 12/15/16. \$6,650,000 of principal was paid on 12/15/15. Semiannual interest payments began 6/15/12 with annual rates of 1.40% to 3.299%. The balance remaining as of December 31, 2015 was \$4,700,000. 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. \$3,080,000.00 of principal was paid on 4/1/15. Semiannual interest payments began 4/1/13 with annual rates of 3.0% to 5.00%. The balance remaining as of December 31, 2015 was \$6,295,000. \$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. \$585,000.00 of principal was paid on 10/1/15. Semiannual interest payments began 4/1/13 with annual rates of 2.314% to 4.756%. The balance remaining as of December 31, 2015 was \$3,880,000. \$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.

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\$93,000,000 Tax appeal refunding bonds dated 12/5/12 with principal payments starting 11/1/13 and ending 11/1/32. \$555,000.00 of principal was paid on 11/1/15. Semiannual interest payments began 5/1/13 with annual rates of 1.388% to 5.00%. The balance remaining as of December 31, 2015 was \$90,945,000. \$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, 2015 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 12/1/15. Semiannual interest payments began 6/1/14 with annual rates of 3.00% to 5.00%. The balance remaining as of December 31, 2015 was \$12,671,000.

\$7,710,000 General obligation refunding bonds dated 1/15/14 with principal payments starting 7/15/14 and ending 1/15/18. \$1,570,000.00 of principal was paid on 1/15/15. Semiannual interest payments began 7/15/14 with annual rates of 2.09%. The balance remaining as of December 31, 2015 was \$5,980,000. \$7,480,000 of the refunding bonds replaced \$7,480,000 of the series 2005 General obligation refunding bonds.

\$41,760,000 Tax appeal refunding bonds dated 5/21/15 with principal payments starting 3/1/20 and ending 3/1/40. Semiannual interest payments will begin in 2016 with annual rates of 7.00% to 7.50%. The balance remaining as of December 31, 2015 was \$41,760,000.

\$12,000,000 General obligation bonds dated 5/28/15 with principal payments starting 3/1/16 and ending 3/1/30. Semiannual interest payments will begin in 2016 with annual rates of 6.00%. The balance remaining as of December 31, 2015 was \$12,000,000.

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

Calendar Year	General Capital Principal	Total Interest	Total
2016	\$ 23,760,000.00	13,022,941.35	36,782,941.35
2017	17,162,000.00	11,159,787.41	28,321,787.41
2018	14,045,000.00	10,411,417.91	24,456,417.91
2019	17,090,000.00	9,911,455.38	27,001,455.38
2020	16,015,000.00	9,032,297.50	25,047,297.50
2021-2025	68,424,000.00	34,029,996.60	102,453,996.60
2026-2030	45,300,000.00	20,176,193.76	65,476,193.76
2031-2035	25,590,000.00	10,937,750.00	36,527,750.00
2036-2040	20,020,000.00	3,977,625.00	23,997,625.00
	\$ <u>247,406,000.00</u>	<u>122,659,464.91</u>	<u>370,065,464.91</u>

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As of December 31, 2015, the carrying value of the above bonds approximates the fair value of the bonds.

<u>Summary of Municipal Debt</u>	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
<u>Issued:</u>			
General:			
Bonds & Notes Issued	\$ 247,406,000.00	217,856,000.00	244,576,000.00
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
Net Debt Issued	<u>247,406,000.00</u>	<u>270,648,043.56</u>	<u>257,018,043.56</u>
<u>Authorized but not issued:</u>			
General:			
Bonds and notes	<u>480,000.00</u>	<u>100,480,000.00</u>	<u>4,436,250.00</u>
Bonds & Notes Authorized But Not Issued	<u>480,000.00</u>	<u>100,480,000.00</u>	<u>4,436,250.00</u>
Net Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 247,886,000.00</u>	<u>371,128,043.56</u>	<u>261,454,293.56</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 2.141%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 76,236,000.00	76,236,000.00	-
General Debt	264,429,437.00	16,543,437.00	247,886,000.00
	<u>\$ 340,665,437.00</u>	<u>92,779,437.00</u>	<u>247,886,000.00</u>

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Net Debt \$247,886,000 / Equalized Valuation Basis per NJSA 40A:2-2 as amended, \$11,579,843,307.33 = 2.141%.

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

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

3 1/2 % of Equalized Valuation Basis ( Municipal)	\$ 405,294,515.76
Net Debt	247,886,000.00
Remaining Borrowing Power	<u><u>\$ 157,408,515.76</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 12/31/14</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/15</u>
Bond Anticipation Notes and Loan Payable:				
General	\$ 52,800,000.00		52,800,000.00	-
	<u>\$ 52,800,000.00</u>	<u>-</u>	<u>52,800,000.00</u>	<u>-</u>

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

The City had one bond anticipation note outstanding as of December 31, 2014 with Jefferies, LLC which 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. This was paid down with bond proceeds.

The City had 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.

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**Note 7: FUND BALANCES APPROPRIATED**

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

Current Fund	<u>2015</u> \$0
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The 2016 budget has not been adopted as of the date of the audit.

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

	Balance December 31, 2015	2016 Budget Appropriation	Balance to Succeeding
Current fund:			
Deficit in Operations	\$ 9,845,922.24	1,230,740.00	8,615,182.24
Emergency	350,000.00	350,000.00	-
Expenditure without Appropriation	30,000.00	30,000.00	-
Deficit due to Tax Appeals	63,483,815.00	12,696,763.00	50,787,052.00
Prior Outstanding Payables	37,743,349.74	-	37,743,349.74
	<u>\$ 111,453,086.98</u>	<u>14,307,503.00</u>	<u>97,145,583.98</u>

The 2016 budget has not yet been adopted. The City is currently under the supervision of a State Monitor, and the amounts required to be appropriated for the Deficit due to Tax Appeals and the Prior Outstanding Payables will be determined by the State prior to the budget being adopted.

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

**Note 9: SCHOOL TAXES**

Local District School Tax in the amount of \$91,060,723.00 has been raised for the 2015 calendar year and \$91,932,740.50 remitted to the school district leaving a \$.75 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.

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**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:

	<u>Balance 12/31/15</u>	<u>Balance 12/31/14</u>
Prepaid Taxes	\$ 1,237,391.88	1,042,388.07
Cash Liability for Taxes Collected in Advance	<u>\$ 1,237,391.88</u>	<u>1,042,388.07</u>

**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 10% of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate.

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*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.

*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 6.92% through June 30, 2015 and 7.06% 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 6.98% 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, 2015, 2014 and 2013 were \$0.00, \$3,534,671.00 and \$3,747,827.00 respectively, equal to the required contributions for each year. The City's contributions to PFRS for the years ending December 31, 2015, 2014 and 2013 were \$0.00, \$14,323,084.39 and \$14,650,387.51 respectively, equal to the required contributions for each year. The City received permission from the State Division of Local Government Services to defer the payments due for the pensions. The amounts have been accrued as payables on the balance sheet as of December 31, 2015 in the amounts of \$3,985,571.50 for PERS and \$14,660,768.52 for PFRS. 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.

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- 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 the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

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

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

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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 LIABILITIES**

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the municipality’s pension liabilities. However, due to the fact that the municipality reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the municipality’s pension liabilities as June 30, 2015:

**Public Employees’ Retirement System**

The Municipality has a liability of \$109,505,100.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Municipality’s proportion of the net pension liability was based on a projection of the Municipality’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Municipality’s proportion would be 0.46982314500%, which would be an increase of 1.31% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Municipality would have recognized pension expense of \$7,579,865.00. At December 31, 2015, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 2,516,045.00	
Changes of assumptions	11,326,193.00	
Changes in proportion	2,993,275.00	
Net difference between projected and actual earnings on pension plan investments		(1,695,689.00)
Total	<u>\$ 16,835,513.00</u>	<u>(1,695,689.00)</u>

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

Year ended June 30,		
2016	\$	2,830,141
2017		2,830,141
2018		2,830,141
2019		4,248,343
2020		2,401,057
Total	<u>\$</u>	<u>15,139,824</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	3.04%
Salary increases:	
2012-2021	2.15% - 4.40% (based on age)
Thereafter	3.15% - 5.40% (based on age)
Investment rate of return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projections Scale AA. The RP-2000 Disability Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt (Except US)	3.50%	-0.40%
REIT	4.25%	5.12%

*Discount Rate*

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033.

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

The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate of 4.90%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.90%) or 1-percentage point higher (5.90%) than the current rate:

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	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Municipality's proportionate share of the net pension liability	\$ 132,113,092	109,505,100	\$ 90,582,185

*Pension plan fiduciary net position.*

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

**Police and Firemen's Retirement System**

The Municipality has a liability of \$317,314,712.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Municipality's proportion would be 1.81640667650%, which would be an increase of 0.93% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Municipality would have recognized pension expense of \$45,894,482.00. At December 31, 2015, the Municipality would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ -	(2,609,590)
Changes of assumptions	55,858,253	
Changes in proportion	2,904,190	(5,838,407)
Net difference between projected and actual earnings on pension plan investments		(5,265,617)
Total	<u>\$ 58,762,443</u>	<u>(13,713,614)</u>

**CITY OF ATLANTIC CITY  
NOTES TO FINANCIAL STATEMENTS  
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Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,		
2016	\$	8,686,460
2017		8,686,460
2018		8,686,460
2019		13,732,330
2020		5,257,119
Total	\$	<u>45,048,829</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	3.04%
Salary increases:	
2012-2021	2.60% - 9.48% (based on age)
Thereafter	3.60% - 10.48% (based on age)
Investment rate of return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**CITY OF ATLANTIC CITY**  
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In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt (Except US)	3.50%	-0.40%
REIT	4.25%	5.12%

*Discount Rate*

The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected

**CITY OF ATLANTIC CITY  
NOTES TO FINANCIAL STATEMENTS  
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benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2015, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (4.79%)	Current Discount Rate (5.79%)	1% Increase (6.79%)
District's proportionate share of the net pension liability	\$ 411,371,119	317,314,712	240,653,088

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2015 State special funding situation net pension liability amount of \$1,460,720,421.00, is the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2015 State special funding situation pension expense of \$182,203,735.00 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2015. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Municipality was 1.81640667650% for 2015. The net pension liability amount allocated to the Municipality was \$26,532,624.00. For the fiscal year ending June 30, 2015 State special funding situation pension expense of \$3,537,388.00 is allocated to the Municipality.

*Pension plan fiduciary net position.*

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

**CITY OF ATLANTIC CITY  
NOTES TO FINANCIAL STATEMENTS  
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**Note 13: 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 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 45<sup>th</sup> 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 \$74,183.06 and \$89,171.35 and benefits paid to retirees was \$1,081,777.88 and \$909,173.91 for the years ended December 31, 2015 and 2014, respectively. The City has not established a separate trust fund for the accumulation of contributions and the payment of retiree benefits.

**Note 14: 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

**CITY OF ATLANTIC CITY  
NOTES TO FINANCIAL STATEMENTS  
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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>.

The City is a member of the SHBP. During 2015, \$10,786,246.99 was paid by the City for health care, of which \$2,465,532.10 was paid for retirees and additional \$3,452,049.45 was withheld and paid by employees. The amount paid during 2014 was \$31,910,333.81, of which \$8,112,988.73 was paid for retirees. The City has deferred health benefit payments with permission from the State Division of Local Government Services. The City has accrued \$18,809,150.21 in Health Benefits Payable as of December 31, 2015.

**Note 15: 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.

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

**Note 16: 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 Inspectors	12/31/14	All Construction Office 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 17: 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, 2015 and 2014, the City estimates this liability to approximate \$24,192,450.77 and \$28,160,371.79, 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, 2015 and 2014 was \$4,095,598.18 and \$5,569,274.40, respectively.

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

**Note 18: 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 19: 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 \$13,000,000. This Reserve is underfunded without including an IBNR calculation, by over \$11,000,000. 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, 2015. 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.

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, 2015. Also, estimates of payments to be made in 2016 will be included in the City’s 2016 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, 2015 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, 2015 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 2105 to refund the settlement but has not issued debt as of the date of this report and tax credits are being taken by the Borgata.

**Note 20: 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.

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

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

	<b>2015</b>		<b>2014</b>	
	<b>General Liability</b>	<b>Worker Compensation</b>	<b>General Liability</b>	<b>Worker Compensation</b>
Beginning of Year:				
Unencumbered Reserve	\$ 1,954,640.65	3,171,837.00	2,637,636.00	2,826,243.00
Other	33,994.36	282,545.65	84,284.65	278,769.00
Funded by Budget Appropriation	8,177,500.00	5,091,500.00	4,084,965.00	4,848,535.00
	<u>10,166,135.01</u>	<u>8,545,882.65</u>	<u>6,806,885.65</u>	<u>7,953,547.00</u>
Paid	<u>6,111,004.93</u>	<u>4,788,853.81</u>	<u>4,852,244.00</u>	<u>4,781,710.00</u>
End of Year	<u>4,055,130.08</u>	<u>3,757,028.84</u>	<u>1,954,641.65</u>	<u>3,171,837.00</u>
Analysis of Balance				
Unencumbered Reserve	3,208,341.52	3,757,028.84	1,954,641.65	3,171,837.00
Encumbrances/Payables	846,788.56			
	<u>\$ 4,055,130.08</u>	<u>3,757,028.84</u>	<u>1,954,641.65</u>	<u>3,171,837.00</u>

**Note 21: INTERFUND BALANCES**

As of December 31, 2015, 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, 2015 AND 2014**

	Due From	Due To
	<u>                    </u>	<u>                    </u>
Current Fund:		
CDBG Trust	\$ 1,531,079.27	
Grant Fund	4,753,377.74	
Trust Fund - Dog Fund	1,134.00	
Trust Funds - Other	3.29	15,124,910.69
Grant Fund:		
Current Fund		4,753,377.74
Trust Funds – Other	756.09	
Trust Fund:		
Current -		
Dog Fund		1,134.00
Other Trusts	15,124,910.69	3.29
CDBG		1,531,079.27
Grant Fund		756.09
	<u>\$ 21,411,261.08</u>	<u>21,411,261.08</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 22: SUBSEQUENT EVENTS**

The governor of the State of New Jersey signed S1711/A3326, known as the Municipal Stabilization and Recovery Act (the “Act”), into law on May 27, 2016. The Act defines a municipality in need of stabilization and recovery as a municipality that 1) has experienced a decrease of more than 50% of its total assessed non-equalized property values during the prior 5 year period and 2) has experienced an increase in outstanding debt exceeding 50% during the immediately preceding 5 year period.

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

As of June 6, 2016, the City has been deemed a “municipality in need of stabilization and recovery” by the Commissioner of the Department of Community Affairs (the “Commissioner”) under the Act. Pursuant to the Act, the City of Atlantic City must prepare and adopt a resolution containing a five year recovery plan. The City has 150 days, or until November 3, 2016, to submit the plan to the Commissioner. The Commissioner will then have 5 days to review and to accept or reject the proposed plan. If the City fails to present a plan likely to achieve financial stability, or to implement a plan approved by the Commissioner, the Local Finance Board may assume, reallocate to, and vest exclusively in the Director any of the functions, powers, privileges, and immunities of the City’s governing body that are, or may be, substantially related to the City’s fiscal condition or financial rehabilitation and recovery.

In order to stabilize the ratable tax base, S1715/A-3209, known as the PILOT bill, was signed into law along with the Act noted above. The bill provides for the casinos within the City to make guaranteed mandatory minimum payments in lieu of paying property taxes for a ten year period. During this period, the casinos will be unable to file tax appeals and will be required to make quarterly payments. This will aid the City in preparing the five year recovery plan noted above.

The City has evaluated events through July 11, 2016, 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**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 11, 2016, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

### **Internal Control over Financial Reporting**

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

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**

*Leon P. Costello*

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

**July 11, 2016**



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## 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 *Uniform Guidance 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, 2015. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB 15-08. Those standards, the Uniform Guidance and NJ OMB 15-08 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, 2015.

### **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 the Uniform Guidance and NJ OMB 15-08, 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 the Uniform Guidance. 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**

*Leon P. Costello*

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

**July 11, 2016**

CITY OF ATLANTIC CITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED DECEMBER 31, 2015

Federal Grantor / Pass-through Grantor Program	CFDA Number	Pass-Through Entity ID#	Grant Period From To	Program or Award Amount	Unexpended Balance 12/31/14	Receipts or Revenue Recognized	Disbursements/ Expenditures	Cancelled/ Adjustments	Unexpended Balance 12/31/15	Accumulated Expenditures (Memo Only)
Department of Housing and Urban Development:										
Community Development Block Grant	14.218		1/1/2015 12/31/2015	1,074,143		1,074,143.30			1,074,143.30	-
Community Development Block Grant	14.218		1/1/2014 12/31/2014	1,117,286	1,117,286.00		864,530.12		252,755.88	864,530.12
Community Development Block Grant	14.218		1/1/2013 12/31/2013	1,109,364	439,476.34		439,476.34		-	1,109,364.00
Community Development Block Grant	14.218			Program Income	33,841.82	592.31	34,398.88		35.25	
					1,590,604.16	1,074,735.61	1,338,405.34	-	1,326,934.43	
HOME Investment Partnerships Program	14.239		1/1/2015 12/31/2015	305,462		305,462.00			305,462.00	-
HOME Investment Partnerships Program	14.239		1/1/2014 12/31/2014	301,954	301,147.25				301,147.25	806.75
HOME Investment Partnerships Program	14.239		1/1/2013 12/31/2013	270,873	250,873.00		163,761.85		87,111.15	183,761.85
HOME Investment Partnerships Program	14.239		1/1/2012 12/31/2012	293,844	113,844.00		113,844.00		-	293,844.00
HOME Investment Partnerships Program	14.239		1/1/2011 12/31/2011	468,927	131,358.67		131,358.67		-	468,927.00
HOME Investment Partnerships Program	14.239		1/1/2010 12/31/2010	530,203	58,872.68		58,872.68		-	530,203.00
					856,095.60	305,462.00	467,837.20	-	693,720.40	
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	17,733.45			(17,733.45)	-	6,266.55
CDBG - Post Sandy Planning	14.xxx		1/1/2013 12/31/2013	345,000	60,000.00			21,436.10	81,436.10	285,000.00
CDBG - Essential Services	14.xxx		1/1/2014 12/31/2014	6,775,799	-				-	6,775,799.00
CDBG - Disaster Recovery - Inlet Seawall	14.xxx		1/1/2013 12/31/2013	658,138	618,650.00			14,075.10	632,725.10	
CDBG - Main Street AC Streetscape	14.xxx		1/1/2015 12/31/2015	588,095		588,095.00			13,110.20	574,984.80
Total Department of Housing and Urban Development					2,561,920.71	1,968,292.61	2,381,227.34	(33,784.85)	2,115,201.13	
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	195,446.57			(195,446.57)	-	671,553.43
Women, Infants and Children	10.557	98-289-WIC-03	10/1/2014 9/30/2015	959,045	861,676.54		559,394.41		302,282.13	656,762.87
					1,057,123.11	-	559,394.41	(195,446.57)	302,282.13	
Passed through New Jersey Department of Education:										
Summer Food Program	10.559	5120-100-034-5120	1/1/2015 12/31/2015	80,566	-	80,565.99	39,634.76		40,931.23	39,634.77
Summer Food Program	10.559	5120-100-034-5120	1/1/2014 12/31/2014	87,003	11,208.32			12,415.15	23,623.47	74,587.57
Summer Food Program	10.559	5120-100-034-5120	1/1/2013 12/31/2013	83,258	32,191.80			(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
					100,890.11	80,565.99	39,634.76	(77,266.64)	64,554.70	
Total Department of Agriculture					1,158,013.22	80,565.99	599,029.17	(272,713.21)	366,836.83	-
Department of Justice										
Bullet Proof Vest Partnership	16.607		1/1/2013 12/31/2013	44,903	26,011.74		26,011.74		-	44,902.99
Bullet Proof Vest Partnership	16.607		1/1/2014 12/31/2014	31,832	31,831.69		4,781.76		27,049.93	4,781.76

CITY OF ATLANTIC CITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED DECEMBER 31, 2015

Federal Grantor / Pass-through Grantor Program	CFDA Number	Pass-Through Entity ID#	Grant Period From To	Program or Award Amount	Unexpended Balance 12/31/14	Receipts or Revenue Recognized	Disbursements/ Expenditures	Cancelled/ Adjustments	Unexpended Balance 12/31/15	Accumulated Expenditures (Memo Only)
					57,843.43	-	30,793.50	-	27,049.93	
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		1/1/1/12 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	6,651.90			(6,651.90)	-	101,444.10
Ed Byrne Memorial Justice Assistance	16.738		1/1/2014 12/31/2014	109,723	109,723.00		30,684.00		79,039.00	30,684.00
Ed Byrne Memorial Justice Assistance	16.738		1/1/2015 12/31/2015	93,893	-	93,893.00			93,893.00	-
Justice Department Block Grant - Interest Earned	16.xxx		1/1/2000 12/31/2000	16,171	6,603.77	14,437.00		(7,115.10)	21,040.77	
					123,441.87	108,330.00	30,684.00		193,972.77	
Total Department of Justice					181,285.30	108,330.00	61,477.50	(7,115.10)	221,022.70	
Department of Homeland Security										
SAFER	97.044		1/1/2011 12/31/2011	9,726,403	51,493.92			(51,493.92)	(0.00)	9,674,909.08
SAFER	97.044		1/1/2014 12/31/2015	8,661,585	5,900,627.03		5,837,294.34		63,332.69	5,837,294.34
SAFER	97.044		1/1/2015 12/31/2016	21,517,020	-	21,517,020.00	1,962,313.92		19,554,706.08	1,962,313.92
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		468,233.64		75,166.36	-
Hazard Mitigation - Fisherman's Park	97.039		1/1/2013 12/31/2013	3,225,000	3,225,000.00		3,225,000.00		-	3,225,000.00
Hazard Mitigation - Fisherman's Park	97.039		1/1/2015 12/31/2015	773,177	773,177.00				773,177.00	-
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					9,927,321.89	22,290,197.00	11,492,841.90	(258,294.86)	20,466,382.13	
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					54,696.50	-	-	(54,696.50)	-	
Total Federal Assistance					13,883,237.62	24,447,385.60	14,534,575.91	(626,604.52)	23,169,442.79	

CITY OF ATLANTIC CITY  
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2015

State Grantor / Pass-Through Grantor / Program	State Account Number	Grant Period From To	Grant Award	Unexpended Balance 12/31/14	Receipts or Revenue Recognized	Disbursements/Expenditures	Adjustments	Unexpended Balance 12/31/15	Accumulated Expenditures (Memo Only)
Department of Transportation:									
Trust Fund Authority Act of 1984: By Formula	6320-480-601385-61	1/1/2012 12/31/2012	160,000	1,802.35		1,225.00		577.35	159,422.65
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		-	300,000.00
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		-	187,000.00
Trust Fund Authority Act of 1984: By Formula	6320-480-601385-61	1/1/2013 12/31/2013	24,798	13,103.72		-		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		883,225.00		142,832.00	883,225.00
Trust Fund Authority Act of 1984: By Formula	6320-480-601385-61	1/1/2015 12/31/2015	210,000		210,000.00	210,000.00		-	210,000.00
Trust Fund Authority Act of 1984: By Formula	6320-480-601385-61	1/1/2015 12/31/2015	200,000		200,000.00	173,788.75		26,211.25	173,788.75
Disaster Relief Opportunity - Atlantic Ave		1/1/2013 12/31/2013	1,130,000	1,130,000.00		663,798.00		466,202.00	663,798.00
Compressed Natural Gas Vehicles		1/1/2014 12/31/2014	179,000	62,464.00		963,947.00		62,464.00	116,536.00
AC Traffic Light Synchronization		1/1/2014 12/31/2014	963,947	963,947.00		917,246.00		-	963,947.00
AC Traffic Light Synchronization		1/1/2015 12/31/2015	917,246		917,246.00	917,246.00		-	917,246.00
Transportation Alternative Program		1/1/2015 12/31/2015	966,000		966,000.00			966,000.00	-
Total Department of Transportation				3,519,584.07	2,293,246.00	4,135,439.75	-	1,677,390.32	
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)	-	-
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)	-	-
Alcohol Education & Rehab.		1/1/2011 12/31/2011	539	539.35			(539.35)	-	-
Body Armor Grant	1020-718-066-1020	1/1/2008 12/31/2008	77,380	6,339.52			(4,443.02)	1,896.50	71,940.48
Body Armor Grant	1020-718-066-1020	1/1/2009 12/31/2009	39,118	0.09			(0.09)	-	39,117.91
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	41,668.04		32,690.00		8,978.04	37,188.00
Body Armor Grant	1020-718-066-1020	1/1/2014 12/31/2014	28,926	28,926.40				28,926.40	-
Body Armor Grant	1020-718-066-1020	1/1/2015 12/31/2015	23,232		23,232.42			23,232.42	-
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)	(0.00)	54,486.11
Drunk Driving Enforcement		1/1/2013 12/31/2013	20,912	16,688.35		7,859.34		8,829.01	12,082.66
Cops in Shops	1400-100-066-1400	1/1/2014 12/31/2014	118	118.16				118.16	-
Cops in Shops	1400-100-066-1400	1/1/2015 12/31/2015	5,925		5,924.64	2,645.77		3,278.87	2,645.77
Police Certification Trailer	1400-100-066-1400	1/1/2014 12/31/2014	10,639	3,600.00		3,316.71		283.29	10,356.12
Domestic Violence Training Program		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				148,665.28	29,157.06	46,511.82	(27,071.66)	104,238.86	
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
New Jersey Historic Trust		1/1/2015 12/31/2015	531,848		531,848.12			531,848.12	-
EDA - Boardwalk Reconstruction		1/1/2015 12/31/2015	5,000,000		5,000,000.00	387,500.00		4,612,500.00	387,500.00
Sustainable Jersey		1/1/2015 12/31/2015	20,000		20,000.00	20,000.00		-	20,000.00
Atlantic Pump Gate Station		1/1/2015 12/31/2015	6,500,000		6,500,000.00			6,500,000.00	-
Total Department of Community Affairs				32,244.64	12,051,848.12	407,500.00	(32,244.64)	11,644,348.12	

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, 2015

State Grantor / Pass-Through Grantor / Program	State Account Number	Grant Period From	Grant Period To	Grant Award	Unexpended Balance 12/31/14	Receipts or Revenue Recognized	Disbursements/Expenditures	Adjustments	Unexpended Balance 12/31/15	Accumulated Expenditures (Memo Only)
Department of Health										
AIDS Testing and Counseling	4245-100-046-4866	1/1/2014	12/31/2014	300,850	51,011.64		25,420.64		25,591.00	275,259.00
AIDS Testing and Counseling	4245-100-046-4866	1/1/2015	12/31/2015	300,850	-	300,850.00	204,064.01		96,785.99	204,064.01
H1N1 Vaccinations		1/1/2009	12/31/2009	108,198	18.00			(18.00)	-	108,180.00
Recreational Opportunities for Individuals with Disab		1/1/2013	12/31/2013	24,000	24,000.00			(24,000.00)	-	-
<b>Total Department of Health</b>				<b>300,850.00</b>	<b>75,029.64</b>	<b>300,850.00</b>	<b>229,484.65</b>	<b>(24,018.00)</b>	<b>122,376.99</b>	
Department of Environmental Protection										
Green Areas										
Recycling Tonnage Grant	4900-752-042-4900	1/1/2014	12/31/2014	450,000	450,000.00		450,000.00		-	450,000.00
Recycling Tonnage Grant	4900-752-042-4900	1/1/2008	12/31/2008	33,322	38.14			28.84	66.98	33,255.02
Recycling Tonnage Grant	4900-752-042-4900	1/1/2009	12/31/2009	118,784	40,314.79		40,314.79		-	118,784.00
Recycling Tonnage Grant	4900-752-042-4900	1/1/2011	12/31/2011	96,196	11,256.30		11,256.30		(0.00)	96,196.00
Recycling Tonnage Grant	4900-752-042-4900	1/1/2012	12/31/2012	88,076	68,874.63		68,874.63		-	88,076.00
Recycling Tonnage Grant	4900-752-042-4900	1/1/2013	12/31/2013	73,975	59,428.53		59,428.53		-	73,975.00
Recycling Tonnage Grant	4900-752-042-4900	1/1/2014	12/31/2014	109,806	109,805.70		47,641.26		62,164.44	47,641.26
Clean Community Program	4900-765-042-4900	1/1/2015	12/31/2015	86,135		86,134.64			86,134.64	-
Clean Community Program	4900-765-042-4900	1/1/2014	12/31/2014	70,858	51,795.23		47,089.36		4,705.87	66,152.50
Clean Community Program	4900-765-042-4900	1/1/2013	12/31/2013	75,625	20,862.77			3,115.88	23,978.65	51,645.99
Clean Community Program	4900-765-042-4900	1/1/2012	12/31/2012	64,412	-			10.00	10.00	64,402.00
Clean Community Program	4900-765-042-4900	1/1/2011	12/31/2011	65,454	2.25			(2.25)	-	65,451.75
Brownsfields Assessment	BF-97250207-0	1/1/2007	12/31/2007	200,000	2,725.69			3,605.00	6,330.69	197,274.31
Brownfield Cleanup - Riverside Park	BF-97250207-0	1/1/2013	12/31/2013	200,000	164,415.00		151,500.00		12,915.00	187,085.00
Brownfield Cleanup - South boulevard	BF-97250207-0	1/1/2013	12/31/2013	200,000	200,000.00				200,000.00	-
Altman Field - Site Remediation		1/1/2015	12/31/2015	51,673		51,673.41			51,673.41	-
James Ustry Center - Site Remediation		1/1/2015	12/31/2015	157,720		157,720.00			157,720.00	-
National Fish and Wildlife		1/1/2015	12/31/2015	187,500		187,500.00	49,840.00		137,660.00	49,840.00
<b>Total Department of Environmental Protection</b>				<b>483,028.05</b>	<b>1,179,519.03</b>	<b>483,028.05</b>	<b>925,944.87</b>	<b>6,757.47</b>	<b>743,359.68</b>	
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)	-	554,377.00
OEM - PAL and All Wars Generator		1/1/2015	12/31/2015	430,000		430,000.00			430,000.00	-
AC Seafood Festival		1/1/2015	12/31/2015	13,500		13,500.00	13,500.00		-	13,500.00
<b>Total Other State Agencies</b>				<b>443,500.00</b>	<b>5,959.21</b>	<b>443,500.00</b>	<b>13,500.00</b>	<b>(5,959.21)</b>	<b>430,000.00</b>	
<b>Total State Assistance</b>				<b>15,601,629.23</b>	<b>4,961,001.87</b>	<b>15,601,629.23</b>	<b>5,758,381.09</b>	<b>(82,536.04)</b>	<b>14,721,713.97</b>	

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, 2015

State Grantor / Pass-Through Grantor / Program	State Account Number	Grant Period From To	Grant Award	Unexpended Balance 12/31/14	Receipts or Revenue Recognized	Disbursements/Expenditures	Adjustments	Unexpended Balance 12/31/15	Accumulated Expenditures (Memo Only)
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		1,000,000.00	100,000.00	-	1,000,000.00
Boys and Girls Club		1/1/2014 12/31/2014	400,000	400,000.00		118,700.00	260,350.00	541,650.00	118,700.00
Meals on Wheels		1/1/2010 12/31/2010	3,998	3,997.50			(3,997.50)	-	-
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	150,000	150,000			(150,000)	-	(150,000)
Municipal Alliance Drug and Alcoholism	4250-760-050000-63-262	1/1/2011 12/31/2011	35,868	1,119.70			(1,039.70)	80.00	34,748.30
Municipal Alliance Drug and Alcoholism	4250-760-050000-63-262	1/1/2013 12/31/2013	35,869	6,842.12			(6,842.12)	-	29,026.63
Municipal Alliance Drug and Alcoholism	4250-760-050000-63-262	1/1/2014 12/31/2014	37,574	8,499.97	28,000.00	8,422.12		77.85	37,496.15
CEHA - 2015		1/1/2015 12/31/2015	28,000	-		1,143.52	50,087.98	65,116.57	1,484,971.41
CRDA - Demolition within Tourism District			1,500,000	15,028.59			(166,000.00)	-	-
CRDA - Basketball Tournament			166,000	166,000.00			0.80	304,770.80	995,230.00
CRDA - Demolition			1,300,000	304,770.00			14,957.02	55,521.02	1,759,436.00
CRDA - Garden Pier			1,800,000	40,564.00				1,853,058.81	689,941.19
CRDA - Boardwalk Street Lights			2,543,000	1,853,058.81				1,363,574.43	2,136,425.57
CRDA - Law Enforcement Technology			3,500,000	1,871,873.96		508,299.53		0.50	24,312.50
CRDA - Summer Concerts			24,313	0.50			(3,359,598.00)	-	-
CRDA - All Wars Memorial Building			3,359,598	3,359,598.00				1,007,136.00	2,217,864.00
CRDA - Street Lighting			3,225,000	1,007,136.00				439,236.23	2,060,763.77
CRDA - Demolition			2,500,000	439,670.91		434.68		521,598.38	1,178,401.62
CRDA - Boardwalk Repairs			1,700,000	1,444,995.20		923,396.82		38,646.16	91,353.84
CRDA - Enhanced Enforcement Building Maintenance			130,000	83,656.29		45,010.13		128.00	82,872.00
CRDA - Street Lighting			83,000	128.00				37,553.44	21,323.56
CRDA - Brighton Park Fountain Repairs			58,877	58,877.00		21,323.56		1,010,195.39	489,804.61
CRDA - Demolition			1,500,000	1,161,200.00		151,004.61		-	17,364.49
CRDA - Winter Wonderland Festival			17,364		17,364.49	17,364.49		-	-
Total Local Assistance				13,520,036.95	45,364.49	2,795,099.46	(3,505,101.92)	7,265,200.06	
Total State and Local Assistance				18,481,038.82	15,646,993.72	8,553,480.55	(3,587,637.96)	21,986,914.03	
Total Federal, State and Local Assistance				\$ 32,364,276.44	40,094,379.32	23,088,056.46	(4,214,242.48)	45,156,356.82	

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, 2015**

**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	\$ 36,359,862.34
Less: Community Development Block Grant	(1,806,242.54)
Less: CDBG - Essential Services	(13,402,825.99)
Plus: Prior year encumbrances	2,483,295.19
Less: Current year encumbrances	(9,981,617.00)
Expenditures reported on Schedule A-12	<u><u>\$ 13,652,472.00</u></u>



**CITY OF ATLANTIC CITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

***Part I – Summary of Auditor’s Results***

**State Awards Section**

- J) Dollar threshold used to determine Type A programs: \_\_\_\_\_ \$750,000 \_\_\_\_\_
- K) Auditee qualified as low-risk auditee? \_\_\_\_\_ X \_\_\_\_\_ yes \_\_\_\_\_ 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

Department of Transportation Trust Fund Authority Act

***Part 2 -- Schedule of Financial Statement Findings***

**NONE**

***Part 3 – Schedule of Federal Award Findings and Questioned Costs***

**NONE**

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Current Fund</u>	<u>Grant Fund</u>
Balance December 31, 2014	\$ 43,992,783.25	48,937.24
Increased by Receipts:		
Tax Collector	228,383,085.27	
Revenue Accounts Receivable	55,758,426.24	
Miscellaneous Revenue	2,166,399.20	
Homestead Rebate	479,534.89	
State of New Jersey		
Senior Citizens and Veterans	143,500.00	
DCA Training Fees	91,561.00	
Marriage Licenses	7,842.00	
Miscellaneous Reserves	82.50	
Interfunds	8,848,778.54	
Reserve for Payroll Account	979,511.74	
Reserve Miscellaneous	47.21	
Federal and State Unappropriated	80,990.36	4.44
Federal and State Receivables	8,986,647.60	0.48
	<u>305,926,406.55</u>	<u>4.92</u>
	349,919,189.80	48,942.16
Decreased by Disbursements:		
Current Year Appropriation	171,980,101.27	
Prior Year Appropriations	10,633,519.96	
County Taxes	28,354,322.90	
Local District School Taxes	91,932,740.50	
Expenditure without an Appropriation	30,000.00	
Due from CDBG	1,531,079.27	
Accounts Payable	218,552.18	
State of New Jersey		
DCA Training Fees	78,932.00	
Marriage Licenses	4,670.00	
Due to Library	13,839.00	
Refunds	193,014.92	
Reserve for Preparation of Tax Maps	59,550.00	
Due to ACMUA	274,488.54	
Refund of Tax Overpayments	1,184,869.57	
Federal and State Disbursements	13,652,472.00	
	<u>320,142,152.11</u>	<u>-</u>
Balance December 31, 2015	\$ <u><u>29,777,037.69</u></u>	<u><u>48,942.16</u></u>

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

Balance December 31, 2014		\$	-
Increased by Receipts:			
Prepaid Taxes	1,237,391.88		
Taxes Receivable	223,708,658.80		
Revenue Accounts Receivable	2,522,491.52		
Tax Title and Other Liens	790,835.98		
	123,707.09		
			228,383,085.27
			228,383,085.27
Payments to Treasurer			228,383,085.27
		\$	-

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

Year	Balance Dec. 31, 2014	Current Year Levy	Collections by Cash		Overpayments	Adjustments	Transferred To Tax Title Lien	Arrears	Balance Dec. 31, 2015
			2014	2015					
special arrears \$				408,920.49		(644,922.69)		236,002.20	
2012	21,523.00			-		20,360.20		1,162.80	
2013	140,863.30			3,786.38		100,814.67	11,272.02	24,990.23	
2014	1,415,451.18			382,411.60		941,351.84	(40.00)	91,727.74	
	1,577,837.48	-	-	795,118.47	-	417,604.02	11,232.02	353,882.97	
2014		251,393,798.63	1,042,388.07	223,556,551.83	11,807,631.85	11,495,830.55	3,513,803.50	332,143.74	
\$	1,577,837.48	251,393,798.63	1,042,388.07	224,351,670.30	11,807,631.85	11,913,434.57	3,525,035.52	686,026.71	
				223,708,658.80	Cash Receipts				
				163,476.61	Senior Citizens and Veterans				
				479,534.89	Homestead Rebate				
				<u>224,351,670.30</u>					
				251,393,798.63		251,748,349.54			
				<u>354,550.91</u>					
				28,206,242.00					
				52,992.47					
				<u>39,636.47</u>		28,298,870.94			
						91,060,723.00			
				132,166,338.00					
				<u>222,417.60</u>					
						132,388,755.60			
						<u>251,748,349.54</u>			

**Analysis of Current Year Tax Levy**

Tax Yield:	
General Property Tax	251,393,798.63
Added Taxes (54:4-63.1 et. Seq.)	<u>354,550.91</u>
<b>Tax Levy:</b>	
General County Taxes	28,206,242.00
County Open Space Taxes	52,992.47
County Added and Omitted Taxes	<u>39,636.47</u>
Total County Taxes	28,298,870.94
Local School District Tax	91,060,723.00
Local Tax for Municipal Purposes	132,166,338.00
Add: Additional Tax Levied	<u>222,417.60</u>
	132,388,755.60
	<u>251,748,349.54</u>

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

Balance December 31, 2014		\$ 6,376,804.34
Increased by:		
Transfers from Taxes Receivable	3,525,035.52	
Interest and Costs Accrued by Sale of December 10, 2015	73,494.72	
Other		
	<hr/>	<u>3,598,530.24</u>
		9,975,334.58
Decreased by:		
Collections	790,835.98	
Transfer to Foreclosed Property	90,205.84	
Other		
	<hr/>	<u>881,041.82</u>
Balance December 31, 2015		\$ <u><u>9,094,292.76</u></u>

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2014	Accrued in 2015	Collected by		Balance Dec. 31, 2015
			Collector	Treasurer	
Licenses:					
Alcoholic Beverages	\$	145,308.00		145,308.00	-
Other		843,706.00		843,706.00	-
Fees an Permits		1,323,733.76		1,323,733.76	-
Fines and Costs:					-
Municipal Court	103,673.14	1,456,337.22		1,470,828.17	89,182.19
Interest and Costs on Taxes		2,453,074.83	2,453,074.83		-
Interest Earned on Investments		23,960.11		23,960.11	-
Parking Meters		521,227.34		521,227.34	-
Boardwalk Tram Fees		105,000.00		105,000.00	-
Payments in Lieu of Taxes		2,381,016.69		2,381,016.69	-
Refunds and Reimbursements		3,797,255.61		3,797,255.61	-
Rent and Sale of Property		497,763.45		497,763.45	-
Towing Fees		394,268.23		394,268.23	-
Uniform Fire Safety Act		236,319.07		236,319.07	-
Atlantic City Municipal Utilities Authority		690,857.00		690,857.00	-
Consolidated Municipal Property Tax Relief Act		10,000,000.00		10,000,000.00	-
Energy Receipts Tax		6,260,713.98		6,260,713.98	-
Transitional Aid		13,000,000.00		13,000,000.00	-
Reserve to Pay Bonds		7,956.44		7,956.44	-
Uniform Construction Code Fees		1,614,768.00		1,614,768.00	-
FEMA Reimbursement		886,194.11		886,194.11	-
Casino Redirected Anticipated Revenue		30,000,000.00		30,000,000.00	-
CDBG Essential Services		14,805,000.00		14,805,000.00	-
Interlocal Agreement - Pleasantville BOE		42,526.13		42,526.13	-
Miscellaneous Revenue Not Anticipated		2,235,815.89	69,416.69	2,166,399.20	-
	\$	93,722,801.86	2,522,491.52	91,214,801.29	89,182.19
			Cash	57,924,825.44	
			Due from State of NJ	33,289,975.85	
				<u>91,214,801.29</u>	

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

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS" DEPARTMENT OF ADMINISTRATION					
Mayor's Office					
Salaries and Wages	\$ 55,579.75	55,579.75	9,615.38	45,964.37	-
Other Expenses	8,721.22	8,721.22	1,656.64	7,064.58	-
Business Administrator's Office					
Salaries and Wages	96,882.22	96,882.22	11,525.91	85,356.31	-
Other Expenses	119,893.40	97,631.62	40,220.28	57,411.34	-
Solicitor's Office					
Salaries and Wages	55,452.98	55,452.98	36,253.76	19,199.22	-
Other Expenses	525,862.33	525,862.33	168,278.25	357,584.08	-
Administrative Services - Mail Room					
Salaries and Wages	15,571.89	10,174.44	3,542.56	6,631.88	-
Other Expenses	7,639.77	35,299.00	8,650.13	26,648.87	-
Economic Development - CDBG					
Salaries and Wages	6,103.30	6,103.30	-	6,103.30	-
Municipal Court					
Salaries and Wages	103,569.13	103,569.13	53,547.32	50,021.81	-
Other Expenses	52,140.33	52,140.33	31,655.82	20,484.51	-
Prosecutor's Office					
Salaries and Wages	39,279.94	39,279.94	16,240.18	23,039.76	-
Other Expenses	24,555.00	24,555.00	6,268.48	18,286.52	-
Insurance					
Liability	720,130.04	720,130.04	654,724.76	65,405.28	-
Workers Compensation	61,310.99	61,310.99	53,734.10	7,576.89	-
Employee Group	4,456,001.04	4,456,001.04	2,671,519.17	1,784,481.87	-
Health Waiver - Employee Opt Out	2,870.45	2,870.45	856.92	2,013.53	-
Public Defender					
Salaries and Wages	38,920.33	38,920.33	14,519.96	24,400.37	-
Other Expenses	23,038.26	23,038.26	10,320.98	12,717.28	-
Miscellaneous					
Social Services Agencies	19,416.54	19,416.54	10,632.15	8,784.39	-

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

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Assessor					
Salaries and Wages	32,524.95	32,524.95	9,237.12	23,287.83	-
Other Expenses	131,119.49	131,119.49	85,744.97	45,374.52	-
Data Processing/Management Information (MIS)					
Salaries and Wages	16,970.56	16,970.56	15,751.54	1,219.02	-
Other Expenses	99,506.19	99,506.19	34,728.92	64,777.27	-
<b>DEPARTMENT OF HUMAN RESOURCES</b>					
Director's Office					
Salaries and Wages	7,286.73	7,286.73	6,114.22	1,172.51	-
Other Expenses	21,027.97	21,027.97	10,902.00	10,125.97	-
Personnel Division					
Salaries and Wages	29,644.58	29,644.58	18,543.42	11,101.16	-
Health Division					
Salaries and Wages	3,398.02	3,398.02	3,393.25	4.77	-
<b>DEPARTMENT OF PLANNING AND DEVELOPMENT</b>					
Director's Office					
Salaries and Wages	12,588.81	12,588.81	5,759.93	6,828.88	-
Other Expenses	32,354.46	32,354.46	199.00	32,155.46	-
Planning Division					
Salaries and Wages	47,139.65	47,139.65	17,563.24	29,576.41	-
Other Expenses	126,833.81	126,833.81	38,485.00	88,348.81	-
Zoning Board					
Other Expenses	7,500.00	7,500.00	-	7,500.00	-
City Engineer					
Salaries and Wages	36,336.19	36,336.19	17,889.35	18,446.84	-
Other Expenses	153,582.69	153,582.69	21,422.97	132,159.72	-
Economic Development - CDBG					
Salaries and Wages	97,694.25	97,694.25	2,732.01	94,962.24	-
<b>DEPARTMENT OF REVENUE AND FINANCE</b>					
Director's Office					
Salaries and Wages	34,227.41	34,227.41	7,568.20	26,659.21	-

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

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Other Expenses	15,866.11	15,866.11	1,821.97	14,044.14	-
Comptroller's Office					
Salaries and Wages	72,658.35	72,658.35	31,766.95	40,891.40	-
Other Expenses	13,487.53	13,487.53	5,297.00	8,190.53	-
Tax Collector's Office					
Salaries and Wages	20,855.79	20,855.79	10,135.09	10,720.70	-
Other Expenses	4,639.57	4,639.57	343.63	4,295.94	-
Audit Service					
Other Expenses		-		-	-
Purchasing					
Salaries and Wages	15,763.86	15,763.86	7,574.21	8,189.65	-
Other Expenses	930.11	930.11	420.00	510.11	-
Finance Division					
Salaries and Wages	10,007.56	10,007.56	6,962.24	3,045.32	-
Other Expenses	2,903.98	2,903.98	236.27	2,667.71	-
<b>DEPARTMENT OF PUBLIC SAFETY</b>					
Director's Office					
Salaries and Wages	4,346.15	4,346.15		4,346.15	-
Other Expenses		-		-	-
Police					
Salaries and Wages	1,597,519.95	1,597,519.95	1,366,836.36	230,683.59	-
Other Expenses	707,941.92	707,941.92	554,998.66	152,943.26	-
Police Civilian Division					
Salaries and Wages	256,014.23	256,014.23	120,416.53	135,597.70	-
Other Expenses	8,671.58	8,671.58		8,671.58	-
Emergency Services					
Salaries and Wages	89,999.11	89,999.11	14,297.72	75,701.39	-
Other Expenses	16,672.59	16,672.59	6,912.53	9,760.06	-
Fire					
Salaries and Wages	1,153,426.69	1,153,426.69	799,233.56	354,193.13	-
Other Expenses	133,034.41	133,034.41	102,785.05	30,249.36	-
Fire Civilian					
Salaries and Wages	8,537.21	8,537.21	2,916.78	5,620.43	-

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

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Uniform Fire Safety Act					
Salaries and Wages	72,217.71	72,217.71	31,877.32	40,340.39	-
Other Expenses	2,200.00	2,200.00	-	2,200.00	-
Communications					
Salaries and Wages	171,912.07	171,912.07	88,677.23	83,234.84	-
Other Expenses	100,852.19	100,852.19	70,878.28	29,973.91	-
<b>DEPARTMENT OF PUBLIC WORKS</b>					
Director's Office					
Salaries and Wages	55,794.16	55,794.16	21,168.94	34,625.22	-
Other Expenses	376,763.56	376,763.56	185,408.58	191,354.98	-
City Engineer					
Salaries and Wages	1,168.12	1,168.12	-	1,168.12	-
Other Expenses	85,699.88	85,699.88	2,451.37	83,248.51	-
Electrical Bureau					
Salaries and Wages	65,559.83	65,559.83	8,703.33	56,856.50	-
Other Expenses	49,312.94	49,312.94	1,350.00	47,962.94	-
Parks					
Salaries and Wages	77,497.30	77,497.30	22,934.19	54,563.11	-
Other Expenses	6,872.94	6,872.94	643.04	6,229.90	-
Beach and Boardwalk					
Salaries and Wages	108,901.07	108,901.07	30,106.49	78,794.58	-
Other Expenses	2,688.12	2,688.12	1,774.76	913.36	-
Sanitation					
Salaries and Wages	155,919.96	155,919.96	62,244.70	93,675.26	-
Other Expenses	675,640.54	675,640.54	200,280.94	475,359.60	-
Asphalt Plant/Street Repairs					
Salaries and Wages	42,923.70	36,724.18	21,366.74	15,357.44	-
Other Expenses	10,453.41	16,652.93	15,585.94	1,066.99	-
Paint and Sign Shop					
Salaries and Wages	39,137.35	39,137.35	5,135.98	34,001.37	-
Other Expenses	1,958.36	1,958.36	1,471.15	487.21	-
Building Maintenance Division					
Salaries and Wages	154,518.40	154,518.40	49,769.38	104,749.02	-
Other Expenses	8,588.85	8,588.85	2,310.25	6,278.60	-

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

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Community Services Act					
Other Expenses	64,194.22	64,194.22	63,674.38	519.84	-
Vehicle Maintenance					
Other Expenses	635,454.32	635,454.32	455,043.07	180,411.25	-
Facilities					
Salaries and Wages	34,435.38	34,435.38	17,632.95	16,802.43	-
Other Expenses	6,489.01	6,489.01	3,209.41	3,279.60	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Director's Office					
Salaries and Wages	11,793.73	11,793.73	8,427.32	3,366.41	-
Other Expenses	124,298.88	124,298.88	31,171.02	93,127.86	-
Health Administration					
Salaries and Wages	108,362.92	108,362.92	42,570.56	65,792.36	-
Other Expenses	27,202.20	27,202.20	2,645.81	24,556.39	-
Social Services					
Salaries and Wages	115,529.60	115,529.60	47,882.27	67,647.33	-
Other Expenses	50,554.34	50,554.34	21,141.63	29,412.71	-
Recreational and Cultural Affairs					
Salaries and Wages	132,879.28	132,879.28	65,753.73	67,125.55	-
Other Expenses	64,296.51	64,296.51	12,694.54	51,601.97	-
Clinical Services					
Salaries and Wages	13,507.04	13,507.04	6,341.57	7,165.47	-
Other Expenses	115,732.35	115,732.35	901.34	114,831.01	-
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	22,265.95	22,265.95	7,759.28	14,506.67	-
Other Expenses	84.58	84.58	54.18	30.40	-
Inspections					
Salaries and Wages	47,846.85	47,846.85	25,999.32	21,847.53	-
Other Expenses	1,359.80	1,359.80	109.51	1,250.29	-

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

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Regulatory Division					
Salaries and Wages	40,101.09	40,101.09	20,180.08	19,921.01	-
Other Expenses	2,037.22	2,037.22	1,716.19	321.03	-
<b>CITY COUNCIL</b>					
Salaries and Wages	11,914.64	11,914.64	11,892.91	21.73	-
Other Expenses	8,257.25	8,257.25	1,868.85	6,388.40	-
<b>CITY CLERK</b>					
Salaries and Wages	19,197.85	19,197.85	15,045.36	4,152.49	-
Other Expenses	61,407.00	61,407.00	29,355.67	32,051.33	-
<b>UNIFORM CONSTRUCTION CODE</b>					
Salaries and Wages	115,341.19	115,341.19	73,220.40	42,120.79	-
Other Expenses	7,053.35	7,053.35	122.33	6,931.02	-
<b>UNCLASSIFIED</b>					
Electricity	216,608.74	216,608.74	40,669.62	175,939.12	-
Street Lighting	137,464.63	137,464.63	136,941.87	522.76	-
Telephone	99,406.69	99,406.69	97,495.97	1,910.72	-
City Water Usage	52,642.95	52,642.95	-	52,642.95	-
Gas	46,933.50	46,933.50	8,393.23	38,540.27	-
Sewer	74,828.79	74,828.79	-	74,828.79	-
Gasoline	834,249.70	834,249.70	28,961.02	805,288.68	-
Codification of Ordinances	10,000.00	10,000.00	-	10,000.00	-
<b>DEFERRED CHARGES</b>					
Prior Year	177,000.00	177,000.00	177,000.00	-	-

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

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
<b>STATUTORY EXPENDITURES</b>					
Contribution to					
Public Employees' Retirement System	-	161,323.24	161,323.24	-	-
Social Security	356,333.13	195,009.89	117,995.45	77,014.44	-
Defined Contribution Retirement	3,098.19	3,098.19	3,098.19	-	-
Lifeguard Pension	24,997.44	24,997.44	-	24,997.44	-
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>					
Maintenance of Library	1,179,938.30	1,179,938.30	1,179,938.30	-	-
Match for Grant	40,000.00	40,000.00	-	40,000.00	-
All Other Accounts - No Change	4,408,445.77	4,408,445.77		4,408,445.77	
	<u>\$ 23,229,676.21</u>	<u>23,229,676.21</u>	<u>10,878,721.62</u>	<u>12,350,954.59</u>	<u>-</u>
		Cash Disbursements	10,633,519.96		
		Accounts Payable	245,201.66		
			<u>10,878,721.62</u>		

reserve summary budget status as of 9/14/15

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

Balance December 31, 2014	\$	872,018.25
Increased by:		
Levy - Calender Year 2015		<u>91,060,723.00</u>
		91,932,741.25
Decreased by:		
Payments		<u>91,932,740.50</u>
Balance December 31, 2015	\$	<u><u>0.75</u></u>

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

Purpose	Balance 12/31/2014	Transferred From 2015 Revenues	Received	Adjustments	Balance 12/31/2015
<b>FEDERAL GRANTS:</b>					
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-Assistance to Firefighters	489,060.00		440,579.00		48,481.00
FEMA-Hazard Mitigation Fisherman's Park	3,225,000.00				3,225,000.00
FEMA-Flood Hazard Mitigation	-	773,177.00			773,177.00
US DOE Energy Efficiency	51,350.00			51,350.00	-
HUD - Economic Development	37,487.50			37,487.50	-
SAFER	5,010,487.10		4,947,154.41		63,332.69
SAFER	652,296.00		6,099.00		21,517,020.00
CDBG - Disaster Recovery Inlet Seawall		21,517,020.00			646,197.00
CDBG - Main Street AC Streetscape		588,095.00			588,095.00
Pass Through New Jersey Department of Education:					
Summer Food - 2015		80,565.99	43,152.85		37,413.14
Summer Food - 2014	29,073.79			29,073.79	-
Summer Food - 2013	27,584.27			27,584.27	-
Summer Food - 2012	45,702.96			45,702.96	-
Ed Byrne Memorial Justice Assistance Grant - 2015		93,893.00			93,893.00
Ed Byrne Memorial Justice Assistance Grant - 2014	109,723.00				109,723.00
Ed Byrne Memorial Justice Assistance Grant - 2013	6,651.90			6,651.90	-
Ed Byrne Memorial Justice Assistance Grant - 2012	107,165.00			107,165.00	-
Ed Byrne Memorial Justice Assistance Grant - 2011	(107,142.75)			(107,142.75)	-
Law Enforcement Block Grant - Interest		14,436.52	14,436.52		-
Social Services Block Grant - Sandy	17,733.45			17,733.45	-
Pass Through New Jersey Department of Health					
WIC - 2014	959,045.00		658,814.00		300,231.00
WIC - 2013	310,072.00		114,626.00		-
WIC - 2012	5,769.00			195,446.00	-
WIC - 2011	17,669.00			5,769.00	-
WIC - 2010	32,399.67			17,669.00	-
National Fish and Wildlife		125,000.00		32,399.67	-
Atlantis Pump Gate Station		6,500,000.00			125,000.00
					6,500,000.00

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

Purpose	Balance 12/31/2014	Transferred From 2015 Revenues	Received	Adjustments	Balance 12/31/2015
Total Federal	11,103,970.81	29,692,187.51	6,224,861.78	466,889.79	34,104,406.75
<b>LOCAL GRANTS:</b>					
CRDA - All Wars Memorial	3,359,598.00			3,359,598.00	-
CRDA - Street Lighting	1,194,069.66				1,194,069.66
CRDA - Demolition	710,605.66		24,312.00		686,293.66
CRDA - Law Enforcement Technology	3,483,000.00				3,483,000.00
CRDA - Boardwalk Demolition	650,000.00		290,230.00		359,770.00
CRDA - Demolition within Tourism District	(69,999.96)				(69,999.96)
CRDA - Garden Pier	110,930.67		65,627.60		45,303.07
CRDA - Boardwalk/Street Lighting	2,302,730.01			166,000.00	2,302,730.01
CRDA - Basketball Tournament	166,000.00				-
CRDA - Boardwalk Repairs	1,414,606.11				1,414,606.11
CRDA - Enhanced Enforcement Building Maintenance	108,442.22				108,442.22
CRDA - Street Lighting	83,000.00				83,000.00
CRDA - Brighton Park Fountain Repairs	58,877.00		25,045.20		33,831.80
CRDA - Demolition	1,500,000.00				1,500,000.00
CRDA - Winter Wonderland Festival		17,364.49	17,364.49		-
County of Atlantic:					
Atlantic County Alliance - 2014	30,059.00		29,448.26	610.74	0.00
Atlantic County Alliance - 2013	1,184.28			1,184.28	-
CEHA - 2014	-	28,000.00	25,000.00		3,000.00
OHSP - State Aid Regional Grant Program	151,589.42			151,589.42	-
Open Space - 2008	900,000.00			(100,000.00)	1,000,000.00
Open Space - Bungalow Park	360,350.00			360,350.00	-
Boys and Girls Club	400,000.00			(260,350.00)	660,350.00
Total Local	16,915,042.07	45,364.49	477,027.55	3,678,982.44	12,804,396.57
<b>STATE GRANTS:</b>					
NJ DOT: Trust Fund Authority Act of 1984					
Compressed Natural Gas Vehicle	136,752.60		136,752.60		-

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

<u>Purpose</u>	Balance 12/31/2014	Transferred From 2015 Revenues	Received	Adjustments	Balance 12/31/2015
Route 187 to Pacific	24,184.48		10,915.65		13,268.83
NJ DOT - Ohio / MLK	187,000.00		116,582.06		70,417.94
2011 Grant	75,000.00		75,000.00		-
Artic Avenue 2010	47,500.00		47,500.00		-
Disaster Relief Opportunity - Atlantis Ave	1,130,000.00				1,130,000.00
Compressed Natural Gas	179,000.00		51,332.40		127,667.60
Maryland to Route 187	1,026,057.00		366,152.70		659,904.30
Resurface Artic Ave		200,000.00	150,000.00		50,000.00
Resurface Ventnor Ave		210,000.00	157,500.00		52,500.00
AC Traffic Light Synchronization	963,947.00				-
AC Traffic Light Synchronization		917,246.00	13,230.00		963,947.00
Transportation Alternative Program		966,000.00			904,016.00
New Jersey Department of Travel and Tourism				6,750.00	-
AC Seafood Festival		13,500.00	6,750.00		-
AC Seafood Festival - Donated Match					-
New Jersey Department of Community Affairs					171,147.50
Post Sandy Planning Grant	340,000.00		168,852.50		
NJ Department of Law & Public Safety					(0.00)
COPs in SHOPS - 2015	-	5,924.64	5,924.64		3,600.00
COPs in SHOPS - 2014	3,600.00				-
Drunk Driving Enforcement	-				-
Body Armor - 2015	-	23,232.42	23,232.42		-
New Jersey Department of Health and Human Services					154,359.00
HIV Counseling and Testing 2015	-	300,850.00	146,491.00		25,591.00
HIV Counseling and Testing 2014	113,118.00		87,527.00		-
Recreational Opportunities for individuals with Disa.	20,000.00			20,000.00	-
NJ Historic Trust		531,848.12	531,848.12		-

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

<u>Purpose</u>	Balance 12/31/2014	Transferred From 2015 Revenues	Received	Adjustments	Balance 12/31/2015
NJ Department of Environmental Protection	-				-
Brownfield - 2007	1,744.60				1,744.60
Brownfield Cleanup Riverside Park	193,728.75		107,469.06		86,259.69
Brownfield Cleanup South Boulevard	200,000.00				200,000.00
Clean Community	-	86,134.64	86,134.64		-
Green Acres	450,000.00				450,000.00
Sustainable Jersey		20,000.00			10,000.00
PAL and All Wars Generator		430,000.00	10,000.00		430,000.00
Altman Field Playground - Site Remediation		39,974.00			39,974.00
James Usry Center - Site Remediation		118,290.00			118,290.00
EDA - Boardwalk Reconstruction		5,000,000.00			5,000,000.00
<b>Total State</b>	<u>5,091,632.43</u>	<u>8,862,999.82</u>	<u>2,299,194.79</u>	<u>26,750.00</u>	<u>11,628,687.46</u>
<b>\$</b>	<u>33,110,645.31</u>	<u>38,600,551.82</u>	<u>9,001,084.12</u>	<u>4,172,622.23</u>	<u>58,537,490.78</u>
		Cash	8,986,647.60		
		Unappropriated Reserves	<u>14,436.52</u>		
			<u>9,001,084.12</u>		

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

	Balance December 31, 2014		2015		Encumbrances	Canceled	Balance Dec. 31, 2015
	Appropriated	Reserve for Encumbrances	Appropriations	Disbursed			
<b>FEDERAL GRANTS:</b>							
HUD Economic Development	\$ 37,487.50					37,487.50	-
SAFER	51,493.92					51,493.92	(0.00)
SAFER	5,900,627.03		5,837,294.34				63,332.69
SAFER			1,962,313.92				19,554,706.08
Homeland Security	10,000.00		21,517,020.00			10,000.00	-
State Domestic Preparedness Equipment Support	136,679.42					136,679.42	-
Federal Emergency Management	40,000.00					40,000.00	-
Emergency Assistance - 2011	121.52					121.52	-
Emergency Assistance - 2009	20,000.00					20,000.00	-
Emergency Assistance - 2010	543,400.00		468,233.64				75,166.36
Assistance to Firefighters	3,225,000.00						-
Hazard Mitigation Fisherman's Park			773,177.00		3,225,000.00		773,177.00
Hazard Mitigation Fisherman's Park							
Department of Justice							
Bullet Proof Vest Partnership 2013	26,011.74	2,363.50	27,086.00		1,289.24		(0.00)
Bullet Proof Vest Partnership 2014	31,831.69		93,893.00		4,781.76		27,049.93
Ed Byrne Memorial Justice Assistance Grant - 2015	109,723.00		30,684.00				93,893.00
Ed Byrne Memorial Justice Assistance Grant - 2014	6,651.90					6,651.90	-
Ed Byrne Memorial Justice Assistance Grant - 2013	22.25					22.25	-
Ed Byrne Memorial Justice Assistance Grant - 2012	2.80					2.80	(0.00)
Ed Byrne Memorial Justice Assistance Grant - 2010	438.15					438.15	-
Department of Justice Block Grant	6,603.77		14,437.00				21,040.77
Local Law Enforcement Block Grant - interest	60,000.00	260,076.00	184,055.45		54,584.45		81,436.10
CDBG - Post Sandy Planning Grant	54,696.50					54,696.50	-
US DOE Energy Efficiency	17,733.45					17,733.45	-
Social Service Block Grant - Sandy	618,650.00	29,208.51	15,133.50				632,725.01
CDBG - Disaster Recovery Inlet Seawall			588,095.00		574,984.80		13,110.20
CDBG - Main Street AC Streetscape							
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	32,191.80					32,191.80	-
Summer Food Program - 2014	11,208.32					11,208.32	-
Summer Food Program - 2015			80,565.99				23,623.47
Pass through New Jersey Department of Health							40,931.23
WIC - 2014	861,676.54		559,394.41			195,446.57	302,282.13
WIC - 2013	195,446.57						-
<b>Total Federal</b>	<b>12,055,187.86</b>	<b>315,271.48</b>	<b>9,123,830.02</b>	<b>23,067,187.99</b>	<b>3,860,640.25</b>	<b>671,664.09</b>	<b>21,781,512.97</b>

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

	Balance December 31, 2014		2015		Encumbrances	Canceled	Balance Dec. 31, 2015
	Appropriated	Reserve for Encumbrances	Appropriations	Disbursed			
<b>LOCAL GRANTS:</b>							
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	439,670.91		434.68				439,236.23
CRDA - Law Enforcement Technology	1,871,873.96	1,604,563.54	1,502,075.27		610,787.80		1,363,574.43
CRDA - Boardwalk Demolition	304,770.00	25,000.80			25,000.00		304,770.80
CRDA - Demolition within Tourism District	15,028.59	56,892.98	6,115.00		690.00		65,116.57
CRDA - Garden Pier	40,564.00	80,584.62	65,627.60				55,521.02
CRDA - Boardwalk/Street Lighting	1,853,058.81						1,853,058.81
CRDA - Basketball Tournament	166,000.00					166,000.00	-
CRDA - Summer Concerts	0.50						0.50
CRDA - Boardwalk Repairs	1,444,995.20	26,390.93	521,037.42		428,750.33		521,598.38
CRDA - Enhanced Enforcement Building Maintenance	83,656.29		45,010.13				38,646.16
CRDA - Street Lighting	128.00	82,872.00	82,872.00				128.00
CRDA - Brighton Park Fountain Repairs	58,877.00		18,555.68		2,767.88		37,553.44
CRDA - Demolition	1,161,200.00	79,766.00	183,363.30		47,407.31		1,010,195.39
CRDA - Winter Wonderland Festival			17,364.49				-
Atlantic County:							
Municipal Alliance - 2008	150.00					150.00	-
Municipal Alliance - 2011	1,119.70	80.00				1,119.70	80.00
Municipal Alliance - 2013	6,842.12					6,842.12	-
Municipal Alliance - 2014	8,499.97		29,471.15			77.85	(0.00)
Atlantic County - Open Spaces - 2008	900,000.00	21,049.03			1,000,000.00		-
Atlantic County - Open Spaces - Bungalow Park	360,350.00					360,350.00	-
CEHA - 2015	-		28,000.00		1,143.52		26,856.48
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		118,700.00			(260,350.00)	541,650.00
<b>Total Local</b>	<b>13,520,036.95</b>	<b>1,977,199.90</b>	<b>2,590,626.72</b>	<b>45,364.49</b>	<b>2,116,546.84</b>	<b>3,570,305.57</b>	<b>7,265,122.21</b>

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

	Balance December 31, 2014		2015		Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2015
	Appropriated	Reserve for Encumbrances	Appropriations					
<b>STATE GRANTS:</b>								
New Jersey Department of Transportation								
Artic Avenue 2011	135,210.00			135,210.00				-
Artic Avenue 2009	1,802.35			1,050.00	175.00			577.35
NJ DOT - Ohio / MLK	187,000.00				187,000.00			-
NJ DOT Route 187 to Pacific	13,103.72							13,103.72
Disaster Relief Opportunity - Atlantis Ave	1,130,000.00			116,536.00	663,798.00			466,202.00
NJ DOT Compressed Natural Gas	62,464.00	116,536.00		816,613.20	66,611.80			62,464.00
NJ DOT Maryland Ave to Route 187	1,026,057.00				210,000.00			142,832.00
NJ DOT Resurface Ventnor Ave			210,000.00		173,788.75			-
NJ DOT Resurface Artic Ave	963,947.00		200,000.00		963,947.00			26,211.25
AC Traffic Light Synchronization				14,700.00	902,546.00			-
AC Traffic Light Synchronization			917,246.00					-
Transportation Alternative Program	-		966,000.00					966,000.00
New Jersey Department of Law & Public Safety								
Disposition of DWI - 2010	3,066.66						3,066.66	-
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	16,688.35			7,859.34				8,829.01
Drunk Driving Enforcement - 2008	2,001.46						2,001.46	-
Drunk Driving Enforcement - 2011	85.89						85.89	(0.00)
Drunk Driving Enforcement - 2009	312.86						312.86	-
Domestic Violence Training Program	1,250.00						1,250.00	-
Body Armor - 2015			23,232.42					23,232.42
Body Armor - 2014	28,926.40							28,926.40
Body Armor - 2013	41,668.04	467.00		27,086.00	6,071.00			8,978.04
Body Armor - 2012	28,696.17							28,696.17
Body Armor - 2009	0.09							(0.00)
Body Armor - 2010	6,339.52						0.09	1,896.50
COPs in SHOPS - 2015	0.00		5,924.64	2,645.77			4,443.02	3,278.87
COPs in SHOPS - 2014	3,600.00			3,316.70				283.30
NJ State Police Certification Trailer	1,200.00						1,200.00	-
New Jersey State Police								
OEM - PAL and All Wars Generator			430,000.00					430,000.00

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

	Balance December 31, 2014		2015		Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2015
	Appropriated	Reserve for Encumbrances	Appropriations	Appropriations				
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 Historic Trust			531,848.12					531,848.12
EDA - Boardwalk Reconstruction			5,000,000.00		166,745.00	220,755.00		4,612,500.00
Sustainable Jersey			20,000.00		6,658.85	13,341.15		-
Atlantic Pump Gate Station			6,500,000.00					6,500,000.00
New Jersey Department of Travel and Tourism								
AC Seafood Festival			13,500.00		13,500.00			-
AC Seafood Festival - Donated Match			3,375.00				3,375.00	-
New Jersey Department of Health and Human Services								
HIV Testing & Counselling - 2015	-		300,850.00		203,976.96	87.05		96,785.99
HIV Testing & Counselling - 2014	51,011.64	5,971.79			31,392.43			25,591.00
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 - 2011	2.25						2.25	(0.00)
Clean Communities Program - 2012	(0.00)	10.00						10.00
Clean Communities Program - 2013	20,862.77	3,398.73			282.85			23,978.65
Clean Communities Program - 2014	51,795.23	2,475.00			46,791.86	2,772.50		4,705.87
Clean Communities Program - 2015			86,134.64					86,134.64
Brownsfield -2007	2,725.69	3,967.84			362.84			6,330.69
Brownfield Cleanup Riverside Park	164,415.00	29,313.75			170,935.31	9,878.44		12,915.00
Brownfield Cleanup South Boulevard	200,000.00							200,000.00
Recycling Tonnage Grant - 2014	109,805.70	3,768.00			44,512.40	3,128.86		62,164.44
Recycling Tonnage Grant - 2013	59,428.53				56,113.12	7,083.41		(0.00)
Recycling Tonnage Grant - 2012	68,874.63				68,866.63	8.00		(0.00)
Recycling Tonnage Grant - 2011	11,256.30	21,692.00			760.00			0.00
Recycling Tonnage Grant - 2009	40,314.79	3,156.72			2,100.00			(0.00)
Recycling Tonnage Grant -2008	38.14	66.98				38.14		66.98
Green Acres	450,000.00					450,000.00		-
Altman Field - Site Remediation			51,673.41					51,673.41
James Usry Center - Site Remediation			157,720.00					157,720.00
National Fish and Wildlife			187,500.00			49,840.00		137,660.00
<b>Total State</b>	<b>4,961,001.87</b>	<b>190,823.81</b>	<b>15,605,004.23</b>		<b>1,938,015.26</b>	<b>4,004,429.91</b>	<b>92,670.76</b>	<b>14,721,713.98</b>
<b>Total Federal State and Local</b>	<b>30,536,226.68</b>	<b>2,483,295.19</b>	<b>38,717,556.71</b>		<b>13,652,472.00</b>	<b>9,981,617.00</b>	<b>4,334,640.42</b>	<b>43,768,349.16</b>

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

Purpose	Balance 12/31/2014	Transferred To 2015 Appropriations	Received	Adjustments	Balance 12/31/2015
<b>FEDERAL GRANTS:</b>					
Total Federal	-	-	-	-	-
<b>STATE GRANTS:</b>					
Interest	14,436.52	14,436.52	4.44		4.44
Alcohol Education & Rehab	2,849.83				2,849.83
Recycling Tonnage Grant	0.50		80,990.36		80,990.86
Total State	<u>17,286.85</u>	<u>14,436.52</u>	<u>80,994.80</u>	-	<u>83,845.13</u>
	<u>\$ 17,286.85</u>	<u>14,436.52</u>	<u>80,994.80</u>	-	<u>83,845.13</u>

**TRUST FUND  
SCHEDULE OF CASH - TREASURER**

<u>Ref.</u>	Dog Licenses	Community Development Block Grant	Other
Balance December 31, 2014	\$ 1,918.00	12,592.74	7,294,996.64
Increased by Receipts:			
Dog License Fees 2015	392.00		
Miscellaneous Trust Reserves Due to Current		1,569,499.71	5,371,472.77
CDBG Draws	<u>392.00</u>	<u>1,569,499.71</u>	<u>5,371,472.77</u>
Decreased by Disbursements			
Statutory Expenditures	2,310.00	1,582,092.45	12,666,469.41
Miscellaneous Trust Reserves Due to Current			10,057,853.98
CDBG - Expenditures		151,919.29	
Balance December 31, 2015	\$ <u>2,310.00</u>	<u>151,919.29</u>	<u>10,057,853.98</u>
		<u>1,430,173.16</u>	<u>2,608,615.43</u>

**TRUST FUND  
SCHEDULE OF CASH - COLLECTOR**

	Ref.	
Balance December 31, 2014		\$ 2,022,852.41
Increased by Receipts:		
Premiums	3,015,100.00	
Deposits for Redemption of Tax Sale Certificates	4,087,412.84	
		7,102,512.84
		9,125,365.25
Decreased by Disbursements:		
Premiums	1,143,900.00	
Tax Sale Redemptions	3,797,055.99	
		4,940,955.99
Balance December 31, 2015		\$ 4,184,409.26

ANALYSIS OF BALANCE - DECEMBER 31, 2015

Tax Title Lien Redemption		1,566,969.67
Tax Sale Premium		2,614,800.00
Due to Taxpayers		2,639.59
		4,184,409.26

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

	Ref.		
Balance December 31, 2014		\$	1,183.00
Increased by:			
Dog License Fees Collected		392.00	
		<u>                    </u>	<u>                    </u>
			392.00
			<u>                    </u>
			1,575.00
Decreased by:			
Statutory Excess		399.00	
Expenditures under N.J.S. 4:19-15:11		-	
		<u>                    </u>	<u>                    </u>
			399.00
Balance December 31, 2015		\$	<u><u>1,176.00</u></u>

License Fees Collected:

<u>Year</u>	<u>Amount</u>
2014	\$ 637.00
2013	<u>539.00</u>
	<u><u>\$ 1,176.00</u></u>

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

	<u>Ref.</u>		
Balance December 31, 2014		\$	718.20
Increased by:			
Statutory Excess	399.00		
Other Adjustment	16.80		
			415.80
			1,134.00
Decreased by:			
State Health held by Current Fund	-		
Payment	-		
			-
Balance December 31, 2015		\$	1,134.00

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

	<u>Ref.</u>		
Balance December 31, 2014		\$	16.80
Increased by:			
2015 State License Fees	145.20		
			145.20
			162.00
Decreased by:			
Disbursements to the State			162.00
			162.00
Balance December 31, 2015		\$	-

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

	Ref.		
Balance December 31, 2014		\$	2,446,699.76
Increased by:			
Program Awards:			
CDBG	\$	1,074,143.30	
HOME		305,462.00	
Adjustment			
Program Income		<u>592.31</u>	
			<u>1,380,197.61</u>
			3,826,897.37
Decreased by:			
Program Expenditures:			
CDBG		1,304,006.46	
HOME		467,837.20	
Adjustment			
Program Income		<u>34,398.88</u>	
			<u>1,806,242.54</u>
Balance December 31, 2015		\$	<u><u>2,020,654.83</u></u>
Analysis of Balance:			
Community Development Block Grant			1,326,899.17
HOME			693,720.40
Program Income			<u>35.26</u>
			<u><u>2,020,654.83</u></u>

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

Balance December 31, 2014		\$ (43,302.63)
Increase by:		
Disbursements by Current fund	1,842,319.27	
Other	<u>39,889.46</u>	
		<u>1,882,208.73</u>
		1,838,906.10
Decreased by:		
Reimbursements to Current Fund	<u>307,826.83</u>	
		<u>307,826.83</u>
Balance December 31, 2015		\$ <u><u>1,531,079.27</u></u>

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

<u>Reserve</u>	<u>Balance Dec 31, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance Dec 31, 2015</u>
Uniform Fire Safety	\$ (165,628.15)	39,734.40	105,596.54	(99,766.01)
Law Enforcement	4,700.00	-	4,700.00	-
Parking Offense Adjudication Act	(33,869.62)	9,788.00	29,715.96	(13,941.66)
Unemployment Compensation	(856,325.47)	2,383,011.24	920,941.85	(2,318,394.86)
Workers Compensation	(3,171,836.61)	5,374,045.65	4,788,853.81	(3,757,028.45)
Self Insurance Fund	(1,954,640.65)	8,177,500.00	5,230,222.01	(4,901,918.64)
Environmental Quality and Enforcement	(10,273.45)	-	1,267.47	(9,005.98)
Police Detail	-	1,654,982.66	1,654,982.66	-
Terminal Leave	-	4,101,082.00	76,226.91	(4,024,855.09)
	<u>\$ (6,187,873.95)</u>	<u>21,740,143.95</u>	<u>12,812,507.21</u>	<u>(15,124,910.69)</u>

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

Reserve	Increased by			Decreased by			Balance Dec 31, 2015
	Balance Dec 31, 2014	Receipts	Collections made by Current Fund	Disbursements	Payments made by Current Fund	Accounts Payable	
Uniform Fire Safety	\$ 165,628.15		39,734.40		105,596.54	290.23	99,475.78
Parking Offense Adjudication Act	33,113.53		9,788.00		29,715.96		13,185.57
Unemployment Compensation	856,325.47		2,383,011.24		920,941.85		2,318,394.86
Law Enforcement	454,586.45	154,386.93		130,462.94		73,944.00	404,566.44
Workers Compensation	3,171,786.71		5,374,045.65		4,788,853.81	(49.90)	3,757,028.45
Self Insurance Fund	1,954,640.65		8,177,500.00		5,230,222.01	846,788.56	4,055,130.08
Environmental Quality and Enforcement	10,273.45				1,267.47	6.75	8,999.23
Accumulated Sick and Vacation	5,569,274.40	1,500,402.00	4,101,082.00	6,573,743.46	76,226.91	425,189.85	4,095,598.18
Neighborhood Preservation	10,849.34	0.01				(1,254.45)	12,103.80
Planning Developer's Escrow	337,015.23	432,391.70		205,788.41			563,618.52
Police Detail	979,948.89	2,291,561.56		2,150,481.79		174,161.03	946,867.63
	<u>\$ 13,543,442.27</u>	<u>4,378,742.20</u>	<u>20,085,161.29</u>	<u>9,060,476.60</u>	<u>11,152,824.55</u>	<u>1,519,076.07</u>	<u>16,274,968.54</u>

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

Balance December 31, 2014		\$ 22,160,544.75
Increased by:		
Receipts	42,347,887.41	
	<hr/>	<hr/>
		42,347,887.41
		64,508,432.16
Decreased by:		
Disbursements	46,034,602.66	
	<hr/>	<hr/>
		46,034,602.66
Balance December 31, 2015		\$ <u>18,473,829.50</u>

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance		Receipts		Disbursements		Transfers		Balance Dec. 31, 2015
	Dec. 31, 2014		Debt Issued		Improvement Authorizations		Miscellaneous		
	Miscellaneous		Miscellaneous		From	To	From	To	
Fund Balance	\$ 1,268,930.05								3,461,141.86
Capital Improvement Fund	511,292.97	342,054.25			1,375,000.00	3,225,157.56			711,292.97
Contracts Payable	2,526,410.49	200,000.00			2,526,410.49	3,432,324.18			3,432,324.18
Reserve for Bond Payments	7,956.44					7,956.44			(0.00)
Grant Receivable	(270,000.00)								(270,000.00)
Due to Revel									-
<b>Improvement Authorizations:</b>									
17-98 City Wide UTS Cleanup	-							3,371.15	-
76-00 Various Improvements	59.62				24,679.62	24,620.00			-
31-01 Various Improvements	-								-
50-01 Underground Storage Removal	-								-
22-02 Various Improvements	10,000.00				10,000.00	16,943.25			-
23-03 Demolition	-			14,041.21	2,902.04				(0.00)
38-03 Various Improvements	79.91				79.91				-
88-04 Various Improvements	30,000.00				31,500.00	1,500.00			-
77-05 Various Improvements	186.26				186.26				-
47-06 Various Improvements	7,422.20				69,048.00	61,625.80			(0.00)
57-07/47-06 Various Improvements	49.00				49.00				-
77-07 Various Improvements	19,136.99				15,396.99				0.00
77-05/34-08 Sand Castle/Bader Field	4,867.48				4,867.48				-
86-08 Various Improvements	381,722.78				298,975.82	121,463.44			95,760.40
32-09 Recreation Playground Acquisition	16,586.90				7,521.75	19,185.00			28,250.15
51-10 Various Improvements	3,734,452.42				498,414.31	675,733.26			2,343,900.33
5-11/86-08 Redevelopment	11,740.03				13,570.03	1,830.00			-
69-11/51-10 Various Improvements	15,749.05				302,782.00	302,782.00			-
74-11/51-11 Improvements to Garden Pier	133,346.00				15,749.05	15,818.86			15,818.86
27-12 Various Improvements	246,115.15				133,346.00	15,818.86			41,491.04
03-13 Construction of Playground	270,000.00				217,100.75	19,304.60			270,000.00
25-13 Street Reconstruction	97,973.07				6,827.96				98,032.77
41-13 Various Improvements	28,078.50				43,770.95	43,770.95			-
33-13 Various Capital Improvemnts	106,973.31				115,695.31	133,490.00			110,603.00
33-13 Special Emergency - Sandy	256,337.08				348,201.50	194,437.97			-
43-13 Refunding	-								-
51-13 General Obligation	11,947,606.68				1,820,964.38	700,004.39			6,760,213.94
51-13/16-14 Sandy Repairs	14,217.21				182,614.60	200,305.08			-
51-13/40-14 Road and Sidewalk Improvements	43,155.16				43,155.16				-
51-13/80-14 Building Improvements	740,100.00				81,627.75	40,000,000.00			-
47-14 Tax Appeals	-	30,000.00							-
29-15 Tax Appeals	-	15,833.16			40,015,833.16				-
30-15 Purchase of Trash Truck Cab	-			41,760,000.00	5,480.44	1,375,000.00			-
85-15 Various Improvements	-								-
	\$ 22,160,544.75	587,887.41	41,760,000.00	6,026,646.22	50,699,357.63	50,699,357.63	40,007,956.44	18,473,829.50	18,473,829.50

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

Balance December 31, 2014		\$ 511,292.97
Increased by:		
2015 Budget Appropriation	200,000.00	
		200,000.00
		711,292.97
Decreased by:		
Appropriated to Finance Improvement Authorizations	-	
		-
Balance December 31, 2015		\$ <u><u>711,292.97</u></u>

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

Balance December 31, 2014		\$ 217,856,000.00
Increased by:		
Bonds issued	53,760,000.00	
	<hr/>	<hr/>
		53,760,000.00
		271,616,000.00
Decreased by:		
Bonds redeemed	24,210,000.00	
	<hr/>	<hr/>
		24,210,000.00
Balance December 31, 2015		\$ <u>247,406,000.00</u>

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

Ord #	Improvement Description	Balance	2015	Raised in	Debt Issued	Cancelled	Balance	Bond	Analysis of Balance	
		Dec. 31, 2014	Authorizations	2015 Budget			Dec. 31, 2015	Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
03-13	Construction of Playground	\$ 480,000.00					480,000.00			480,000.00
33-13	Various Capital Improvemnts	10,300,000.00		300,000.00	10,000,000.00		-			
33-13	Special Emergency - Sandy	2,500,000.00		500,000.00	2,000,000.00		-			
47-14	Tax Appeals	140,000,000.00	43,000,000.00		40,000,000.00	100,000,000.00	-			
29-15	Tax Appeals				1,760,000.00	41,240,000.00	-			
		<u>\$ 153,280,000.00</u>	<u>43,000,000.00</u>	<u>800,000.00</u>	<u>53,760,000.00</u>	<u>141,240,000.00</u>	<u>480,000.00</u>	<u>-</u>	<u>-</u>	<u>480,000.00</u>

Improvement Authorizations Unfunded  
Less:  
Unexpended Proceeds of Bond  
Anticipation Notes Issued:  
**Ord. Number**

480,000.00

GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2014		Prior Year Encumbrances	Other Funding	Authorizations		Paid or Charged	Encumbrances	Canceled or Transferred	Balance December 31, 2015	
				Funded	Unfunded			Deferred Charges to Future Taxation	Funded				Unfunded	
17-98	City Wide LUST Cleanup	4/22/1998	75,000	-	-	3,371.15	-	(3,371.15)	-	-	-	-	-	-
76-00	MIS Conversions	12/24/2001	175,000	-	-	24,620.00	-	(24,620.00)	-	-	-	-	-	-
76-00	Drainage Improvements	12/24/2001	430,000	-	-	-	-	(59.62)	-	-	-	-	-	0.00
76-00	Beach/Boardwalk Improvements	12/24/2001	385,000	59.62	-	-	-	-	-	-	-	-	-	-
31-01	Street Reconstruction	6/20/2001	800,000	-	-	-	-	-	-	-	-	-	-	-
50-01	Underground Storage Tank Removal	6/20/2001	300,000	-	-	-	-	-	-	-	-	-	-	-
22-02	Land Acquisition	7/26/2002	10,000	10,000.00	-	-	-	-	14,041.21	-	-	-	-	-
23-03	Demolition	6/20/2003	2,000,000	-	-	-	-	-	-	-	-	-	-	-
39-03-1	Boardwalk Dunes & Outfalls	7/17/2003	700,000	79.91	-	-	-	-	-	-	-	-	-	(0.00)
88-04	Building Improvements	9/8/2004	650,000	30,000.00	-	1,500.00	-	-	-	-	-	-	-	-
88-04	Boardwalk Dunes & Outfalls	9/8/2004	450,000	-	-	-	-	-	-	-	-	-	-	-
88-04	Street Reconstruction	9/8/2004	750,000	186.26	-	-	-	-	-	-	-	-	-	-
77-05	MIS Equipment	10/21/2005	1,000,000	-	-	-	-	-	-	-	-	-	-	-
77-05	All Wars Memorial Building	10/21/2005	5,000,000	-	-	6,874.00	-	-	-	-	-	-	-	-
47-08	Building Improvements	6/28/2006	750,000	7,422.20	-	54,751.80	-	-	-	-	-	-	-	-
47-08	Boardwalk Dune & Outfall Improvements	6/28/2006	500,000	49.00	-	-	-	-	-	-	-	-	-	-
77-07	Various Building Improvements	10/3/2007	2,500,000	2,734.74	-	-	-	-	-	-	-	-	-	-
77-07	Acquisition of Vehicles	10/3/2007	700,000	991.85	-	-	-	-	411.19	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-
77-0594-08	Sand Castle/Bader Field	8/6/2008	500,000	4,867.48	-	-	-	-	-	-	-	-	-	-
86-08	Boardwalk Infrastructure	9/17/2008	1,100,000	2.80	-	-	-	-	-	-	-	-	-	-
86-08	Redevelopment	9/17/2008	2,000,000	12,044.15	-	13,013.44	-	-	-	-	-	-	-	-
86-08	Fire Equipment	9/17/2008	249,000	223,051.62	-	-	-	-	-	-	-	-	-	-
86-08	Recreation/Youth Services Equipment	9/17/2008	1,750,000	110,498.84	-	-	-	-	-	-	-	-	-	-
86-08	Records Storage Systems	9/17/2008	54,000	18,118.78	-	-	-	-	-	-	-	-	-	-
86-08	Biometric Program Systems	9/17/2008	31,000	13,083.63	-	-	-	-	-	-	-	-	-	-
77-0590-04-32-09	Recreation Playground Acquisition	6/26/2009	1,818,027	16,586.90	-	19,185.00	-	-	-	-	-	-	-	-
51-10	Improvements to Buildings	8/31/2010	1,073,000	607.84	-	40,462.54	-	-	7,521.75	-	-	-	-	4,922.96
51-10	Improvements to Boardwalk and Dunes	8/31/2010	3,700,000	685,756.22	-	26,409.67	-	-	26,409.67	-	-	-	-	28,250.15
51-10	Stormwater and Drainage Improvements	8/31/2010	2,225,000	1,936,189.52	-	20,899.50	-	-	25,238.00	-	-	-	-	685,756.22
51-10	MIS Upgrades	8/31/2010	286,392	0.00	-	36,269.75	-	-	21,700.00	-	-	-	-	954,186.52
51-10	Demolition	8/31/2010	500,000	19,934.42	-	9,699.87	-	-	47,740.29	-	-	-	-	0.00
51-10	Furniture and Misc. Equipment	8/31/2010	1,173,475	385,880.43	-	9,699.87	-	-	9,699.87	-	-	-	-	262,681.66
51-10	Recreation Improvements	8/31/2010	560,000	775,000	-	256,972.66	-	-	272,593.50	-	-	-	-	135,210.00
51-10	Road Improvements	8/31/2010	450,000	7,482.17	-	261,065.78	-	-	84,032.98	-	-	-	-	300,244.39
51-10	Traffic Signal Improvements	8/31/2010	1,211,675	16,469.30	-	-	-	-	-	-	-	-	-	-
51-10	Vehicles and Equipment	8/31/2010	300,000	11,740.03	-	1,830.00	-	-	-	-	-	-	-	-
5-11/86-08	Redevelopment-Sand Castle Stadium	2/16/2011	300,000	11,740.03	-	-	-	-	-	-	-	-	-	-
69-11/05-10	Acquisition of Vehicles	10/25/2011	750,000	15,749.00	-	302,782.00	-	-	302,782.00	-	-	-	-	0.00
74-11/05-11	Improvements to Garden Pier	11/28/2011	800,000	133,346.00	-	15,818.86	-	-	-	-	-	-	-	15,818.86
27-12	Sand Castle/Bader Field	8/00/00	800,000	246,115.15	-	18,319.00	-	-	6,827.96	-	-	-	-	41,491.04
25-13	New Hampshire Avenue Seawall	202/550	410,000	985.60	-	59.70	-	-	-	-	-	-	-	-
41-13	Street Reconstruction	202/550	110,000	97,973.07	-	43,770.95	-	-	43,770.95	-	-	-	-	98,032.77
41-13	Rebate Boiler Fire Station 2	3,200.00	17,800	15.00	-	-	-	-	-	-	-	-	-	-
41-13	Dump Truck Lift	17,800	15,000	-	-	-	-	-	-	-	-	-	-	-
41-13	Engineer Document Printer	24,863.50	250,000	-	-	-	-	-	-	-	-	-	-	-
41-13	Penrose Ave Bridge Repairs	270,000.00	750,000	-	-	-	-	-	-	-	-	-	-	-
03-13	Construction of Playground	2/14/2013	10,300,000	106,973.31	480,000.00	133,490.00	-	-	115,695.31	-	-	-	-	270,000.00
33-13	Inlet Seawall - Bulkhead Project	6/13/13	2,500,000	256,337.08	-	194,437.97	-	-	348,201.50	-	-	-	-	-
33-13	Special Emergency - Sandy	7/11/2013	230,000	-	-	49,220.81	-	-	-	-	-	-	-	-
33-13	Refunding	9/26/2013	454,600	339,370.34	-	-	-	-	-	-	-	-	-	-
51-13	Improvements to Buildings	9/26/2013	228,000	228,000.00	-	-	-	-	32,448.46	-	-	-	-	101,011.57
51-13	Improvements to Boardwalk and Dunes	9/26/2013	2,900,000	2,400,000.00	-	-	-	-	255,131.12	-	-	-	-	108,621.26
51-13	Stormwater and Drainage Improvements	9/26/2013	1,689,200	1,546,799.27	-	-	-	-	310,435.58	-	-	-	-	1,278,535.00
51-13	MIS Upgrades	9/26/2013	500,000	110,682.00	-	50,546.51	-	-	1,121,465.00	-	-	-	-	1,277,114.79
51-13	Demolition	9/26/2013	247,800	212,515.00	-	216,940.00	-	-	197,390.00	-	-	-	-	38,074.96
51-13	Furniture and Misc. Equipment	9/26/2013	3,380,000	55.00	-	-	-	-	-	-	-	-	-	-
51-13	Remediation to City Properties	9/26/2013	250,000	250,000.00	-	-	-	-	-	-	-	-	-	-
51-13	Environmental Remediation - Bader Field	9/26/2013	273,800.00	250,000.00	-	16,200.00	-	-	16,200.00	-	-	-	-	100,000.00
51-13	Environmental Remediation - Riverside	9/26/2013	502,960.00	250,000.00	-	-	-	-	-	-	-	-	-	78,083.33
51-13	Boys & Girls Club Playground	9/26/2013	68,000.00	68,000.00	-	-	-	-	7,745.00	-	-	-	-	12,010.00
51-13	Chelsea Heights Ball Field	9/26/2013	107,990.00	88,000.00	-	12,010.00	-	-	-	-	-	-	-	-
51-13	3rd Ward park & Harold Memorial Park	9/26/2013	787,735.84	78,000.00	-	-	-	-	-	-	-	-	-	-
51-13	Uptown Park Community Garden	9/26/2013	78,000.00	78,000.00	-	-	-	-	-	-	-	-	-	-
51-13	Altman Playground Storm Restoration	9/26/2013	467,272.84	467,272.84	-	-	-	-	4,000.00	-	-	-	-	23,305.82
51-13	Dwayne Harris Playground	9/26/2013	5,000.00	5,000.00	-	4,000.00	-	-	4,000.00	-	-	-	-	-
51-13	Other City Environmental Remediation	9/26/2013	25,000.00	25,000.00	-	-	-	-	19,893.56	-	-	-	-	395,607.84
51-13	Arizona Ave & Bay Park	9/26/2013	467,272.84	467,272.84	-	-	-	-	-	-	-	-	-	-
51-13	Delaware Ave Park - Clock Tower	9/26/2013	25,000.00	25,000.00	-	-	-	-	-	-	-	-	-	-



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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2015		Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
			Date	Amount					
Refunding Issue 2005	5/24/2005	29,010,000	8/15/2015	2,445,000.00	4.50% \$	2,445,000.00	2,445,000.00	\$ -	
General Obligation Bonds of 2009	2/15/2008	26,500,000	2/15/2016	3,000,000.00	5.00%	12,000,000.00	3,000,000.00	9,000,000.00	
			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%	2,255,000.00	2,255,000.00	-	
General Obligation Bonds of 2012	2/1/2011	16,354,000	2/1/2016	1,600,000.00	4.00%	12,799,000.00	1,600,000.00	11,199,000.00	
			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	4/1/2016	585,000.00	3.332%	4,445,000.00	585,000.00	3,880,000.00	
			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 2013	4/1/2012	15,710,000	4/1/2016	3,075,000.00	4.00%	9,375,000.00	3,080,000.00	6,295,000.00	
			4/1/2017	3,220,000.00	5.00%				
General Obligation	12/1/2013	13,901,000	12/1/2016	790,000.00	5.00%	13,286,000.00	615,000.00	12,671,000.00	
			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%				



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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding				Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
			Date	December 31, 2015	Amount	Dec. 31, 2015					
Series 2010 (tax-exempt)	12/15/2010	1,795,000	12/15/2015	380,000.00	3.50%	\$	380,000.00		380,000.00	-	
Series 2010 (taxable)	12/15/2010	6,925,000	12/15/2015	1,495,000.00	4.75%		1,495,000.00		1,495,000.00	-	
Series 2011 (taxable)	12/15/2011	35,285,000	12/15/2016	4,700,000.00	3.299%		11,350,000.00		6,650,000.00	4,700,000.00	
Series 2012 (taxable)	12/5/2012	2,620,000	11/1/2016	565,000.00	2.703%		1,120,000.00		555,000.00	565,000.00	
Series 2012 (tax exempt)	12/5/2012	90,380,000	11/1/2016	7,000,000.00	4.00%						
			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%		90,380,000.00			90,380,000.00	
Series 2013 (tax exempt)	12/1/2013	48,976,000	12/1/2017	756,000.00	5.000%						
			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%		48,976,000.00			48,976,000.00	



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

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
Various Capital Improvements	33-13	8/6/2013	2/4/2014	2/3/2014	1.750% \$	10,300,000.00		10,300,000.00	-
Special Emergency - Sandy	33-13	8/6/2013	2/4/2014	2/3/2014	1.750%	2,500,000.00		2,500,000.00	-
Tax Appeal	47-14	12/26/2014	12/26/2014	3/31/2015	0.750%	40,000,000.00		40,000,000.00	-
					\$	<u>52,800,000.00</u>	<u>-</u>	<u>52,800,000.00</u>	<u>-</u>
							Raised in Budget	800,000.00	
							Bonds Issued	<u>52,000,000.00</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, 2014	2015 Authorizations	Debt Issued	Cancelled	Balance Dec. 31, 2015
33-13	Construction of Playground	480,000.00				480,000.00
47-14	Tax Appeals	100,000,000.00			100,000,000.00	-
29-15	Tax Appeals		43,000,000.00	1,760,000.00	41,240,000.00	-
		<u>\$ 100,480,000.00</u>	<u>43,000,000.00</u>	<u>1,760,000.00</u>	<u>141,240,000.00</u>	<u>480,000.00</u>

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**CITY OF ATLANTIC CITY**

**PART II**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2015**

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## **GENERAL COMMENTS**

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

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost 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 \$40,000, except by contract or agreement

The governing body of the municipality has the responsibility of determining whether the expenditures of any category will exceed \$40,000 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: elevator maintenance, police uniforms and related accessories, road resurfacing, fire alarm inspection and maintenance, overhead door maintenance, HVAC maintenance, generator repair and maintenance, fire suppression inspection and maintenance, ambulance dispatch service, traffic signal synchronization, turf maintenance, drainage canal improvements, firefighter turnout gear and protective equipment, field improvements, streetscape improvements, boardwalk reconstruction, roof improvements, and fire department uniforms.

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.

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 14, 2015 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>
2015	878
2014	1,092
2013	820

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 2015 and 2016 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.

Year	Currently		
	Tax Levy	Cash Collections	Percentage of Collections
2015	\$ 240,246,154 ^^	236,406,572	98.40%
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%

^^ Reduced by \$11,502,196 in tax appeals

@@ 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

### Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	3.422	3.348	2.542	2.164	1.928
Apportionment of Tax Rate:					
Municipal	1.747	1.749	1.349	1.10	0.99
Municipal Library	0.051	0.045	0.035	0.032	0.027
County	0.385	0.357	0.229	0.29	0.24
Local School	1.239	1.197	0.929	0.74	0.67
Assessed Valuation:	7,349,894,206	11,272,717,903	14,402,873,676	18,097,335,367	19,457,830,928

### 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.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent Taxes	Percentage of Tax Levy
2015	\$ 9,094,293	686,027	9,780,320	2.59%
2014	6,376,804	1,577,837	7,954,641	2.17%
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%

### **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 15-1***

#### **Criteria**

All receipts are required to be deposited within 48 hours.

#### **Condition**

It was noted during testing that All Wars Memorial receipts were not all deposited within a timely manner.

#### **Cause**

Personnel receiving rental fees for the All Wars Memorial were unaware of the requirements.

#### **Effect**

The City was not in compliance with State statutes, and additional bank fees were incurred as the receipts were deposited.

#### **Recommendation**

All employees should be informed of the requirements when receipts are being accepted outside of the City Hall cashier's office.

#### **Management Response**

New internal control procedures are being implemented at the outside offices to ensure that all personnel are in compliance with State statutes.

## **STATUS OF PRIOR RECOMMENDATIONS**

### **Finding 14-1**

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

This finding was partially corrected in 2015.

Management Response: Bail activity will be posted in a timely manner prior to the month end.

### **Finding 14-2**

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.

This finding was cleared in 2015.

### **Finding 14-3**

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

This finding was cleared in 2015.

### **Finding 14-4**

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.

This finding was cleared in 2015.

### **Finding 14-5**

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

This finding was partially cleared in 2015.

Management Response: A new software system was purchased and will integrate the departments when it is fully operational.

## **RECOMMENDATIONS**

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

In accordance with the Uniform Guidance, 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**

*Leon P. Costello*

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

**July 11, 2016**