

Report of Audit
on the
Financial Statements
of the
City of Margate City
in the
County of Atlantic
New Jersey
for the
Year Ended
December 31, 2009

CITY OF MARGATE CITY

I N D E X

| | <u>PAGES</u> |
|--|---------------------|
| <u>PART I</u> | |
| Independent Auditor's Report | 1-2 |
| | <u>EXHIBITS</u> |
| <u>Financial Statements - Statutory Basis</u> | |
| <u>Current Fund:</u> | |
| Balance Sheets - Statutory Basis | "A" |
| Statements of Operations and Change in Fund Balance - Statutory Basis | "A-1" |
| Statement of Revenues - Statutory Basis for the Year Ended December 31, 2009 | "A-2" |
| Statement of Expenditures - Statutory Basis for the Year Ended December 31, 2009 | "A-3" |
| <u>Trust Fund:</u> | |
| Balance Sheets - Statutory Basis | "B" |
| <u>General Capital Fund:</u> | |
| Balance Sheets - Statutory Basis | "C" |
| Statement of Fund Balance - Statutory Basis | "C-1" |
| <u>Water and Sewer Utility Fund:</u> | |
| Balance Sheets - Statutory Basis | "D" |
| Statements of Operations and Changes in Operating Fund Balance - Statutory Basis | "D-1" |
| Statement of Water and Sewer Capital Fund - Water and Sewer Utility Capital Fund - Statutory Basis | "D-2" |
| Statement of Revenues - Statutory Basis - Year Ended December 31, 2009 | "D-3" |
| Statement of Expenditures - Statutory Basis - Year Ended December 31, 2009 | "D-4" |
| <u>General Fixed Assets Account Group:</u> | |
| Balance Sheets - Statutory Basis | "E" |
| | <u>PAGES</u> |
| Notes to Financial Statements | 3-19 |

CITY OF MARGATE CITY

I N D E X (CONTINUED)

Supplementary Schedules - All Funds

EXHIBITS

Current Fund:

| | |
|---|--------|
| Schedule of Cash-Treasurer | "A-4" |
| Schedule of Cash-Collector | "A-5" |
| Schedule of Petty Cash | "A-6" |
| Schedule of Change Fund | "A-7" |
| Schedule of Due from State of New Jersey for Senior Citizens and Veterans Deductions | "A-8" |
| Schedule of Taxes Receivable and Analysis of Property Tax Levy | "A-9" |
| Schedule of Tax Title Liens | "A-10" |
| Schedule of Due Current Fund – Grant Fund | "A-11" |
| Schedule of Interfunds | "A-12" |
| Schedule of Revenue Accounts Receivable | "A-13" |
| Schedule of 2008 Appropriation Reserves | "A-14" |
| Schedule of Reserve for Tax Sale Premiums | "A-15" |
| Schedule of Reserve for Redemption of Outside Liens | "A-16" |
| Schedule of Tax Overpayments | "A-17" |
| Schedule of Prepaid Taxes | "A-18" |
| Schedule of Reserve for Marriage & Civil Union Licenses - Due State of New Jersey | "A-19" |
| Schedule of Reserve for Burial Permit Fees – Due State of New Jersey | "A-20" |
| Schedule of Reserve for Accounts Payable | "A-21" |
| Schedule of Reserve for Property Acquired for Taxes – Assessed Value | "A-22" |
| Schedule of Reserve for State Tax Appeals | "A-23" |
| Schedule of Reserve for Master Plan | "A-24" |
| Schedule of Local District School Tax Payable | "A-25" |
| Schedule of County Taxes Payable | "A-26" |
| Schedule of Reserve for Sale of Municipal Assets | "A-27" |
| Schedule of Prepaid Revenue | "A-28" |
| Schedule of Grants Receivable – Grant Fund | "A-29" |
| Schedule of Grants-Appropriated – Grant Fund | "A-30" |
| Schedule of Grants Unappropriated – Grant Fund | "A-31" |
| Schedule of Reserve for State Library Aid | "A-32" |
| Schedule of Deferred Charges | "A-33" |

CITY OF MARGATE CITY

I N D E X (CONTINUED)

EXHIBITS

Trust Fund:

| | |
|--|--------|
| Schedule of Cash-Treasurer | "B-1" |
| Schedule of Due Current Fund - Trust Fund | "B-2" |
| Schedule of Reserve for Various Deposits | "B-3" |
| Schedule of Reserve for Animal Control Fund Expenditures | "B-4" |
| Schedule of Due State Department of Health - Animal Control Trust Fund | "B-5" |
| Schedule of Due Current Fund - Animal Control Trust Fund | "B-6" |
| Schedule of Developers' Deposits | "B-7" |
| Schedule of Reserve for Accounts Payable | "B-8" |
| Schedule of Reserve for Pension Plan for Lifeguards | "B-9" |
| Schedule of Reserve for Law Enforcement Trust Fund I | "B-10" |
| Schedule of Reserve for Law Enforcement Trust Fund II | "B-11" |
| Schedule of Reserve for Payroll Deductions Payable | "B-12" |

General Capital Fund:

| | |
|--|--------|
| Schedule of Cash – Treasurer | "C-2" |
| Analysis of Capital Cash and Investments | "C-3" |
| Schedule of Deferred Charges to Future Taxation – Funded | "C-4" |
| Schedule of Deferred Charges to Future Taxation – Unfunded | "C-5" |
| Schedule of Capital Improvement Fund | "C-6" |
| Schedule of Due Water & Sewer Operating Fund | "C-7" |
| Schedule of Improvement Authorizations | "C-8" |
| Schedule of Serial Bonds | "C-9" |
| Schedule of Reserve for Contracts Payable | "C-10" |
| Schedule of Green Trust Loan Payable | "C-11" |
| Schedule of Due Water & Sewer Capital Fund | "C-12" |
| Schedule of Infrastructure Loan Payable | "C-13" |
| Schedule of Type I School Bonds | "C-14" |
| Schedule of Reserve for Environmental Trust | "C-15" |
| Schedule of Reserve for Waterfront Park III | "C-16" |
| Schedule of Reserve to Pay Bonds | "C-17" |
| Schedule of Grants Receivable | "C-18" |
| Schedule of Reserve for Grants Receivable | "C-19" |
| Schedule of Bond Anticipation Notes Payable | "C-20" |
| Schedule of Bonds and Notes Authorized But Not Issued | "C-21" |

CITY OF MARGATE CITY

I N D E X (CONTINUED)

EXHIBITS

Water and Sewer Utility Fund:

| | |
|--|--------|
| Schedule of Cash-Collector-Treasurer | "D-5" |
| Schedule of Water and Sewer Use Charges Receivable | "D-6" |
| Schedule of Accounts Payable – Utility Fund | "D-7" |
| Schedule of Reserve for Water Meter Installations | "D-8" |
| Schedule of Accrued Interest on Bonds | "D-9" |
| Schedule of Change Fund | "D-10" |
| Schedule of Interfunds | "D-11" |
| Schedule of 2008 Appropriation Reserves | "D-12" |
| Schedule of Prepaid Water and Sewer Charges | "D-13" |
| Schedule of Reserve for Sewer Overpayments | "D-14" |
| Schedule of Deferred Reserve for Amortization-Water and Sewer Utility Capital Fund | "D-15" |
| Schedule of Capital Improvement Fund-Water and Sewer Utility Capital Fund | "D-16" |
| Schedule of Reserve for Amortization-Water and Sewer Utility Capital Fund | "D-17" |
| Schedule of Due Water and Sewer Utility Fund-Water and Sewer Utility Capital Fund | "D-18" |
| Schedule of Due General Capital Fund-Water and Sewer Utility Capital Fund | "D-19" |
| Schedule of Utility Serial Bonds-Water and Sewer Utility Capital Fund | "D-20" |
| Schedule of Reserve for Contracts Payable | "D-21" |
| Schedule of Reserve for Improvement Authorizations | "D-22" |
| Schedule of Fixed Capital-Water and Sewer Utility Capital Fund | "D-23" |
| Schedule of Fixed Capital-Authorized & Uncomplete-Water and Sewer Utility Capital Fund | "D-24" |

PAGES

PART II

| | |
|--|-------|
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | 20-21 |
| Schedule of Expenditures of Federal Awards Year Ended December 31, 2009 | 22 |
| Schedule of Expenditures of State Financial Assistance Year Ended December 31, 2009 | 23 |
| Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance Year Ended December 31, 2009 | 24-25 |

PART III

| | |
|--------------------------------------|-------|
| Statistical Data | 26-30 |
| Officials in Office and Surety Bonds | 31 |
| Comments and Recommendations | 32-36 |

CITY OF MARGATE CITY

PART I

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES AND DATA

FINANCIAL STATEMENTS - STATUTORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - STATUTORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2009



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Westfield 908-789-9300

Somerville 908-725-6688

Fax 908-789-8535

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Board
of Commissioners
City of Margate City
County of Atlantic
Margate City, New Jersey 08402

We have audited the accompanying financial statements - statutory basis of the various individual funds and the account group of the City of Margate City, County of Atlantic, New Jersey as of December 31, 2009 and 2008, and for the year ended December 31, 2009 as listed as financial statements - statutory basis in the foregoing table of contents. These financial statements - statutory basis are the responsibility of the management of the City of Margate City, County of Atlantic. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial statements contained in Government Auditing Standards issued by the Comptroller General of the United States, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the City of Margate City, County of Atlantic, prepares its financial statements on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

SUPLEE, CLOONEY & COMPANY

In our opinion, because the City of Margate City prepares its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with generally accepted accounting principles, the financial position of the various individual funds of the City of Margate City as of December 31, 2009 and 2008 or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2009.

However, in our opinion, the financial statements - statutory basis present fairly, in all material respects, the financial position - statutory basis of the various individual funds and account groups of the City of Margate City, County of Atlantic, as of December 31, 2009 and 2008, and the results of its operations and changes in fund balance - statutory basis for the years then ended and the revenues, expenditures and changes in fund balance - statutory basis for the year ended December 31, 2009, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated June 18, 2010 on our consideration of the City of Margate City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants 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 the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements - statutory basis taken as a whole. The information included in the schedules of expenditures of federal awards and state financial assistance and the other supplementary schedules and data listed in the table of contents is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended for the information of the City of Margate City, County of Atlantic, New Jersey, the Division of Local Government Services and federal and state audit agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

June 18, 2010

THIS PAGE INTENTIONALLY LEFT BLANK

CURRENT FUND

CITY OF MARGATE CITY

CURRENT FUND

BALANCE SHEETS - STATUTORY BASIS

| | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2009</u> | <u>BALANCE DECEMBER 31, 2008</u> |
|--|-------------|--|--|
| <u>ASSETS</u> | | | |
| Cash | | \$ 4,608,131.84 | \$ 4,991,635.59 |
| Investment | | 23,934.56 | 44,752.24 |
| | A-4 | \$ 4,632,066.40 | \$ 5,036,387.83 |
| Change Fund | A-7 | 350.00 | 650.00 |
| Due State of New Jersey - Senior Citizens and Veterans | A-8 | 2,170.35 | 3,299.12 |
| | | \$ 4,634,586.75 | \$ 5,040,336.95 |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-9 | \$ 760,320.22 | \$ 596,741.61 |
| Tax Title Liens Receivable | A-10 | 2,211.20 | 1,582.95 |
| Property Acquired for Taxes - Assessed Valuation | A-22 | 138,557.50 | 138,557.50 |
| Revenue Accounts Receivable | A-13 | 5,020.76 | 3,207.15 |
| Interfunds Receivable | A-12 | 835.90 | 933.43 |
| | A | \$ 906,945.58 | \$ 741,022.64 |
| Deferred Charges | A-32 | \$ 36,000.00 | \$ 51,936.69 |
| | A | \$ 5,577,532.33 | \$ 5,833,296.28 |
| Grant Fund: | | | |
| Grants Receivable | A-29 | \$ 21,960.00 | \$ 18,146.77 |
| Interfunds Receivable | A-10 | 33,011.81 | 63,115.62 |
| | A | \$ 54,971.81 | \$ 81,262.39 |
| | A | \$ 5,632,504.14 | \$ 5,914,558.67 |

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

CITY OF MARGATE CITY

CURRENT FUND

BALANCE SHEETS - STATUTORY BASIS

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2009</u> | <u>BALANCE DECEMBER 31, 2008</u> |
|---|-------------|--|--|
| Appropriation Reserves | A-3:A-14 | \$ 413,693.65 | \$ 597,781.46 |
| Prepaid Taxes | A-18 | 690,826.68 | 624,008.48 |
| Accounts Payable | A-21 | 51,223.16 | 48,960.05 |
| Tax Overpayments | A-17 | 54,060.85 | 39,671.79 |
| Interfunds Payable | A-12 | 37,939.81 | 63,115.62 |
| Reserve For: | | | |
| Marriage and Civil Union Licenses Due State | A-19 | 175.00 | 175.00 |
| Burial Permits Due State | A-20 | | 70.00 |
| Premium on Tax Sale | A-15 | 45,650.00 | 14,550.00 |
| Commonwealth | A | 12,000.00 | |
| Sale of Municipal Assets | A-27 | 18,957.20 | 16,157.20 |
| Prepaid Revenue | A-28 | 847.00 | 12,273.00 |
| State Tax Appeals | A-23 | 13,952.11 | 13,952.11 |
| County Taxes Payable - Added | A-26 | 27,689.31 | |
| Master Plan | A-24 | 1,300.00 | 3,000.00 |
| | | <u>\$ 1,368,314.77</u> | <u>\$ 1,433,714.71</u> |
| Reserve for Receivables and Other Assets | A | 906,945.58 | 741,022.64 |
| Fund Balance | A-1 | <u>3,302,271.98</u> | <u>3,658,558.93</u> |
| | A | <u>\$ 5,577,532.33</u> | <u>\$ 5,833,296.28</u> |
| Grant Fund: | | | |
| Reserve for Grants - Unappropriated | A-31 | \$ 6,821.82 | \$ 3,397.42 |
| Reserve for Grants - Appropriated | A-30 | 35,447.99 | 77,864.97 |
| Due Water & Sewer Operating Fund | A-11 | <u>12,702.00</u> | |
| | A | <u>\$ 54,971.81</u> | <u>\$ 81,262.39</u> |
| | A | <u>\$ 5,632,504.14</u> | <u>\$ 5,914,558.67</u> |

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

CITY OF MARGATE CITY

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - STATUTORY BASIS

| | REF. | YEAR ENDED DECEMBER 31, 2009 | YEAR ENDED DECEMBER 31, 2008 |
|---|---------|------------------------------------|------------------------------------|
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | |
| Fund Balance Utilized | A-1:A-2 | \$ 2,165,000.00 | \$ 2,209,000.00 |
| Miscellaneous Revenue Anticipated | A-2 | 2,827,544.86 | 2,611,426.29 |
| Receipts From Delinquent Taxes | A-2 | 592,067.56 | 586,624.22 |
| Receipts From Current Taxes | A-2 | 42,177,597.28 | 40,746,401.09 |
| Non-Budget Revenue | A-2 | 280,580.48 | 261,643.20 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | A-14 | 280,091.93 | 402,352.89 |
| Tax Overpayments Canceled | A-17 | 7,278.64 | 56,861.52 |
| Accounts Payable Canceled | | | 1,435.90 |
| Interfunds Returned | | 98.23 | |
| <u>TOTAL REVENUE AND OTHER INCOME</u> | | <u>\$ 48,330,258.98</u> | <u>\$ 46,875,745.11</u> |
| <u>EXPENDITURES</u> | | | |
| Budget and Emergency Appropriations: | | | |
| Operations Within "CAPS" | A-3 | \$ 16,521,390.00 | \$ 16,404,550.00 |
| Deferred Charges and Statutory Expenditures - Municipal | A-3 | 1,977,043.00 | 413,100.00 |
| Other Operations Excluded From "CAPS" | A-3 | 1,417,051.72 | 2,584,722.23 |
| Municipal Debt Service | A-3 | 3,406,196.69 | 2,871,017.86 |
| Capital Improvements | A-3 | 275,000.00 | 270,000.00 |
| Deferred Charges | A-3 | 15,936.69 | 152,145.71 |
| Type I School Debt Service | A-3 | 1,489,562.50 | 1,500,000.00 |
| County Tax | A-26 | 11,311,558.02 | 10,415,960.08 |
| County Share of Added Taxes | A-26 | 27,689.31 | 28,828.03 |
| Local District School Tax | A-25 | 10,080,118.00 | 10,173,118.00 |
| Interfunds Advanced | | | 447.23 |
| <u>TOTAL EXPENDITURES</u> | | <u>\$ 46,521,545.93</u> | <u>\$ 44,813,889.14</u> |
| Excess in Revenue | | \$ 1,808,713.05 | \$ 2,061,855.97 |
| Adjustments to Income Before Fund Balance: | | | |
| Expenditures Included Above Which are by Statute | | | |
| Deferred Charges to Budget of Succeeding Year | | \$ | \$ 3,936.69 |
| Statutory Excess to Fund Balance | | \$ 1,808,713.05 | \$ 2,065,792.66 |
| Fund Balance, January 1 | A | \$ 3,658,558.93 | \$ 3,801,766.27 |
| | | \$ 5,467,271.98 | \$ 5,867,558.93 |
| Decreased by: | | | |
| Utilization as Anticipated Revenue | A-1:A-2 | 2,165,000.00 | 2,209,000.00 |
| Fund Balance, December 31 | A | <u>\$ 3,302,271.98</u> | <u>\$ 3,658,558.93</u> |

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

CITY OF MARGATE CITY

CURRENT FUND

STATEMENT OF REVENUES - STATUTORY BASIS

YEAR ENDED DECEMBER 31, 2009

| | REF. | BUDGET | ANTICIPATED NJSA 40A: 4-87 | REALIZED | EXCESS OR (DEFICIT) |
|--|---------|------------------|-------------------------------|------------------|---------------------------|
| Fund Balance Anticipated | A-1 | \$ 2,165,000.00 | | \$ 2,165,000.00 | |
| Miscellaneous Revenues: | | | | | |
| Licenses: | | | | | |
| Alcoholic Beverages | A-13 | \$ 9,500.00 | \$ | \$ 9,615.00 | \$ 115.00 |
| Other | A-2 | 13,000.00 | | 22,301.50 | 9,301.50 |
| Fees and Permits: | | | | | |
| Construction Code Official | A-13 | 230,000.00 | | 235,865.00 | 5,865.00 |
| Other | A-2 | 115,000.00 | | 144,822.75 | 29,822.75 |
| Municipal Court: | | | | | |
| Fines and Costs | A-13 | 130,000.00 | | 95,241.66 | (34,758.34) |
| Interest and Costs on Taxes | A-13 | 115,000.00 | | 134,949.22 | 19,949.22 |
| Interest on Investments and Deposits | A-13 | 60,000.00 | | 108,525.96 | 48,525.96 |
| Beach Fees | A-2 | 225,000.00 | | 281,868.29 | 56,868.29 |
| Cable TV Franchise Fee | A-13 | 55,000.00 | | 56,564.45 | 1,564.45 |
| Anticipated Utility Operating Surplus | A-13 | 100,000.00 | | 100,000.00 | |
| Energy Receipts Tax | A-13 | 852,003.00 | | 852,003.00 | |
| Municipal Alliance on Alcoholism and Drug Abuse | A-29 | 19,560.00 | | 19,560.00 | |
| Body Armor Replacement Fund | A-29 | 3,397.42 | | 3,397.42 | |
| Over the Limit Under Arrest | A-29 | | 6,000.00 | 6,000.00 | |
| Clean Communities Program | A-29 | 19,794.66 | 5,459.64 | 25,254.30 | |
| Occupant Protection Program- Click it or Ticket | A-29 | | 4,000.00 | 4,000.00 | |
| COPS in Shops | A-29 | | 2,000.00 | 2,000.00 | |
| Utility Operating Surplus of Prior Year | | 200,000.00 | | 200,000.00 | |
| Uniform Fire Safety Act | A-13 | 11,000.00 | | 12,296.37 | 1,296.37 |
| Capital Surplus | A-13 | 250,000.00 | | 250,000.00 | |
| Beach Vending License | A-13 | 50,000.00 | | 43,000.00 | (7,000.00) |
| Ambulance Billing | A-13 | 150,000.00 | | 220,279.94 | 70,279.94 |
| <u>Total Miscellaneous Revenues</u> | A-1 | \$ 2,608,255.08 | \$ 17,459.64 | \$ 2,827,544.86 | \$ 201,830.14 |
| Receipts From Delinquent Taxes | A-1:A-9 | \$ 525,000.00 | \$ | \$ 592,067.56 | \$ 67,067.56 |
| Amt. to be Raised by Taxes for Support of Municipal Budget: | | | | | |
| Local Tax for Municipal Purposes | A-9 | \$ 19,939,990.82 | \$ | \$ | \$ |
| Local Tax for School Purposes | A-9 | 1,490,000.00 | | | |
| | A-2 | \$ 21,429,990.82 | \$ | \$ 22,383,231.95 | \$ 953,241.13 |
| <u>BUDGET TOTALS</u> | | \$ 26,728,245.90 | \$ 17,459.64 | \$ 27,967,844.37 | \$ 1,239,598.47 |
| Non-Budget Revenues | A-2 | | | 280,580.48 | 280,580.48 |
| | | \$ 26,728,245.90 | \$ 17,459.64 | \$ 28,248,424.85 | \$ 1,520,178.95 |
| | REF. | A-3 | A-3 | | |

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

CITY OF MARGATE CITY
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2009

REF.

ANALYSIS OF REALIZED REVENUE

| | | |
|--|---------|--------------------------------|
| Allocation of Current Tax Collections: | | |
| Revenue From Collections | A-1:A:9 | \$ 42,177,597.28 |
| Allocated To: | | |
| County Taxes | A-9 | \$ 11,339,247.33 |
| Local District School Taxes | A-9 | <u>10,080,118.00</u> |
| Balance for Support of Municipal Budget Appropriations | | \$ 20,758,231.95 |
| Add: Appropriation "Reserve for Uncollected Taxes" | A-3 | <u>1,625,000.00</u> |
| Amount for Support of Municipal Budget Appropriations | A-2 | <u><u>\$ 22,383,231.95</u></u> |
| Licenses - Other: | | |
| Clerk | A-13 | \$ 10,824.50 |
| Registrar | A-13 | 117.00 |
| Building | A-13 | 6,000.00 |
| Towing | A-13 | 800.00 |
| Dog Park | A-13 | <u>4,560.00</u> |
| | A-2 | <u><u>\$ 22,301.50</u></u> |
| Other - Fees and Permits: | | |
| Clerk | A-13 | \$ 48,004.43 |
| Building | A-13 | 82,380.00 |
| Registrar | A-13 | 1,799.00 |
| Tax Collector | A-13 | 83.60 |
| Street Opening/Planning/Zoning | A-13 | <u>13,453.72</u> |
| | | \$ 145,720.75 |
| Less: Refunds | A-4 | <u>898.00</u> |
| | A-2 | <u><u>\$ 144,822.75</u></u> |
| Beach Fees | A-13 | \$ 269,595.29 |
| Add: | | |
| Prepaid Applied | A-28 | <u>12,273.00</u> |
| | A-2 | <u><u>\$ 281,868.29</u></u> |

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

CITY OF MARGATE CITY

CURRENT FUND

STATEMENT OF REVENUES - STATUTORY BASIS

YEAR ENDED DECEMBER 31, 2009

REF.

| | | | |
|---------------|------|----|------------------|
| Beach Vending | A-13 | \$ | 68,000.00 |
| Less: Refunds | A-4 | | <u>25,000.00</u> |
| | | \$ | <u>43,000.00</u> |

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:

| | | | |
|---|---------|----|-------------------|
| Tax Abatement | | \$ | 38,495.88 |
| Lease Municipal Property | | | 13,230.96 |
| Prior Year Beach Vending | | | 47,000.00 |
| Cell Tower Rent | | | 60,000.00 |
| Miscellaneous | | | 14,380.82 |
| City Auction | | | 1,018.00 |
| Dog Park Benches | | | 3,845.00 |
| Reimbursement of Insurance Costs | | | 16,545.09 |
| Beach Donation | | | 2,000.00 |
| Reimbursement of Prior Year Costs | | | 25,445.91 |
| Save Lucy | | | 5,680.80 |
| DMV Inspection Fees | | | 600.00 |
| Lease of Land | | | 18,000.00 |
| City Library Rent | | | 30,000.00 |
| Recreation Department | | | 21,716.50 |
| Senior Citizens and Veterans Administrative Fee | | | <u>2,610.00</u> |
| | A-4 | \$ | 300,568.96 |
| Reserve for Excess Animal Control Expenditures | A-12 | | <u>829.20</u> |
| | | \$ | <u>301,398.16</u> |
| Less: Decrease in Market Value | A-4 | | <u>20,817.68</u> |
| <u>Total Non-Budget Revenue</u> | A-1:A-2 | \$ | <u>280,580.48</u> |

CITY OF MARGATE CITY
CURRENT FUND
STATEMENT OF EXPENDITURES -STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | | |
|--|-----------------------|--------------------------------------|----------------------------|-----------------|-----------------|
| | <u>BUDGET</u> | <u>BUDGET AFTER MODIFICATION</u> | <u>PAID OR CHARGED</u> | <u>RESERVED</u> | <u>CANCELED</u> |
| <u>Operations Within "CAPS"</u> | | | | | |
| <u>Dept. of Public Affairs & Public Safety</u> | | | | | |
| Director - Public Affairs & Public Safety: | | | | | |
| Salaries and Wages | \$ 21,840.00 | \$ 21,840.00 | \$ 21,112.00 | \$ 728.00 | \$ |
| Other Expenses | 3,500.00 | 3,500.00 | 3,037.50 | 462.50 | |
| Police: | | | | | |
| Salaries & Wages | 3,918,000.00 | 3,879,853.65 | 3,810,466.78 | 69,386.87 | |
| Other Expenses | 205,100.00 | 205,100.00 | 197,511.53 | 7,588.47 | |
| Municipal Prosecutor: | | | | | |
| Salaries and Wages | 23,500.00 | 23,500.00 | 23,156.93 | 343.07 | |
| Fire: | | | | | |
| Salaries and Wages | 3,102,000.00 | 3,104,459.71 | 3,104,459.71 | | |
| Other Expenses | 102,000.00 | 102,000.00 | 81,373.93 | 20,626.07 | |
| Fire Prevention Bureau: | | | | | |
| Salaries and Wages | 8,000.00 | 8,000.00 | 7,725.90 | 274.10 | |
| Other Expenses | 2,300.00 | 2,300.00 | 2,129.39 | 170.61 | |
| Fire Safety Official: | | | | | |
| Salaries and Wages | 13,500.00 | 13,500.00 | 13,413.40 | 86.60 | |
| Other Expenses | 8,000.00 | 8,000.00 | 4,842.71 | 3,157.29 | |
| Uniform Fire Safety Act: | | | | | |
| Salaries and Wages | 15,200.00 | 15,200.00 | 15,111.98 | 88.02 | |
| Other Expenses | 500.00 | 500.00 | 90.00 | 410.00 | |
| Lifeguards: | | | | | |
| Salaries and Wages | 489,000.00 | 496,700.00 | 496,659.35 | 40.65 | |
| Other Expenses | 32,000.00 | 32,200.00 | 32,104.45 | 95.55 | |
| Beach Front Maintenance: | | | | | |
| Salaries and Wages | 63,000.00 | 68,250.00 | 68,247.90 | 2.10 | |
| Other Expenses | 11,000.00 | 11,000.00 | 10,670.45 | 329.55 | |
| Planning Board: | | | | | |
| Salaries and Wages | 105,500.00 | 105,500.00 | 105,497.60 | 2.40 | |
| Other Expenses | 12,500.00 | 12,500.00 | 9,652.14 | 2,847.86 | |
| Zoning Commission: | | | | | |
| Other Expenses | 14,000.00 | 14,000.00 | 13,982.37 | 17.63 | |
| Legal Services and Costs: | | | | | |
| Salaries and Wages | 78,500.00 | 78,500.00 | 78,382.98 | 117.02 | |
| Other Expenses | 70,000.00 | 49,750.00 | 39,924.79 | 9,825.21 | |
| Board of Health: | | | | | |
| Salaries and Wages | 100.00 | 100.00 | | 100.00 | |
| Other Expenses | 50.00 | 50.00 | | 50.00 | |
| Aid to Health Care Facilities: | | | | | |
| Atlantic City Hospital | 1,000.00 | 1,000.00 | | 1,000.00 | |
| Shore Memorial Hospital | 1,000.00 | 1,000.00 | | 1,000.00 | |
| Emergency Management Services: | | | | | |
| Salaries and Wages | 3,300.00 | 3,300.00 | 3,259.88 | 40.12 | |
| Dog Regulation: | | | | | |
| Other Expenses | 7,500.00 | 7,500.00 | 7,466.00 | 34.00 | |
| Municipal Court: | | | | | |
| Salaries and Wages | 165,000.00 | 165,000.00 | 156,574.18 | 8,425.82 | |
| Other Expenses | 31,000.00 | 26,000.00 | 17,890.75 | 8,109.25 | |
| Public Defender: | | | | | |
| Other Expenses | 4,500.00 | 4,500.00 | 3,600.00 | 900.00 | |

CITY OF MARGATE CITY

CURRENT FUND

STATEMENT OF EXPENDITURES -STATUTORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2009

| | APPROPRIATIONS | | EXPENDED | | |
|---|----------------|------------------------------|--------------------|-----------|----------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | CANCELED |
| <u>Dept. of Revenue & Finance</u> | | | | | |
| Director - Revenue & Finance: | | | | | |
| Salaries and Wages | \$ 256,000.00 | \$ 262,616.11 | \$ 262,616.11 | \$ | \$ |
| Other Expenses | 54,000.00 | 56,000.00 | 55,143.58 | 856.42 | |
| Financial Administration: | | | | | |
| Audit | 32,500.00 | 32,500.00 | 32,500.00 | | |
| Other Expenses | 5,000.00 | 5,000.00 | 5,000.00 | | |
| Assessment of Taxes: | | | | | |
| Salaries and Wages | 188,000.00 | 188,000.00 | 178,448.24 | 9,551.76 | |
| Other Expenses | 40,000.00 | 40,000.00 | 36,869.04 | 3,130.96 | |
| Collection of Taxes: | | | | | |
| Salaries and Wages | 276,000.00 | 279,751.01 | 279,751.01 | | |
| Other Expenses | 16,000.00 | 16,000.00 | 14,074.86 | 1,925.14 | |
| Tax Search Officer: | | | | | |
| Salaries and Wages | 14,000.00 | 14,000.00 | 12,193.21 | 1,806.79 | |
| City Clerk: | | | | | |
| Salaries and Wages | 128,000.00 | 128,000.00 | 124,501.04 | 3,498.96 | |
| Other Expenses | 2,000.00 | 2,000.00 | 1,975.75 | 24.25 | |
| Liquidation of Tax Title Liens & Foreclosed: | | | | | |
| Other Expenses | 2,000.00 | 2,000.00 | | 2,000.00 | |
| Elections: | | | | | |
| Other Expenses | 12,000.00 | 12,000.00 | 4,856.74 | 7,143.26 | |
| Insurance: | | | | | |
| Liability Insurance | 293,500.00 | 293,500.00 | 291,559.81 | 1,940.19 | |
| Workmen Comp. Insurance | 503,000.00 | 503,000.00 | 502,336.15 | 663.85 | |
| Group Insurance Plan for Employees | 1,640,000.00 | 1,713,500.00 | 1,713,423.47 | 76.53 | |
| <u>Dept. of Public Works, Parks, & Property</u> | | | | | |
| Public Works - Director's Office: | | | | | |
| Salaries & Wages | 91,500.00 | 91,500.00 | 90,755.02 | 744.98 | |
| Other Expenses | 1,000.00 | 1,000.00 | 511.89 | 488.11 | |
| City Engineer: | | | | | |
| Other Expenses | 90,000.00 | 90,000.00 | 52,660.85 | 37,339.15 | |
| Street Repairs & Maintenance: | | | | | |
| Salaries & Wages | 1,350,000.00 | 1,350,000.00 | 1,312,114.98 | 37,885.02 | |
| Other Expenses | 357,000.00 | 357,000.00 | 346,323.03 | 10,676.97 | |
| Rubbish Removal: | | | | | |
| Other Expenses | 750,500.00 | 725,500.00 | 657,058.70 | 68,441.30 | |
| Playgrounds: | | | | | |
| Salaries & Wages | 145,000.00 | 195,618.16 | 190,418.16 | 5,200.00 | |
| Other Expenses | 395,000.00 | 360,000.00 | 355,992.69 | 4,007.31 | |
| Property & Improvement: | | | | | |
| Salaries & Wages | 40,000.00 | 41,115.76 | 41,115.76 | | |
| Other Expenses | 50,000.00 | 50,000.00 | 48,123.95 | 1,876.05 | |
| Street Lighting: | | | | | |
| Other Expenses | 170,000.00 | 170,000.00 | 162,805.57 | 7,194.43 | |
| Celebration of Public Events: | | | | | |
| Other Expenses | 100,000.00 | 100,000.00 | 95,942.70 | 4,057.30 | |
| Construction Official: | | | | | |
| Salaries & Wages | 362,000.00 | 362,000.00 | 355,427.44 | 6,572.56 | |
| Other Expenses | 83,000.00 | 83,000.00 | 82,949.99 | 50.01 | |
| Electrical Inspector: | | | | | |
| Salaries & Wages | 51,000.00 | 60,819.60 | 60,819.60 | | |
| Other Expenses | 10,000.00 | 10,000.00 | 9,979.23 | 20.77 | |
| <u>Unclassified</u> | | | | | |
| Municipal Service Act - Condo Law | 1,000.00 | 1,000.00 | | 1,000.00 | |
| Feasibility Studies | 10,000.00 | 10,000.00 | 5,000.00 | 5,000.00 | |
| Ambulance Billing | 20,000.00 | 20,000.00 | 17,453.39 | 2,546.61 | |

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

CITY OF MARGATE CITY

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2009

| | APPROPRIATIONS | | EXPENDED | | |
|--|------------------|------------------------------|--------------------|---------------|----------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | CANCELED |
| <u>Utility Expenses & Bulk Purchases</u> | | | | | |
| Electricity | \$ 170,000.00 | \$ 170,366.00 | \$ 170,365.23 | \$ 0.77 | \$ |
| Telephone | 82,500.00 | 82,500.00 | 79,010.81 | 3,489.19 | |
| Natural Gas | 65,000.00 | 60,000.00 | 50,301.46 | 9,698.54 | |
| Gasoline | 170,000.00 | 110,000.00 | 89,192.26 | 20,807.74 | |
| <u>Total Operations Within "CAPS"</u> | \$ 16,538,890.00 | \$ 16,513,890.00 | \$ 16,117,916.32 | \$ 395,973.68 | \$ |
| <u>Contingent</u> | \$ 7,500.00 | \$ 7,500.00 | \$ 2,156.49 | \$ 5,343.51 | \$ |
| <u>Total Operations Including Contingent Within "CAPS"</u> | \$ 16,546,390.00 | \$ 16,521,390.00 | \$ 16,120,072.81 | \$ 401,317.19 | \$ |
| <u>Deferred Charges and Statutory Expenditures Within "CAPS"</u> | | | | | |
| Statutory Expenditures | | | | | |
| Contribution To: | | | | | |
| Social Security System (O.A.S.I.) | \$ 430,000.00 | \$ 430,000.00 | \$ 417,982.14 | \$ 12,017.86 | \$ |
| Unemployment Compensation Insurance | 20,000.00 | 20,000.00 | 19,641.40 | 358.60 | |
| Public Employees Retirement System | 342,554.00 | 342,554.00 | 342,554.00 | | |
| Police and Fireman's Retirement System of NJ | 1,184,489.00 | 1,184,489.00 | 1,184,489.00 | | |
| <u>Total Deferred Charges and Statutory Expenditures Within "CAPS"</u> | \$ 1,977,043.00 | \$ 1,977,043.00 | \$ 1,964,666.54 | \$ 12,376.46 | \$ |
| <u>Total General Appropriations Within "CAPS"</u> | \$ 18,523,433.00 | \$ 18,498,433.00 | \$ 18,084,739.35 | \$ 413,693.65 | \$ |
| <u>Operations Excluded From "CAPS"</u> | | | | | |
| Maintenance of Free Public Library | \$ 1,337,450.00 | \$ 1,337,450.00 | \$ 1,337,450.00 | | \$ |
| Recycling Tax | 14,500.00 | 14,500.00 | 14,500.00 | | |
| <u>State and Federal Programs Offset by Revenues</u> | | | | | |
| Clean Communities Prog. (NJSA 40A: 4-87 +\$5459.64) | 19,794.66 | 25,254.30 | 25,254.30 | | |
| Over the Limit Under Arrest (NJSA 40A:4-87 +\$6,000.00) | | 6,000.00 | 6,000.00 | | |
| Click It or Ticket (NJSA 40A: 4-87 +\$4,000.00) | | 4,000.00 | 4,000.00 | | |
| Cops In Shops (NJSA 40A: 4-87 +\$2,000.00) | | 2,000.00 | 2,000.00 | | |
| Body Armor Replacement Fund | 3,397.42 | 3,397.42 | 3,397.42 | | |
| Municipal Alliance on Alcoholism & Drug Abuse: | | | | | |
| State Aid | 19,560.00 | 19,560.00 | 19,560.00 | | |
| Local Match | 4,890.00 | 4,890.00 | 4,890.00 | | |
| <u>Total Operations Excluded From "CAPS"</u> | \$ 1,399,592.08 | \$ 1,417,051.72 | \$ 1,417,051.72 | \$ | \$ |
| <u>Capital Improvements Excluded From "CAPS"</u> | | | | | |
| Capital Improvement Fund | \$ 250,000.00 | \$ 275,000.00 | \$ 275,000.00 | \$ | \$ |
| <u>Total Capital Improvements Excluded from "CAPS"</u> | \$ 250,000.00 | \$ 275,000.00 | \$ 275,000.00 | \$ | \$ |

Municipal Debt Service Excluded from "CAPS"

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

CITY OF MARGATE CITY

CURRENT FUND

STATEMENT OF EXPENDITURES -STATUTORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2009

| | APPROPRIATIONS | | EXPENDED | | |
|--|------------------|------------------------------|--------------------|---------------|--------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | CANCELED |
| Payment of Bond Principal | \$ 2,030,000.00 | \$ 2,030,000.00 | \$ 2,030,000.00 | \$ | \$ |
| Interest on Bonds | 1,020,000.00 | 1,020,000.00 | 1,017,206.26 | | 2,793.74 |
| Interest on Notes | 240,000.00 | 240,000.00 | 239,333.32 | | 666.68 |
| Green Trust Loans | 70,725.24 | 70,725.24 | 56,749.57 | | 13,975.67 |
| Infrastructure Trust Loans | 63,558.89 | 63,558.89 | 62,907.54 | | 651.35 |
| Total Municipal Debt Service Excluded From "CAPS" | \$ 3,424,284.13 | \$ 3,424,284.13 | \$ 3,406,196.69 | \$ | \$ 18,087.44 |
| Deferred Charges Excluded From "CAPS" | | | | | |
| Deferred Charges: | | | | | |
| Emergency Authorizations | 3,936.69 | 3,936.69 | 3,936.69 | | |
| Special Emergency Authorizations - 5 years | 12,000.00 | 12,000.00 | 12,000.00 | | |
| Total Deferred Charged Excluded From "CAPS" | \$ 15,936.69 | \$ 15,936.69 | \$ 15,936.69 | \$ | \$ |
| Type I School Debt Service | | | | | |
| Payment on Bond Principal | \$ 800,000.00 | \$ 800,000.00 | \$ 800,000.00 | | |
| Interest on Bonds | 690,000.00 | 690,000.00 | 689,562.50 | | 437.50 |
| Total Type I School Debt Service Excluded From "CAPS" | \$ 1,490,000.00 | \$ 1,490,000.00 | \$ 1,489,562.50 | \$ | \$ 437.50 |
| Total General Appropriations Excluded From "CAPS" | \$ 6,579,812.90 | \$ 6,622,272.54 | \$ 6,603,747.60 | \$ | \$ 18,524.94 |
| Sub-Total - General Appropriations | \$ 25,103,245.90 | \$ 25,120,705.54 | \$ 24,688,486.95 | \$ 413,693.65 | \$ 18,524.94 |
| Reserve for Uncollected Taxes | 1,625,000.00 | 1,625,000.00 | 1,625,000.00 | | |
| Total General Appropriations | \$ 26,728,245.90 | \$ 26,745,705.54 | \$ 26,313,486.95 | \$ 413,693.65 | \$ 18,524.94 |

REF

A-2

A-1

A:A-1

| | | | |
|-----------------------------------|------|-------------------------|--|
| Budget | A-3 | \$ 26,728,245.90 | |
| Budget Amendments 40A:4-87 | A-2 | 17,459.64 | |
| | | <u>\$ 26,745,705.54</u> | |
| Reserve for Uncollected Taxes | A-2 | \$ 1,625,000.00 | |
| Disbursements | A-4 | 24,665,916.13 | |
| Deferred Charges | A-32 | 15,936.69 | |
| Reserve for Grants - Appropriated | A-30 | 65,101.72 | |
| Accounts Payable | A-21 | 47,511.91 | |
| | | <u>\$ 26,419,466.45</u> | |
| Less: Refunds | A-4 | 105,979.50 | |
| | | <u>\$ 26,313,486.95</u> | |

THIS PAGE INTENTIONALLY LEFT BLANK

TRUST FUND

CITY OF MARGATE CITY

TRUST FUND

BALANCE SHEETS - STATUTORY BASIS

| <u>ASSETS</u> | <u>REF.</u> | BALANCE DECEMBER 31, 2009 | BALANCE DECEMBER 31, 2008 |
|---|-------------|---------------------------------|---------------------------------|
| Animal Control Fund: | | | |
| Cash | B:B-1 | \$ 2,112.60 | \$ 2,257.80 |
| Other Funds: | | | |
| Cash | B-1 | \$ 438,991.24 | \$ 551,135.83 |
| Due Current Fund | B-2 | 4,928.00 | |
| | B | \$ 443,919.24 | \$ 551,135.83 |
| | | \$ 446,031.84 | \$ 553,393.63 |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Animal Control Fund: | | | |
| Due Current Fund | B-6 | \$ 835.20 | \$ 770.40 |
| Due State of New Jersey | B-5 | 12.60 | 15.00 |
| Reserve for Animal Control Expenditures | B-4 | 1,264.80 | 1,472.40 |
| | B | \$ 2,112.60 | \$ 2,257.80 |
| Other Funds: | | | |
| Due Current Fund | B-2 | \$ | \$ 163.03 |
| Reserves For: | | | |
| Accounts Payable | B-8 | 1,664.75 | |
| Various Deposits | B-3 | 66,065.97 | 104,699.72 |
| Developers' Deposits | B-7 | 34,288.21 | 69,389.58 |
| Pension Plan for Life Guards | B-9 | 102,086.86 | 106,140.34 |
| Law Enforcement Trust Fund I | B-10 | 2,283.96 | 509.80 |
| Law Enforcement Trust Fund II | B-11 | 11,220.90 | 12,126.13 |
| Payroll Deductions Payable | B-12 | 226,308.59 | 258,107.23 |
| | B | \$ 443,919.24 | \$ 551,135.83 |
| | | \$ 446,031.84 | \$ 553,393.63 |

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

GENERAL CAPITAL FUND

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

BALANCE SHEETS - STATUTORY BASIS

| | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2009</u> | <u>BALANCE DECEMBER 31, 2008</u> |
|---|-------------|--|--|
| <u>A S S E T S</u> | | | |
| Cash | C-2:C-3 | \$ 99,161.90 | \$ 4,742,005.62 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-4 | 37,160,942.08 | 39,841,320.54 |
| Unfunded | C-5 | 20,054,733.91 | 14,605,909.35 |
| Due Water & Sewer Capital Fund | C-12 | 679,860.64 | 86,148.40 |
| Grants Receivable | C-18 | 73,750.00 | 224,250.00 |
| | | <u>\$ 58,068,448.53</u> | <u>\$ 59,499,633.91</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Due Water & Sewer Operating Fund | C-7 | \$ 300,000.00 | \$ 23,730,000.00 |
| Serial Bonds Payable | C-9 | 21,635,000.00 | 14,965,000.00 |
| Type I School Bonds Payable | C-14 | 14,030,000.00 | 14,965,000.00 |
| Green Trust Loan Payable | C-11 | 845,760.62 | 451,392.69 |
| Infrastructure Loan Payable | C-13 | 650,181.46 | 694,927.85 |
| Bond Anticipation Notes Payable | C-20 | 8,000,000.00 | 8,000,000.00 |
| Improvement Authorizations: | | | |
| Funded | C-8 | 1,470,234.77 | 2,083,245.81 |
| Unfunded | C-5:C-8 | 7,859,993.19 | 7,560,225.95 |
| Reserve for: | | | |
| Contracts Payable | C-10 | 2,023,084.42 | 900,342.80 |
| Capital Improvement Fund | C-6 | 4,634.98 | 40,384.98 |
| Pay Bonds | C-17 | 225,000.00 | 225,000.00 |
| Waterfront Park III | C-16 | 100.00 | 100.00 |
| Environmental Trust | C-15 | 17,449.00 | 17,449.00 |
| Grants Receivable | C-19 | 73,750.00 | 73,750.00 |
| Fund Balance | C-1 | 933,260.09 | 757,814.83 |
| | | <u>\$ 58,068,448.53</u> | <u>\$ 59,499,633.91</u> |

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

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - STATUTORY BASIS

| | <u>REF.</u> | | |
|---|-------------|-------------------|----------------------|
| Balance, December 31, 2008 | C | | \$ 757,814.83 |
| Increased by: | | | |
| Premium on Bond Sale | C-2 | \$ 76,939.27 | |
| Premium on Note Sale | C-2 | 58,944.00 | |
| Improvement Authorizations Canceled | C-8 | <u>589,561.99</u> | |
| | | | <u>725,445.26</u> |
| | | | \$ 1,483,260.09 |
| Decreased by: | | | |
| Disbursements - Current Anticipated Revenue | C-2 | \$ 250,000.00 | |
| Improvement Authorizations | C-8 | <u>300,000.00</u> | |
| | | | <u>550,000.00</u> |
| Balance, December 31, 2009 | C | | \$ <u>933,260.09</u> |

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

THIS PAGE INTENTIONALLY LEFT BLANK

WATER AND SEWER UTILITY FUND

CITY OF MARGATE CITY
WATER AND SEWER UTILITY FUND
BALANCE SHEETS - STATUTORY BASIS

| <u>ASSETS</u> | <u>REF.</u> | BALANCE DECEMBER 31, 2009 | BALANCE DECEMBER 31, 2008 |
|---|-------------|---------------------------------|---------------------------------|
| <u>OPERATING FUND:</u> | | | |
| Cash | D-5 | \$ 1,150,776.86 | \$ 1,374,632.94 |
| Change Fund | D-10 | 100.00 | 100.00 |
| Interfund Accounts Receivable | D-11 | <u>312,702.00</u> | <u></u> |
| | | \$ <u>1,463,578.86</u> | \$ <u>1,374,732.94</u> |
| Receivables with Full Reserves: | | | |
| Consumer Accounts Receivable | D:D-6 | \$ <u>54,713.48</u> | \$ <u>28,254.41</u> |
| <u>TOTAL OPERATING FUND</u> | D | \$ <u>1,518,292.34</u> | \$ <u>1,402,987.35</u> |
| <u>WATER METER TRUST FUND:</u> | | | |
| Cash | D-5 | \$ <u>3,208.56</u> | \$ <u>13,450.25</u> |
| <u>TOTAL WATER METER TRUST FUND</u> | D | \$ <u>3,208.56</u> | \$ <u>13,450.25</u> |
| <u>CAPITAL FUND:</u> | | | |
| Fixed Capital | D-23 | \$ 4,297,165.86 | \$ 4,297,165.86 |
| Fixed Capital - Authorized and Uncomplete | D-24 | 900,000.00 | 700,000.00 |
| Due Water and Sewer Utility Fund | D-18 | <u>125,000.00</u> | <u>125,000.00</u> |
| <u>TOTAL CAPITAL FUND</u> | D | \$ <u>5,322,165.86</u> | \$ <u>5,122,165.86</u> |
| | | \$ <u><u>6,843,666.76</u></u> | \$ <u><u>6,538,603.46</u></u> |

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

CITY OF MARGATE CITY
WATER AND SEWER UTILITY FUND
BALANCE SHEETS - STATUTORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2009</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2008</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| OPERATING FUND: | | | |
| Liabilities: | | | |
| Appropriation Reserves | D-4:D-12 | \$ 37,603.67 | \$ 332,985.72 |
| Reserve for Accounts Payable | D-7 | 40,122.64 | 40,947.27 |
| Interfold Accounts Payable | D-11 | 125,000.00 | 125,000.00 |
| Accrued Interest on Bonds and Notes | D-9 | 29,575.17 | 32,780.17 |
| Prepaid Water and Sewer Rents | D-13 | 13,300.12 | 24,107.61 |
| Water / Sewer Overpayments | D-14 | 26,209.15 | 31,204.08 |
| | | <u>\$ 271,810.75</u> | <u>\$ 587,024.85</u> |
| Reserve for Receivables | D | 54,713.48 | 28,254.41 |
| Fund Balance | D-1 | <u>1,191,768.11</u> | <u>787,708.09</u> |
| <u>TOTAL OPERATING FUND</u> | D | <u>\$ 1,518,292.34</u> | <u>\$ 1,402,987.35</u> |
| WATER METER TRUST FUND: | | | |
| Reserve for Water Meter Installations | D-8 | <u>\$ 3,208.56</u> | <u>\$ 13,450.25</u> |
| <u>TOTAL WATER METER TRUST FUND</u> | D | <u>\$ 3,208.56</u> | <u>\$ 13,450.25</u> |
| CAPITAL FUND: | | | |
| Capital Improvement Fund | D-16 | \$ 65,200.00 | \$ 65,200.00 |
| Due General Capital Fund | D-19 | 679,860.64 | 86,148.40 |
| Bonds Payable | D-20 | 1,230,000.00 | 1,410,000.00 |
| Contracts Payable | D-21 | 115.56 | 434,363.27 |
| Improvement Authorizations | D-22 | 154,183.60 | 113,648.13 |
| Reserve for Amortization | D-17 | 1,647,165.86 | 1,647,165.86 |
| Deferred Reserve for Amortization | D-15 | 1,420,000.00 | 1,240,000.00 |
| | | <u>\$ 5,196,525.66</u> | <u>\$ 4,996,525.66</u> |
| Fund Balance | D-2 | <u>125,640.20</u> | <u>125,640.20</u> |
| <u>TOTAL CAPITAL FUND</u> | D | <u>\$ 5,322,165.86</u> | <u>\$ 5,122,165.86</u> |
| | | <u>\$ 6,843,666.76</u> | <u>\$ 6,538,603.46</u> |

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

CITY OF MARGATE CITY

WATER AND SEWER UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - STATUTORY BASIS

| | <u>REF.</u> | <u>YEAR ENDED</u> <u>DECEMBER 31,</u> <u>2009</u> | <u>YEAR ENDED</u> <u>DECEMBER 31,</u> <u>2008</u> |
|--|-------------|---|---|
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | |
| Fund Balance Utilized | D-1:D-3 | \$ 314,000.00 | \$ 230,314.00 |
| Water and Sewer Rents | D-3 | 3,831,861.81 | 3,535,062.19 |
| Miscellaneous Revenue | D-3 | 66,912.90 | 102,446.30 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | D-12 | <u>319,285.31</u> | <u>213,512.33</u> |
| <u>TOTAL INCOME</u> | | <u>\$ 4,532,060.02</u> | <u>\$ 4,081,334.82</u> |
| <u>EXPENDITURES</u> | | | |
| Operating | D-4 | \$ 3,174,796.13 | \$ 3,238,314.00 |
| Debt Service | D-4 | 243,000.00 | 246,000.00 |
| Deferred Charges and Statutory Expenditures | D-4 | 96,203.87 | 96,000.00 |
| Surplus (General Budget) | D-4 | 100,000.00 | |
| Surplus - Anticipated Revenue Current Fund | D-5 | <u>200,000.00</u> | |
| <u>TOTAL EXPENDITURES</u> | | <u>\$ 3,814,000.00</u> | <u>\$ 3,580,314.00</u> |
| Excess in Revenue | | \$ 718,060.02 | \$ 501,020.82 |
| Fund Balance, January 1 | D:D-1 | <u>787,708.09</u> | <u>517,001.27</u> |
| | | \$ 1,505,768.11 | \$ 1,018,022.09 |
| Decreased by: | | | |
| Utilization as Anticipated Revenue | D-1:D-3 | <u>314,000.00</u> | <u>230,314.00</u> |
| Fund Balance, December 31 | D:D-1 | <u>\$ 1,191,768.11</u> | <u>\$ 787,708.09</u> |

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

CITY OF MARGATE CITY

WATER AND SEWER UTILITY CAPITAL FUND

STATEMENT OF WATER AND SEWER CAPITAL FUND BALANCE-STATUTORY BASIS

| | <u>REF.</u> | |
|---|-------------|----------------------|
| Balance, December 31, 2008 and December 31, 2009 | D | \$ <u>125,640.20</u> |

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

CITY OF MARGATE CITY
WATER AND SEWER UTILITY FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2009

| | <u>REF.</u> | <u>ANTICIPATED</u> | <u>REALIZED</u> | <u>EXCESS</u> |
|-----------------------|-------------|-------------------------------|-------------------------------|-----------------------------|
| Fund Balance Utilized | D-1 | \$ 314,000.00 | \$ 314,000.00 | \$ |
| Water and Sewer Rents | D-1 | 3,250,000.00 | 3,831,861.81 | 581,861.81 |
| Miscellaneous | D-1:D-5 | <u>50,000.00</u> | <u>66,912.90</u> | <u>16,912.90</u> |
| BUDGET TOTALS | D-4 | \$ <u>3,614,000.00</u> | \$ <u>4,212,774.71</u> | \$ <u>598,774.71</u> |

ANALYSIS OF MISCELLANEOUS REVENUE:

| | | |
|--------------------------------------|---------|----------------------------|
| Miscellaneous: | | |
| Interest on Investments and Deposits | | \$ 8,349.28 |
| Interest on Utility Charges | | 22,556.56 |
| Water Connections | | 16,400.00 |
| Sewer Connections | | 12,000.00 |
| Pool Fire Protection Hydrant | | 9,865.00 |
| Miscellaneous | | <u>1,442.06</u> |
| | D-5 | \$ 70,612.90 |
| Less: Refunds | D-5 | <u>3,700.00</u> |
| | D-1:D-3 | \$ <u>66,912.90</u> |

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

CITY OF MARGATE CITY
WATER AND SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2009

| | <u>APPROPRIATIONS</u> | | <u>EXPENDED</u> | |
|---------------------------------------|------------------------|--------------------------------------|----------------------------|---------------------|
| | <u>BUDGET</u> | <u>BUDGET AFTER MODIFICATION</u> | <u>PAID OR CHARGED</u> | <u>RESERVED</u> |
| <u>OPERATING:</u> | | | | |
| Salaries and Wages | \$ 900,000.00 | \$ 969,114.00 | \$ 969,113.47 | \$ 0.53 |
| Other Expenses | 995,000.00 | 931,574.13 | 893,970.99 | 37,603.14 |
| Atlantic County Utilities Authority: | | | | |
| Other Expenses - shared costs | 1,280,000.00 | 1,274,108.00 | 1,274,108.00 | |
| <u>TOTAL OPERATING</u> | <u>\$ 3,175,000.00</u> | <u>\$ 3,174,796.13</u> | <u>\$ 3,137,192.46</u> | <u>\$ 37,603.67</u> |
| <u>DEBT SERVICE:</u> | | | | |
| Bond Principal | \$ 175,000.00 | \$ 175,000.00 | \$ 175,000.00 | \$ |
| Interest on Bonds | 68,000.00 | 68,000.00 | 68,000.00 | |
| | <u>\$ 243,000.00</u> | <u>\$ 243,000.00</u> | <u>\$ 243,000.00</u> | <u>\$</u> |
| <u>STATUTORY EXPENDITURES:</u> | | | | |
| Statutory Expenditures: | | | | |
| Social Security System (O.A.S.I.) | \$ 86,000.00 | \$ 86,000.00 | \$ 86,000.00 | \$ |
| State Unemployment Insurance | 10,000.00 | 10,203.87 | 10,203.87 | |
| | <u>\$ 96,000.00</u> | <u>\$ 96,203.87</u> | <u>\$ 96,203.87</u> | <u>\$</u> |
| Surplus (General Budget) | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 | \$ |
| | <u>\$ 3,614,000.00</u> | <u>\$ 3,614,000.00</u> | <u>\$ 3,576,396.33</u> | <u>\$ 37,603.67</u> |
| | <u>REF.</u> | <u>D-3</u> | <u>D-1</u> | <u>D:D-1</u> |
| Disbursements | D-5 | | \$ 3,474,543.17 | |
| Reserve for Accounts Payable | D-7 | | 40,122.64 | |
| Reserve for Accrued Interest on Bonds | D-9 | | 68,000.00 | |
| | | | <u>\$ 3,582,665.81</u> | |
| Less: Refunds | D-5 | | 6,269.48 | |
| | | | <u>\$ 3,576,396.33</u> | |

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

THIS PAGE INTENTIONALLY LEFT BLANK

GENERAL FIXED ASSETS ACCOUNT GROUP

CITY OF MARGATE CITY
STATEMENT OF GENERAL FIXED ASSETS
BALANCE SHEETS - STATUTORY BASIS

| | BALANCE DECEMBER 31, 2009 | BALANCE DECEMBER 31, 2008 |
|-------------------------------------|---------------------------------|---------------------------------|
| <u>FIXED ASSETS</u> | | |
| Land | \$ 50,903,100.00 | \$ 50,903,100.00 |
| Buildings | 12,253,786.00 | 12,249,471.00 |
| Machinery and Equipment | <u>7,070,625.20</u> | <u>6,422,090.20</u> |
| <u>TOTAL FIXED ASSETS</u> | <u>\$ 70,227,511.20</u> | <u>\$ 69,574,661.20</u> |
| <u>RESERVE</u> | | |
| Investments in General Fixed Assets | <u>\$ 70,227,511.20</u> | <u>\$ 69,574,661.20</u> |

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

NOTES TO FINANCIAL STATEMENTS

CITY OF MARGATE CITY

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009 AND 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Margate City is an instrumentality of the State of New Jersey established to function as a municipality. The City Commission consists of elected officials and is responsible for the fiscal control of the City.

Except as noted below, the financial statements of the City of Margate City include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City of Margate City, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the City of Margate City do not include the operations of the Free Public Library or the Local Board of Education inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the City of Margate City conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the City of Margate City are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity. As required by the Division of Local Government Services, the City accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund – resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund – receipts, custodianship and disbursements of funds in accordance with the purpose of which each reserve was created.

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

Water & Sewer Operating and Capital Funds – account for the operations and acquisition of capital facilities of the municipally-owned water & sewer utility.

General Fixed Assets Account Group – utilized to account for property, land, buildings and equipment that have been acquired by other 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 generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the City's 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 the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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 and constitute part of the City's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - the proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

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. GAAP does not require the establishment of an offsetting reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets – N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the City as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$2,500.00 or more per unit.

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. No depreciation has been provided on general fixed assets or reported in the financial statements.

The City has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the City's most recent property revaluation. Buildings are stated at the most recent insurance replacement value. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

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

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

Inventories of Supplies - the cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital – Water & Sewer Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Water & Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment, and improvements. The utility does not record depreciation on fixed assets.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The City presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The City considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

The City of Margate City had the following cash and cash equivalents at December 31, 2009:

| <u>Fund</u> | <u>Cash In Bank</u> | <u>Change Fund</u> | <u>Total</u> |
|---------------------------------|-------------------------|------------------------|------------------------|
| Current Fund | \$ 4,608,131.84 | \$ 350.00 | \$ 4,608,481.84 |
| Animal Control Trust Fund | 2,112.60 | | 2,112.60 |
| Other Trust Fund | 438,991.24 | | 438,991.24 |
| General Capital Fund | 99,161.90 | | 99,161.90 |
| Water & Sewer Operating Fund | 1,150,776.86 | 100.00 | 1,150,876.86 |
| Water & Sewer Trust Fund | 3,208.56 | | 3,208.56 |
| | <hr/> | <hr/> | <hr/> |
| <u>Total December 31, 2009</u> | <u>\$ 6,302,383.00</u> | <u>\$ 450.00</u> | <u>\$ 6,302,833.00</u> |

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The City does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2009, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$326,480.14 was covered by Federal Depository Insurance and \$5,975,902.86 was covered by NJ GUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the City are strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The City of Margate City's investment activities during the year were in accordance with the above New Jersey Statute. The City of Margate City had an investment at December 31, 2009 in the amount of \$23,934.56 which consisted of 481 shares of Prudential Financial Inc. stock. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the City is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk or its deposits and investments.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

| Issued: | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|--|------------------------|------------------------|------------------------|
| Bonds Notes and Loans: | | | |
| General | \$31,130,942.08 | \$32,876,320.54 | \$26,628,146.18 |
| Water & Sewer Utility | <u>1,230,000.00</u> | <u>1,410,000.00</u> | <u>1,580,000.00</u> |
| Total Issued | <u>\$32,360,942.08</u> | <u>\$34,286,320.54</u> | <u>\$28,208,146.18</u> |
| Less: | | | |
| Cash on Hand to Pay Notes | <u>\$37,500.00</u> | <u>\$262,500.00</u> | |
| Total Net Debt Issued | <u>\$32,323,442.08</u> | <u>\$34,023,820.54</u> | <u>\$28,208,146.18</u> |
| Authorized But Not Issued: | | | |
| Bond and Notes: | | | |
| General | \$12,092,233.91 | \$6,643,409.35 | \$10,245,055.06 |
| Water & Sewer Utility | <u>900,000.00</u> | <u>700,000.00</u> | <u>700,000.00</u> |
| | <u>12,992,233.91</u> | <u>7,343,409.35</u> | <u>\$10,945,055.06</u> |
| Net Bonds and Notes Issued and Authorized But Not Issued | <u>\$45,315,675.99</u> | <u>\$41,367,229.89</u> | <u>\$39,153,201.24</u> |

SUMMARY OF STATUTORY DEBT CONDITION
ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.06%.

| | <u>GROSS DEBT</u> | <u>DEDUCTIONS</u> | <u>NET DEBT</u> |
|----------------------------|-------------------------|-------------------------|-------------------------|
| Local School District Debt | \$ 14,030,000.00 | \$ 14,030,000.00 | \$ |
| Sewer Utility Debt | 2,130,000.00 | 2,130,000.00 | |
| General Debt | <u>43,223,175.99</u> | <u>37,500.00</u> | <u>43,185,675.99</u> |
| | <u>\$ 59,383,175.99</u> | <u>\$ 16,197,500.00</u> | <u>\$ 43,185,675.99</u> |

NET DEBT \$43,185,675.99 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2, AS AMENDED, \$4,061,795,732.33 EQUALS 1.06%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

BORROWING POWER UNDER N.J.S.40A:2-6 AS AMENDED

| | |
|--|---------------------------|
| Equalized Valuation Basis* - December 31, 2009 | <u>\$4,061,795,732.33</u> |
| 3-1/2 of Equalized Valuation Basis (Municipal) | \$142,162,850.63 |
| Net Debt | <u>43,185,675.99</u> |
| Remaining Borrowing Power | <u>\$98,977,174.64</u> |

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Rail Road Property of the City of Margate City for the last three (3) preceding years.

CALCULATION OF "SELF-LIQUIDATING PURPOSE"
WATER & SEWER UTILITY PER N.J.S.40A:2-45

| | | |
|--|-------------------|---------------------|
| Revenue from Fees, Rents, and Other Charges for Year and Fund Balance | | \$4,145,861.81 |
| Deductions: | | |
| Operating and Maintenance Cost | \$3,271,000.00 | |
| Debt Service per Sewer Account | <u>243,000.00</u> | |
| Total Deductions | | <u>3,514,000.00</u> |
| Excess in Revenue | | <u>\$631,861.81</u> |

NOTE 3: LONG-TERM DEBT (CONTINUED)

LONG-TERM DEBT

General Serial Bonds:

\$8,785,000.00 General Obligation Bonds of 2000 due in an annual installment of \$355,000.00 in 2010 at an interest rate of 5.05% \$ 355,000.00

\$4,065,000.00 General Obligation Bonds of 2005 due in an annual installment of \$775,000.00 in 2010 at an interest rate of 3.75% 775,000.00

\$17,125,000.00 General Obligation Bonds of 2006 due in annual installments of \$100,000.00 to \$1,200,000.00 at variable interest rates 16,025,000.00

\$4,480,000.00 General Obligation Bonds of 2009 due in annual installments of \$715,000.00 to \$770,000.00 at variable interest rates 4,480,000.00

\$21,635,000.00

Type I School Bonds:

\$19,040,000.00 Type I School Bonds of 2001 due in annual installments of \$725,000.00 to \$2,100,000.00 at variable interest rates \$ 1,300,000.00

\$12,730,000.00 Type I School Bonds of 2009 due in annual installments of \$145,000.00 to \$1,220,000.00 at variable interest rates 12,730,000.00

\$14,030,000.00

Water & Sewer Utility Bonds:

\$2,360,000.00 Water & Sewer Utility Bonds of 2000 due in an annual installment of \$185,000.00 in 2010 at a variable interest rate of 5.05% \$ 185,000.00

\$1,045,000.00 Water & Sewer Utility Bonds of 2009 due in annual installments of \$5,000.00 to \$215,000.00 at variable interest rates 1,045,000.00

\$1,230,000.00

Bond Anticipation Note:

\$8,000,000.00 Bond Anticipation Note of 2009 issued July 14, 2009 at an interest rate of 1.50% maturing on July 13, 2010 \$8,000,000.00

NOTE 3: LONG-TERM DEBT (CONTINUED)

Green Trust Loans:

| | |
|---|--------------|
| \$262,500.00 Waterfront Park Acquisition Loan of 1992/2000 due in semi-annual installments of \$7,100.09 to \$8,837.59 at an interest rate of 2.00% | \$138,908.12 |
|---|--------------|

| | |
|---|-----------|
| \$132,500.00 Library Park Phase I Loan of 1995 due in semi-annual installments of \$3,742.60 to \$4,259.42 at an interest rate of 2.00% | 32,917.64 |
|---|-----------|

| | |
|--|-----------|
| \$150,000.00 Library Park Phase II Loan of 1995 due in semi-annual installments of \$4,236.90 to \$4,821.99 at an interest rate of 2.00% | 37,265.26 |
|--|-----------|

| | |
|---|-----------|
| \$143,580.16 Library Park Phase III Loan of 1999 due in semi-annual installments of \$3,550.96 to \$4,419.94 at an interest rate of 2.12% | 69,472.01 |
|---|-----------|

| | |
|--|------------|
| \$150,000.00 Library Park Phase IV Loan of 2005 due in semi-annual installments of \$3,163.74 to \$4,617.56 at an interest rate of 2.00% | 127,178.26 |
|--|------------|

| | |
|---|-------------------|
| \$449,500.00 Upgrade to Jerome Ave Recreation Facility Loan of 2009 due in semi-annual installments of \$9,480.67 to \$13,837.30 at an interest rate of 2.00% | <u>440,019.33</u> |
|---|-------------------|

\$845,760.62

New Jersey Infrastructure Loans:

| | |
|--|--------------|
| \$300,000.00 New Jersey Environmental Infrastructure Loan of 2001 due in annual installments of \$10,000.00 to \$25,000.00 at a variable interest rate | \$225,000.00 |
|--|--------------|

| | |
|---|------------|
| \$312,500.00 New Jersey Environmental Infrastructure Loan of 2001 due in semi-annual installments of \$379.81 to \$16,372.19 at an interest rate of 0.00% | 194,664.90 |
|---|------------|

| | |
|---|------------|
| \$160,000.00 New Jersey Environmental Infrastructure Loan of 2001 due in annual installments of \$5,000.00 to \$15,000.00 at a variable interest rate | 125,000.00 |
|---|------------|

| | |
|--|-------------------|
| \$164,949.00 New Jersey Environmental Infrastructure Loan of 2001 due in semi-annual installments of \$225.39 to \$9,715.89 at an interest rate of 0.00% | <u>105,516.56</u> |
|--|-------------------|

\$650,181.46

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2009 the City has authorized but not issued bonds and notes as follows:

| | |
|-------------------------------|-------------------|
| General Capital Fund | \$12,092,233.91 |
| Water & Sewer Utility Capital | <u>900,000.00</u> |

\$12,992,233.91

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2009

| Calendar Year | General Capital | | Type I School Bonds | | Sewer Utility | |
|------------------|------------------------|-----------------------|------------------------|-----------------------|-----------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2010 | \$2,130,000.00 | \$844,336.25 | \$995,000.00 | \$504,704.27 | \$190,000.00 | \$42,544.72 |
| 2011 | 1,770,000.00 | 787,106.25 | 450,000.00 | 563,625.00 | 195,000.00 | 36,725.00 |
| 2012 | 1,760,000.00 | 717,856.25 | 980,000.00 | 533,337.50 | 205,000.00 | 29,700.00 |
| 2013 | 1,810,000.00 | 643,881.25 | 1,025,000.00 | 493,237.50 | 215,000.00 | 21,300.00 |
| 2014 | 1,915,000.00 | 566,593.75 | 1,045,000.00 | 451,837.50 | 210,000.00 | 12,800.00 |
| 2015 | 1,940,000.00 | 486,531.25 | 1,110,000.00 | 408,737.50 | 215,000.00 | 4,300.00 |
| 2016 | 1,915,000.00 | 402,856.25 | 1,160,000.00 | 357,537.50 | | |
| 2017 | 1,200,000.00 | 333,981.25 | 1,210,000.00 | 298,287.50 | | |
| 2018 | 1,200,000.00 | 282,981.25 | 1,215,000.00 | 237,662.50 | | |
| 2019 | 1,200,000.00 | 231,981.25 | 1,220,000.00 | 176,787.50 | | |
| 2020 | 1,200,000.00 | 180,981.25 | 1,220,000.00 | 121,887.50 | | |
| 2021 | 1,200,000.00 | 129,681.25 | 1,210,000.00 | 73,287.50 | | |
| 2022 | 1,200,000.00 | 78,081.25 | 1,190,000.00 | 24,543.75 | | |
| 2023 | 1,195,000.00 | 26,140.63 | | | | |
| | <u>\$21,635,000.00</u> | <u>\$5,712,989.38</u> | <u>\$14,030,000.00</u> | <u>\$4,245,473.02</u> | <u>\$1,230,000.00</u> | <u>\$147,369.72</u> |

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR LOANS ISSUED AND OUTSTANDING DECEMBER 31, 2009

| Calendar Year | Waterfront Park Acquisition | | Green Trust Loans Public Library Park Phase I | | Public Library Park Phase II | |
|------------------|--------------------------------|--------------------|---|-------------------|---------------------------------|-------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2010 | \$15,149.14 | \$2,702.79 | \$7,985.41 | \$618.63 | \$9,040.08 | \$700.33 |
| 2011 | 15,453.64 | 2,398.30 | 8,145.91 | 458.12 | 9,221.80 | 518.62 |
| 2012 | 15,764.25 | 2,087.67 | 8,309.64 | 294.38 | 9,407.15 | 333.26 |
| 2013 | 16,081.12 | 1,770.82 | 8,476.67 | 127.36 | 9,596.23 | 144.19 |
| 2014 | 16,404.35 | 1,447.59 | | | | |
| 2015 | 16,734.07 | 1,117.86 | | | | |
| 2016 | 17,070.43 | 781.51 | | | | |
| 2017 | 17,413.55 | 438.39 | | | | |
| 2018 | 8,837.57 | 88.38 | | | | |
| | <u>\$138,908.12</u> | <u>\$12,833.31</u> | <u>\$32,917.63</u> | <u>\$1,498.49</u> | <u>\$37,265.26</u> | <u>\$1,696.40</u> |

NOTE 3: LONG-TERM DEBT (CONTINUED)

Green Trust Loans (Continued)

| Calendar Year | Public Library Park Phase III | | Public Library Park Phase IV | | Jerome Avenue Recreation Facility | |
|------------------|----------------------------------|-------------------|---------------------------------|--------------------|--------------------------------------|--------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2010 | \$7,576.53 | \$1,351.75 | \$6,817.84 | \$2,509.64 | \$19,246.71 | \$8,704.63 |
| 2011 | 7,728.81 | 1,199.45 | 6,954.88 | 2,372.60 | 19,633.58 | 8,317.78 |
| 2012 | 7,884.16 | 1,044.11 | 7,094.66 | 2,232.82 | 20,028.20 | 7,923.14 |
| 2013 | 8,042.63 | 885.64 | 7,237.27 | 2,090.21 | 20,430.77 | 7,520.57 |
| 2014 | 8,204.29 | 723.98 | 7,382.73 | 1,944.75 | 20,841.43 | 7,109.91 |
| 2015 | 8,369.20 | 559.08 | 7,531.13 | 1,796.35 | 21,260.35 | 6,691.00 |
| 2016 | 8,537.42 | 390.85 | 7,682.50 | 1,644.98 | 21,687.68 | 6,263.66 |
| 2017 | 8,709.03 | 219.25 | 7,836.93 | 1,490.55 | 22,123.60 | 5,827.75 |
| 2018 | 4,419.94 | 44.20 | 7,994.45 | 1,333.03 | 22,568.28 | 5,383.06 |
| 2019 | | | 8,155.17 | 1,172.35 | 23,021.90 | 4,929.44 |
| 2020 | | | 8,319.05 | 1,008.43 | 23,484.64 | 4,466.70 |
| 2021 | | | 8,486.26 | 841.22 | 23,956.69 | 3,994.65 |
| 2022 | | | 8,656.83 | 670.64 | 24,438.22 | 3,513.12 |
| 2023 | | | 8,830.84 | 496.64 | 24,929.43 | 3,021.92 |
| 2024 | | | 9,008.34 | 319.14 | 25,430.50 | 2,520.84 |
| 2025 | | | 9,189.38 | 138.07 | 25,941.66 | 2,009.68 |
| 2026 | | | | | 26,463.09 | 1,488.26 |
| 2027 | | | | | 26,995.00 | 956.35 |
| 2028 | | | | | 27,537.60 | 413.75 |
| | <u>\$69,472.01</u> | <u>\$6,418.31</u> | <u>\$127,178.26</u> | <u>\$22,061.42</u> | <u>\$440,019.33</u> | <u>\$91,056.21</u> |

New Jersey Environmental Infrastructure Loans

| Calendar Year | Loan "S340666-02" | | Loan "0016001-001" | | | |
|------------------|---------------------|--------------------|---------------------|---------------------|--------------------|---------------------|
| | 'Trust' Loan | | 'Fund' Loan | 'Trust' Loan | | 'Fund' Loan |
| | Principal | Interest | Principal | Principal | Interest | Principal |
| 2010 | \$15,000.00 | \$11,425.00 | \$16,903.73 | \$10,000.00 | \$6,387.50 | \$10,368.16 |
| 2011 | 15,000.00 | 10,600.00 | 16,375.99 | 10,000.00 | 5,837.50 | 10,020.18 |
| 2012 | 15,000.00 | 9,775.00 | 15,848.24 | 10,000.00 | 5,287.50 | 9,672.20 |
| 2013 | 15,000.00 | 8,950.00 | 15,320.50 | 10,000.00 | 4,737.50 | 9,324.22 |
| 2014 | 15,000.00 | 8,125.00 | 14,792.75 | 10,000.00 | 4,187.50 | 8,976.25 |
| 2015 | 20,000.00 | 7,375.00 | 17,511.43 | 10,000.00 | 3,687.50 | 8,659.90 |
| 2016 | 20,000.00 | 6,375.00 | 16,871.74 | 10,000.00 | 3,187.50 | 8,343.56 |
| 2017 | 20,000.00 | 5,375.00 | 16,232.05 | 10,000.00 | 2,687.50 | 8,027.22 |
| 2018 | 20,000.00 | 4,375.00 | 15,592.37 | 10,000.00 | 2,187.50 | 7,710.88 |
| 2019 | 20,000.00 | 3,375.00 | 14,952.68 | 10,000.00 | 1,687.50 | 7,394.53 |
| 2020 | 25,000.00 | 2,375.00 | 17,511.42 | 10,000.00 | 1,187.50 | 7,078.18 |
| 2021 | 25,000.00 | 1,187.50 | 16,752.00 | 15,000.00 | 712.50 | 9,941.28 |
| | <u>\$225,000.00</u> | <u>\$79,312.50</u> | <u>\$194,664.90</u> | <u>\$125,000.00</u> | <u>\$41,775.00</u> | <u>\$105,516.56</u> |

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2009, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2010, were as follows:

| | |
|--------------------|-----------------|
| Current Fund | \$ 2,365,000.00 |
| Sewer Utility Fund | \$ 478,000.00 |

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The City bills and collects its own property taxes and also the taxes for the County and the Local School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. City property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the City's Current Fund.

Taxes collected in advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

| | BALANCE DECEMBER <u>31, 2009</u> | BALANCE DECEMBER <u>31, 2008</u> |
|---------------|--|--|
| Prepaid Taxes | <u>\$690,826.68</u> | <u>\$624,008.48</u> |

NOTE 6: PENSION PLANS

City employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System, the Police and Firemen's Retirement System, and the Consolidated Police and Firemen's Pension Fund of New Jersey. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the cost are contributed by the employees. The City's share of pension costs, which is based upon the annual billings received from the State, amounted to \$877,552.80 for 2007, \$1,345,542.20 for 2008 and \$1,527,043.00 for 2009.

Certain City employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 6: PENSION PLANS (CONTINUED)

In addition, the City has a separate pension plan for lifeguards. To be eligible, a lifeguard must retire after their forty-fifth birthday and must have completed twenty years of service, the last ten of which must have been completed immediately preceding their application for retirement. Employees contributed to \$20,919.36 during 2009. The City paid out \$24,972.84 during 2009.

Also, certain employees are enrolled in a Defined Contribution Retirement Program (DCRP). The City budgeted \$750.00 in the 2010 budget for this cost.

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the City, employees are allowed to accumulate unused sick pay over the life of their working careers which may be taken as time off at a later date. The City annually appropriates the amounts that are required to be paid in that year's budget and no liability is accrued at December 31, 2009.

NOTE 8: LITIGATION

The City is involved in several pending legal proceedings, the impact on the financial statements of which, either individually or in the aggregate, in the opinion of the City's legal counsel would not be material.

NOTE 9: CONTINGENT LIABILITIES

The City participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2009, the City does not believe that any material liabilities will result from such audits.

NOTE 10: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for the years 2009 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of a reserve or by the issuance of refunding bonds per N.J.S. 40A:2-51.

NOTE 11: 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. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2009:

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|--------------------------------------|---------------------------------|------------------------------|
| Current Fund | \$ 835.20 | \$ 37,939.81 |
| Grant Fund | 33,011.81 | 12,702.00 |
| Animal Control Trust Fund | | 835.20 |
| Trust Other Fund | 4,928.00 | |
| General Capital Fund | 679,860.64 | 300,000.00 |
| Water & Sewer Utility Operating Fund | 312,702.00 | 125,000.00 |
| Water & Sewer Utility Capital Fund | <u>125,000.00</u> | <u>679,860.64</u> |
| | \$ <u>1,156,337.65</u> | \$ <u>1,156,337.65</u> |

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 13: DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salaries until future years. The City does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the City's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

The Plan is administered by Great West Retirement Services and Hartford Life.

The accompanying financial statements do not include the City's Deferred Compensation Plan activities. The City's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 14: DEFERRED CHARGES

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2009, the following deferred charges are shown:

| | <u>Balance 12/31/09</u> | <u>2010 Budget</u> | <u>Balance to Succeeding Budgets</u> |
|---------------|-----------------------------|------------------------|--|
| Current Fund: | | | |
| Master Plan | <u>\$36,000.00</u> | <u>\$12,000.00</u> | <u>\$24,000.00</u> |

CITY OF MARGATE CITY
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2009

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF CASH - TREASURER

| | REF. | CURRENT FUND | | GRANT FUND | |
|--|-----------|--------------|----------------------|------------|-------------------|
| Balance, December 31, 2008 | A | \$ | 5,036,387.83 | \$ | |
| Increased by Receipts: | | | | | |
| Tax Collector | A-5 | \$ | 42,887,704.25 | \$ | |
| State of New Jersey-Senior Citizens and Veterans Deductions | A-8 | | 130,500.00 | | |
| Interfunds | A-12:A-11 | | 80,268.72 | | 120,220.70 |
| 2009 Appropriation Refunds | A-3 | | 105,979.50 | | |
| Revenue Accounts Receivable | A-13 | | 2,645,716.32 | | |
| Miscellaneous Revenue Not Anticipated | A-2 | | 300,568.96 | | |
| Petty Cash | A-6 | | 1,250.00 | | |
| Change Fund | A-7 | | 1,550.00 | | |
| Reserve for Grants-Unappropriated | A-31 | | | | 6,821.82 |
| Reserve for Redemption of Outside Liens | A-16 | | 171,577.49 | | |
| Reserve for Tax Sale Premium | A-15 | | 43,150.00 | | |
| Reserve for Commonwealth | A | | 12,000.00 | | |
| Marr./Civil Union Lic. Due State of NJ | A-19 | | 975.00 | | |
| Grants Receivable | A-29 | | | | 53,001.07 |
| Prepaid Revenue | A-28 | | 847.00 | | |
| Reserve for Sale of Municipal Assets | A-27 | | 2,800.00 | | |
| Reserve for State Library Aid | A-32 | | 6,074.00 | | |
| | | | <u>46,390,961.24</u> | | <u>180,043.59</u> |
| | | \$ | 51,427,349.07 | \$ | 180,043.59 |
| Decreased by Disbursements: | | | | | |
| 2009 Appropriations | A-3 | \$ | 24,665,916.13 | \$ | |
| Appropriation Reserves | A-14 | | 362,938.33 | | |
| Interfunds | A-12:A-11 | | 109,407.10 | | 72,524.89 |
| Tax Overpayments | A-17 | | 23,682.92 | | |
| Local District School Taxes Payable | A-25 | | 10,080,118.00 | | |
| County Taxes Payable | A-26 | | 11,311,558.02 | | |
| Refund of: | | | | | |
| Fees and Permits | A-2 | | 898.00 | | |
| Beach Vending Licenses | A-2 | | 25,000.00 | | |
| Change Fund | A-7 | | 1,250.00 | | |
| Petty Cash | A-6 | | 1,250.00 | | |
| Decrease in Market Value | A-2 | | 20,817.68 | | |
| Reserve for Redemption of Outside Liens | A-16 | | 171,577.49 | | |
| Marr./Civil Union Lic. Due State of NJ | A-19 | | 975.00 | | |
| Burial Permit Fees Due State of NJ | A-20 | | 70.00 | | |
| Reserve for Library Aid | A-32 | | 6,074.00 | | |
| Reserve for Master Plan | A-24 | | 1,700.00 | | |
| Reserve for Tax Premiums | A-15 | | 12,050.00 | | |
| Reserve for Grants-Appropriated | A-30 | | | | 107,518.70 |
| | | | <u>46,795,282.67</u> | | <u>180,043.59</u> |
| Balance, December 31, 2009 | A | \$ | <u>4,632,066.40</u> | \$ | <u></u> |

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

Increased by Receipts:

| | | | | |
|-----------------------------|------|----|-------------------|------------------|
| Taxes Receivable | A-9 | \$ | 41,990,507.43 | |
| Revenue Accounts Receivable | A-13 | | 135,241.82 | |
| Tax Overpayments | A-17 | | 71,128.32 | |
| Prepaid Taxes | A-18 | | <u>690,826.68</u> | |
| | | | | \$ 42,887,704.25 |

Decreased by Disbursements:

| | | | | |
|-------------------|-----|--|--|--------------------------------|
| Paid to Treasurer | A-4 | | | \$ <u><u>42,887,704.25</u></u> |
|-------------------|-----|--|--|--------------------------------|

"A-6"

CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF PETTY CASH

OFFICE

Finance Department
Police Department

| <u>ADVANCED</u> | | <u>REIMBURSED</u> | |
|-----------------|-----------------|-------------------|-----------------|
| \$ | 250.00 | \$ | 250.00 |
| | <u>1,000.00</u> | | <u>1,000.00</u> |
| \$ | <u>1,250.00</u> | \$ | <u>1,250.00</u> |
| | A-4 | | A-4 |

REF.

"A-7"

SCHEDULE OF CHANGE FUND

OFFICE

Beach Fee Collector
Tax Collector
Municipal Court

| <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2008</u> | <u>RECEIPTS</u> <u>FROM</u> <u>TREASURER</u> | <u>RETURNED</u> <u>TO</u> <u>TREASURER</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2009</u> |
|--|--|--|--|
| \$ 50.00 | \$ 1,250.00 | \$ 1,250.00 | \$ 50.00 |
| 300.00 | | 300.00 | |
| <u>300.00</u> | | | <u>300.00</u> |
| \$ <u>650.00</u> | \$ <u>1,250.00</u> | \$ <u>1,550.00</u> | \$ <u>350.00</u> |
| A | A-4 | A-4 | A |

REF.

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

| | <u>REF.</u> | | | |
|--|-------------|----|---------------|------------------------|
| Balance, December 31, 2008 (Due From) | A | | \$ | 3,299.12 |
| Increased by: | | | | |
| Senior Citizens Deductions Per Tax Billing | A-8 | \$ | 18,750.00 | |
| Veterans Deductions Per Tax Billing | A-8 | | 110,250.00 | |
| Senior Citizens and Veterans Deductions Allowed by Tax Collector | A-8 | | <u>750.00</u> | |
| | | | | <u>129,750.00</u> |
| | | | \$ | <u>133,049.12</u> |
| Decreased by: | | | | |
| Received From State | A-4 | \$ | 130,500.00 | |
| Senior Citizens and Veterans Deductions Disallowed by Collector | A-8 | | <u>378.77</u> | |
| | | | | <u>130,878.77</u> |
| Balance, December 31, 2009 (Due From) | A | | \$ | <u><u>2,170.35</u></u> |

ANALYSIS OF STATE SHARE OF 2009 SENIOR
CITIZENS AND VETERANS DEDUCTIONS

| | | | | |
|--|-----|----|---------------|-----------------------------|
| Senior Citizens Deductions Per Tax Billing | A-8 | \$ | 18,750.00 | |
| Veterans Deductions Per Tax Billing | A-8 | | 110,250.00 | |
| Senior Citizens and Veterans Deductions Allowed by Collector | A-8 | | <u>750.00</u> | |
| | | | | \$ <u>129,750.00</u> |
| Less: Senior Citizens Disallowed | A-8 | | | <u>378.77</u> |
| | A-9 | | | \$ <u><u>129,371.23</u></u> |

"A-9"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| YEAR | BALANCE DECEMBER 31, 2008 | 2009 LEVY | ADDED TAXES | COLLECTIONS | | CANCELED | TRANSFERRED TO TAX TITLE LIENS | BALANCE DECEMBER 31, 2009 |
|-------|---------------------------------|------------------|----------------|---------------|------------------|-------------|--------------------------------------|---------------------------------|
| | | | | 2008 | 2009 | | | |
| Prior | \$ 596,741.61 | | | | \$ 592,067.56 | \$ 129.25 | \$ 246.88 | \$ 4,297.92 |
| 2009 | | \$ 42,942,696.33 | | \$ 624,008.48 | 41,553,588.80 | 8,695.38 | 381.37 | 756,022.30 |
| | \$ 596,741.61 | \$ 42,942,696.33 | \$ | \$ 624,008.48 | \$ 42,145,656.36 | \$ 8,824.63 | \$ 628.25 | \$ 760,320.22 |
| REF. | A | | | A-2; A-18 | A-2 | | A-10 | A |

REF.

| | | |
|---|------|------------------|
| Collector | A-5 | \$ 41,990,507.43 |
| Overpayments Applied | A-17 | 25,777.70 |
| Senior Citizens and Veterans Deductions | A-8 | 129,371.23 |
| | | \$ 42,145,656.36 |

ANALYSIS OF 2009 PROPERTY TAX LEVY

TAX YIELD

General Property Tax
Added Taxes (54-4-63.1 et seq.)

| | |
|----|---------------|
| \$ | 42,838,064.18 |
| | 104,632.15 |
| \$ | 42,942,696.33 |

TAX LEVY

Local District School Tax (Abstract)

A-2; A-25

| | |
|----|---------------|
| \$ | 10,080,118.00 |
|----|---------------|

County Tax (Abstract)

County Health Tax (Abstract)

County Open Space (Abstract)

| | |
|----|---------------|
| \$ | 10,389,865.26 |
| | 713,233.01 |
| | 208,459.75 |

Due County for Added Taxes (54-4-63.1 et seq.)

Total County Taxes

| | |
|----|---------------|
| \$ | 11,311,558.02 |
| | 27,689.31 |

| | |
|--|---------------|
| | 11,339,247.33 |
|--|---------------|

Local Tax for Municipal Purposes (Abstract)

Local Tax for School Purposes (Abstract)

Add: Additional Tax Levied

Local Tax for Municipal Purposes Levied

| | |
|----|---------------|
| \$ | 19,939,990.82 |
| | 1,490,000.00 |
| | 93,340.18 |

| | |
|--|---------------|
| | 21,523,331.00 |
|--|---------------|

| | |
|----|---------------|
| \$ | 42,942,696.33 |
|----|---------------|

"A-10"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

| | <u>REF.</u> | |
|--------------------------------|-------------|---------------------------|
| Balance, December 31, 2008 | A | \$ 1,582.95 |
| Increased by: | | |
| Transfer From Taxes Receivable | A-9 | <u>628.25</u> |
| Balance, December 31, 2009 | A | \$ <u><u>2,211.20</u></u> |

"A-11"

GRANT FUND

SCHEDULE OF INTERFUNDS

| | | <u>CURRENT FUND</u> | <u>WATER & SEWER FUND</u> |
|---------------------------------------|------|----------------------------|-----------------------------------|
| Balance, December 31, 2008 (Due From) | A | \$ 63,115.62 | |
| Disbursements | A-4 | 72,524.89 | |
| Transfers | A-12 | 4,890.00 | |
| Receipts | A-4 | <u>107,518.70</u> | \$ <u>12,702.00</u> |
| Balance, December 31, 2009 (Due From) | A | \$ <u><u>33,011.81</u></u> | |
| Balance, December 31, 2009 (Due To) | A | | \$ <u><u>12,702.00</u></u> |

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>GRANT FUND</u> | <u>ANIMAL CONTROL FUND</u> | <u>OTHER TRUST FUND</u> | <u>SEWER OPERATING FUND</u> |
|----------------------------|-------------|--------------|-------------------|------------------------------------|---------------------------------|-------------------------------------|
| Balance, December 31, 2008 | | | | | | |
| Due To | A | \$ 63,115.62 | \$ 63,115.62 | \$ | | |
| Due From | A | 933.43 | | 770.40 | 163.03 | |
| Receipts | A-4 | \$ 80,268.72 | \$ 72,524.89 | \$ 770.40 | \$ 5,091.03 | \$ 1,882.40 |
| Transfer | | 4,060.10 | 4,890.00 | (829.90) | | |
| Disbursements | A-4 | 109,407.10 | 107,518.70 | 6.00 | | 1,882.40 |
| Balance, December 31, 2009 | | | | | | |
| Due To | A | \$ 37,939.81 | \$ 33,011.81 | \$ | \$ 4,928.00 | \$ |
| Due From | A | 835.90 | | 835.90 | | |

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

| ACCOUNTS | REF. | BALANCE DECEMBER 31, 2008 | ACCRUED IN 2009 | TREASURER | COLLECTOR | BALANCE DECEMBER 31, 2009 |
|--|------|---------------------------------|--------------------|-----------------|---------------|---------------------------------|
| Clerk: | | | | | | |
| Licenses: | | | | | | |
| Alcoholic Beverages | A-2 | \$ | \$ 9,615.00 | \$ 9,615.00 | | \$ |
| Other | A-2 | | 10,824.50 | 10,824.50 | | |
| Fees and Permits | A-2 | | 48,004.43 | 48,004.43 | | |
| Interest and Costs on Taxes | A-2 | | 134,949.22 | | 134,949.22 | |
| Construction Code Official | A-2 | | 235,865.00 | 235,865.00 | | |
| Interest on Investments and Deposits | A-2 | | 108,525.96 | 108,525.96 | | |
| Building Department: | | | | | | |
| Other Licenses | A-2 | | 6,000.00 | 6,000.00 | | |
| Fees and Permits | A-2 | | 82,380.00 | 82,380.00 | | |
| Towing Licenses | A-2 | | 800.00 | 800.00 | | |
| Dog Park Licenses | A-2 | | 4,560.00 | 4,560.00 | | |
| Street Openings/Planning/Zoning - Other Fees | A-2 | | 13,453.72 | 13,453.72 | | |
| Registrar: | | | | | | |
| Other Licenses | A-2 | | 117.00 | 117.00 | | |
| Fees and Permits | A-2 | | 1,799.00 | 1,590.00 | 209.00 | |
| Municipal Court: | | | | | | |
| Fines and Costs | A-2 | 3,207.15 | 97,055.27 | 95,241.66 | | 5,020.76 |
| Beach Fees | A-2 | | 269,595.29 | 269,595.29 | | |
| Anticipated Utility Operating Surplus | A-2 | | 100,000.00 | 100,000.00 | | |
| Cable TV Franchise Fees | A-2 | | 56,564.45 | 56,564.45 | | |
| Energy Receipts Tax | A-2 | | 852,003.00 | 852,003.00 | | |
| Tax Collector | A-2 | | 83.60 | | 83.60 | |
| Capital Surplus | A-2 | | 250,000.00 | 250,000.00 | | |
| Utility Operating Surplus of Prior Year | A-2 | | 200,000.00 | 200,000.00 | | |
| Uniform Fire Safety Act | A-2 | | 12,296.37 | 12,296.37 | | |
| Beach Vending License | A-2 | | 68,000.00 | 68,000.00 | | |
| Ambulance Billing | A-2 | | 220,279.94 | 220,279.94 | | |
| | | \$ 3,207.15 | \$ 2,782,771.75 | \$ 2,645,716.32 | \$ 135,241.82 | \$ 5,020.76 |
| REF. | | A | | A-4 | A-5 | A |

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF 2008 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2008 | ACCOUNTS PAYABLE | BALANCE AFTER MODIFICATION | PAID OR CHARGED | BALANCE LAPSED |
|---|---------------------------------|---------------------|----------------------------------|--------------------|-------------------|
| <u>SALARIES AND WAGES</u> | | | | | |
| City Clerk | \$ 4,869.37 | \$ | \$ 4,869.37 | \$ | \$ 4,869.37 |
| Finance - Director's Office | 218.59 | | 218.59 | | 218.59 |
| Tax Collector | 387.51 | | 387.51 | | 387.51 |
| Tax Searcher | 785.02 | | 785.02 | | 785.02 |
| Tax Assessor | 2,007.11 | | 2,007.11 | | 2,007.11 |
| Planning Board | 60.15 | | 60.15 | | 60.15 |
| Construction | 8,331.78 | | 8,331.78 | | 8,331.78 |
| Electrical Inspector | 597.62 | | 597.62 | | 597.62 |
| Police Department | 55,397.65 | | 52,397.65 | | 52,397.65 |
| Public Safety - Director's Office | 200.00 | | 200.00 | | 200.00 |
| Emergency Management | 365.74 | | 365.74 | | 365.74 |
| Fire Department | 500.16 | | 500.16 | | 500.16 |
| Fire Prevention Bureau | 1,356.75 | | 1,356.75 | | 1,356.75 |
| Fire Safety Officer | 184.00 | | 184.00 | | 184.00 |
| Uniform Fire Safety Act | 284.66 | | 284.66 | | 284.66 |
| Public Works - Director's Office | 241.23 | | 241.23 | | 241.23 |
| Street Repairs | 11,524.17 | | 9,624.17 | | 9,624.17 |
| Property & Improvement | 226.06 | | 226.06 | | 226.06 |
| Board of Health | 100.00 | | 100.00 | | 100.00 |
| Playgrounds | 4,080.74 | | 4,080.74 | | 4,080.74 |
| Lifeguards | 313.43 | | 313.43 | | 313.43 |
| Municipal Court | 4,580.18 | | 4,580.18 | | 4,580.18 |
| Municipal Prosecutor | 611.96 | | 611.96 | | 611.96 |
| Legal Services & Costs | 131.81 | | 131.81 | | 131.81 |
| <u>OTHER EXPENSES</u> | | | | | |
| City Clerk | 119.62 | 121.20 | 240.82 | 131.18 | 109.64 |
| Elections | 1,368.27 | | 1,368.27 | | 1,368.27 |
| Finance - Director's Office | 3,833.36 | 1,609.45 | 5,442.81 | 1,880.20 | 3,562.61 |
| Audit | 250.00 | | 250.00 | | 250.00 |
| Tax Collector | 172.82 | 345.00 | 517.82 | 320.00 | 197.82 |
| Liquidation of Tax Liens & Foreclosed Properties | 5,000.00 | | 5,000.00 | | 5,000.00 |
| Tax Assessor | 21,145.55 | 2,123.40 | 23,268.95 | 7,740.68 | 15,528.27 |
| Legal Expenses | 7,906.47 | 4,203.04 | 12,109.51 | 7,371.81 | 4,737.70 |
| Engineer | 17,761.70 | 5,524.54 | 23,286.24 | 11,069.57 | 12,216.67 |
| Planning Board | 243.22 | | 243.22 | | 243.22 |
| Zoning | 160.30 | 1,775.00 | 1,935.30 | 130.00 | 1,805.30 |
| Construction | 1,722.86 | 416.64 | 2,139.50 | 632.59 | 1,506.91 |
| Electrical Inspector | 702.92 | | 702.92 | | 702.92 |
| Liability Insurance | 271.74 | | 271.74 | | 271.74 |
| Workers Compensation | 790.00 | | 790.00 | | 790.00 |
| Group Health Insurance | 103,472.23 | | 33,472.23 | | 33,472.23 |
| Public Employee's Retirement System | 246.80 | | 246.80 | | 246.80 |
| Police Department | 8,136.66 | 563.75 | 11,700.41 | 10,282.90 | 1,417.51 |
| Public Safety - Director's Office | 55.94 | | 55.94 | | 55.94 |
| Fire Department | 11,353.91 | 4,031.16 | 15,385.07 | 9,325.92 | 6,059.15 |
| Fire Prevention Bureau | 22.61 | | 22.61 | | 22.61 |
| Fire Safety Officer | 516.09 | 756.46 | 1,272.55 | 756.46 | 516.09 |
| Uniform Safety Act | 810.00 | | 810.00 | | 810.00 |
| Public Works - Director's Office | 243.41 | | 243.41 | 30.00 | 213.41 |
| Street Repairs | 27,418.56 | 3,564.71 | 29,770.27 | 12,624.03 | 17,146.24 |
| Property & Improvement | 3,484.66 | 1,572.00 | 5,056.66 | 215.64 | 4,841.02 |
| Rubbish Removal | 52,039.64 | | 53,252.64 | 53,252.27 | 0.37 |
| Board of Health | 50.00 | | 50.00 | | 50.00 |
| Aid to Health Care Facilities - Atlantic City Hospital | 1,000.00 | | 1,000.00 | 1,000.00 | |
| Aid to Health Care Facilities - Shore Memorial Hospital | 1,000.00 | | 1,000.00 | 1,000.00 | |
| Playgrounds | 146,393.24 | 1,796.17 | 218,189.41 | 212,212.55 | 5,976.86 |
| Lifeguards | 232.67 | 261.75 | 494.42 | 325.01 | 169.41 |
| Beachfront Maintenance | 42.25 | 163.27 | 205.52 | 163.27 | 42.25 |
| DOG Regulation | 59.00 | | 59.00 | | 59.00 |
| Celebration of Public Events | 2,847.59 | 3,892.71 | 6,740.30 | 2,647.71 | 4,092.59 |
| Condo Act | 1,000.00 | | 1,000.00 | | 1,000.00 |
| Electric | 18,231.18 | | 18,231.18 | | 18,231.18 |
| Street Lighting | 4,330.29 | 3,021.92 | 7,352.21 | 3,021.92 | 4,330.29 |
| Telephone | 13,899.91 | | 13,899.91 | 4,195.41 | 9,704.50 |
| Natural Gas | 7,946.16 | | 9,846.16 | 9,753.65 | 92.51 |

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF 2008 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2008 | ACCOUNTS PAYABLE | BALANCE AFTER MODIFICATION | PAID OR CHARGED | BALANCE LAPSED |
|--|---------------------------------|---------------------|----------------------------------|----------------------|----------------------|
| <u>OTHER EXPENSES (CONTINUED)</u> | | | | | |
| Gasoline | \$ 1,196.04 | \$ 8,050.38 | \$ 9,246.42 | \$ 8,050.38 | \$ 1,196.04 |
| Contingent | 6,750.00 | | 6,750.00 | | 6,750.00 |
| Social Security | 17,618.30 | | 17,618.30 | | 17,618.30 |
| Unemployment Compensation Insurance | 184.01 | | 184.01 | | 184.01 |
| Municipal Court | 860.41 | 167.50 | 1,027.91 | 276.15 | 751.76 |
| Public Defender | 900.00 | | 900.00 | | 900.00 |
| Feasibility Study | | 5,000.00 | 5,000.00 | 5,000.00 | |
| Emergency Authorization - Ambulance Bill | 6,635.38 | | 6,635.38 | 3,240.28 | 3,395.10 |
| | <u>\$ 597,781.46</u> | <u>\$ 48,960.05</u> | <u>\$ 646,741.51</u> | <u>\$ 366,649.58</u> | <u>\$ 280,091.93</u> |

REF. A A-21 A-1

| | | |
|------------------|------|----------------------|
| Disbursements | A-4 | \$ 362,938.33 |
| Accounts Payable | A-21 | <u>3,711.25</u> |
| | | <u>\$ 366,649.58</u> |

"A-15"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX SALE PREMIUM

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2008 | A | \$ 14,550.00 |
| Increased by: | | |
| Receipts | A-4 | <u>43,150.00</u> |
| | | \$ <u>57,700.00</u> |
| Decreased by: | | |
| Disbursements | A-4 | <u>12,050.00</u> |
| Balance, December 31, 2009 | A | \$ <u><u>45,650.00</u></u> |

"A-16"

SCHEDULE OF RESERVE FOR REDEMPTION OF OUTSIDE LIENS

| | | |
|---------------|-----|-----------------------------|
| Increased by: | | |
| Receipts | A-4 | \$ 171,577.49 |
| Decreased by: | | |
| Disbursements | A-4 | \$ <u><u>171,577.49</u></u> |

"A-17"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

| | <u>REF.</u> | | |
|--|-------------|----|-------------------------|
| Balance, December 31, 2008 | A | \$ | 39,671.79 |
| Increased by: | | | |
| Overpayments in 2009 | A-5 | | <u>71,128.32</u> |
| | | \$ | <u>110,800.11</u> |
| Decreased by: | | | |
| Refunded | A-4 | \$ | 23,682.92 |
| Canceled | A-1 | | 7,278.64 |
| Applied to Taxes Receivable - Current Year | A-9 | | <u>25,777.70</u> |
| | | | <u>56,739.26</u> |
| Balance, December 31, 2009 | A | \$ | <u><u>54,060.85</u></u> |

"A-18"

SCHEDULE OF PREPAID TAXES

| | | | |
|----------------------------|-----|----|--------------------------|
| Balance, December 31, 2008 | A | \$ | 624,008.48 |
| Increased by: | | | |
| Collection of 2010 Taxes | A-5 | | <u>690,826.68</u> |
| | | \$ | <u>1,314,835.16</u> |
| Decreased by: | | | |
| Applied to 2009 Taxes | A-9 | | <u>624,008.48</u> |
| Balance, December 31, 2009 | A | \$ | <u><u>690,826.68</u></u> |

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF RESERVE FOR MARRIAGE & CIVIL UNION LICENSES - DUE STATE OF NEW JERSEY

| | <u>REF.</u> | |
|----------------------------|-------------|-------------------------|
| Balance, December 31, 2008 | A | \$ 175.00 |
| Increased by: | | |
| Receipts | A-5 | 975.00 |
| | | \$ <u>1,150.00</u> |
| Decreased by: | | |
| Disbursements | A-4 | 975.00 |
| Balance, December 31, 2009 | A | \$ <u><u>175.00</u></u> |

SCHEDULE OF RESERVE FOR BURIAL PERMIT FEES - DUE STATE OF NEW JERSEY

| | | |
|----------------------------|-----|------------------------|
| Balance, December 31, 2008 | A | \$ 70.00 |
| Decreased by: | | |
| Disbursements | A-4 | \$ <u><u>70.00</u></u> |

"A-21"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

| | <u>REF.</u> | | |
|---------------------------------------|-------------|-----------------|----------------------------|
| Balance, December 31, 2008 | A | | \$ 48,960.05 |
| Increased by: | | | |
| 2009 Budget Appropriations | A-3 | \$ 47,511.91 | |
| 2008 Appropriation Reserves | A-14 | <u>3,711.25</u> | |
| | | | 51,223.16 |
| | | | \$ <u>100,183.21</u> |
| Decreased by: | | | |
| Transferred to Appropriation Reserves | A-14 | | <u>48,960.05</u> |
| Balance, December 31, 2009 | A | | \$ <u><u>51,223.16</u></u> |

"A-22"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUE

| | | |
|---|---|-----------------------------|
| Balance, December 31, 2008 and December 31, 2009 | A | \$ <u><u>138,557.50</u></u> |
|---|---|-----------------------------|

"A-23"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF RESERVE FOR STATE TAX APPEALS

Balance, December 31, 2008
and December 31, 2009

A

\$ 13,952.11

"A-24"

SCHEDULE OF RESERVE FOR MASTER PLAN

Balance, December 31, 2008

A

\$ 3,000.00

Decreased by:
Disbursements

A-4

1,700.00

Balance, December 31, 2009

A

\$ 1,300.00

"A-25"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

REF.

| | | | |
|---------------|---------|----|----------------------|
| Increased by: | | | |
| School Levy | A-1:A-9 | \$ | 10,080,118.00 |
| Decreased by: | | | |
| Disbursements | A-4 | \$ | <u>10,080,118.00</u> |

"A-26"

SCHEDULE OF COUNTY TAXES PAYABLE

| | | | |
|----------------------------|---------|----|----------------------|
| Increased by: | | | |
| 2009 Levy | A-1:A-9 | \$ | 11,311,558.02 |
| Added and Omitted | A-1:A-9 | | <u>27,689.31</u> |
| | | \$ | 11,339,247.33 |
| Decreased by: | | | |
| Disbursements | A-4 | | <u>11,311,558.02</u> |
| Balance, December 31, 2009 | A | \$ | <u>27,689.31</u> |

"A-27"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

| | <u>REF.</u> | |
|----------------------------|-------------|---------------------|
| Balance, December 31, 2008 | A | \$ 16,157.20 |
| Increased by: | | |
| Receipts | A-4 | <u>2,800.00</u> |
| Balance, December 31, 2009 | A | \$ <u>18,957.20</u> |

"A-28"

SCHEDULE OF PREPAID REVENUE

| | | |
|---------------------------------|-----|---------------------|
| Balance, December 31, 2008 | A | \$ 12,273.00 |
| Increased by: | | |
| Receipts | A-4 | <u>847.00</u> |
| | | \$ <u>13,120.00</u> |
| Decreased by: | | |
| Applied to Revenue - Beach Fees | A-2 | <u>12,273.00</u> |
| Balance, December 31, 2009 | A | \$ <u>847.00</u> |

CITY OF MARGATE CITY

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

| | BALANCE DECEMBER 31, 2008 | BUDGET APPROPRIATION | RECEIPTS | UNAPPROPRIATED APPLIED | BALANCE DECEMBER 31, 2009 |
|-----------------------------|---------------------------------|-------------------------|---------------------|---------------------------|---------------------------------|
| Body Armor Replacement | | \$ 3,397.42 | \$ | \$ 3,397.42 | \$ |
| Municipal Alliance Program | 16,146.77 | 19,560.00 | 15,746.77 | | 19,960.00 |
| Clean Communities Program | | 25,254.30 | 25,254.30 | | |
| Over the Limit Under Arrest | | 6,000.00 | 6,000.00 | | |
| Click it or Ticket | | 4,000.00 | 4,000.00 | | |
| COPS in Shops | 2,000.00 | 2,000.00 | 2,000.00 | | 2,000.00 |
| | <u>\$ 18,146.77</u> | <u>\$ 60,211.72</u> | <u>\$ 53,001.07</u> | <u>\$ 3,397.42</u> | <u>\$ 21,960.00</u> |
| REF. | A | A-2:A-30 | A-4 | A-31 | A |

CITY OF MARGATE CITY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

| | BALANCE DECEMBER 31, 2008 | BUDGET APPROPRIATION | EXPENDED | BALANCE DECEMBER 31, 2009 |
|---------------------------------------|---------------------------------|-------------------------|----------------------|---------------------------------|
| Body Armor Replacement | \$ 19,308.88 | \$ 3,397.42 | \$ 12,208.31 | \$ 10,497.99 |
| Municipal Alliance Program | 20,183.46 | 24,450.00 | 19,683.46 | 24,950.00 |
| Clean Communities Program | | 25,254.30 | 25,254.30 | |
| Alcohol Education Rehabilitation Fund | 2,081.46 | | 2,081.46 | |
| Recycling Tonnage Program | 12,433.03 | | 12,433.03 | |
| Over the Limit Under Arrest | | 6,000.00 | 6,000.00 | |
| State Police All Hazards Emergency | 2,405.72 | | 2,405.72 | |
| Municipal Stormwater Regulation | 12,702.00 | | 12,702.00 | |
| Buckle Up South Jersey | 6,000.00 | | 6,000.00 | |
| Click it or Ticket | 2,750.42 | 4,000.00 | 6,750.42 | |
| COPS in Shops | | 2,000.00 | 2,000.00 | |
| | <u>\$ 77,864.97</u> | <u>\$ 65,101.72</u> | <u>\$ 107,518.70</u> | <u>\$ 35,447.99</u> |
| <u>REF.</u> | A | A-29 | A-4 | A |

CITY OF MARGATE CITY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS UNAPPROPRIATED

| | BALANCE DECEMBER 31, 2008 | RECEIPTS | APPLIED TO RECEIVABLE | BALANCE DECEMBER 31, 2009 |
|-----------------------------|---------------------------------|----------|-----------------------------|---------------------------------|
| Recycling Tonnage Grant | \$ 3,397.42 | 6,821.82 | \$ 3,397.42 | 6,821.82 |
| Body Armor Replacement Fund | \$ 3,397.42 | 6,821.82 | \$ 3,397.42 | 6,821.82 |
| REF. | A | A-4 | A-29 | A |

"A-32"

CITY OF MARGATE CITY

CURRENT FUND

SCHEDULE OF RESERVE FOR STATE LIBRARY AID

REF.

| | | |
|---------------|-----|--------------------|
| Increased by: | | |
| Receipts | A-4 | \$ 6,074.00 |
| Decreased by: | | |
| Disbursements | A-4 | \$ <u>6,074.00</u> |

"A-33"

SCHEDULE OF DEFERRED CHARGES

| | | |
|----------------------------|-----|---------------------|
| Balance, December 31, 2008 | A | \$ 51,936.69 |
| Decreased by: | | |
| 2009 Appropriations | A-3 | <u>15,936.69</u> |
| Balance, December 31, 2009 | A | \$ <u>36,000.00</u> |

ANALYSIS OF BALANCE:

| | | |
|---------------------------------|--|---------------------|
| Special Emergency - Master Plan | | \$ <u>36,000.00</u> |
|---------------------------------|--|---------------------|

CITY OF MARGATE CITY

TRUST FUND

SCHEDULE OF CASH - TREASURER

| REF. | ANIMAL CONTROL | OTHER |
|---------|----------------|-----------------|
| B | \$ 2,257.80 | \$ 551,135.83 |
| B-4 | \$ 897.60 | |
| B-5 | 290.40 | |
| B-6 | 6.00 | |
| B-7 | | 8,900.49 |
| B-3 | | 32,195.27 |
| B-9 | | 20,919.36 |
| B-10 | | 1,774.16 |
| B-11 | | 94.77 |
| B-12 | | 6,475,311.77 |
| | 1,194.00 | 6,539,195.82 |
| | \$ 3,451.80 | \$ 7,090,331.65 |
| B-5 | \$ 292.80 | |
| B-6:B-2 | 770.40 | |
| B-4 | 276.00 | 5,091.03 |
| B-3 | | 69,164.27 |
| B-11 | | 1,000.00 |
| B-7 | | 44,001.86 |
| B-9 | | 24,972.84 |
| B-12 | | 6,507,110.41 |
| | 1,339.20 | 6,651,340.41 |
| B | \$ 2,112.60 | \$ 438,991.24 |

Balance, December 31, 2008

Increased by Receipts:

Reserve for Animal Control
 Due To State of New Jersey
 Due Current Fund
 Reserve for:
 Developers' Deposits
 Various Trust Deposits
 Pension Plan for Lifeguards
 Law Enforcement Trust Fund I
 Law Enforcement Trust Fund II
 Payroll Deductions Payable

Decreased by Disbursements:

Due To State of New Jersey
 Due Current Fund
 Reserve for Animal Control
 Reserves For:
 Various Trust Deposits
 Law Enforcement Trust Fund II
 Developers' Deposits
 Pension Plan for Lifeguards
 Payroll Deductions Payable

Balance, December 31, 2009

CITY OF MARGATE CITY

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

| | <u>REF.</u> | |
|---------------------------------------|-------------|---------------------------|
| Balance, December 31, 2008 (Due To) | B | \$ 163.03 |
| Decreased by: | | |
| Disbursements | B-1 | <u>5,091.03</u> |
| Balance, December 31, 2009 (Due From) | B | \$ <u><u>4,928.00</u></u> |

CITY OF MARGATE CITY

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

| <u>ACCOUNT</u> | <u>BALANCE</u> DECEMBER 31, 2008 | <u>INCREASES</u> | <u>DECREASES</u> | <u>BALANCE</u> DECEMBER 31, 2009 |
|---|--|---------------------|---------------------|--|
| Parking Offense Adjudication Act (POAA) | \$ 20,071.75 | \$ 324.00 | \$ | \$ 20,395.75 |
| Public Defender | 500.00 | 1,350.00 | | 1,850.00 |
| Water / Sewer Escrow | 1,143.00 | | 1,143.00 | |
| Lifeguard Boat Escrow | 250.00 | 12,500.00 | 1,501.00 | 250.00 |
| Adopt A Beach | | 18,021.27 | 68,185.02 | 10,999.00 |
| Miscellaneous Escrow Deposits | 82,734.97 | | | 32,571.22 |
| | <u>\$ 104,699.72</u> | <u>\$ 32,195.27</u> | <u>\$ 70,829.02</u> | <u>\$ 66,065.97</u> |
| <u>REF.</u> | B | B-1 | | B |
| Disbursements | | | \$ 69,164.27 | |
| Accounts Payable | | | <u>1,664.75</u> | |
| | | | <u>\$ 70,829.02</u> | |

CITY OF MARGATE CITY

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

| | <u>REF.</u> | | |
|---------------------------------------|-------------|----|------------------------|
| Balance, December 31, 2008 | B | \$ | 1,472.40 |
| Increased by: | | | |
| Dog Licenses | B-1 | | 897.60 |
| | | \$ | <u>2,370.00</u> |
| Decreased by: | | | |
| Animal Control Expenditures | B-1 | \$ | 276.00 |
| Excess in Animal Control Expenditures | B-6 | | <u>829.20</u> |
| | | | <u>1,105.20</u> |
| Balance, December 31, 2009 | B | \$ | <u><u>1,264.80</u></u> |

LICENSE FEES COLLECTED

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|--------------------|
| 2008 | \$ 648.00 |
| 2007 | <u>616.80</u> |
| | <u>\$ 1,264.80</u> |

"B-5"

CITY OF MARGATE CITY

TRUST FUND

SCHEDULE OF DUE TO STATE DEPARTMENT OF HEALTH - ANIMAL CONTROL TRUST FUND

| | <u>REF.</u> | | |
|------------------------------------|-------------|----|---------------------|
| Balance, December 31, 2008 | B | \$ | 15.00 |
| Increased by: | | | |
| State Registration Fees Collected | B-1 | | 290.40 |
| | | \$ | <u>305.40</u> |
| Decreased by: | | | |
| Paid to State Department of Health | B-1 | | 292.80 |
| | | | <u>292.80</u> |
| Balance, December 31, 2009 | B | \$ | <u><u>12.60</u></u> |

"B-6"

SCHEDULE OF DUE CURRENT FUND - ANIMAL CONTROL TRUST FUND

| | | | |
|---|-----|----|----------------------|
| Balance, December 31, 2008 (Due To) | B | \$ | 770.40 |
| Increased by: | | | |
| Excess in Reserve for Animal Control Expenditures | B-4 | \$ | 829.20 |
| Receipts | B-1 | | <u>6.00</u> |
| | | | 835.20 |
| | | \$ | <u>1,605.60</u> |
| Decreased by: | | | |
| Disbursements | B-1 | | <u>770.40</u> |
| Balance, December 31, 2009 (Due To) | B | \$ | <u><u>835.20</u></u> |

CITY OF MARGATE CITY

TRUST FUND

SCHEDULE OF DEVELOPERS' DEPOSITS

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2008 | B | \$ 69,389.58 |
| Increased by: | | |
| Receipts | B-1 | <u>8,900.49</u> |
| | | \$ <u>78,290.07</u> |
| Decreased by: | | |
| Disbursements | B-1 | <u>44,001.86</u> |
| Balance, December 31, 2009 | B | \$ <u><u>34,288.21</u></u> |

Detailed Analysis of Balance is on file in the Finance Office

"B-8"

CITY OF MARGATE CITY

TRUST FUND

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

| | <u>REF.</u> | | |
|----------------------------|-------------|-----------------|---------------------------|
| Increased by: | | | |
| Escrow Deposits | | \$ 163.75 | |
| Adopt a Beach | | <u>1,501.00</u> | |
| | B-3 | | \$ <u>1,664.75</u> |
| Balance, December 31, 2009 | B | | \$ <u><u>1,664.75</u></u> |

"B-9"

SCHEDULE OF RESERVE FOR PENSION PLAN FOR LIFEGUARDS

| | | |
|----------------------------|-----|-----------------------------|
| Balance, December 31, 2008 | B | \$ 106,140.34 |
| Increased by: | | |
| Receipts | B-1 | <u>20,919.36</u> |
| | | \$ <u>127,059.70</u> |
| Decreased by: | | |
| Disbursements | B-1 | <u>24,972.84</u> |
| Balance, December 31, 2009 | B | \$ <u><u>102,086.86</u></u> |

"B-10"

CITY OF MARGATE CITY

TRUST FUND

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND I

| | <u>REF.</u> | |
|----------------------------|-------------|--------------------|
| Balance, December 31, 2008 | B | \$ 509.80 |
| Increased by: | | |
| Receipts | B-1 | <u>1,774.16</u> |
| Balance, December 31, 2009 | B | <u>\$ 2,283.96</u> |

"B-11"

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND II

| | | |
|----------------------------|-----|---------------------|
| Balance, December 31, 2008 | B | \$ 12,126.13 |
| Increased by: | | |
| Receipts | B-1 | <u>94.77</u> |
| | | \$ 12,220.90 |
| Decreased by: | | |
| Disbursements | B-1 | <u>1,000.00</u> |
| Balance, December 31, 2009 | B | <u>\$ 11,220.90</u> |

CITY OF MARGATE CITY

TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS PAYABLE

| | <u>REF.</u> | |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2008 | B | \$ 258,107.23 |
| Increased by: | | |
| Receipts | B-1 | <u>6,475,311.77</u> |
| | | \$ <u>6,733,419.00</u> |
| Decreased by: | | |
| Disbursements | B-1 | <u>6,507,110.41</u> |
| Balance, December 31, 2009 | B | \$ <u><u>226,308.59</u></u> |

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

| | <u>REF.</u> | | |
|----------------------------------|-------------|-----------------|----------------------|
| Balance, December 31, 2008 | C | | \$ 4,742,005.62 |
| Increased by Receipts: | | | |
| Budget Appropriations: | | | |
| Capital Improvement Fund | C-6 | \$ 275,000.00 | |
| Bond Anticipation Notes Payable | C-20 | 8,000,000.00 | |
| Grants Receivable | C-18 | 150,500.00 | |
| Green Trust Loan Payable | C-11 | 449,500.00 | |
| Due Water & Sewer Operating Fund | C-7 | 300,000.00 | |
| Fund Balance | C-1 | 135,883.27 | |
| | | | <u>9,310,883.27</u> |
| | | | \$ 14,052,888.89 |
| Decreased by Disbursements: | | | |
| Contracts Payable | C-10 | \$ 5,110,014.75 | |
| Due Water and Sewer Capital Fund | C-12 | 593,712.24 | |
| Bond Anticipation Notes Payable | C-20 | 8,000,000.00 | |
| Fund Balance | C-1 | 250,000.00 | |
| | | | <u>13,953,726.99</u> |
| Balance, December 31, 2009 | C | | \$ <u>99,161.90</u> |

"C-3"

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

BALANCE
DECEMBER
31, 2009

| | |
|---|-----------------------|
| Capital Improvement Fund | \$ 4,634.98 |
| Grants Receivable | (73,750.00) |
| Due Water & Sewer Capital Fund | (679,860.64) |
| Due Water & Sewer Operating Fund | 300,000.00 |
| Reserve for Grants Receivable | 73,750.00 |
| Reserve to Pay Bonds | 225,000.00 |
| Reserve for Waterfront Park III | 100.00 |
| Reserve for Environmental Trust | 17,449.00 |
| Reserve for Contracts Payable | 2,023,084.42 |
| Fund Balance | 933,260.09 |
| Cash on Hand to Pay Notes - Listed on "C-5" | 37,500.00 |
| Unexpended Proceeds of Bond Anticipation Notes Listed on "C-5" | 816,334.21 |
| Improvement Authorizations Funded- Listed on "C-8" | 1,470,234.77 |
| Unfunded Improvements Expended- Listed on "C-5" | <u>(5,048,574.93)</u> |
| | <u>\$ 99,161.90</u> |
| <u>REF.</u> | C |

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

| | <u>REF.</u> | | |
|--|-------------|----------------------|-------------------------|
| Balance, December 31, 2008 | C | | \$ 39,841,320.54 |
| Increased by: | | | |
| Deferred Charges to Future Taxation - Unfunded | C-5 | \$ 449,500.00 | |
| Serial Bonds Payable | C-9 | 4,480,000.00 | |
| Type I School Bonds Payable | C-14 | <u>12,730,000.00</u> | |
| | | | <u>17,659,500.00</u> |
| | | | \$ 57,500,820.54 |
| Decreased by: | | | |
| Paid By Budget: | | | |
| Serial Bonds Payable | C-9 | \$ 6,575,000.00 | |
| Type I School Bonds Payable | C-14 | 13,665,000.00 | |
| Green Trust Loan Payable | C-11 | 55,132.07 | |
| Infrastructure Loan Payable | C-13 | <u>44,746.39</u> | |
| | | | <u>20,339,878.46</u> |
| Balance, December 31, 2009 | C | | <u>\$ 37,160,942.08</u> |

"C-6"

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | <u>REF.</u> | |
|----------------------------|-------------|---------------------------|
| Balance, December 31, 2008 | C | \$ 40,384.98 |
| Increased by: | | |
| 2009 Budget Appropriation | C-2 | <u>275,000.00</u> |
| | | \$ <u>315,384.98</u> |
| Decreased by: | | |
| Appropriated to Finance | | |
| Improvement Authorizations | C-8 | <u>310,750.00</u> |
| Balance, December 31, 2009 | C | \$ <u><u>4,634.98</u></u> |

"C-7"

SCHEDULE OF DUE WATER & SEWER OPERATING FUND

| | | |
|-------------------------------------|-----|-----------------------------|
| Increased by: | | |
| Receipts | C-2 | \$ <u>300,000.00</u> |
| Balance, December 31, 2009 (Due To) | C | \$ <u><u>300,000.00</u></u> |

CITY OF MARGATE CITY
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| ORDINANCE NUMBER | GENERAL IMPROVEMENTS: | ORDINANCE | | BALANCE DECEMBER 31, 2008 | | 2009 AUTHORIZATIONS | EXPENDED | AUTHORIZATIONS CANCELED | BALANCE DECEMBER 31, 2009 | |
|---------------------|--|--------------------------------------|---------------|------------------------------|--------------|------------------------|--------------|----------------------------|------------------------------|----------|
| | | DATE | AMOUNT | FUNDED | UNFUNDED | | | | FUNDED | UNFUNDED |
| 99-03/95-07/99-08/ | Improvement to Various School Facilities | 7/03/99-5/10/01- 10/12/00-2/8/01- | \$ 800,000.00 | \$ | 27,813.43 | \$ | \$ | \$ | 27,813.43 | |
| 00-19/01-01 | Various Capital Improvements | 10/1/001-12/12/02 | 585,000.00 | | 212,526.47 | | | 212,526.47 | | |
| 01-16/02-18 | Various Capital Improvements | 3/22/01-6/13/02 | 2,510,000.00 | | 79,419.33 | | | 79,419.33 | | |
| 01-04/02-10 | Various Capital Improvements | 1/10/02-4/21/05 | 740,000.00 | | 113,996.30 | | | | 113,996.30 | |
| 01-22/05-11 | Washington Avenue Improvement Project | 8/22/02 | 600,000.00 | | 54,347.52 | | | 54,347.52 | | |
| 02-15 | Various Capital Improvements | 10/10/02 | 1,000,000.00 | | 62,414.78 | | 16,136.30 | | 46,278.48 | |
| 02-17 | Road Program & Other Capital Improvements | 2/27/03-11/17/05 | 4,515,000.00 | | 791,258.33 | | | | 791,258.33 | |
| 03-01/05-37 | Various Capital Improvements | 3/18/04 | 1,000,000.00 | | 151,294.49 | | | | 151,199.69 | |
| 04-03/04-20 | Dredging Project | 10/7/04-4/4/07 | 100,000.00 | | 10,275.44 | | | | | |
| 04-21/07-06 | Various Capital Improvements | 11/18/04 | 4,500,000.00 | | 215,455.24 | | | | | |
| 04-28/06-02 | Various Capital Improvements | 4/21/05 | 685,000.00 | | 60,006.12 | | 22,583.05 | | 37,423.07 | |
| 05-12/06-01 | Purchase of Various Items | 7/21/05 | 60,000.00 | | 880.21 | | | | 880.21 | |
| 05-24 | Various Capital Improvements | 9/1/05 | 1,250,000.00 | | 282,756.03 | | | | 282,756.03 | |
| 05-28 | Purchase of Various Items | 11/3/05 | 15,000.00 | | 1,887.26 | | | | 1,887.26 | |
| 05-33 | Various Capital Improvements | 5/4/06 | 450,000.00 | | 91,822.85 | | 39,360.10 | | 52,462.75 | |
| 06-11 | Public Building Improvement Project | 7/6/06 | 75,000.00 | | 39.28 | | | | 39.28 | |
| 06-18 | Various Capital Improvements | 8/3/06 | 2,380,000.00 | | 493,366.92 | | 2,009.90 | | 491,357.02 | |
| 06-24 | | | | | | | | | | |
| 06-32/07-11/ | | | | | | | | | | |
| 07-25/08-01 | Various Capital Improvements | 11/22/06-6/21/07 | 2,355,000.00 | | 271,718.59 | | 2,149.00 | | 269,569.59 | |
| 06-33 | Washington Avenue Improvement Project | 12/7/06 | 40,000.00 | | 6,636.06 | | | | 6,636.06 | |
| 06-35 | Refunding Bond Ordinance | 12/7/06 | 1,735,000.00 | | 1,734,978.76 | | 82,662.93 | | 1,652,315.83 | |
| 07-07 | Improvement to Jerome Avenue Tennis Courts | 3/15/07 | 40,000.00 | | 14,974.08 | | | | 12,374.08 | |
| 07-13 | Various Capital Improvements | 3/15/07 | | | 26,853.73 | | 13,455.98 | | 13,397.75 | |
| 07-35/07-51 | Improvements to Municipal Building | 8/16/07-12/20/07 | 250,000.00 | | 30,929.77 | | 30,377.82 | | 551.95 | |
| 07-38/08-33/09-33 | Recreation Facility Improvements | 9/20/2007-12/3/09 | 2,025,000.00 | | 636,692.34 | 500,000.00 | 553,436.47 | | 583,256.87 | |
| 07-46 | Reconstruction of Winchester Avenue | 10/18/07 | 1,000,000.00 | | 36,175.44 | | 2,671.25 | | 33,504.19 | |
| 07-49 | 2007 Road Program Phase I | 11/15/07 | 1,300,000.00 | | 1,059,969.10 | | 1,004,581.50 | | 55,407.60 | |
| 07-55 | Purchase and Installation of New Equipment | 12/20/07 | 150,000.00 | | 21,688.59 | | 12,577.50 | | 9,111.09 | |
| 08-08 | Road Improvements | 3/6/08 | 3,000,000.00 | | 2,728,265.08 | | 2,333,791.27 | | 394,473.81 | |
| 08-16 | Various Capital Improvements | 4/3/08 | 800,000.00 | | 250,512.18 | | 221,106.01 | | 29,406.17 | |
| 08-18 | Open Space - Passive Recreation | 5/15/08 | 70,000.00 | | 14,817.88 | | | | 14,917.88 | |
| 08-28 | Purchase of Ambulance | 7/3/08 | 160,000.00 | | 7,580.16 | | | | 152,000.00 | |
| 09-05 | Various Capital Improvements | 4/2/09 | 450,000.00 | | 152,000.00 | | 20.48 | | 7,559.68 | |
| 09-11 | Purchase of Playground Equipment | 5/14/09 | 300,000.00 | | | | 318,807.63 | | 17,985.58 | |
| 09-12 | Fire Station Improvements | 5/14/09 | 425,000.00 | | | | 282,014.42 | | 300,000.00 | |
| 09-18 | Various Capital Improvements | 7/2/09 | 3,720,000.00 | | | | 416,776.17 | | 425,000.00 | |
| 09-19 | Various Capital Improvements | 7/2/09 | 820,000.00 | | | | 386,282.80 | | 3,333,717.20 | |
| 09-22 | Various Capital Improvements | 8/12/09 | 300,000.00 | | | | 340,106.36 | | 479,893.64 | |
| | | | | | | | 144,804.63 | | 155,195.37 | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |

CITY OF MARGATE CITY
GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS

| <u>PURPOSE</u> | <u>DATE OF ISSUE</u> | <u>AMOUNT OF ORIGINAL ISSUE</u> | <u>OUTSTANDING DECEMBER 31, 2009</u> | | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2008</u> | <u>INCREASED</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2009</u> |
|------------------------------------|----------------------|-------------------------------------|--|------------------------------|--------------------------|--|------------------|------------------|--|
| | | | <u>DATE</u> | <u>AMOUNT</u> | | | | | |
| General Improvement Bonds of 2000 | 11/15/00 | \$ 8,785,000.00 | 7/15/10 | \$ 600,000.00 | 5.05% | \$ | \$ | | |
| | | | 7/15/11-7/15/15 7/15/16 | 720,000.00 700,000.00 | 5.05% 5.05% | 5,475,000.00 | 5,120,000.00 | | 355,000.00 |
| General Improvement Bonds of 2005 | 2/1/05 | 4,065,000.00 | 2/1/10 | 775,000.00 | 3.75% | 1,580,000.00 | 805,000.00 | | 775,000.00 |
| General Improvement Bonds of 2006 | 6/1/06 | 17,125,000.00 | 6/1/10-6/1/12 6/1/13 | 1,000,000.00 1,060,000.00 | 4.25% 4.25% | | | | |
| | | | 6/1/14 | 1,170,000.00 | 4.25% | | | | |
| | | | 6/1/15-6/1/20 | 1,200,000.00 | 4.25% | | | | |
| | | | 6/1/21-6/1/22 | 1,200,000.00 | 4.30% | | | | |
| | | | 6/1/23 | 1,195,000.00 | 4.375% | 16,675,000.00 | 650,000.00 | | 16,025,000.00 |
| General Improvement Refunding 2009 | 9/30/09 | 4,480,000.00 | 2/1/11 | 770,000.00 | 3.00% | | | | |
| | | | 2/1/12 | 760,000.00 | 4.00% | | | | |
| | | | 2/1/13 | 750,000.00 | 4.00% | | | | |
| | | | 2/1/14 | 745,000.00 | 4.00% | | | | |
| | | | 2/1/15 2/1/16 | 740,000.00 715,000.00 | 4.00% 5.00% | | | | |
| | | | | | | | 4,480,000.00 | | 4,480,000.00 |
| | | | | | | \$ 23,730,000.00 | \$ 4,480,000.00 | \$ 6,575,000.00 | \$ 21,635,000.00 |
| | | | | | <u>REF.</u> | C | C-4 | C-4 | C |

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

| | <u>REF.</u> | |
|---------------------------------------|-------------|-------------------------------|
| Balance, December 31, 2008 | C | \$ 900,342.80 |
| Increased by: | | |
| Charges to Improvement Authorizations | C-8 | 6,232,756.37 |
| | | <u>\$ 7,133,099.17</u> |
| Decreased by: | | |
| Disbursements | C-2 | 5,110,014.75 |
| | | <u>5,110,014.75</u> |
| Balance, December 31, 2009 | C | <u><u>\$ 2,023,084.42</u></u> |

"C-11"

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOAN PAYABLE

| | <u>REF.</u> | |
|-----------------------------|-------------|-----------------------------|
| Balance, December 31, 2008 | C | \$ 451,392.69 |
| Increased by: | | |
| 2009 Green Trust Loan | C-2 | <u>449,500.00</u> |
| | | \$ <u>900,892.69</u> |
| Decreased by: | | |
| Loan Paid by Current Budget | C-4 | <u>55,132.07</u> |
| Balance, December 31, 2009 | C | \$ <u><u>845,760.62</u></u> |

"C-12"

SCHEDULE OF DUE WATER & SEWER CAPITAL FUND

| | | |
|---------------------------------------|-----|-----------------------------|
| Balance, December 31, 2008 (Due From) | C | \$ 86,148.40 |
| Increased by: | | |
| Disbursements | C-2 | <u>593,712.24</u> |
| Balance, December 31, 2009 (Due From) | C | \$ <u><u>679,860.64</u></u> |

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

SCHEDULE OF INFRASTRUCTURE LOAN PAYABLE

| | <u>REF.</u> | |
|-----------------------------|-------------|----------------------|
| Balance, December 31, 2008 | C | \$ 694,927.85 |
| Decreased by: | | |
| Loan Paid by Current Budget | C-4 | <u>44,746.39</u> |
| Balance, December 31, 2009 | C | \$ <u>650,181.46</u> |

CITY OF MARGATE CITY
GENERAL CAPITAL FUND

SCHEDULE OF TYPE I SCHOOL BONDS

| PURPOSE | DATE OF ISSUE | AMOUNT OF ORIGINAL ISSUE | OUTSTANDING DECEMBER 31, 2009 | | INTEREST RATE | BALANCE DECEMBER 31, 2008 | INCREASED | DECREASED | BALANCE DECEMBER 31, 2009 |
|------------------|---------------|-----------------------------|----------------------------------|--------------|------------------|---------------------------------|------------------|------------------|---------------------------------|
| | | | DATE | AMOUNT | | | | | |
| School Bonds | 7/1/01 | \$ 19,040,000.00 | 2/1/10 | 850,000.00 | 4.60% | | | | |
| | | | 2/1/11 | 900,000.00 | 4.75% | | | | |
| | | | 2/1/12 | 950,000.00 | 4.75% | | | | |
| | | | 2/1/13 | 1,000,000.00 | 4.75% | | | | |
| | | | 2/1/14 | 1,025,000.00 | 4.75% | | | | |
| | | | 2/1/15 | 1,100,000.00 | 4.75% | | | | |
| | | | 2/1/16 | 1,150,000.00 | 4.75% | | | | |
| | | | 2/1/17-2/1/21 | 2,100,000.00 | 4.75% | | | | |
| | | | | 2/1/22 | 1,190,000.00 | 4.75% | 14,965,000.00 | | 13,665,000.00 |
| | | | 2/1/10 | 145,000.00 | 3.00% | | | | |
| | | | 2/1/12 | 980,000.00 | 4.00% | | | | |
| | | | 2/1/13 | 1,025,000.00 | 4.00% | | | | |
| | | | 2/1/14 | 1,045,000.00 | 4.00% | | | | |
| | | | 2/1/15 | 1,110,000.00 | 4.00% | | | | |
| | | | 2/1/16 | 1,160,000.00 | 5.00% | | | | |
| | | | 2/1/17 | 1,210,000.00 | 5.00% | | | | |
| | | | 2/1/18 | 1,215,000.00 | 5.00% | | | | |
| School Refunding | 9/30/09 | 12,730,000.00 | 2/1/19 | 1,220,000.00 | 5.00% | | | | |
| | | | 2/1/20 | 1,220,000.00 | 4.00% | | | | |
| | | | 2/1/21 | 1,210,000.00 | 4.00% | | | | |
| | | | 2/1/22 | 1,190,000.00 | 4.125% | | | | |
| | | | | | | 12,730,000.00 | | | 12,730,000.00 |
| | | | | | | \$ 14,965,000.00 | \$ 12,730,000.00 | \$ 13,665,000.00 | \$ 14,030,000.00 |
| | | | | REF. | C | C-4 | C-4 | C | |

"C-15"

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR ENVIRONMENTAL TRUST

REF.

Balance, December 31, 2008
and December 31, 2009

C

\$ 17,449.00

"C-16"

SCHEDULE OF RESERVE FOR WATERFRONT PARK III

Balance, December 31, 2008
and December 31, 2009

C

\$ 100.00

"C-17"

SCHEDULE OF RESERVE TO PAY BONDS

Balance, December 31, 2008
and December 31, 2009

C

\$ 225,000.00

"C-18"

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2008 | C | \$ 224,250.00 |
| Decreased by: | | |
| Receipts | C-2 | <u>150,500.00</u> |
| Balance, December 31, 2009 | C | \$ <u><u>73,750.00</u></u> |

"C-19"

SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE

| | | |
|---|---|----------------------------|
| Balance, December 31, 2008 and December 31, 2009 | C | \$ <u><u>73,750.00</u></u> |
|---|---|----------------------------|

CITY OF MARGATE CITY
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

| DATE OF ORDINANCE | IMPROVEMENT DESCRIPTION | DATE OF ISSUE OF ORIGINAL NOTE | ORIGINAL ISSUE | DATE OF MATURITY | INTEREST RATE | BALANCE DECEMBER 31, 2008 | INCREASED | DECREASED | BALANCE DECEMBER 31, 2009 |
|-------------------------|------------------------------|---|-------------------|---------------------|------------------|---------------------------------|-----------------|-----------------|---------------------------------|
| 08/03/06 | Various Capital Improvements | 07/16/08 | 2,261,000.00 | 07/15/09 | 3.00% | \$ 2,261,000.00 | \$ 2,261,000.00 | \$ 2,261,000.00 | \$ 2,261,000.00 |
| 11/22/06-6/21/07-2/7/08 | 2006 Road Program | 07/16/08 | 2,267,250.00 | 07/15/09 | 3.00% | 2,267,250.00 | 2,267,250.00 | 2,267,250.00 | 2,267,250.00 |
| 11/15/07 | 2007 Road Program - Phase I | 07/16/08 | 1,235,000.00 | 07/15/09 | 3.00% | 1,235,000.00 | 1,235,000.00 | 1,235,000.00 | 1,235,000.00 |
| 03/06/08 | 2007 road Program - Phase II | 07/16/08 | 2,236,750.00 | 07/15/09 | 3.00% | 2,236,750.00 | 2,236,750.00 | 2,236,750.00 | 2,236,750.00 |
| | | | \$ 8,000,000.00 | | | \$ 8,000,000.00 | \$ 8,000,000.00 | \$ 8,000,000.00 | \$ 8,000,000.00 |
| | | | | | REF. | C | C-2 | C-2 | C C-5 |

CITY OF MARGATE CITY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

| <u>ORDINANCE</u> <u>NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2009</u> |
|-----------------------------------|--|--|
| 96-14 | Various Capital Improvements | \$ 157,000.00 |
| 04-21/07-06 | Dredging Project | 51,074.56 |
| 04-27 | Refunding Ordinance | 39,384.35 |
| 06-11 | Various Capital Improvements | 427,500.00 |
| 06-18 | Public Building Improvement Projects | 71,250.00 |
| 06-35 | Refunding Ordinance | 1,735,000.00 |
| 07-13 | Various Capital Improvements | 142,500.00 |
| 07-35/07-51 | Improvements to Municipal Building | 237,500.00 |
| 07-38/08-33 | Recreation Facility Improvements | 1,331,275.00 |
| 07-46 | Reconstruction of Winchester Avenue | 807,500.00 |
| 07-55 | Purchase and Installation of New Equipment | 142,500.00 |
| 08-08 | Road Improvements | 542,000.00 |
| 08-16 | Various Capital Improvements | 760,000.00 |
| 08-18 | Open Space - Passive Recreation | 66,500.00 |
| 08-28 | Purchase of Ambulance | 152,000.00 |
| 09-05 | Various Capital Improvements | 427,500.00 |
| 09-12 | Fire Station Improvement Projects | 403,750.00 |
| 09-18 | Various Capital Improvements | 3,534,000.00 |
| 09-19 | Various Capital Improvements | 779,000.00 |
| 09-22 | Various Capital Improvements | 285,000.00 |
| | | <hr/> |
| | | \$ 12,092,233.91 |

CITY OF MARGATE CITY

WATER AND SEWER UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

| | <u>REF.</u> | <u>WATER AND SEWER UTILITY</u> | <u>WATER METER TRUST</u> | <u>WATER AND SEWER CAPITAL</u> |
|-------------------------------------|-------------|--|------------------------------|--|
| Balance December 31, 2008 | D | \$ <u>1,374,632.94</u> | \$ <u>13,450.25</u> | <u> </u> |
| Increased by Receipts: | | | | |
| Consumer Accounts Receivable | D-6 | \$ 3,803,717.57 | \$ | \$ |
| Miscellaneous Revenue Anticipated | D-1:D-3 | 70,612.90 | | |
| Due General Capital Fund | D-19 | | | 593,712.24 |
| Water and Sewer Overpayments | D-14 | 970.00 | | |
| Water Meter Installations | D-8 | | 7,427.75 | |
| 2009 Appropriation Refunds | D-4 | 6,269.48 | | |
| Prepaid Water and Sewer Charges | D-13 | 13,300.12 | | |
| | | \$ <u>3,894,870.07</u> | \$ <u>7,427.75</u> | \$ <u>593,712.24</u> |
| | | \$ <u>5,269,503.01</u> | \$ <u>20,878.00</u> | \$ <u>593,712.24</u> |
| Decreased by Disbursements: | | | | |
| 2009 Budget Appropriations | D-4 | \$ 3,474,543.17 | \$ | \$ |
| 2008 Appropriation Reserves | D-12 | 54,647.68 | | |
| Water and Sewer Overpayments | D-14 | 1,928.30 | | |
| Interfunds | D-11 | 312,702.00 | | |
| Water Meter Installations | D-8 | | 17,669.44 | |
| Contracts Payable | D-21 | | | 593,712.24 |
| Refund of Revenue | D-3 | 3,700.00 | | |
| Fund Balance | D-1 | 200,000.00 | | |
| Accrued Interest on Bonds and Notes | D-9 | 71,205.00 | | |
| | | \$ <u>4,118,726.15</u> | \$ <u>17,669.44</u> | \$ <u>593,712.24</u> |
| Balance, December 31, 2009 | D | \$ <u><u>1,150,776.86</u></u> | \$ <u><u>3,208.56</u></u> | \$ <u><u> </u></u> |

CITY OF MARGATE CITY

WATER AND SEWER UTILITY FUND

SCHEDULE OF WATER AND SEWER USE CHARGES RECEIVABLE

| | <u>REF.</u> | | |
|--------------------------------------|-------------|----|-------------------------|
| Balance, December 31, 2008 | D | \$ | 28,254.41 |
| Increased by: | | | |
| Water and Sewer Charges Levied (Net) | | | <u>3,899,446.72</u> |
| | | \$ | <u>3,927,701.13</u> |
| Decreased By: | | | |
| Prepaid Applied | D-13 | \$ | 24,107.61 |
| Overpayments Applied | D-14 | | 4,036.63 |
| Canceled | | | 41,125.84 |
| Receipts | D-5 | | <u>3,803,717.57</u> |
| | | | <u>3,872,987.65</u> |
| Balance, December 31, 2009 | D | \$ | <u><u>54,713.48</u></u> |

"D-7"

CITY OF MARGATE CITY
WATER AND SEWER UTILITY FUND
SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

| | <u>REF.</u> | |
|---|-------------|----------------------------|
| Balance, December 31, 2008 | D | \$ 40,947.27 |
| Increased by: | | |
| 2009 Appropriations | D-4 | 40,122.64 |
| | | \$ <u>81,069.91</u> |
| Decreased by: | | |
| Transfer to 2008 Appropriation Reserves | D-12 | <u>40,947.27</u> |
| Balance, December 31, 2009 | D | \$ <u><u>40,122.64</u></u> |

"D-8"

WATER AND SEWER UTILITY TRUST FUND
SCHEDULE OF RESERVE FOR WATER METER INSTALLATIONS

| | | |
|----------------------------|-----|---------------------------|
| Balance, December 31, 2008 | D | \$ 13,450.25 |
| Increased by: | | |
| Receipts | D-5 | 7,427.75 |
| | | \$ <u>20,878.00</u> |
| Decreased by: | | |
| Disbursements | D-5 | <u>17,669.44</u> |
| Balance, December 31, 2009 | D | \$ <u><u>3,208.56</u></u> |

"D-9"

CITY OF MARGATE CITY
WATER AND SEWER UTILITY FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2008 | D | \$ 32,780.17 |
| Increased by: | | |
| Budget Appropriations | D-4 | <u>68,000.00</u> |
| | | \$ <u>100,780.17</u> |
| Decreased by: | | |
| Disbursements | D-5 | <u>71,205.00</u> |
| Balance, December 31, 2009 | D | \$ <u><u>29,575.17</u></u> |

"D-10"

SCHEDULE OF CHANGE FUND

| | | |
|---|---|-------------------------|
| Balance, December 31, 2008 and December 31, 2009 | D | \$ <u><u>100.00</u></u> |
|---|---|-------------------------|

CITY OF MARGATE CITY

WATER AND SEWER UTILITY FUND

SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>GRANT FUND</u> | <u>WATER AND SEWER CAPITAL FUND</u> | <u>GENERAL CAPITAL FUND</u> |
|----------------------------|-------------|-------------------|-----------------------|---|---------------------------------|
| Balance, December 31, 2008 | | | | | |
| Due From | D | \$ 340,000.00 | \$ | \$ | \$ |
| Due To | D | 125,000.00 | | 125,000.00 | |
| Disbursements | D-5 | <u>312,702.00</u> | <u>12,702.00</u> | | <u>300,000.00</u> |
| Balance, December 31, 2009 | | | | | |
| Due From | D | \$ 312,702.00 | \$ 12,702.00 | \$ | \$ 300,000.00 |
| Due To | D | <u>125,000.00</u> | | <u>125,000.00</u> | |

CITY OF MARGATE CITY

WATER AND SEWER UTILITY FUND

SCHEDULE OF 2008 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2008 | ACCOUNTS PAYABLE | MODIFIED | PAID OR CHARGED | BALANCE LAPSED |
|--------------------------------------|---------------------------------|---------------------|----------------------|---------------------|----------------------|
| Operating: | | | | | |
| Salaries and Wages | \$ 58,428.31 | \$ | \$ 58,428.31 | \$ | \$ 58,428.31 |
| Other Expenses | 120,032.41 | 40,947.27 | 160,979.68 | 54,647.68 | 106,332.00 |
| Atlantic County Utilities Authority: | | | | | |
| Other Expenses | 154,525.00 | | 154,525.00 | | 154,525.00 |
| | <u>\$ 332,985.72</u> | <u>\$ 40,947.27</u> | <u>\$ 373,932.99</u> | <u>\$ 54,647.68</u> | <u>\$ 319,285.31</u> |

REF.

D

D-7

D-5

D-1

"D-13"

CITY OF MARGATE CITY

WATER AND SEWER UTILITY FUND

SCHEDULE OF PREPAID WATER AND SEWER CHARGES

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2008 | D | \$ 24,107.61 |
| Increased by: | | |
| Receipts | D-5 | 13,300.12 |
| | | <u>\$ 37,407.73</u> |
| Decreased by: | | |
| Applied to Receivable | D-6 | 24,107.61 |
| Balance, December 31, 2009 | D | <u><u>\$ 13,300.12</u></u> |

"D-14"

SCHEDULE OF RESERVE FOR SEWER OVERPAYMENTS

| | | |
|----------------------------|-----|----------------------------|
| Balance, December 31, 2008 | D | \$ 31,204.08 |
| Increased by: | | |
| Receipts | D-5 | 970.00 |
| | | <u>\$ 32,174.08</u> |
| Decreased by: | | |
| Disbursements | D-5 | \$ 1,928.30 |
| Applied to Receivable | D-6 | <u>4,036.63</u> |
| | | <u>5,964.93</u> |
| Balance, December 31, 2008 | D | <u><u>\$ 26,209.15</u></u> |

CITY OF MARGATE CITY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE</u> | <u>BALANCE DECEMBER 31, 2008</u> | <u>INCREASED</u> | <u>BALANCE DECEMBER 31, 2009</u> |
|-----------------------------|--|-------------|--|----------------------|--|
| | <u>General Improvements:</u> | | | | |
| 2001-13 | Various Improvements to Water Sewer System | 7/25/96 | \$ <u>1,240,000.00</u> | \$ <u>180,000.00</u> | \$ <u>1,420,000.00</u> |
| | <u>REF.</u> | | D | D-20 | D |

"D-16"

CITY OF MARGATE CITY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENT FUND

REF.

Balance, December 31, 2008
and December 31, 2009

D

\$ 65,200.00

"D-17"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2008
and December 31, 2009

D

\$ 1,647,165.86

"D-18"

CITY OF MARGATE CITY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF DUE WATER AND SEWER UTILITY FUND

REF.

| | | |
|--|---|----------------------|
| Balance, December 31, 2008 and December 31, 2009 (Due From) | D | \$ <u>125,000.00</u> |
|--|---|----------------------|

"D-19"

SCHEDULE OF DUE GENERAL CAPITAL FUND

| | | |
|-------------------------------------|-----|----------------------|
| Balance, December 31, 2008 (Due To) | D | \$ 86,148.40 |
| Increased by: | | |
| Receipts | D-5 | <u>593,712.24</u> |
| Balance, December 31, 2009 (Due To) | D | \$ <u>679,860.64</u> |

CITY OF MARGATE CITY

WATER & SEWER UTILITY CAPITAL FUND

SCHEDULE OF UTILITY SERIAL BONDS

| <u>PURPOSE</u> | <u>DATE OF ISSUE</u> | <u>AMOUNT OF ORIGINAL ISSUE</u> | <u>OUTSTANDING</u> | | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2008</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2009</u> |
|-----------------------------|----------------------|-------------------------------------|--------------------|---------------|--------------------------|--|----------------------|--|
| | | | <u>DATE</u> | <u>AMOUNT</u> | | | | |
| Water & Sewer Utility Bonds | 11/15/00 | \$ 2,630,000.00 | 7/15/10 | \$ 185,000.00 | 5.05% | \$ | \$ | |
| | | | 7/15/11 | 195,000.00 | 5.05% | | | |
| | | | 7/15/12 | 205,000.00 | 5.05% | | | |
| | | | 7/15/13-7/15/14 | 215,000.00 | 5.05% | | | |
| | | | 7/15/15 | 220,000.00 | 5.05% | | | |
| | | | | | | <u>1,410,000.00</u> | <u>180,000.00</u> | <u>1,230,000.00</u> |
| | | | | | | <u>\$ 1,410,000.00</u> | <u>\$ 180,000.00</u> | <u>\$ 1,230,000.00</u> |
| | | | | | <u>REF.</u> | D | D-15 | D |

CITY OF MARGATE CITY

WATER AND SEWER UTILITY FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

| | <u>REF.</u> | |
|----------------------------|-------------|-------------------------|
| Balance, December 31, 2008 | D | \$ 434,363.27 |
| Increased by: | | |
| Improvement Authorizations | D-22 | 159,464.53 |
| | | \$ <u>593,827.80</u> |
| Decreased by: | | |
| Disbursements | D-5 | 593,712.24 |
| | | <u>593,712.24</u> |
| Balance, December 31, 2009 | D | \$ <u><u>115.56</u></u> |

CITY OF MARGATE CITY

WATER AND SEWER UTILITY FUND

SCHEDULE OF RESERVE FOR IMPROVEMENT AUTHORIZATIONS

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>ORDINANCE</u> | | <u>BALANCE DECEMBER 31, 2008 FUNDED</u> | <u>2009 AUTHORIZATIONS</u> | <u>CONTRACTS PAYABLE</u> | <u>BALANCE DECEMBER 31, 2009 FUNDED</u> |
|-----------------------------|---|------------------|---------------|---|--------------------------------|------------------------------|---|
| | | <u>DATE</u> | <u>AMOUNT</u> | | | | |
| 07-45 | Improvements to Water and Sewer Utility System | 10/18/07 | \$ 700,000.00 | \$ 113,648.13 | \$ | \$ 22,237.49 | \$ 91,410.64 |
| 09-01 | Improvements to Water and Sewer Utility System | 02/05/09 | 200,000.00 | | 200,000.00 | 137,227.04 | 62,772.96 |
| | | | \$ | <u>113,648.13</u> | <u>\$ 200,000.00</u> | <u>\$ 159,464.53</u> | <u>\$ 154,183.60</u> |
| | | <u>REF.</u> | | D | | D-21 | D |

CITY OF MARGATE CITY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

| <u>ACCOUNT</u> | <u>BALANCE</u> <u>DECEMBER 31,</u> <u>2008 AND 2009</u> |
|---|---|
| Pumping System Land | \$ 20,000.00 |
| Springs and Wells | 362,752.20 |
| Chemical Treatment Plant | 20,000.00 |
| Hydraulic Power Structures | 28,872.17 |
| Electric Power Pumping Equipment | 54,654.85 |
| Transmission Mains and Accessories | 2,000.00 |
| Storage Reservoirs Tanks and Standard Pipes | 431,189.52 |
| Distribution Mains and Accessories | 327,347.46 |
| General Equipment | 12,573.13 |
| Water Main and Fire Hydrants | 19,024.67 |
| Improvement to Wells | 15,155.00 |
| Improvement to Water System | 1,344,596.86 |
| Improvement to Water System | 1,400,000.00 |
| Improvement to Water System | <u>259,000.00</u> |
| | \$ <u><u>4,297,165.86</u></u> |
| <u>REF.</u> | D |

"D-24"

CITY OF MARGATE CITY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL - AUTHORIZED AND UNCOMPLETE

| <u>ACCOUNT</u> | BALANCE DECEMBER 31, <u>2009</u> |
|---|--|
| Improvements to Water and Sewer Utility Systems | \$ <u>900,000.00</u> |
| <u>REF.</u> | D |

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF MARGATE CITY

PART II

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

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Westfield 908-789-9300

Somerville 908-725-6688

Fax 908-789-8535

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

The Honorable Mayor and Board
of Commissioners
City of Margate City
County of Atlantic
Margate City, New Jersey 08402

We have audited the accompanying financial statements - statutory basis of the City of Margate City, County of Atlantic, New Jersey as of and for the year ended December 31, 2009, and have issued our report thereon dated June 18, 2010. Our report disclosed that, as described in Note 1 to the financial statements, the City of Margate City prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Margate City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the City of Margate City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Margate City's internal control over financial reporting.

SUPLEE, CLOONEY & COMPANY

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City of Margate City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we noted immaterial matters involving internal control structure and its operations which are discussed in Part III, General Comments and Recommendations Section of this report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Margate City's financial statements - statutory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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. However, we noted immaterial instances of noncompliance which are discussed in Part III, General Comments and Recommendations Section of this report.

This report is intended solely for the information of the City of Margate City, County of Atlantic, New Jersey, the Division of Local Government Services and federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS

June 18, 2010


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

CITY OF MARGATE CITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2009

| FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE | FEDERAL C.F.D.A. NUMBER | GRANT AWARD AMOUNT | GRANT PERIOD | | 2009 RECEIPTS | 2009 EXPENDITURES | CUMULATIVE EXPENDITURES DECEMBER 31, 2009 |
|--|-------------------------------|--------------------------|--------------|------------|------------------|----------------------|--|
| | | | FROM | TO | | | |
| Pass Through From State of New Jersey | | | | | | | |
| U.S. DEPARTMENT OF JUSTICE: | | | | | | | |
| DEPARTMENT OF LAW AND PUBLIC SAFETY: | | | | | | | |
| State and Local All Hazards Emergency Operation Planning | 83.56 | \$ 2,405.72 | | Continuous | \$ | \$ 2,405.72 | \$ 2,405.72 |
| COPS in Shops - 2008 | 16.710 | 2,000.00 | | Continuous | 2,000.00 | 2,000.00 | 2,000.00 |
| COPS in Shops - 2009 | 16.710 | 2,000.00 | | Continuous | | 2,000.00 | 2,000.00 |
| | | | | TOTAL | \$ 2,000.00 | \$ 4,405.72 | \$ 6,405.72 |

CITY OF MARGATE CITY

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2009

| STATE GRANTOR/DEPARTMENT/PROGRAM/TITLE | STATE ACCOUNT NUMBER | GRANT AWARD AMOUNT | 2009 RECEIPTS | 2009 EXPENDITURES | CUMULATIVE EXPENDITURES DECEMBER 31, 2009 |
|--|---------------------------------|--------------------------|------------------|----------------------|--|
| DEPARTMENT OF LAW AND PUBLIC SAFETY | | | | | |
| Click it or Ticket - 2008 | 1160-100-066-1160-116-YHTS-6020 | \$ 4,000.00 | \$ | \$ 2,750.42 | \$ 4,000.00 |
| Click it or Ticket - 2009 | 1160-100-066-1160-116-YHTS-6020 | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 |
| Over the Limit Under Arrest | 1160-100-066-1160-057-YHTS-6020 | 6,000.00 | 6,000.00 | 6,000.00 | 6,000.00 |
| Alcohol Education Rehabilitation Fund - prior | 9735-760-098-Y900-001-X100-6020 | 1,556.15 | | 1,556.15 | 1,556.15 |
| Alcohol Education Rehabilitation Fund - 1999 | 9735-760-098-Y900-001-X100-6020 | 424.53 | | 424.53 | 424.53 |
| Alcohol Education Rehabilitation Fund - 2001 | 9735-760-098-Y900-001-X100-6020 | 100.78 | | 100.78 | 100.78 |
| | | \$ | \$ 10,000.00 | \$ 14,831.86 | \$ 16,081.46 |
| N.J. DIVISION OF CRIMINAL JUSTICE | | | | | |
| Body Armor Replacement Fund - 2003 | 1020-718-066-1020-001-YCJS-6120 | 3,025.23 | \$ | \$ 1,581.75 | \$ 3,025.23 |
| Body Armor Replacement Fund - 2004 | 1020-718-066-1020-001-YCJS-6120 | 6,820.33 | | 6,820.33 | 6,820.33 |
| Body Armor Replacement Fund - 2005 | 1020-718-066-1020-001-YCJS-6120 | 3,154.85 | | 3,154.85 | 3,154.85 |
| Body Armor Replacement Fund - 2006 | 1020-718-066-1020-001-YCJS-6120 | 107.60 | | 107.60 | 107.60 |
| Body Armor Replacement Fund - 2007 | 1020-718-066-1020-001-YCJS-6120 | 3,662.53 | | 543.78 | 543.78 |
| Body Armor Replacement Fund - 2008 | 1020-718-066-1020-001-YCJS-6120 | 3,981.82 | | | |
| Body Armor Replacement Fund - 2009 | 1020-718-066-1020-001-YCJS-6120 | 3,397.42 | | | |
| | | \$ | \$ 0.00 | \$ 12,208.31 | \$ 13,651.79 |
| N.J. DIVISION OF HIGHWAY TRAFFIC SAFETY | | | | | |
| Buckle Up South Jersey | 1160-100-066-1160-113-YHTS-6120 | 2,000.00 | \$ | \$ 2,000.00 | \$ 2,000.00 |
| Buckle Up South Jersey | 1160-100-066-1160-113-YHTS-6120 | 2,000.00 | | 2,000.00 | 2,000.00 |
| Buckle Up South Jersey - 2008 | 1160-100-066-1160-113-YHTS-6120 | 2,000.00 | | 2,000.00 | 2,000.00 |
| | | \$ | \$ 0.00 | \$ 6,000.00 | \$ 6,000.00 |
| DEPARTMENT OF TRANSPORTATION | | | | | |
| Monmouth Avenue | 6320-480-078-6320-AJH-TCAP-6010 | 258,750.00 | \$ | \$ | \$ 258,750.00 |
| DEPARTMENT OF ENVIRONMENTAL PROTECTION | | | | | |
| Clean Communities Grant - 2009 | 4900-752-042-4900-001-V42Y-6020 | 25,254.30 | \$ | \$ 25,254.30 | \$ 25,254.30 |
| Recycling Tonnage Grant - 2004 | 4900-752-042-4900-001-V42Y-6020 | 5,883.90 | | 753.68 | 5,883.90 |
| Recycling Tonnage Grant - 2005 | 4900-752-042-4900-001-V42Y-6020 | 321.97 | | 321.97 | 321.97 |
| Recycling Tonnage Grant - 2006 | 4900-752-042-4900-001-V42Y-6020 | 1,076.61 | | 1,076.61 | 1,076.61 |
| Recycling Tonnage Grant - 2007 | 4900-752-042-4900-001-V42Y-6020 | 1,832.72 | | 1,832.72 | 1,832.72 |
| Recycling Tonnage Grant - 2008 | 4900-752-042-4900-001-V42Y-6020 | 8,448.05 | | 8,448.05 | 8,448.05 |
| Recycling Tonnage Grant - Unappropriated | 4900-752-042-4900-001-V42Y-6020 | 6,821.82 | | | |
| Municipal Stormwater Regulation - 2004 | WQ05-517 | 8,468.00 | | 8,468.00 | 8,468.00 |
| Municipal Stormwater Regulation - 2006 | WQ05-517 | 4,234.00 | | 4,234.00 | 4,234.00 |
| | | \$ | \$ 32,076.12 | \$ 50,389.33 | \$ 55,629.55 |
| Pass Through From County of Atlantic | | | | | |
| DEPARTMENT OF HEALTH | | | | | |
| Municipal Alliance on Alcoholism and Drug Abuse - 2007 | | 15,746.77 | \$ | \$ 4,436.69 | \$ 15,746.77 |
| Municipal Alliance on Alcoholism and Drug Abuse - 2008 | | 15,746.77 | | 15,246.77 | 15,246.77 |
| Municipal Alliance on Alcoholism and Drug Abuse - 2009 | | 19,560.00 | | | |
| | | \$ | \$ 15,746.77 | \$ 19,683.46 | \$ 30,993.54 |
| TOTAL | | \$ | \$ 57,822.89 | \$ 103,112.98 | \$ 381,006.34 |

CITY OF MARGATE CITY

NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2009

NOTE 1. GENERAL

The accompanying schedules of expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state financial assistance programs of the City of Margate City, County of Atlantic, New Jersey. All federal awards and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the City's financial statements - statutory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules of expenditures agree with the amounts reported in the related federal and state financial reports.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - STATUTORY BASIS

Amounts reported in the accompanying schedules of expenditures agree with amounts reported in the City's statutory basis financial statements. These amounts are reported in either the Grant Fund or the General Capital Fund.

Receipts:

| | <u>Federal</u> | <u>State</u> | <u>Other</u> | <u>Total</u> |
|------------|---------------------------|----------------------------|-----------------------------|----------------------------|
| Grant Fund | \$ <u>2,000.00</u> | \$ <u>57,822.89</u> | \$ _____ | \$ <u>59,822.89</u> |
| | \$ <u><u>2,000.00</u></u> | \$ <u><u>57,822.89</u></u> | \$ <u><u> </u></u> | \$ <u><u>59,822.89</u></u> |

Expenditures:

| | <u>Federal</u> | <u>State</u> | <u>Other</u> | <u>Total</u> |
|------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| Grant Fund | \$ <u>4,405.72</u> | \$ <u>103,112.98</u> | \$ _____ | \$ <u>107,518.70</u> |
| | \$ <u><u>4,405.72</u></u> | \$ <u><u>103,112.98</u></u> | \$ <u><u> </u></u> | \$ <u><u>107,518.70</u></u> |

NOTE 5. OTHER

Matching contributions expended by the City in accordance with terms of the various grants are not reported in the accompanying schedules.

THIS PAGE INTENTIONALLY LEFT BLANK

PART III

CITY OF MARGATE CITY

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2009

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

| | YEAR 2009 | | YEAR 2008 | |
|--|-------------------------|----------------|-------------------------|----------------|
| | AMOUNT | % | AMOUNT | % |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Fund Balance Utilized | \$ 2,165,000.00 | 4.48% | \$ 2,209,000.00 | 4.71% |
| Miscellaneous - From Other Than | | | | |
| Local Property Tax Levies | 3,395,594.14 | 7.02% | 3,333,719.80 | 7.11% |
| Collection of Delinquent Taxes | | | | |
| and Tax Title Liens | 592,067.56 | 1.23% | 586,624.22 | 1.25% |
| Collections of Current Tax Levy | 42,177,597.28 | 87.27% | 40,746,401.09 | 86.93% |
| <u>Total Revenue</u> | <u>\$ 48,330,258.98</u> | <u>100.00%</u> | <u>\$ 46,875,745.11</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures: | | | | |
| Municipal Purposes | \$ 25,102,180.60 | 53.96% | \$ 24,195,535.80 | 53.99% |
| County Taxes | 11,339,247.33 | 24.37% | 10,444,788.11 | 23.31% |
| Local School District Taxes | 10,080,118.00 | 21.67% | 10,173,118.00 | 22.70% |
| Other Expenditures | | | 447.23 | 0.00% |
| <u>Total Expenditures</u> | <u>\$ 46,521,545.93</u> | <u>100.00%</u> | <u>\$ 44,813,889.14</u> | <u>100.00%</u> |
| Excess in Revenue | \$ 1,808,713.05 | | \$ 2,061,855.97 | |
| Adjustments to Income Before Fund Balance: | | | | |
| Expenditures Included Above Which are by Statute | | | | |
| Deferred Charges to Budget of Succeeding Year | \$ | | 3,936.69 | |
| Statutory Excess to Fund Balance | \$ 1,808,713.05 | | \$ 2,065,792.66 | |
| Fund Balance - January 1 | 3,658,558.93 | | 3,801,766.27 | |
| | \$ 5,467,271.98 | | \$ 5,867,558.93 | |
| Less: Utilization as Anticipated Revenue | 2,165,000.00 | | 2,209,000.00 | |
| Fund Balance, December 31 | <u>\$ 3,302,271.98</u> | | <u>\$ 3,658,558.93</u> | |

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - SEWER UTILITY OPERATING FUND

| | YEAR 2009 | | YEAR 2008 | |
|---|------------------------|----------------|------------------------|----------------|
| | AMOUNT | % | AMOUNT | % |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Fund Balance Utilized | \$ 314,000.00 | 6.93% | \$ 230,314.00 | 5.64% |
| Collection of Sewer Use Charges | 3,831,861.81 | 84.55% | 3,535,062.19 | 86.62% |
| Miscellaneous | 386,198.21 | 8.52% | 315,958.63 | 7.74% |
| <u>Total Revenue</u> | <u>\$ 4,532,060.02</u> | <u>100.00%</u> | <u>\$ 4,081,334.82</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures: | | | | |
| Operating | \$ 3,174,796.13 | 83.24% | \$ 3,238,314.00 | 90.45% |
| Capital Improvements | | | | |
| Deferred Charges and Statutory Expenditures | 96,203.87 | 2.52% | 96,000.00 | 2.68% |
| Debt Service | 243,000.00 | 6.37% | 246,000.00 | 6.87% |
| Surplus (General Budget) | 100,000.00 | 2.62% | | |
| Surplus - Anticipated Revenue Current Fund | 200,000.00 | 5.25% | | |
| <u>Total Expenditures</u> | <u>\$ 3,814,000.00</u> | <u>100.00%</u> | <u>\$ 3,580,314.00</u> | <u>100.00%</u> |
| Excess in Revenue | \$ 718,060.02 | | \$ 501,020.82 | |
| Fund Balance - January 1 | 787,708.09 | | 517,001.27 | |
| | \$ 1,505,768.11 | | \$ 1,018,022.09 | |
| Decreased by: | | | | |
| Utilization as Anticipated Revenue | 314,000.00 | | 230,314.00 | |
| Fund Balance, December 31 | <u>\$ 1,191,768.11</u> | | <u>\$ 787,708.09</u> | |

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

| | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|--------------------------|----------------|----------------|----------------|
| Tax Rate | <u>\$1.247</u> | <u>\$1.210</u> | <u>\$1.180</u> |
| Appointment of Tax Rate: | | | |
| Municipal | \$0.581 | \$0.561 | \$0.518 |
| County | 0.330 | 0.306 | 0.315 |
| Local School | <u>0.336</u> | <u>0.343</u> | <u>0.347</u> |

Assessed Valuation:

| | | | |
|-----------|----------------------------|----------------------------|----------------------------|
| Year 2009 | \$ <u>3,435,289,830.00</u> | | |
| Year 2008 | | \$ <u>3,407,846,629.00</u> | |
| Year 2007 | | | \$ <u>3,361,487,250.00</u> |

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

| <u>YEAR</u> | <u>TAX LEVY</u> | <u>CASH COLLECTIONS</u> | <u>CURRENTLY PERCENTAGE OF COLLECTION</u> |
|-------------|-----------------|-----------------------------|---|
| 2009 | \$42,942,696.33 | \$42,177,597.28 | 98.21% |
| 2008 | \$41,349,481.77 | \$40,746,650.89 | 98.54% |
| 2007 | \$39,825,057.40 | \$39,205,175.11 | 98.44% |

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 three years.

| <u>DECEMBER 31, YEAR</u> | <u>AMOUNT OF TAX TITLE LIENS</u> | <u>AMOUNT OF DELINQUENT TAXES</u> | <u>TOTAL DELINQUENT</u> | <u>PERCENTAGE OF TAX LEVY</u> |
|------------------------------|--|---|-----------------------------|---------------------------------------|
| 2009 | \$2,211.20 | \$760,320.22 | \$762,531.42 | 1.78% |
| 2008 | \$1,585.95 | \$596,741.61 | \$598,327.56 | 1.45% |
| 2007 | \$1,474.05 | \$583,724.19 | \$585,198.24 | 1.49% |

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31st on the basis of the last assessed valuations of such properties was as follows:

| <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|---------------|
| 2009 | \$138,557.50 |
| 2008 | \$138,557.50 |
| 2007 | \$138,557.50 |

COMPARISON OF UTILITY LEVIES

| <u>YEAR</u> | <u>SEWER LEVY</u> |
|-------------|-------------------|
| 2009 | \$3,899,446.72 |
| 2008 | \$3,556,076.96 |
| 2007 | \$3,754,214.27 |

COMPARATIVE SCHEDULE OF FUND BALANCES

| | <u>YEAR</u> | <u>BALANCE DECEMBER 31</u> | <u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u> |
|--|-------------|--------------------------------|--|
| Current Fund | 2009 | \$3,302,271.98 | \$2,365,000.00 |
| | 2008 | 3,658,558.93 | 2,165,000.00 |
| | 2007 | 3,801,766.27 | 2,209,000.00 |
| | 2006 | 3,733,291.24 | 2,200,000.00 |
| | 2005 | 1,894,386.48 | 1,150,000.00 |
| Water and Sewer Utility Operating Fund | 2009 | \$1,191,768.11 | \$478,000.00 |
| | 2008 | 787,708.09 | 314,000.00 |
| | 2007 | 517,001.27 | 230,314.00 |
| | 2006 | 457,585.53 | 325,245.00 |
| | 2005 | 562,339.75 | 417,100.00 |

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

| <u>NAME</u> | <u>TITLE</u> | <u>AMOUNT OF BOND</u> |
|---------------------|---|---------------------------|
| Michael Becker | Mayor - Director of Revenue and Finance | * |
| Daniel Campbell | Commissioner - Director of Public Works and Public Property | * |
| Maury Blumberg | Commissioner - Director of Public Affairs and Public Safety | * |
| Thomas D. Hiltner | City Clerk, Tax Collector, Water and Sewer Collector, Registrar of Vital Statistics | * |
| Rosemarie Freed | Deputy City Clerk | * |
| Linda Morgan | Deputy Tax Collector, Tax Search Officer | * |
| Lisa McLaughlin | Certified Finance Officer, Management Specialist | * |
| Mary Siracusa | City Solicitor | * |
| James P. Savio | Magistrate to June 30, 2009 | * |
| John H. Rosenberger | Magistrate from July 1, 2009 | * |
| Maureen Larkin | Court Administrator | * |
| Patricia O'Brian | Acting Deputy Court Administrator | * |
| Sal Catania | Electrical Inspector and City Electrician | * |
| James Galantino | Construction Code Official | * |

All of the bonds were examined and were properly executed.

*Covered by Honesty Blanket Position Bond of the Atlantic County Joint
Insurance Fund - \$1,000,000.00.

THIS PAGE INTENTIONALLY LEFT BLANK

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4

"Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to Section 3 P.L. 1971 C. 198 (C. 40A:11-3), except by contract or agreement."

Effective July 1, 2005, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$21,000.00. Effective December 1, 2005, the bid threshold in accordance with N.J.S.A. 40A:11-3 was increased to \$29,000.00 by resolution of the governing body.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$29,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the City Solicitor's opinion should be sought before a commitment is made.

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

- Pump Station Upgrade
- Jerome Avenue Landscaping
- Equipment and Labor to Install Sewer System
- Multi Park Improvements
- Fence Replacements
- Beach Bulkhead Access
- ADA Compliant Beach Access Matting
- Cleaning and Televising Sewer Systems
- Recreational Facility Building Upgrades and
- ADA Renovations at Jerome Avenue

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

- Risk Management Consultant
- Tax Appeals Attorney
- Municipal Auditor
- Labor Attorney
- Public Defender
- City Prosecutor

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing 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.

GENERAL COMMENTS (CONTINUED)

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$29,000.00 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 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 rate to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent.

The governing body on April 24, 1980 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

BE IT RESOLVED, by the Board of Commissioners of the City of Margate City, County of Atlantic, New Jersey, that all delinquent taxes for the year shall have added to them, by the Tax Collector of the City of Margate City, from the date of delinquency to the date of payment, interest at a rate of 8% on the first \$1,500.00 and 18% on any excess over \$1,500.00; and

WHEREAS, it appears that Chapter 105, P.L. 1965 of the Laws of the State of New Jersey has amended R.S. 54:4-67 thereby giving the people a ten (10) day grace period from the taxes due date.

THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Margate City that the Tax Collector is hereby authorized to add eight percent (8%) on the first \$1,500.00 and 18% on any excess over \$1,500.00 giving the people a ten (10) day grace period from the taxes due date, on any and all liens for any improvements by the Municipality from the date of delinquency.

BE IT FURTHER RESOLVED, that so long as said taxes are paid within the ten (10) day grace period by any person, firm, corporation or association that payment shall be considered to have been made within the ten (10) day grace period and therefore no interest shall be charged.

BE IT FURTHER RESOLVED that this resolution shall become effective April 24, 1980.

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 18, 2009 and was complete.

Inspection of Tax Sale Certificates on file revealed that all Tax Sale Certificates were available for audit.

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

| <u>YEAR</u> | <u>NUMBER OF LIENS</u> |
|-------------|------------------------|
| 2009 | 3 |
| 2008 | 1 |
| 2007 | 1 |

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

| <u>TYPE</u> | |
|----------------------------------|----|
| Payments of 2010 Taxes | 25 |
| Payments of 2009 Taxes | 25 |
| Delinquent Taxes | 25 |
| Payment of Sewer Utility Charges | 20 |
| Delinquent Sewer Utility Charges | 5 |

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the City's policy to review and liquidate all interfund balances on a periodic basis.

Purchasing

Items purchased in excess of the bid threshold were not always awarded by resolution of the governing body.

During the course of our audit, we noted several purchase orders that were processed as confirming orders. This is where goods have been received or services have been rendered prior to the issuance of a purchase order.

Our audit determined that the City did not always issue an I.R.S. Form 1099 for unincorporated vendors receiving payments in excess of \$600.00.

Clerk

Resolutions passed by the City Commissioners were not always signed by the appropriate officials.

RECOMMENDATIONS

That all purchases in excess of the bid threshold be authorized by resolution of the governing body.

That the practice of issuing confirming orders be discontinued.

That all resolutions passed by the City Commissioners be signed by the appropriate officials.

That the City file I.R.S. Form 1099 for all eligible vendors.

