

CITY OF MARGATE CITY

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

**CITY OF MARGATE CITY
COUNTY OF ATLANTIC**

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**CITY OF MARGATE CITY
COUNTY OF ATLANTIC**

PART I

**INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
FOR THE YEAR ENDED DECEMBER 31, 2014**

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of City Commission
City of Margate City
County of Atlantic
Margate City, New Jersey

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the City of Margate City, County of Atlantic, State of New Jersey as of December 31, 2014, and the related comparative statements of operations and changes in fund balance--regulatory basis for the year then ended, the related statements of revenues--regulatory basis, statements of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2014.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with 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 from material misstatement.

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

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

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

As discussed in Note 1 to the financial statements, the City prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Margate City, County of Atlantic, State of New Jersey, as of December 31, 2014, or the results of its operations and changes in fund balance for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the City of Margate City, County of Atlantic, State of New Jersey, as of December 31, 2014, and the results of its operations and changes in fund balance --regulatory basis of such funds for the year then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are 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 above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Prior Period Financial Statements

The financial statements as of December 31, 2013, were audited by other auditors whose report dated June 27, 2014 expressed an unmodified opinion on the regulatory basis of accounting.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2015, on our consideration of the City of Margate City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Margate City's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
CR# 435

May 4, 2015
Medford, New Jersey



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

The Honorable Mayor and Members
of City Commission
City of Margate City
County of Atlantic
Margate City, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the City of Margate City (herein referred to as "the City"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 4, 2015. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
CR#435

May 4, 2015
Medford, New Jersey

FINANCIAL STATEMENTS

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**CITY OF MARGATE CITY
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 7,725,787.79	\$ 6,925,027.90
Change Fund	A-5	850.00	1,900.00
Total		<u>7,726,637.79</u>	<u>6,926,927.90</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Taxes Receivable	A-7	863,686.01	835,050.24
Tax Title Liens Receivable	A-8	5,201.00	3,008.38
Foreclosed Property - Assessed Valuation	A-9	138,557.50	138,557.50
Revenue Accounts Receivable	A-10	4,359.43	2,466.18
Total Receivables & Other Assets With Full Reserves		<u>1,011,803.94</u>	<u>979,082.30</u>
Other Accounts Receivable:			
Due from State - Chapter 20 P.L. 1971	A-12	11,748.65	1,122.75
Total Other Accounts Receivable		<u>11,748.65</u>	<u>1,122.75</u>
Deferred Charges To Future Taxation:			
Special Emergency Appropriation	A-11	2,250,000.00	3,000,000.00
Total		<u>2,250,000.00</u>	<u>3,000,000.00</u>
Total Regular Funds		<u>11,000,190.38</u>	<u>10,907,132.95</u>
Federal & State Grants:			
State Grants Receivable	A-13	729,664.00	49,560.00
Due From Current Fund	A	26,114.98	17,609.77
Total State & Federal Grants		<u>755,778.98</u>	<u>67,169.77</u>
Total Assets		<u>\$ 11,755,969.36</u>	<u>\$ 10,974,302.72</u>

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

**CITY OF MARGATE CITY
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2014	2013
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 1,037,341.25	\$ 1,005,335.85
Reserve for Encumbrances	A-3	279,251.67	173,887.15
Accounts Payable	A-13	5,591.95	-
Prepaid Taxes	A-18	872,282.61	937,028.66
Tax Overpayments	A-19	66,658.71	95,904.43
Due County for Added & Omitted Taxes	A-20	67,455.81	71,914.78
Special Emergency Note Payable	A-14	2,250,000.00	3,000,000.00
Due to Interfunds:			
Federal & State Grant	A	26,114.98	17,609.77
Reserve for:			
Due to State - Marriage License Fees	A-22	75.00	100.00
Tax Appeals	A-22	13,952.11	13,952.11
Sale of Municipal Assets	A-22	14,881.95	107,278.95
Outside Liens	A-22	115,619.27	-
Tax Sale Premiums	A-22	540,825.00	206,446.29
Hurricane Damage	A-22	-	178,956.68
Insurance Proceeds	A-22	8,700.00	-
Subtotal Regular Fund		5,298,750.31	5,808,414.67
Reserve for Receivables & Other Assets	A	1,011,803.94	979,082.30
Fund Balance	A-1	4,689,636.13	4,119,635.98
Total Regular Fund		11,000,190.38	10,907,132.95
State & Federal Grants:			
Reserve for Federal & State Grants:			
Appropriated	A-16	745,374.26	63,815.64
Unappropriated	A-15	10,404.72	3,354.13
Total State & Federal Grants		755,778.98	67,169.77
Total Liabilities, Reserves & Fund Balance		\$ 11,755,969.36	\$ 10,974,302.72

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

**CITY OF MARGATE CITY
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	REFERENCE	2014	2013
Revenue & Other Income Realized:			
Fund Balance Utilized	A-1,A-2	\$ 2,921,043.32	\$ 2,300,000.00
Miscellaneous Revenue Anticipated	A-2	4,744,507.20	4,624,284.83
Receipts From Delinquent Taxes & Tax Title Liens	A-2	824,699.40	885,475.60
Receipts From Current Taxes	A-2	50,756,056.64	50,544,946.67
Nonbudget Revenue	A-2	372,425.73	264,932.77
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	894,489.20	748,526.39
Cancellation of Reserve for Hurricane Damage	A	159,759.44	-
Cancellation of Tax Overpayments	A	604.29	-
Cancellation of Reserve for Master Plan	A	-	1,300.00
Adjustment to Tax Title Liens	A	3,538.46	-
Interfunds Liquidated	A	-	226,349.00
Total		<u>60,677,123.68</u>	<u>59,595,815.26</u>
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries & Wages	A-3	11,831,480.98	11,729,295.25
Other Expenses	A-3	6,747,876.83	6,622,460.57
Deferred Charges & Statutory Expenditures	A-3	2,552,435.00	2,718,439.20
Excluded From "CAPS":			
Operations:			
Other Expenses	A-3	2,103,666.00	1,415,270.82
Capital Improvements	A-3	233,359.19	50,000.00
Municipal Debt Service	A-3	3,923,559.20	3,948,360.44
Deferred Charges	A-3	750,000.00	832,684.17
For Local School Purposes	A-3	1,496,837.50	1,518,237.50
County Share of Added Tax	A-7	67,455.81	71,914.78
County Taxes	A-7	16,979,841.22	16,856,838.28
Local District School Tax	A-7	10,498,908.00	10,536,409.00
Senior Citizen & Veteran Deductions Disallowed:			
Prior Year	A	660.48	250.00
Cancellation of Grants Receivable	A	-	4,035.35
Total Expenditures		<u>57,186,080.21</u>	<u>56,304,195.36</u>
Statutory Excess to Fund Balance		3,491,043.47	3,291,619.90
Fund Balance January 1	A	<u>4,119,635.98</u>	<u>3,128,016.08</u>
Total		7,610,679.45	6,419,635.98
Decreased by: Utilization as Anticipated Revenue	A-1,A-2	<u>2,921,043.32</u>	<u>2,300,000.00</u>
Fund Balance December 31	A	<u>\$ 4,689,636.13</u>	<u>\$ 4,119,635.98</u>

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

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

	BUDGET	APPROPRIATED BY N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Utilized	\$ 2,921,043.32	\$ -	\$ 2,921,043.32	\$ -
Miscellaneous Revenue:				
Licenses - Alcoholic Beverages	9,500.00	-	9,675.00	175.00
Licenses - Other	15,000.00	-	12,540.50	(2,459.50)
Fees & Permits - Other	178,000.00	-	225,412.00	47,412.00
Fines & Costs - Municipal Court	85,000.00	-	138,318.81	53,318.81
Interest & Costs on Taxes	150,000.00	-	195,147.64	45,147.64
Interest on Investments & Deposits	10,000.00	-	14,565.00	4,565.00
Anticipated Utility Operating Surplus	100,000.00	-	100,000.00	-
Beach Fees	275,000.00	-	314,042.50	39,042.50
Cable Franchise	50,000.00	-	55,823.61	5,823.61
Energy Receipts Tax	764,475.00	-	764,475.00	-
Uniform Construction Code Fees	320,000.00	-	504,419.00	184,419.00
Utility Operating Surplus of Prior Year	200,000.00	-	200,000.00	-
Uniform Fire Safety Act	11,153.67	-	12,762.48	1,608.81
Capital Surplus	650,000.00	-	650,000.00	-
Beach Vending License	67,100.00	-	108,000.00	40,900.00
Ambulance Billing	200,000.00	-	243,134.14	43,134.14
Recreation Fees	115,500.00	-	123,267.84	7,767.84
Sale of Municipal Assets	100,000.00	-	100,000.00	-
FEMA Storm Recovery	178,956.68	-	178,956.68	-
State/Local Grants:				
Body Armor Grant	3,354.13	2,693.13	6,047.26	-
Sustainable Jersey Grant	-	2,000.00	2,000.00	-
Community Development Block Grant	-	375,000.00	375,000.00	-
Neighborhood Community Revital Program	-	354,664.00	354,664.00	-
Clean Communities	-	26,915.74	26,915.74	-
Municipal Alliance on Alcoholism & Drug Abuse	29,340.00	-	29,340.00	-
Total Miscellaneous Revenues	3,512,379.48	761,272.87	4,744,507.20	470,854.85
Receipts From Delinquent Taxes	525,000.00	-	824,699.40	299,699.40
Subtotal General Revenues	6,958,422.80	761,272.87	8,490,249.92	770,554.25
Local Tax for Municipal Purposes	21,201,515.16	-	21,037,591.91	(163,923.25)
Amount for Local District Tax	1,496,837.50	-	1,496,837.50	-
Minimum Library Tax	1,282,364.00	-	1,282,364.00	-
Budget Totals	30,939,139.46	761,272.87	32,307,043.33	606,631.00
Nonbudget Revenues	-	-	372,425.73	372,425.73
Total	\$ 30,939,139.46	\$ 761,272.87	\$ 32,679,469.06	\$ 979,056.73

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

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 50,756,056.64
Less: School, County Taxes, Special District & Open Space	<u>28,828,569.03</u>
Balance for Support of Municipal Budget Appropriations	21,927,487.61
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>1,889,305.80</u>
Total Amount for Support of Municipal Budget Appropriation	<u><u>\$ 23,816,793.41</u></u>
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	<u>\$ 824,699.40</u>
Total Receipts From Delinquent Taxes	<u><u>\$ 824,699.40</u></u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:	
DMV Inspection Fees	\$ 375.00
Senior & Veterans Administrative Fees	1,860.00
Tax Abatements	39,600.00
Cell Tower Rent	131,990.00
Lease of Land	21,930.00
Lease of Municipal Property	21,688.03
City Library Rent	60,000.00
Dog Park Donations	415.00
Salvage Scrap Metal	131.00
Refund of Prior Year Expenses	67,187.45
Restitution	5,852.82
Premium on Sale of Notes	12,377.00
Statutory Excess in Dog Fund	291.80
Bench Donations	2,025.00
Miscellaneous	<u>6,702.63</u>
Total Miscellaneous Revenue Not Anticipated	<u><u>\$ 372,425.73</u></u>

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

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

OPERATIONS WITHIN "CAPS"	APPROPRIATIONS					RESERVED	CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED		ENCUMBERED		
			EXPENDED				
General Government:							
Director's Office:							
Salaries and Wages	\$	20,000.00	\$	20,000.00	\$	-	\$
Other Expenses		2,000.00		2,000.00		-	20.73
Police:							
Salaries and Wages		3,965,596.00		3,939,056.45		-	228,931.06
Other Expenses		167,250.00		193,250.00		25,548.42	1,595.93
Fire:							
Salaries and Wages		3,632,500.00		3,632,500.00		-	46,979.90
Other Expenses		94,000.00		94,000.00		859.36	447.41
City Clerk:							
Salaries and Wages		132,690.00		133,229.55		-	-
Other Expenses		7,200.00		10,200.00		-	156.65
Safety Official							
Salaries and Wages		14,880.00		14,879.80		-	0.20
Other Expenses		7,000.00		5,954.37		881.60	164.03
Lifeguards:							
Salaries and Wages		510,000.00		510,000.00		-	64,271.55
Other Expenses		32,000.00		32,000.00		9.42	206.78
Beachfront Maintenance:							
Salaries and Wages		63,000.00		56,200.00		-	1,799.86
Other Expenses		11,500.00		18,300.00		117.00	860.22
Planning Board:							
Salaries and Wages		104,677.00		104,676.96		-	0.04
Other Expenses		22,715.00		17,249.22		1,494.00	3,971.78
Emergency Management Service:							
Salaries and Wages		3,593.00		3,592.94		-	0.06
Municipal Court:							
Salaries and Wages		171,363.00		169,159.19		-	2,203.81
Other Expenses		17,550.00		12,178.85		2,108.13	3,263.02
Legal Services and Costs:							
Other Expenses		325,000.00		375,000.00		83,008.81	6,714.82
Public Defender:							
Other Expenses		3,600.00		3,600.00		-	2,400.00

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

OPERATIONS WITHIN "CAPS"	APPROPRIATIONS					RESERVED	CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED		ENCUMBERED		
			EXPENDED				
Municipal Prosecutor:							
Salaries and Wages	23,518.00	23,518.00	23,517.96	-		0.04	
Dog Regulation:							
Other Expenses	8,500.00	8,500.00	8,114.00	-		386.00	
Director's Office:							
Salaries and Wages	436,000.00	427,640.81	417,765.58	-		9,875.23	
Other Expenses	39,200.00	37,200.00	31,969.41	2,046.11		3,184.48	
Financial Administration:							
Salaries and Wages	8,800.00	-	9,750.00	-		150.00	
Audit	30,000.00	30,000.00	30,000.00	-		-	
Other Expenses	111,250.00	110,150.00	94,626.20	8,935.89		6,587.91	
Assessment of Taxes:							
Salaries and Wages	246,000.00	246,000.00	215,900.13	-		30,099.87	
Other Expenses	62,580.00	62,580.00	43,562.03	3,544.50		15,473.47	
Collection of Taxes:							
Salaries and Wages	159,000.00	159,218.17	159,218.17	-		-	
Other Expenses	16,000.00	15,781.83	9,952.60	2,493.52		3,335.71	
Elections:							
Other Expenses	5,000.00	4,000.00	3,917.42	-		82.58	
Insurance:							
General Liability	344,500.00	344,500.00	319,610.01	-		24,889.99	
Workers Compensation Insurance	552,000.00	552,000.00	552,000.00	-		-	
Employee Group Health	2,348,000.00	2,270,687.58	2,071,039.69	712.00		198,935.89	
Health Waiver	29,600.00	31,912.42	31,912.42	-		-	
Public Works, Parks and Property:							
Director's Office:							
Salaries and Wages	25,295.00	25,295.00	25,293.84	-		1.16	
Other Expenses	2,000.00	2,000.00	584.00	-		1,416.00	
Street Repairs and Maintenance:							
Salaries and Wages	1,474,439.00	1,428,685.62	1,351,483.93	-		77,201.69	
Other Expenses	404,900.00	474,900.00	443,169.15	19,112.82		12,618.03	
Street Lighting							
Other Expenses	175,000.00	175,000.00	174,422.90	-		577.10	
City Engineer:							
Other Expenses	37,000.00	41,000.00	29,122.08	8,563.42		3,314.50	

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

	APPROPRIATIONS			PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELED
	BUDGET AFTER MODIFICATION						
	BUDGET	EXPENDED					
OPERATIONS WITHIN "CAPS"							
Public Works, Parks and Property (continued):							
Rubbish Removal:							
Other Expenses	760,000.00	760,000.00	655,466.53	56,128.97	48,404.50	-	-
Parks and Playgrounds:							
Salaries and Wages	109,100.00	109,724.66	109,724.66	-	-	-	-
Other Expenses	27,500.00	27,500.00	26,710.99	215.06	573.95	-	-
Recreation:							
Salaries and Wages	330,500.00	330,500.00	322,637.57	-	7,862.43	-	-
Other Expenses	108,000.00	108,000.00	89,209.81	9,172.53	9,617.66	-	-
Pavilion:							
Salaries and Wages	65,871.00	65,999.72	65,999.72	-	-	-	-
Other Expenses	15,800.00	15,800.00	13,434.40	80.71	2,284.89	-	-
Celebration of Public Events, Anniversary or Holiday:							
Other Expenses	100,000.00	100,000.00	92,004.75	-	7,995.25	-	-
Construction Official:							
Salaries and Wages	417,000.00	419,500.00	419,123.31	-	376.69	-	-
Other Expenses	63,000.00	60,500.00	19,563.04	644.85	40,292.11	-	-
Unclassified							
Payment of Ambulance Bills	18,000.00	18,000.00	14,721.88	2,600.85	677.27	-	-
Sick and Retirement Payments	52,500.00	52,500.00	52,500.00	-	-	-	-
General Office Operations	53,000.00	53,000.00	42,580.53	1,650.00	8,769.47	-	-
Feasibility Studies	30,000.00	24,600.00	3,000.00	3,000.00	18,600.00	-	-
Technology	46,500.00	47,900.00	45,586.91	319.27	1,993.82	-	-
Utility Expenses & Bulk Purchases:							
Electricity	190,000.00	190,000.00	145,443.84	-	44,556.16	-	-
Telephone Expenses	91,750.00	91,750.00	73,410.05	6,211.00	12,128.95	-	-
Gasoline	200,000.00	195,000.00	148,637.35	9,748.43	36,614.22	-	-
Gas (Natural/Propane)	55,000.00	60,175.95	60,175.92	-	0.03	-	-
Contingent	7,500.00	7,324.05	4,330.00	450.00	2,544.05	-	-
Total Operation Within "CAPS"	18,587,717	18,579,358	17,334,292	249,657	995,409	-	-
Detail:							
Salaries and Wages	11,913,822	11,831,481	11,361,727	-	469,754	-	-
Other Expenses (Including Contingent)	6,673,895	6,747,877	5,972,565	249,657	525,655	-	-

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

OPERATIONS WITHIN "CAPS"	APPROPRIATIONS		PAID OR CHARGED		RESERVED	CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED		
Deferred Charges/Statutory Expenditures - Municipal Within "CAPS":						
Public Employees Retirement System	674,990.00	677,696.74	608,889.74	-	-	68,807.00
Social Security System	480,000.00	475,290.76	462,542.52	-	12,748.24	-
Police & Fire Retirement System	1,490,093.00	1,492,095.50	1,395,754.50	-	-	96,341.00
Unemployment Compensation Insurance	34,500.00	34,500.00	31,124.86	-	3,375.14	-
Lifeguard Pension	35,000.00	35,000.00	35,000.00	-	-	-
Defined Contribution Plan	3,000.00	3,000.00	2,202.11	-	797.89	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	2,717,583.00	2,717,583.00	2,535,513.73	-	16,921.27	165,148.00
Total General Appropriations for Municipal Purposes Within "CAPS"	21,305,300.00	21,296,940.81	19,869,805.90	249,656.67	1,012,330.24	165,148.00
OPERATIONS EXCLUDED FROM "CAPS"						
Maintenance of Free Public Library:	1,282,364.00	1,282,364.00	1,282,364.00	-	-	-
Statutory Expenditures:						
Recycling Tax:						
Other Expenses	15,000.00	15,000.00	15,000.00	-	-	-
Public & Private Programs Offset by Revenues:						
Municipal Alliance on Alcoholism and Drug Abuse						
County Share	29,340.00	29,340.00	29,340.00	-	-	-
Local Share	7,335.00	7,335.00	7,335.00	-	-	-
Body Armor Grant	3,354.13	6,047.26	6,047.26	-	-	-
Matching Funds for Grants	5,000.00	5,000.00	-	-	5,000.00	-
Sustainable Jersey	-	2,000.00	2,000.00	-	-	-
Community Development Block Grant	-	375,000.00	375,000.00	-	-	-
Neighborhood Community Revital Program	-	354,664.00	354,664.00	-	-	-
Clean Communities	-	26,915.74	26,915.74	-	-	-
Total Operations Excluded From "CAPS"	1,342,393.13	2,103,666.00	2,098,666.00	-	5,000.00	-
Detail:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	1,342,393.13	2,103,666.00	2,098,666.00	-	5,000.00	-

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

	APPROPRIATIONS		PAID OR CHARGED		RESERVED	CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED		
OPERATIONS EXCLUDED FROM "CAPS"						
Capital Improvements - Excluded from "CAPS":						
Capital Improvement	125,000.00	133,359.19	133,359.19	-	-	-
Purchase of Equipment	100,000.00	100,000.00	50,393.99	29,595.00	20,011.01	-
Total Capital Improvements Excluded from "CAPS"	225,000.00	233,359.19	183,753.18	29,595.00	20,011.01	-
Municipal Debt Service - Excluded from "CAPS":						
Payment of Bond Principal	2,530,000.00	2,530,000.00	2,530,000.00	-	-	-
Interest on Bonds	1,200,162.50	1,200,162.50	1,200,162.50	-	-	-
Interest on Notes	75,000.00	75,000.00	70,653.19	-	-	4,346.81
Loan Repayments for Principal and Interest	64,059.03	64,059.03	64,059.03	-	-	-
NJET Loans	61,081.50	61,081.50	58,684.48	-	-	2,397.02
Total Municipal Debt Service Excluded from "CAPS"	3,930,303.03	3,930,303.03	3,923,559.20	-	-	6,743.83
Deferred Charges - Excluded from "CAPS":						
Special Emergency Authorizations - 5 Years	750,000.00	750,000.00	750,000.00	-	-	-
Total Deferred Charges - Municipal - Excluded from CAPS:	750,000.00	750,000.00	750,000.00	-	-	-
Local District School Purposes - Excluded from "CAPS":						
Payment of Bond Principal	1,045,000.00	1,045,000.00	1,045,000.00	-	-	-
Interest on Bonds	451,837.50	451,837.50	451,837.50	-	-	-
Total Local District School Purposes - Excluded from CAPS:	1,496,837.50	1,496,837.50	1,496,837.50	-	-	-
Total General Appropriations Excluded from "CAPS"	7,744,533.66	8,514,165.72	8,452,815.88	29,595.00	25,011.01	6,743.83
Subtotal General Appropriations Reserve For Uncollected Taxes	29,049,833.66	29,811,106.53	28,322,621.78	279,251.67	1,037,341.25	171,891.83
1,889,305.80	1,889,305.80	1,889,305.80	1,889,305.80	-	-	-
Total General Appropriations	\$ 30,939,139.46	\$ 31,700,412.33	\$ 30,211,927.58	\$ 279,251.67	\$ 1,037,341.25	\$ 171,891.83
Adopted Budget	\$ 30,939,139.46					
Added by N.J.S. 40A:4-87	761,272.87					
Total	\$ 31,700,412.33					
Reserve for Uncollected Taxes	\$ 1,889,305.80					
Cash Disbursements	27,703,543.52					
Refunds Current Year Appropriations	(932,223.74)					
Deferred Charges	750,000.00					
Reserve for Federal & State Grants	801,302.00					
	\$ 30,211,927.58					

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

**CITY OF MARGATE CITY
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Dog License Fund:			
Cash	B-1	\$ 1,819.20	\$ 1,920.00
Total Dog License Funds		1,819.20	1,920.00
Other Funds:			
Cash- Treasurer	B-1	485,451.80	343,515.05
Total Other Funds		485,451.80	343,515.05
Total Assets		<u>\$ 487,271.00</u>	<u>\$ 345,435.05</u>
LIABILITIES, RESERVES & FUND BALANCE			
Dog License Fund:			
Due to State of New Jersey	B-4	\$ -	\$ 1.20
Reserve for Dog Fund Expenditures	B-2	1,819.20	1,918.80
Total Dog License Funds		1,819.20	1,920.00
Other Funds:			
Payroll Deductions Payable	B-5	124,496.82	132,675.50
Miscellaneous Reserves	B-6	360,954.98	210,839.55
Total Other Funds		485,451.80	343,515.05
Total Liabilities		<u>\$ 487,271.00</u>	<u>\$ 345,435.05</u>

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

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**CITY OF MARGATE CITY
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Cash	C-2/C-3	\$ 3,130,037.22	\$ 256,153.24
Due from Water and Sewer Capital Fund	D	318,252.12	965,438.87
Deferred Charges to Future Taxation:			
Funded	C-5	38,099,672.53	41,776,067.98
Unfunded	C-6	14,418,587.28	7,871,134.00
Total Assets		<u>\$ 55,966,549.15</u>	<u>\$ 50,868,794.09</u>
LIABILITIES, RESERVES & FUND BALANCE			
Serial Bonds Payable	C-8	\$ 27,635,000.00	\$ 30,165,000.00
Type I School Bonds Payable	C-8	9,535,000.00	10,580,000.00
Green Trust Loans Payable	C-9	532,093.29	584,719.74
NJEIT Loans Payable	C-9	397,579.24	446,348.24
Bond Anticipation Notes Payable	C-10	7,638,000.00	4,085,000.00
Improvement Authorizations:			
Funded	C-7	406,783.46	522,474.66
Unfunded	C-7	5,118,613.20	1,174,117.65
Encumbrances Payable	C-7	1,632,612.98	793,680.48
Reserve to Pay Bonds & Notes	C	2,275,791.13	1,166,345.86
Capital Improvement Fund	C-4	-	123,340.81
Fund Balance	C-1	795,075.85	1,227,766.65
Total Liabilities, Reserves & Fund Balance		<u>\$ 55,966,549.15</u>	<u>\$ 50,868,794.09</u>

There were bonds and notes authorized but not issued on December 31, 2014 of \$6,780,587.28 and on December 31, 2013 of \$3,786,134.00.

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

**CITY OF MARGATE CITY
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	<u>2014</u>	<u>2013</u>
Beginning Balance January 1	\$ 1,227,766.65	\$ 1,818,493.85
Increased by:		
Funded Improvement Authorization Cancelled	160,691.20	29,999.85
Premium on Sale of Bond Anticipation Notes	56,618.00	11,723.95
Reserves Cancelled	-	17,549.00
Decreased by:		
Surplus budgeted in Current Fund	<u>(650,000.00)</u>	<u>(650,000.00)</u>
Ending Balance December 31	<u><u>\$ 795,075.85</u></u>	<u><u>\$ 1,227,766.65</u></u>

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

**CITY OF MARGATE CITY
WATER-SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Operating Fund:			
Cash	D-5	\$ 1,237,083.80	\$ 1,119,868.25
Change Fund	D	100.00	-
Total		<u>1,237,183.80</u>	<u>1,119,868.25</u>
Receivables & Other Assets With Full Reserves:			
Utility Charges Receivable	D-7	<u>63,670.47</u>	<u>60,714.68</u>
Total Receivable & Other Assets With Full Reserves		<u>63,670.47</u>	<u>60,714.68</u>
Total Operating Fund		<u>1,300,854.27</u>	<u>1,180,582.93</u>
Water Meter Trust Fund:			
Cash - Treasurer	D-5	<u>110,952.23</u>	<u>97,634.00</u>
Total Water Meter Trust Fund		<u>110,952.23</u>	<u>97,634.00</u>
Capital Fund:			
Fixed Capital:			
Completed	D	5,042,866.70	4,297,165.86
Authorized & Uncompleted	D-9	3,620,299.00	3,366,000.00
Due Utility Operating Fund	D	<u>109,013.17</u>	<u>118,646.50</u>
Total Capital Fund		<u>8,772,178.87</u>	<u>7,781,812.36</u>
Total Operating, Water Meter & Capital Fund		<u><u>\$ 10,183,985.37</u></u>	<u><u>\$ 9,060,029.29</u></u>

Bonds and Notes authorized but not issued as of December 31, 2014 was \$2,053,999.84 and as of December 31, 2013 was \$3,366,000.00.

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

**CITY OF MARGATE CITY
WATER-SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2014	2013
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4	\$ 154,184.72	\$ 116,495.27
Reserve for Encumbrances	D-4	24,675.82	28,879.83
Accounts Payable	D	1,920.00	-
Prepaid Water & Sewer Rents	D	23,972.21	25,950.76
Overpaid Water & Sewer Rents	D	53,099.02	64,584.46
Accrued Interest on Bonds	D-10	13,216.66	7,083.33
Due Water & Sewer Capital Fund	D	109,013.17	118,646.50
Subtotal		380,081.60	361,640.15
Reserve for Receivables	D	63,670.47	60,714.68
Fund Balance	D-1	857,102.20	758,228.10
Total Operating Fund		1,300,854.27	1,180,582.93
Water Meter Trust Fund:			
Reserve for Water Meter Installations	D-17	110,952.23	97,634.00
Total Water Meter Trust Fund		110,952.23	97,634.00
Capital Fund:			
Encumbrances Payable	D-11	978,034.83	1,460,028.95
Due to General Capital Fund	C	318,252.12	965,438.87
Bond Anticipation Notes	D-13	2,312,000.00	-
Serial Bonds Payable	D-12	215,000.00	425,000.00
Improvement Authorizations:			
Funded	D-11	-	154,299.16
Unfunded	D-11	675,885.86	714,039.32
Reserve For:			
Amortization	D-16	4,082,165.86	3,872,165.86
Capital Improvement Fund	D-15	65,200.00	65,200.00
Fund Balance	D-2	125,640.20	125,640.20
Total Capital Fund		8,772,178.87	7,781,812.36
Total Liabilities, Reserves & Fund Balance		\$ 10,183,985.37	\$ 9,060,029.29

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

CITY OF MARGATE CITY
WATER-SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Revenue & Other Income Realized:		
Fund Balance	\$ 358,251.00	\$ 378,000.00
Water and Sewer Rents	4,250,890.35	3,783,454.46
Miscellaneous Revenue Anticipated	43,505.87	36,981.59
Miscellaneous Revenue Not Anticipated	1,251.73	5,301.84
Unexpended Balance of Appropriation Reserves	93,977.15	142,529.43
	<u>4,747,876.10</u>	<u>4,346,267.32</u>
Total Income		
Expenditures:		
Budget Appropriations:		
Operating	3,663,451.00	3,531,183.00
Debt Service	219,300.00	232,683.33
Deferred Charges & Statutory Expenditures	108,000.00	108,000.00
Surplus (General Budget)	100,000.00	100,000.00
	<u>4,090,751.00</u>	<u>3,971,866.33</u>
Total Expenditures		
Statutory Excess to Fund Balance	657,125.10	374,400.99
Fund Balance January 1	758,228.10	961,827.11
	<u>1,415,353.20</u>	<u>1,336,228.10</u>
Total		
Less: Utilized as Anticipated Revenue	358,251.00	378,000.00
Less: Utilized as Anticipated Revenue- Current Fund	200,000.00	200,000.00
	<u>200,000.00</u>	<u>200,000.00</u>
Balance December 31	<u>\$ 857,102.20</u>	<u>\$ 758,228.10</u>

WATER-SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

Balance December 31, 2014 and 2013	<u>\$ 125,640.20</u>
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The accompanying Notes to the Financial Statement are an integral part of these Statements.

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

	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Operating Surplus	\$ 358,251.00	\$ 358,251.00	\$ -
Rents	3,700,000.00	4,250,890.35	550,890.35
Miscellaneous	36,000.00	43,505.87	7,505.87
Miscellaneous Revenue Not Anticipated	-	1,251.73	1,251.73
Total	<u>\$ 4,094,251.00</u>	<u>\$ 4,653,898.95</u>	<u>\$ 559,647.95</u>

ANALYSIS OF REALIZED REVENUES

Rents:	
Consumer Collections	\$ 4,214,021.30
Prepayments & Overpayments Applied	<u>36,869.05</u>
Total	<u>4,250,890.35</u>
Miscellaneous Revenue Anticipated	
Interest on Delinquent Rents	28,581.07
Water Turn On/Off Charges	<u>14,924.80</u>
Total	<u>43,505.87</u>
Miscellaneous Revenue Not Anticipated	
Interest on Investments	<u>1,251.73</u>
Total	<u>\$ 4,295,647.95</u>

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

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

	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELED
Operating:					
Salaries & Wages	\$ 1,415,820.00	\$ 1,431,424.03	\$ 1,431,424.03	\$ -	\$ -
Other Expenses	1,020,000.00	1,004,395.97	894,625.25	109,770.72	-
Atlantic County Utilities Authority	1,227,631.00	1,227,631.00	1,183,217.00	44,414.00	-
Debt Service:					
Payment of Bond Principal	210,000.00	210,000.00	210,000.00	-	-
Interest on Bonds	12,800.00	12,800.00	9,300.00	-	3,500.00
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	95,000.00	95,000.00	95,000.00	-	-
Unemployment/Disability Insurance	13,000.00	13,000.00	13,000.00	-	-
Surplus (General Budget)	100,000.00	100,000.00	100,000.00	-	-
Total Expenditures	<u>\$ 4,094,251.00</u>	<u>\$ 4,094,251.00</u>	<u>\$ 3,936,566.28</u>	<u>\$ 154,184.72</u>	<u>\$ 3,500.00</u>

Original Budget \$ 4,094,251.00

Total \$ 4,094,251.00

Reserve for Encumbrances	\$ 24,675.82
Refunds	(15,840.60)
Accrued Interest	(3,500.00)
Cash Disbursed	<u>3,931,231.06</u>
Total	<u>\$ 3,936,566.28</u>

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

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**CITY OF MARGATE CITY
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF FIXED ASSETS AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

ASSETS	2014	2013
General Fixed Assets:		
Land	\$ 50,903,100.00	\$ 50,903,100.00
Buildings	20,809,519.00	20,710,886.00
Machinery and Equipment	7,636,288.71	7,282,361.71
	<u>79,348,907.71</u>	<u>78,896,347.71</u>
Total	<u>\$ 79,348,907.71</u>	<u>\$ 78,896,347.71</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 79,348,907.71</u>	<u>\$ 78,896,347.71</u>

The accompanying Notes to the Financial Statements are an integral part of these Statements.

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**CITY OF MARGATE CITY
COUNTY OF ATLANTIC**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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CITY OF MARGATE CITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1: Summary of Significant Accounting Policies

The City of Margate City is a shore community in the County of Atlantic, State of New Jersey. The City has a population according to the 2010 census of 6,354.

The City is incorporated under a Commission form of government. The Mayor is the chief executive officer of the City. The Commission exercises the legislative power. The Mayor and Commission members are elected by the voters and the Clerk is appointed by the Mayor and Commissioners. The City employs a City Administrator who is responsible for oversight of the day-to-day operations of the City.

Component Units - The financial statements of the component unit of the City of Margate City are not presented in accordance with Governmental Accounting Standards Board Statement (GASB) No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units. If the provisions of GASB 14 and GASB 39 had been complied with, the other entity's financial statements would have to be either blended or discretely presented with the financial statements of the City of Margate City, the primary government. The City maintains a Type I School District and a Municipal Library.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the City of Margate City contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the City of Margate City accounts for its financial transactions through the use of separate funds which are described as follows:

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

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

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

Water and Sewer Utility Operating and Capital Funds - The Water and Sewer Utility Operating and Capital Funds account for the operations and acquisition of capital facilities of the municipally owned Water and Sewer Utility.

Water Meter Trust - The Water Meter Trust Funds account for the acquisition and installations of water meters.

CITY OF MARGATE CITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1: Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting - The City of Margate City must adopt an annual budget for its current, water and sewer utility, and open space trust funds in accordance with *N.J.S.A.40A:4* et seq.

N.J.S.A.40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the City's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the City of Margate City requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

CITY OF MARGATE CITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1: Summary of Significant Accounting Policies (continued)

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The City has adopted a capitalization threshold of \$2,500. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The City is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the City's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment and improvements and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

CITY OF MARGATE CITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1: Summary of Significant Accounting Policies (continued)

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund Balances included in the current fund and utility operating fund represent amounts available for anticipation as revenue in future year's budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance 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.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the City's annual budget, but also the amounts required in support of the budgets of the County of Atlantic and the City of Margate City School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The City is responsible for levying, collecting and remitting school taxes for the City of Margate City School District. Fund Balance is charged for the full amount required, to be raised from taxation, to operate the school districts from January 1st through December 31st. School taxes are levied on the calendar year eliminating the possibility of deferred school taxes.

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Atlantic. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the City's annual budget protects the City from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

CITY OF MARGATE CITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1: Summary of Significant Accounting Policies (continued)

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with *N.J.A.C.5:30-5.2*. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. 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.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end 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.

Long-Term Debt - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital and Utility Capital Funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a "pay as you go" basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a "pay as you go" basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources be recorded as expenditure in the operating funds and the remaining obligations be recorded as long-term obligations.

Subsequent Events - The City has evaluated subsequent events occurring after December 31, 2014 through the date of May 4, 2015, which is the date the financial statements were available to be issued.

Note 2: Cash and Cash Equivalents

The City is governed by the deposit limitations of New Jersey state law. The Deposits held at December 31, 2014, and reported at fair value are as follows:

<u>Type</u>	<u>Carrying Value</u>
Deposits:	
Demand Deposits	\$ 12,692,082.04
Total Deposits	<u>\$ 12,692,082.04</u>

CITY OF MARGATE CITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 2: Cash and Cash Equivalents (continued)

Current Fund	\$ 7,726,637.79
General Capital	3,130,037.22
Trust Fund:	
Animal Control Trust	1,819.20
Trust - Other	485,451.80
Water-Sewer Utility Fund:	
Operating	1,237,183.80
Water Meter Trust	110,952.23
Total	<u><u>\$ 12,692,082.04</u></u>

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City does have a deposit policy for custodial credit risk. As of December 31, 2014, the City's bank balance of \$12,595,840.57 was insured or collateralized as follows:

Insured	\$ 250,000.00
Uninsured and uncollateralized	652,085.42
Collateralized in the City's Name Under GUDPA	<u>11,693,755.15</u>
Total	<u><u>\$ 12,595,840.57</u></u>

Note 3: Interfund Receivables and Payables

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2014:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
Current	\$ -	\$ 26,114.98
Grant	26,114.98	-
General Capital	318,252.12	-
Water & Sewer Operating	-	109,013.17
Water & Sewer Capital	109,013.17	318,252.12
Total	<u><u>\$ 453,380.27</u></u>	<u><u>\$ 453,380.27</u></u>

The purpose of these interfunds is short-term borrowings.

CITY OF MARGATE CITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note: 4: Property Taxes

Property taxes are an enforceable lien on the assessed property. Taxes are due on a quarterly basis on February 1, May 1, August 1 and November 1. All unpaid taxes become delinquent 10 days after the above due dates. The City bills and collects its own property taxes as well as the taxes levied by the other taxing bodies within the municipality. Property tax revenues are recognized when collected. A reserve for uncollected taxes is established in the current operating budget to the extent that their collectability is improbable.

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison of Tax Rate Information

	2014	2013	2012
Total Tax Rate	<u>1.460</u>	<u>1.464</u>	<u>1.373</u>
Apportionment of Tax Rate:			
Municipal	0.639	0.638	0.639
County	0.481	0.482	0.388
District School	0.298	0.301	0.303
Local School	0.042	0.043	0.043

Net Valuation Taxable

2014	<u>\$ 3,526,571,442.00</u>	
2013	<u>\$ 3,500,555,050.00</u>	
2012		<u>\$ 3,485,924,853.00</u>

Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2014	\$ 51,692,694.68	\$ 50,756,056.64	98.19%
2013	51,466,555.85	50,544,946.67	98.21%
2012	48,070,834.65	47,041,247.39	97.86%

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2014	\$ 5,201.00	\$ 863,686.01	\$ 868,887.01	1.68%
2013	3,008.38	835,050.24	838,058.62	1.63%
2012	2,763.03	928,082.23	930,845.26	1.94%

CITY OF MARGATE CITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 5: Property Acquired By Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous two years was as follows:

YEAR	AMOUNT
2014	\$ 138,557.50
2013	138,557.50
2012	138,557.50

Note 6: Fixed Assets

The following schedule is a summarization of the changes in General Fixed Assets for the fiscal year ended December 31, 2014:

General Fixed Assets:	Balance 12/31/2013	Additions	Deletions	Adjustments	Balance 12/31/2014
Land	50,903,100.00	-	-	-	50,903,100.00
Buildings	20,710,886.00	4,950.00	-	93,683.00	20,809,519.00
Machinery & Equipment	7,282,361.71	955,527.00	500,534.00	(101,066.00)	7,636,288.71
Total	78,896,347.71	960,477.00	500,534.00	(7,383.00)	79,348,907.71

Note 7: Pension Plans

A. Plan Description

The City of Margate City contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.) and Police and Fireman's Retirement System (P.F.R.S.), administered by the State of New Jersey, Division of Pensions and Benefits. The Public Employees' Retirement System (P.E.R.S.) was established in January 1955 under the provisions of *N.J.S.A.43:15A* and the Public Fireman's Retirement System (P.F.R.S.) was established as of July 1, 1944 under the provisions of *N.J.S.A.43:16A*. Both plans were set up to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

The State of New Jersey P.F.R.S. program as established as of July 1, 1944. The program was established under the provisions of *N.J.S.A.43:16A*, which assigns authority to establish and amend, benefit provisions to the plans' board of trustees. P.F.R.S. issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625, or calling (609) 984-1684.

CITY OF MARGATE CITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 7: Pension Plans (continued)

B. Vesting and Benefit Provisions

The vesting and benefit provisions of P.E.R.S. are set by *N.J.S.A.43:15A* and *43.3B*. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The P.E.R.S. provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 78, P.L. 2011 changed this for employees enrolled after June 28, 2011. See Note 5C below.

C. Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for P.E.R.S. were reduced.

New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the P.F.R.S. and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Effective June 28, 2011, Chapter 78, P.L. 2011 reformed various pension and health benefits provisions. Employees hired after June 28, 2011 and enrolled in P.E.R.S. will be enrolled in a new tier, Tier 5. Full retirement for Tier 5 P.E.R.S. members will be age 65 and 30 years of service. Tier 3 was added to P.F.R.S. for enrollees after June 28, 2011. Tier 3 retirees will have a maximum retirement benefit of 65% of final compensation after 30 years of service.

All cost of living adjustments are frozen until the pension fund reaches a "target funded ratio".

CITY OF MARGATE CITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 7: Pension Plans (continued)

Chapter 78 also requires all covered employees to contribute a prescribed percentage towards their health costs.

D. Contribution Requirements

The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. P.E.R.S. provide for employee contributions of 6.5%, effective October 1, 2011, of employees' annual compensation as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in both P.F.R.S. and P.E.R.S. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums.

Plan members are required to contribute 10%, effective October 1, 2011, of their annual covered salary for P.F.R.S. and the City of Margate City is required to contribute at an actuarially determined rate. The contribution requirements of plan members and are established and may be amended by the plan's board of trustees. The City's contributions to P.E.R.S. for the years ending December 31, 2014, 2013, and 2012 were \$608,889.74, \$608,525.00, and \$583,065.00, respectively, equal to the required contributions for each year and to P.F.R.S. for the years ending December 31, 2014, 2013 and 2012 were \$1,395,754.50, \$1,541,450.00, and \$1,415,028.00, respectively, equal to the required contributions for each year.

For the DCRP, members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary. For the Deferred Contribution Retirement Program, the City's contribution was \$2,202.11 for 2014, \$2,242.36 for 2013 and 1,581.43 for 2012.

The Lifeguard Pension provides for employee contributions of 4.00% of employees' annual compensation. The City's contributions to the Lifeguard Pension for the year ended December 31, 2014, 2013 and 2012 were \$35,000.00, \$24,005.08 and \$0. The City's trust for the Lifeguard Pension at December 31, 2014 was \$107,119.28. The benefits paid by the trust for the year ended December 31, 2014, 2013 and 2012 were \$53,589.24, \$28,690.72 and \$24,972.84.

Note 8: Compensated Absences

The City has permitted employees to accrue unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed-upon rate. The amount is not reported either as an expenditure or liability in the financial statements. Benefits paid in any future year will be charged to that year's budget. At retirement, employees will receive their accrued sick and vacation days in accordance with their collective bargaining agreement. Total value of compensated absences as of December 31, 2014 consists of:

Compensated Absences- Sick & Vacation	\$ 2,437,308.33
Employer Share of Payroll Taxes	186,454.09
	<hr/>
Total	\$ 2,623,762.42
	<hr/>

CITY OF MARGATE CITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 9: Short-Term Financing

The following is a summary of changes in short-term debt for the year ended December 31, 2014:

	Current Fund	General Capital Fund	Sewer Capital Fund	Total
Balance December 31, 2013	\$ 3,000,000.00	\$ 4,085,000.00	\$ -	\$ 7,085,000.00
Increases	-	7,638,000.00	2,312,000.00	9,950,000.00
Decreases	(750,000.00)	(4,085,000.00)	-	(4,835,000.00)
Balance December 31, 2014	<u>\$ 2,250,000.00</u>	<u>\$ 7,638,000.00</u>	<u>\$ 2,312,000.00</u>	<u>\$ 12,200,000.00</u>

Short-term debt provides for financing of governmental activities and capital projects.

On July 21, 2014 the City issued a Bond Anticipation Note in the Amount of \$7,638,000, bearing interest at a rate of 1.00% per annum to fund various General Capital Ordinances. The Note is due July 20, 2015.

On July 22, 2014 the City issued a Bond Anticipation Note in the Amount of 2,312,000, bearing interest at a rate of 1.00% per annum to fund various Sewer Capital Ordinances. The Note is due July 20, 2015.

On December 26, 2013 the City issued an Emergency Note in the Amount of \$3,000,000 bearing interest at a rate of 1.00% per annum to fund extraordinary expenses related to Hurricane Sandy. The note was due December 22, 2014. The City reduced the note by \$750,000 and issued a note for \$2,250,000.00 bearing interest at a rate of 1.25% per annum and due December 17, 2015.

Note 10: Long-Term Debt

<u>Issued</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General:			
Bonds, Notes and Loans	\$ 36,202,672.53	\$ 35,281,067.98	\$ 37,955,375.10
Water/Sewer Utility:			
Bonds & Notes	<u>2,527,000.00</u>	<u>425,000.00</u>	<u>640,000.00</u>
Total Debt Issued	<u>38,729,672.53</u>	<u>35,706,067.98</u>	<u>38,595,375.10</u>
Less:			
Funds Held Temporarily to pay			
Bonds	<u>2,275,791.13</u>	<u>1,166,345.86</u>	<u>129,201.00</u>
Net Debt	<u>36,453,881.40</u>	<u>34,539,722.12</u>	<u>38,466,174.10</u>

CITY OF MARGATE CITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 10: Long-Term Debt (continued):

	2014	2013	2012
Authorized But Not Issued			
General:			
Bonds	6,780,587.28	3,786,134.00	3,364,684.17
Water/Sewer Utility:			
Bonds	2,053,999.84	3,366,000.00	900,000.00
Total Authorized But Not Issued	8,834,587.12	7,152,134.00	4,264,684.17
Net Bonds Issued and Authorized But Not Issued	\$ 45,288,468.52	\$ 41,691,856.12	\$ 42,730,858.27

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

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 .998%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 11,792,834.00	\$ 11,792,834.00	\$ -
Utility Debt	4,580,999.84	4,580,999.84	-
General Debt	40,725,425.81	2,275,791.13	38,449,634.68
Total	\$ 57,099,259.65	\$ 18,649,624.97	\$ 38,449,634.68

Net Debt, \$38,449,634.68 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$3,850,855,666.00 equals 1.00%.

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 134,779,948.31
Net Debt	38,449,634.68
Remaining Borrowing Power	\$ 96,330,313.63

CITY OF MARGATE CITY

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 10: Long-Term Debt (continued):

Calculation of Self-Liquidating Purpose - Sewer Utility per N.J.S.40A:2-45

Cash Receipts From Fees, Rents & Other Charges	\$ 4,295,647.95
Deductions:	
Operating & Maintenance Costs	\$ 3,771,451.00
Debt Service per Water & Sewer Utility Operating Fund	219,300.00
	<u>3,990,751.00</u>
Excess Revenue - Self Liquidating	<u>\$ 304,896.95</u>

The following schedule represents the changes in the Long-term Debt:

	Outstanding 12/31/2013	Payments	Outstanding 12/31/2014	Due Within One Year
General Capital Fund:				
Serial Bonds Payable	30,165,000.00	2,530,000.00	27,635,000.00	2,555,000.00
School Bonds Payable	10,580,000.00	1,045,000.00	9,535,000.00	1,110,000.00
Loans Payable	1,031,067.98	101,395.45	929,672.53	109,855.58
Total General Capital Fund	<u>41,776,067.98</u>	<u>3,676,395.45</u>	<u>38,099,672.53</u>	<u>3,774,855.58</u>
Utility Capital Fund:				
Bonds Payable	425,000.00	210,000.00	215,000.00	215,000.00
Total Utility Capital Fund	<u>425,000.00</u>	<u>210,000.00</u>	<u>215,000.00</u>	<u>215,000.00</u>
Compensated Absences Payable	2,320,461.60	(116,846.73)	2,437,308.33	-
Total All Funds	<u>44,521,529.58</u>	<u>3,769,548.72</u>	<u>40,751,980.86</u>	<u>3,989,855.58</u>

CITY OF MARGATE CITY

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 10: Long-Term Debt (continued):

Schedule of Annual Debt Service for Principal and Interest for Serial Bonds Issued and Outstanding

Year Ending December 31,	General Capital Fund		Local School Type I		Utility Capital Fund	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 2,555,000.00	\$ 1,098,800.00	\$ 1,110,000.00	\$ 408,737.50	\$ 215,000.00	\$ 4,300.00
2016	2,520,000.00	998,400.00	1,160,000.00	357,537.50	-	-
2017	2,340,000.00	909,600.00	1,210,000.00	298,287.50	-	-
2018	2,380,000.00	821,150.00	1,215,000.00	237,662.50	-	-
2019	2,380,000.00	725,950.00	1,220,000.00	176,787.50	-	-
2020-2025	10,665,000.00	2,211,750.00	3,620,000.00	219,718.75	-	-
2026-2029	4,795,000.00	477,625.00	-	-	-	-
	<u>\$ 27,635,000.00</u>	<u>\$ 7,243,275.00</u>	<u>\$ 9,535,000.00</u>	<u>\$ 1,698,731.25</u>	<u>\$ 215,000.00</u>	<u>\$ 4,300.00</u>

Schedule of Annual Debt Service for Principal and Interest for Loans

Year Ending December 31,	General Capital Fund	
	Principal	Interest
2015	\$ 109,855.58	\$ 21,437.29
2016	109,978.60	18,858.23
2017	110,123.34	16,257.48
2018	96,900.04	13,634.62
2019	83,296.34	11,392.23
2020-2024	290,613.39	27,526.09
2025-2029	128,905.24	6,203.27
	<u>\$ 929,672.53</u>	<u>\$ 115,309.21</u>

CITY OF MARGATE CITY

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

Note 11: Fund Balance Appropriated

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Year	Balance December 31,	Utilized In Budget of Succeeding Year	Percentage of Fund Balance Used
Current Fund			
2014	\$ 4,689,636.13	\$ 3,415,200.00	72.82%
2013	4,119,635.98	2,921,043.32	70.91%
2012	3,128,016.08	2,300,000.00	73.53%
2011	2,755,425.65	2,100,000.00	76.21%
2010	3,156,635.40	2,365,000.00	74.92%
Water & Sewer Utility			
2014	857,102.20	225,000.00	26.00%
2013	758,228.10	358,251.00	47.25%
2012	961,827.11	478,000.00	49.70%
2011	1,027,095.59	478,000.00	46.54%
2010	1,087,363.90	478,000.00	43.96%

Note 12: Risk Management

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

Property and Liability Insurance

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

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

CITY OF MARGATE CITY

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 13: Litigation

The City is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome from such litigation is unknown and potential losses, if any, would not be material to the financial statements.

SUPPLEMENTAL EXHIBITS

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CURRENT FUND

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**CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF CURRENT CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>CURRENT</u>	<u>GRANTS</u>
Balance December 31, 2013	\$ 6,925,027.90	\$ -
Increased by Receipts:		
Tax Collector	\$ 51,652,597.83	\$ -
Revenue Accounts Receivable	3,637,251.72	-
Miscellaneous Revenue Unanticipated	368,655.07	-
Due From State of New Jersey - Senior Citizen & Veteran Deductions	93,000.00	-
Due to State of New Jersey:		
Marriage Licenses	775.00	-
Petty Cash	1,050.00	-
Refunds	932,223.74	-
Special Emergency Note	2,250,000.00	-
Various Reserves	1,944,614.09	-
Due From Trust Fund	115,340.00	-
Due Public Defender Trust Fund	1,895.00	-
Due from State & Federal Grant Fund	7,729.21	-
Reserve for State & Federal Grants:		
Unappropriated	-	42,013.59
State Grants Receivable	-	55,067.36
	<hr/>	<hr/>
Total Receipts	61,005,131.66	97,080.95
	<hr/>	<hr/>
Subtotal	67,930,159.56	97,080.95
	<hr/>	<hr/>
Decreased by Disbursements:		
2014 Appropriations	27,703,543.52	-
2013 Reserved Appropriations	279,141.85	-
Tax Overpayments	62,366.17	-
County Taxes	17,051,756.00	-
Local District School Tax	10,498,908.00	-
Due to State of New Jersey:		
Marriage Licenses	800.00	-
Various Reserves	1,490,201.23	-
Special Emergency Note	3,000,000.00	-
Due Trust Fund	115,340.00	-
Due Public Defender Trust Fund	1,895.00	-
Refunds of Revenue	420.00	-
Due to Current Fund	-	7,729.21
Reserve for Appropriated Grants	-	89,351.74
	<hr/>	<hr/>
Total Disbursements	60,204,371.77	97,080.95
	<hr/>	<hr/>
Balance December 31, 2014	\$ 7,725,787.79	\$ -
	<hr/>	<hr/>

**CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF CURRENT CASH- COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	-
Increased by Receipts:			
Prepaid Taxes	\$	872,282.61	
Taxes Receivable		50,573,165.74	
Miscellaneous		68,285.02	
Interest Earnings		3,931.27	
Interest and Costs on Taxes		195,147.64	51,712,812.28
			<hr/>
Subtotal			51,712,812.28
Decreased by Receipts:			
Payments to Treasurer		51,652,597.83	
Other		60,214.45	51,712,812.28
			<hr/>
Balance December 31, 2014		\$	-
			<hr/> <hr/>

**ANALYSIS OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Change Funds:			
Tax Office	\$	150.00	
Court		300.00	
Beach Badge		400.00	
			<hr/>
Total			850.00
			<hr/> <hr/>

CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2014

YEAR	BALANCE DECEMBER 31, 2013	2014 LEVY	ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	OVERPAYMENTS APPLIED	TRANSFER TO TAX TITLE LIENS	CANCELED	BALANCE DECEMBER 31, 2014
				2013	2014					
2013	\$ 835,050.24	\$ -	\$ 660.48	\$ -	\$ 824,699.40	\$ -	\$ -	\$ 1,012.21	\$ 9,999.11	\$ (0.00)
Total	835,050.24	-	660.48	-	824,699.40	-	-	1,012.21	9,999.11	(0.00)
2014	-	51,487,943.05	204,751.63	937,028.66	49,716,344.20	102,683.78	-	1,180.41	71,771.62	863,686.01
Total	\$ 835,050.24	\$ 51,487,943.05	\$ 205,412.11	\$ 937,028.66	\$ 50,541,043.60	\$ 102,683.78	\$ -	\$ 2,192.62	\$ 81,770.73	\$ 863,686.01

ANALYSIS OF 2014 PROPERTY TAX LEVY

General Purpose Tax	\$ 51,487,943.05
Added & Omitted Taxes (54:4-6 et seq)	204,751.63
Total	<u>\$ 51,692,694.68</u>
TAX LEVY:	
District School Tax	\$ 10,498,908.00
County Taxes	\$ 15,544,938.62
County Open Space	219,254.37
Health Service Tax	1,215,648.23
Due County for Added & Omitted Taxes	67,455.81
Municipal Library	17,047,297.03
Local Tax for Municipal Purposes	1,282,364.00
Add: Additional Taxes Levied	22,864,125.65
Total	<u>\$ 51,692,694.68</u>

**CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$	3,008.38
Increased by:			
Transfers From 2014 Taxes Receivable	\$	1,180.41	
Transfers From Prior Year Taxes Receivable		1,012.21	2,192.62
			<hr/>
Balance December 31, 2014		\$	<u><u>5,201.00</u></u>

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2014 & 2013		\$	<u><u>138,557.50</u></u>
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**CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	ACCRUED IN 2014	COLLECTED	BALANCE DECEMBER 31, 2014
Miscellaneous Revenue Anticipated:				
Licenses - Alcoholic Beverages	\$ -	\$ 9,675.00	\$ 9,675.00	\$ -
Licenses - Other	-	12,540.50	12,540.50	-
Fees & Permits - Other	-	225,412.00	225,412.00	-
Fines & Cost Municipal Court	2,466.18	140,212.06	138,318.81	4,359.43
Interest & Costs on Taxes	-	195,147.64	195,147.64	-
Interest Earned on Investments	-	14,565.00	14,565.00	-
Anticipated Utility Operating Surplus	-	100,000.00	100,000.00	-
Beach Fees	-	314,042.50	314,042.50	-
Cable Franchise Fees	-	55,823.61	55,823.61	-
Energy Receipts Tax	-	764,475.00	764,475.00	-
Fees & Permits - Construction Code	-	504,419.00	504,419.00	-
Utility Operating Surplus of Prior Year	-	200,000.00	200,000.00	-
Uniform Fire Safety Act	-	12,762.48	12,762.48	-
Capital Surplus	-	650,000.00	650,000.00	-
Beach Vending License	-	108,000.00	108,000.00	-
Ambulance Billings	-	243,134.14	243,134.14	-
Recreation Fees	-	123,267.84	123,267.84	-
Sale of Municipal Assets	-	100,000.00	100,000.00	-
FEMA Storm Recovery	-	178,956.68	178,956.68	-
Total Anticipated Revenues	<u>\$ 2,466.18</u>	<u>\$ 3,952,433.45</u>	<u>\$ 3,950,540.20</u>	<u>\$ 4,359.43</u>

Cash Receipts	\$ 3,637,251.72
Tax Collector	213,288.48
Reserves	<u>100,000.00</u>
Total	<u>\$ 3,950,540.20</u>

CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY APPROPRIATIONS
(5 YEAR - N.J.S. 40A:4-53)
FOR THE YEAR ENDED DECEMBER 31, 2014

DESCRIPTION	ORIGINAL AMOUNT AUTHORIZED	1/5 OF AMOUNT AUTHORIZED	DATE	BALANCE DECEMBER 31, 2013	BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2014
Hurricane Sandy	\$ 3,750,000	\$ 750,000	12/1/2012	\$ 3,000,000.00	\$ 750,000.00	\$ 2,250,000.00
			Total	<u>\$ 3,000,000.00</u>	<u>\$ 750,000.00</u>	<u>\$ 2,250,000.00</u>

**CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$	1,122.75
Increased By:			
Senior Citizens' and Veterans' Deductions			
Per Tax Billings	\$	92,500.00	
Allowed By Collector - Senior Citizens		1,000.00	
Allowed By Collector - Disabled Veterans		10,433.78	
Allowed By Collector - Senior Citizens - Prior Years		1,602.60	
			<u>105,536.38</u>
			106,659.13
Decreased By:			
Cash Receipts		93,000.00	
Senior Citizens' Deductions Disallowed		1,250.00	
Senior Citizens' Deductions Disallowed - Prior Years		660.48	
			<u>94,910.48</u>
Balance, December 31, 2014		\$	<u><u>11,748.65</u></u>

**CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2013 ENCUMBRANCES PAYABLE	2013 RESERVE BALANCE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
General Government:					
Public Affairs and Public Safety:					
Director's Office:					
Salaries and Wages	\$ -	\$ 0.02	\$ 0.02	\$ -	\$ 0.02
Other Expenses	-	185.55	185.55	-	185.55
Police:					
Salaries and Wages	-	69,730.94	69,730.94	-	69,730.94
Other Expenses	8,136.57	2,488.57	11,375.14	8,363.11	3,012.03
Fire:					
Salaries and Wages	-	8,758.48	8,758.48	-	8,758.48
Other Expenses	6,644.20	358.12	7,002.32	6,803.54	198.78
City Clerk:					
Other Expenses	-	19.30	19.30	-	19.30
Safety Official:					
Salaries and Wages	-	318.20	318.20	-	318.20
Other Expenses	2,574.02	45.27	2,619.29	2,451.51	167.78
Lifeguards:					
Salaries and Wages	-	11,304.49	11,304.49	-	11,304.49
Other Expenses	1,500.00	6,668.10	8,168.10	2,280.00	5,888.10
Beachfront Maintenance:					
Salaries and Wages	-	203.21	203.21	-	203.21
Other Expenses	197.77	22.77	220.54	197.77	22.77
Planning Board:					
Other Expenses	890.90	1,703.27	2,594.17	910.28	1,683.89
Emergency Management Services:					
Other Expenses	-	79.06	79.06	-	79.06
Municipal Court:					
Salaries and Wages	-	912.44	912.44	-	912.44
Other Expenses	1,106.78	8,310.98	9,417.76	1,106.78	8,310.98
Legal Services and Costs:					
Other Expenses	41,573.93	626.46	96,033.39	94,312.65	1,720.74
Public Defender:					
Other Expenses	900.00	-	900.00	600.00	300.00
Municipal Prosecutor:					
Salaries and Wages	-	2,527.96	2,527.96	-	2,527.96
Dog Regulation:					
Other Expenses	-	500.00	500.00	-	500.00

**CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2013 ENCUMBRANCES PAYABLE	2013 RESERVE BALANCE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Revenue and Finance					
Director's Office:					
Salaries and Wages	-	25,993.86	20,801.75	-	20,801.75
Other Expenses	4,494.60	4,528.34	6,654.94	4,770.75	1,884.19
Financial Administration:					
Salaries and Wages	-	375.00	375.00	-	375.00
Other Expenses	15,238.89	904.50	23,703.50	23,703.50	-
Assessment of Taxes:					
Other Expenses	1,541.31	13,606.12	15,147.43	2,080.18	13,067.25
Collection of Taxes:					
Salaries and Wages	-	3,729.30	4,229.30	460.61	3,768.69
Other Expenses	351.98	1,633.36	1,985.34	-	1,985.34
City Clerk:					
Other Expenses	-	1.39	1.39	-	1.39
Elections:					
Other Expenses	-	2,347.84	2,347.84	-	2,347.84
Liquidation of Tax Title Liens:					
Other Expenses	-	500.00	500.00	-	500.00
Insurance :					
General Liability	-	25,915.70	25,915.70	-	25,915.70
Workers Compensation Insurance	-	0.14	0.14	-	0.14
Employee Group Health	-	360,592.90	313,309.90	255.00	313,054.90
Public Works, Parks and Property					
Director's Office:					
Salaries and Wages	-	29,761.11	29,761.11	-	29,761.11
Other Expenses	-	769.26	769.26	-	769.26
Street Repairs and Maintenance:					
Salaries and Wages	-	80,285.90	80,285.90	-	80,285.90
Other Expenses	32,522.56	2,239.21	34,761.77	31,262.91	3,498.86
Street Lighting:					
Other Expenses	-	469.34	469.34	-	469.34
City Engineer:					
Other Expenses	6,838.85	6,179.00	13,017.85	3,252.00	9,765.85
Rubbish Removal:					
Other Expenses	-	54,020.25	55,154.87	55,154.87	-
Parks and Playgrounds:					
Salaries and Wages	-	5,552.55	5,552.55	-	5,552.55
Other Expenses	-	2,847.33	2,847.33	46.76	2,800.57

**CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2013 ENCUMBRANCES PAYABLE	2013 RESERVE BALANCE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Recreation:					
Salaries and Wages	-	4,220.59	3,020.59	-	3,020.59
Other Expenses	2,874.97	82.96	4,157.93	2,089.21	2,068.72
Celebration of Public Events, Anniversary or Holiday:					
Other Expenses	-	6,109.00	6,109.00	-	6,109.00
Uniform Construction Code					
Construction Official:					
Other Expenses	30.57	17,834.72	17,865.29	898.08	16,967.21
Unclassified:					
Payment of Ambulance Bills	-	4,849.38	4,849.38	3,566.34	1,283.04
Feasibility Studies	4,500.00	-	4,500.00	1,500.00	3,000.00
Technology	1,310.24	3,585.25	4,895.49	2,875.25	2,020.24
Utility Expenses and Bulk Purchases					
Electricity	-	94,322.12	85,387.50	1,317.91	84,069.59
Telephone	4,907.67	1,316.20	6,223.87	5,244.03	979.84
Natural Gas	-	2,679.42	2,679.42	2,679.42	-
Gasoline/Diesel	11,165.34	77,487.48	88,652.82	11,165.34	77,487.48
Contingent	1,018.00	6,482.00	7,500.00	1,018.00	6,482.00
Statutory Expenditures:					
Contributions to:					
Social Security System	-	21,297.65	21,297.65	-	21,297.65
Unemployment Compensation Insurance	-	3,267.85	3,267.85	-	3,267.85
Defined Contribution Retirement Program	-	2,307.64	2,307.64	-	2,307.64
Public and Prive Programs Off-Set by Revenues					
Matching Funds	-	5,000.00	5,000.00	-	5,000.00
Capital Improvements					
Purchase of Equipment	23,568.00	17,478.00	41,046.00	14,368.00	26,678.00
Total	\$ 173,887.15	\$ 1,005,335.85	\$ 1,179,223.00	\$ 284,733.80	\$ 894,489.20
				Cash Disbursed	\$ 279,141.85
				Accounts Payable	5,591.95
				Total	\$ 284,733.80

**CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Balance December 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2014</u>
12/01/12	12/18/14	12/17/15	1.250%	\$ 3,000,000.00	\$ 2,250,000.00	\$ 3,000,000.00	\$ 2,250,000.00
				<u>\$ 3,000,000.00</u>	<u>\$ 2,250,000.00</u>	<u>\$ 3,000,000.00</u>	<u>\$ 2,250,000.00</u>

**CITY OF MARGATE CITY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	REVENUE	RECEIVED	CANCELLED	BALANCE DECEMBER 31, 2014
State Grant Awards:					
Municipal Drug Alliance Grant	\$ 19,560.00	\$ 29,340.00	\$ 25,067.36	\$ 23,832.64	\$ -
Neighborhood Community Revital Program	-	354,664.00	-	-	354,664.00
Post Sandy Planning Grant	30,000.00	-	30,000.00	-	-
Community Development Block Grant	-	375,000.00	-	-	375,000.00
	<hr/>				
Total	\$ 49,560.00	\$ 759,004.00	\$ 55,067.36	\$ 23,832.64	\$ 729,664.00
	<hr/>				
Original Budget		\$ 29,340.00			
Chapter 159's		<u>729,664.00</u>			
Total		<u>\$ 759,004.00</u>			

**CITY OF MARGATE CITY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS
AND MATCHING FUNDS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	BUDGET	EXPENDED	CANCELLED	BALANCE DECEMBER 31, 2014
State Grants:					
Post Sandy Planning Grant	\$ 30,000.00	\$ -	\$ 30,000.00	\$ -	\$ -
Municipal Drug Alliance Grant	24,450.00	36,675.00	30,733.36	30,391.64	-
Clean Communities	-	26,915.74	26,915.74	-	-
Sustainable Jersey	-	2,000.00	904.00	-	1,096.00
Body Armor	9,365.64	6,047.26	798.64	-	14,614.26
Neighborhood Community Revital Program	-	354,664.00	-	-	354,664.00
Community Develop Block Grant	-	375,000.00	-	-	375,000.00
Total State Grants	<u>\$ 63,815.64</u>	<u>\$ 801,302.00</u>	<u>\$ 89,351.74</u>	<u>\$ 30,391.64</u>	<u>\$ 745,374.26</u>
Original Budget		\$ 40,029.13	\$ -		
Chapter 159's		761,272.87	-		
Cash Disbursed		-	89,351.74		
Total		<u>\$ 801,302.00</u>	<u>\$ 89,351.74</u>		

**CITY OF MARGATE CITY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2014**

GRANT	BALANCE DECEMBER 31, 2013	TRANSFERRED TO 2014 GRANT APPROPRIATED	RECEIVED	BALANCE DECEMBER 31, 2014
State Grants:				
Recycling Tonnage Grant	\$ -	\$ -	\$ 10,404.72	\$ 10,404.72
Clean Communities	-	26,915.74	26,915.74	-
Sustainable Jersey	-	2,000.00	2,000.00	-
Body Armor Replacement Fund	3,354.13	6,047.26	2,693.13	-
Total Grants	\$ 3,354.13	\$ 34,963.00	\$ 42,013.59	\$ 10,404.72

**CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 937,028.66
Increased By:	
Cash Receipts	<u>872,282.61</u>
	1,809,311.27
Decreased By:	
Applied To Taxes Receivable	<u>937,028.66</u>
Balance, December 31, 2014	<u><u>\$ 872,282.61</u></u>

**SCHEDULE OF TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 95,904.43
Increased By:	
Overpayments Created	<u>33,120.45</u>
	129,024.88
Decreased By:	
Cash Disbursements	<u>62,366.17</u>
Balance, December 31, 2014	<u><u>\$ 66,658.71</u></u>

**CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$	71,914.78
Increased By:			
County Tax Levy	\$	15,544,938.62	
County Health Tax		1,215,648.23	
County Open Space Tax		219,254.37	
County Added and Omitted Tax		67,455.81	
			<u>17,047,297.03</u>
			17,119,211.81
Decreased By:			
Cash Disbursements			<u>17,051,756.00</u>
Balance, December 31, 2014		\$	<u><u>67,455.81</u></u>

**CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ -
Increased By:	
School Tax Levy - July 1 to June 30	<u>10,498,908.00</u>
	10,498,908.00
Decreased By:	
Cash Disbursements	<u>10,498,908.00</u>
Balance, December 31, 2014	<u><u>\$ -</u></u>

**CITY OF MARGATE CITY
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	<u>Receipts</u>	<u>Disbursements</u>	Cancelled/ <u>Adjustment</u>	Balance December 31, <u>2014</u>
Marriage Licenses	\$ 100.00	\$ 775.00	\$ 800.00	\$ -	\$ 75.00
Tax Appeals	13,952.11	-	-	-	13,952.11
Sale of Municipal Assets	107,278.95	9,603.00	102,000.00	-	14,881.95
Tax Sale Premiums	206,446.29	512,700.00	105,100.00	(73,221.29)	540,825.00
Third Party Liens	-	301,403.82	251,696.72	65,912.17	115,619.27
Hurricane Damage	178,956.68	-	19,197.24	(159,759.44)	-
State Library Aid	-	2,762.00	2,762.00	-	-
Insurance Proceeds	-	8,700.00	-	-	8,700.00
Reserve for FEMA - Sandy	-	692,318.31	692,318.31	-	-
Insurance Proceeds - Sandy	-	417,126.96	417,126.96	-	-
	<u>\$ 506,734.03</u>	<u>\$ 1,945,389.09</u>	<u>\$ 1,591,001.23</u>	<u>\$ (167,068.56)</u>	<u>\$ 694,053.33</u>
		Cash Disbursements	\$ 1,491,001.23		
		2014 Budget	<u>100,000.00</u>		
		Total	<u>\$ 1,591,001.23</u>		

TRUST FUND

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**CITY OF MARGATE CITY
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>DOG LICENSE</u>	<u>TRUST OTHER</u>
Balance December 31, 2013	\$ 1,920.00	\$ 343,515.05
Increased by Receipts:		
Dog License Fees 2014	\$ 807.00	\$ -
Due to State of New Jersey	228.00	-
Payroll Deductions Payable	-	6,654,467.09
Miscellaneous Trust Reserves	-	330,737.81
	<u>1,035.00</u>	<u>6,985,204.90</u>
Total Increases	<u>1,035.00</u>	<u>6,985,204.90</u>
Total Increases & Balances	<u>2,955.00</u>	<u>7,328,719.95</u>
Decreased by Disbursements:		
Statutory Expenditures	906.60	-
Due to State of New Jersey	229.20	-
Payroll Deductions Payable	-	6,662,645.77
Miscellaneous Trust Reserves	-	180,622.38
	<u>1,135.80</u>	<u>6,843,268.15</u>
Total Disbursements	<u>1,135.80</u>	<u>6,843,268.15</u>
Balance December 31, 2014	<u><u>\$ 1,819.20</u></u>	<u><u>\$ 485,451.80</u></u>

**CITY OF MARGATE CITY
TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 1,918.80
Increased by:	
Dog License Fees	<u>807.00</u>
Subtotal	2,725.80
Decreased by:	
Expenditures (R.S.4:19-15.11)	<u>906.60</u>
Balance December 31, 2014	<u><u>\$ 1,819.20</u></u>

LICENSE FEES COLLECTED

2013	\$ 897.60
2012	<u>921.60</u>
Total	<u><u>\$ 1,819.20</u></u>

**SCHEDULE OF DUE TO CURRENT FUND- DOG LICENSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2014 & 2013	<u><u>\$ -</u></u>
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**CITY OF MARGATE CITY
TRUST FUND
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 1.20
Increased by:	
2014 State License Fees	<u>228.00</u>
Subtotal	229.20
Decreased by:	
Disbursements to State	<u>229.20</u>
Balance December 31, 2014	<u><u>\$ -</u></u>

**SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 132,675.50
Increased by:	
Receipts	<u>6,654,467.09</u>
Subtotal	6,787,142.59
Decreased by:	
Disbursements	<u>6,662,645.77</u>
Balance December 31, 2014	<u><u>\$ 124,496.82</u></u>

**CITY OF MARGATE CITY
TRUST OTHER FUND
ANALYSIS OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

RESERVE	BALANCE DECEMBER 31, 2013	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2014
Parking Offense Adjudication Act	\$ 1,480.75	\$ 1,066.00	\$ -	\$ 2,546.75
Developers Escrow	25,381.36	139,914.25	21,465.86	143,829.75
Law Enforcement Trust I	19,312.98	15.61	10,486.77	8,841.82
Law Enforcement Trust II	17,132.12	9.87	13,000.00	4,141.99
Recreation Trust	30,868.66	78,748.70	74,424.51	35,192.85
Life Guard Pension Fund	105,870.14	54,838.38	53,589.24	107,119.28
Public Defender	3,620.00	1,895.00	3,600.00	1,915.00
Adopt a Beach	7,173.54	1,750.00	4,056.00	4,867.54
Accumulated Absences	-	52,500.00	-	52,500.00
	<u>\$ 210,839.55</u>	<u>\$ 330,737.81</u>	<u>\$ 180,622.38</u>	<u>\$ 360,954.98</u>

GENERAL CAPITAL FUND

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**CITY OF MARGATE CITY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 256,153.24
Increased by:		
Bond Anticipation Notes Issued	\$ 7,638,000.00	
Bond Anticipation Notes - Due Water-Sewer Capital	2,312,000.00	
Grant Proceeds	28,915.00	
Due from Current	1,800,000.00	
Due from Water-Sewer Operating	1,250,000.00	
Due from Water-Sewer Capital	647,186.75	
Premium Received on Sale of BAN	56,618.00	
Reserve to Pay Debt Service - Sandy Insurance Proceeds	417,126.96	
Reserve to Pay Debt Service - Sandy FEMA Proceeds	692,318.31	
Budget Appropriation:		
Capital Improvement Fund	133,359.19	14,975,524.21
Subtotal		15,231,677.45
Decreased by:		
Improvement Authorizations	2,004,640.23	
Due to Water & Sewer Capital Fund	2,312,000.00	
Due to Current Fund	1,800,000.00	
Due to Water-Sewer Operating	1,250,000.00	
Anticipated as Current Fund Revenue	650,000.00	
Bond Anticipation Notes Paid	4,085,000.00	12,101,640.23
Balance December 31, 2014		<u>\$ 3,130,037.22</u>

**CITY OF MARGATE CITY
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND INVESTMENTS AT DECEMBER 31, 2014**

	BALANCE (OVERDRAFT) DECEMBER 31, 2013	BAN ISSUED	DISBURSEMENTS				BALANCE (OVERDRAFT) DECEMBER 31, 2014	
			RECEIPTS		IMPROVEMENT AUTHORIZATIONS			
			MISCELLANEOUS			MISCELLANEOUS		
						TRANSFERS FROM	TO	
Fund Balance	\$ 1,227,766.65	\$ -	\$ 56,618.00	\$ -	\$ 650,000.00	\$ -	\$ 160,691.20	\$ 795,075.85
Capital Improvements Fund	123,340.81	-	133,359.19	-	-	256,700.00	-	-
Encumbrances Payable	793,680.48	-	-	-	-	793,680.48	1,632,612.98	1,632,612.98
Due from Water & Sewer Capital Fund	(965,438.87)	2,312,000.00	-	-	1,664,813.25	-	-	(318,252.12)
Due from Current Fund	-	-	1,800,000.00	-	1,800,000.00	-	-	-
Due from Water & Sewer Operating Fund	-	-	1,250,000.00	-	1,250,000.00	-	-	-
Reserve to Pay Bonds	1,166,345.86	-	1,109,445.27	-	-	-	-	2,275,791.13
ORDINANCE								
IMPROVEMENT								
NUMBER								
09-18	7,434.12	927,000.00	-	-	927,000.00	-	-	7,434.12
Various Capital Improvements								
09-19	252,066.49	-	-	7,527.70	-	101,542.98	18,836.10	161,831.91
Various Capital Improvements								
09-22	70,456.62	-	-	-	-	70,456.62	-	-
Various Capital Improvements								
10-16/10-30	14,387.98	237,000.00	-	1,827.50	237,000.00	-	-	12,560.48
Repair of Benson Ave. Water Tower								
10-31	22,530.50	475,000.00	-	-	475,000.00	-	-	22,530.50
Purchase of Public Works Vehicles								
11-18/11-21	(185.34)	546,000.00	-	-	546,000.00	-	-	(185.34)
Fire House #1								
11-19	(340,423.28)	-	-	-	-	-	-	(340,423.28)
Various Capital Improvements								
12-03								
Improvement & Renovations to								
Fire House #1	(241.19)	1,900,000.00	-	10,641.92	1,900,000.00	4,273.00	5,339.80	(9,816.31)
Ventnor Gardens Storm Sewer								
12-05	199,951.55	-	-	-	-	-	-	199,951.55
Various Capital Improvements								
12-11	(727,418.68)	766,834.00	-	162,442.10	-	163,826.47	323,592.75	36,739.50
Various Capital Improvements								
13-03	(600,731.56)	-	-	314,425.02	-	6,595.34	63,120.33	(858,631.59)
Various Capital Improvements - Sandy								
13-04	(442,846.74)	489,060.00	-	102,309.03	-	-	100,596.09	44,500.32
Various Roadway Improvements								
13-15	(544,522.16)	676,856.00	-	438,408.96	-	293,511.27	282,195.41	(317,390.98)
Various Capital Improvements								
14-07	-	-	28,915.00	871,591.67	-	899,599.50	186,700.00	(1,555,576.17)
Various Capital Improvements								
14-24	-	1,120,250.00	-	70,763.97	-	67,699.00	25,000.00	1,006,787.03
Various Capital Improvements & Sandy								
14-32	-	-	-	-	-	-	45,000.00	45,000.00
Various Capital Improvements & Sandy								
14-13	-	500,000.00	-	24,702.36	-	185,800.00	-	289,497.64
Type I School Improvements								
Total	\$ 256,153.24	\$ 9,950,000.00	\$ 4,378,337.46	\$ 2,004,640.23	\$ 9,449,813.25	\$ 2,843,684.66	\$ 2,843,684.66	\$ 3,130,037.22

**CITY OF MARGATE CITY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 123,340.81
Increased by:	
Budget Appropriation	<u>133,359.19</u>
Subtotal	256,700.00
Decreased by:	
Improvement Authorizations Funded	<u>256,700.00</u>
Balance December 31, 2014	<u><u>\$ -</u></u>

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 41,776,067.98
Decreased by:	
Serial Bonds Paid	\$ 3,575,000.00
Loan Principal Paid	<u>101,395.45</u>
	<u>3,676,395.45</u>
Balance December 31, 2014	<u><u>\$ 38,099,672.53</u></u>

**CITY OF MARGATE CITY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	DESCRIPTION	ANALYSIS OF BALANCE							UNEXPENDED IMPROVEMENT AUTHORIZATIONS
		BALANCE DECEMBER 31, 2013	INCREASED BY IMPROVEMENT AUTHORIZATIONS	IMPROVEMENT AUTHORIZATION: CANCELLED	GRANT RECEIVED	BALANCE DECEMBER 31, 2014	BOND ANTICIPATION NOTES	EXPENDITURES	
09-18	Various Capital Improvements	\$ 1,002,750.00	\$ -	-	\$ -	\$ 1,002,750.00	\$ 927,000.00	\$ 67,565.88	\$ 8,184.12
10-16/30	Repair of Benson Ave Water Tower	237,500.00	-	-	-	237,500.00	237,000.00	-	500.00
10-31	Purchase of Public Works Vehicles	475,000.00	-	-	-	475,000.00	475,000.00	-	-
11-18/11-21	Fire House #1	546,250.00	-	-	-	546,250.00	546,000.00	185.34	64.66
11-19	Various Capital Improvements	445,500.00	-	-	-	340,423.28	-	340,423.28	-
12-03	Improvements & Renovations to Fire House #1	1,900,000.00	-	-	-	1,900,000.00	1,900,000.00	-	-
12-11	Various Capital Improvements	766,834.00	-	-	-	766,834.00	766,834.00	-	-
13-03	Various Capital Improvements- Sandy	945,000.00	-	-	-	945,000.00	-	858,631.59	86,368.41
13-04	Various Roadway Improvements	489,060.00	-	-	-	489,060.00	489,060.00	-	-
13-15	Various Roadway Improvements	1,063,240.00	-	-	-	1,063,240.00	676,856.00	317,390.98	68,993.02
14-07	Various Capital Improvements	-	3,547,300.00	1,623,939.00	28,915.00	1,894,446.00	-	1,555,576.17	338,869.83
14-13	Type I School Improvements	-	2,257,834.00	-	-	2,257,834.00	500,000.00	-	1,757,834.00
14-24	Various Capital Improvements & Sandy	-	1,645,250.00	-	-	1,645,250.00	1,120,250.00	-	525,000.00
14-32	Various Capital Improvements & Sandy	-	855,000.00	-	-	855,000.00	-	-	855,000.00
Total		\$ 7,871,134.00	\$ 8,305,384.00	\$ 1,729,015.72	\$ 28,915.00	\$ 14,418,587.28	\$ 7,638,000.00	\$ 3,139,773.24	\$ 3,640,814.04

Improvement Authorizations - Unfunded	\$ 5,118,613.20
Less:	
Unexpended Proceeds of BANS:	
Ordinance 10-16/30	12,560.48
Ordinance 10-31	22,530.50
Ordinance 12-03	65,183.69
Ordinance 12-11	36,739.50
Ordinance 13-04	44,500.32
Ordinance 14-13	289,497.64
Ordinance 14-24	1,006,787.03
	<u>\$ 3,640,814.04</u>

**CITY OF MARGATE CITY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2013		2014		EXPENDED	CANCELED	BALANCE DECEMBER 31, 2014	
		DATE	AMOUNT	FUNDED	UNFUNDED	AUTHORIZATIONS				FUNDED	UNFUNDED
09-18	Various Capital Improvements	7/2/2009	\$ 5,090,000.00	\$ -	\$ 8,184.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,184.12
09-19	Various Capital Improvements	7/2/2009	820,000.00	252,066.49	-	-	-	-	90,234.58	161,831.91	-
09-22	Various Capital Improvements	8/12/2009	300,000.00	70,456.62	-	-	-	-	70,456.62	-	-
10-16/30	Repair of Benson Ave. Water Tower	5/20/2010 10/21/2010	270,000.00	-	14,887.98	-	1,827.50	-	-	-	13,060.48
10-31	Purchase of Public Works Vehicles	10/21/2010	500,000.00	-	22,530.50	-	-	-	-	-	22,530.50
11/18-11-21	Fire House #1	8/18/2011	575,000.00	-	64.66	-	-	-	-	-	64.66
11-19	Various Capital Improvements	8/18/2011	690,000.00	-	105,076.72	-	-	105,076.72	-	-	-
12-03	Improvements & Renovations to Fire House #1	2/16/2012	2,000,000.00	-	74,758.81	-	9,575.12	-	-	-	65,183.69
12-05	Ventnor Gardens Storm Sewer	2012	200,000.00	199,951.55	-	-	-	-	-	199,951.55	-
12-11	Various Capital Improvements	7/9/2012	900,000.00	-	39,415.32	-	2,675.82	-	-	-	36,739.50
13-03	Various Capital Improvements & Sandy	2/21/2013	945,000.00	-	344,268.44	-	257,900.03	-	-	-	86,368.41
13-04	Various Roadway Improvements	2/7/2013	514,800.00	-	46,213.26	-	1,712.94	-	-	-	44,500.32
13-15	Various Roadway Improvements	7/3/2013	1,119,200.00	-	518,717.84	-	449,724.82	-	-	-	68,993.02
14-07	Various Capital Improvements	4/1/2014	3,734,000.00	-	-	3,734,000.00	1,771,191.17	1,623,939.00	-	-	338,869.83
14-24	Various Capital Improvements & Sandy	6/30/2014	1,670,250.00	-	-	1,670,250.00	138,462.97	-	-	-	1,531,787.03
14-32	Various Capital Improvements & Sandy	11/6/2014	900,000.00	-	-	900,000.00	-	-	-	45,000.00	855,000.00
14-13	Type I School Improvements	5/12/2014	2,257,834.00	-	-	2,257,834.00	210,502.36	-	-	-	2,047,331.64
Total			\$ 522,474.66	\$ 1,174,117.65	\$ 8,562,084.00	\$ 2,843,572.73	\$ 1,889,706.92	\$ 406,783.46	\$ 5,118,613.20		
Capital Improvement Fund				\$	256,700.00	\$	-				
Deferred Charges to Future Taxation - Unfunded					8,305,384.00		-				
Encumbrances 12/31/13					(793,680.48)						
Encumbrances 12/31/14					1,632,612.98						
Cash Disbursed					2,004,640.23						
Total				\$	8,562,084.00	\$ 2,843,572.73					

**CITY OF MARGATE CITY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DECEMBER 31, 2013	DECREASED BY PRINCIPAL PAID	BALANCE DECEMBER 31, 2014
			OUTSTANDING DECEMBER 31, 2014	DATE				
			AMOUNT					
General Obligation Bonds - 2006	6/1/06	\$ 17,125,000.00	\$ 1,200,000.00	6/1/15	4.250%	\$ 2,370,000.00	\$ 1,170,000.00	\$ 1,200,000.00
General Refunding Bonds- 2009	9/30/09	4,480,000.00	740,000.00	2/1/15	4.000%	2,200,000.00	745,000.00	1,455,000.00
			715,000.00	2/1/16	5.000%			
General Obligation Bonds -2011	1/15/11	17,345,000.00	600,000.00	1/15/15	3.000%	16,145,000.00	600,000.00	15,545,000.00
			600,000.00	1/15/16	4.000%			
			1,150,000.00	1/15/17	4.000%			
			1,200,000.00	1/15/18	4.000%			
			1,200,000.00	1/15/19	4.000%			
			1,200,000.00	1/15/20	4.000%			
			1,200,000.00	1/15/21	4.000%			
			1,200,000.00	1/15/22	4.250%			
			1,200,000.00	1/15/23	4.450%			
			1,200,000.00	1/15/24	4.550%			
			1,200,000.00	1/15/25	4.750%			
			1,200,000.00	1/15/26	5.000%			
			1,200,000.00	1/15/27	5.000%			
			1,195,000.00	1/15/28	5.000%			
General Refunding Bonds - 2013	3/21/13	9,570,000.00	15,000.00	6/1/15	2.000%	9,450,000.00	15,000.00	9,435,000.00
			1,205,000.00	6/1/16	3.000%			
			1,190,000.00	6/1/17	3.000%			
			1,180,000.00	6/1/18	4.000%			
			1,180,000.00	6/1/19	4.000%			
			1,175,000.00	6/1/20	4.000%			
			1,170,000.00	6/1/21	4.000%			
			1,165,000.00	6/1/22	4.000%			
			1,155,000.00	6/1/23	4.000%			
Type I School Refunding Bonds	9/30/09	12,730,000.00	1,110,000.00	2/1/15	4.000%	10,580,000.00	1,045,000.00	9,535,000.00
			1,160,000.00	2/1/16	5.000%			
			1,210,000.00	2/1/17	5.000%			
			1,215,000.00	2/1/18	5.000%			
			1,220,000.00	2/1/19	5.000%			
			1,220,000.00	2/1/20	4.000%			
			1,210,000.00	2/1/21	4.000%			
			1,190,000.00	2/1/22	4.125%			
			Total			\$ 40,745,000.00	\$ 3,575,000.00	\$ 37,170,000.00
			General Obligation Bonds			\$ 30,165,000.00	\$ 2,530,000.00	\$ 27,635,000.00
			Type I School Bonds			10,580,000.00	1,045,000.00	9,535,000.00
			Total			\$ 40,745,000.00	\$ 3,575,000.00	\$ 37,170,000.00

**CITY OF MARGATE CITY
GENERAL CAPITAL FUND
SCHEDULE OF LOANS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2013	DECREASED BY PRINCIPAL PAID	BALANCE DECEMBER 31, 2014
			DATE	AMOUNT				
Green Trust- Waterfront Project	1992	\$ 262,500.00	2015	\$ 16,734.07	2.000%	\$ 76,459.99	\$ 16,404.35	\$ 60,055.64
			2016	17,070.43	2.000%			
			2017	17,413.55	2.000%			
			2018	8,837.59	2.000%			
Green Trust - Public Library - Phase I	1999	143,580.00	2015	8,369.20	2.000%	38,239.88	8,204.29	30,035.59
			2016	8,537.42	2.000%			
			2017	8,709.03	2.000%			
			2018	4,419.94	2.000%			
Green Trust - Public Library - Phase I	2005	150,000.00	2015	7,531.13	2.000%	99,073.62	7,382.73	91,690.89
			2016	7,682.50	2.000%			
			2017	7,836.93	2.000%			
			2018	7,994.45	2.000%			
			2019	8,155.17	2.000%			
			2020	8,319.05	2.000%			
			2021	8,486.26	2.000%			
			2022	8,656.83	2.000%			
			2023	8,830.84	2.000%			
			2024	9,008.34	2.000%			
			2025	9,189.39	2.000%			
Green Trust - Jerome Ave Recreation	2009	449,500.00	2015	21,049.85	2.000%	370,946.25	20,635.08	350,311.17
			2016	21,472.95	2.000%			
			2017	21,904.56	2.000%			
			2018	22,344.83	2.000%			
			2019	22,793.96	2.000%			
			2020	23,252.12	2.000%			
			2021	23,719.49	2.000%			
			2022	24,196.26	2.000%			
			2023	24,682.60	2.000%			
			2024	25,178.72	2.000%			
			2025	25,684.81	2.000%			
			2026	26,201.08	2.000%			
			2027	26,727.72	2.000%			
			2028	27,264.95	2.000%			
			2029	13,837.27	2.000%			

**CITY OF MARGATE CITY
GENERAL CAPITAL FUND
SCHEDULE OF LOANS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2013	DECREASED BY PRINCIPAL PAID	BALANCE DECEMBER 31, 2014
			DATE	AMOUNT				
NJEIT Loan - Various Capital Improvements	2001	300,000.00	2015	20,000.00	5.000%	\$ 165,000.00	\$ 15,000.00	\$ 150,000.00
			2016	20,000.00	5.000%			
			2017	20,000.00	5.000%			
			2018	20,000.00	5.000%			
			2019	20,000.00	5.000%			
			2020	25,000.00	4.750%			
			2021	25,000.00	4.750%			
NJEIT Loan - Various Capital Improvements	2001	312,500.00	2015	17,511.43	None	130,216.44	14,792.75	115,423.69
			2016	16,871.74	None			
			2017	16,232.05	None			
			2018	15,592.37	None			
			2019	14,952.68	None			
			2020	17,511.42	None			
			2021	16,752.00	None			
NJEIT Loan - Various Capital Improvements	2001	160,000.00	2015	10,000.00	2.000%	85,000.00	10,000.00	75,000.00
			2016	10,000.00	2.000%			
			2017	10,000.00	2.000%			
			2018	10,000.00	2.000%			
			2019	10,000.00	2.000%			
			2020	10,000.00	2.000%			
			2021	15,000.00	2.000%			
NJEIT Loan - Various Capital Improvements	2001	164,949.00	2015	8,659.90	None	66,131.80	8,976.25	57,155.55
			2016	8,343.56	None			
			2017	8,027.22	None			
			2018	7,710.88	None			
			2019	7,394.53	None			
			2020	7,078.18	None			
			2021	9,941.28	None			
Total								
						\$ 1,031,067.98	\$ 101,395.45	\$ 929,672.53

**CITY OF MARGATE CITY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORIGINAL AMOUNT ISSUE	ORIGINAL DATE OF ISSUE	ISSUE DATE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2013	ISSUED	DECREASED	BALANCE DECEMBER 31, 2014
09-18	Various Capital Improvements	\$ 1,002,000	7/24/12	7/23/13 7/21/14	7/22/14 7/20/15	1.000% 1.000%	\$ 927,000.00 -	- 927,000.00	\$ 927,000.00 -	\$ - 927,000.00
10-16/ 10-30	Repair of Benson Ave Water Tower	237,000	7/24/12	7/23/13 7/21/14	7/22/14 7/20/15	1.000% 1.000%	237,000.00 -	- 237,000.00	237,000.00 -	- 237,000.00
10-31	Purchase of Public Works Vehicles	475,000	7/24/12	7/23/13 7/21/14	7/22/14 7/20/15	1.000% 1.000%	475,000.00 -	- 475,000.00	475,000.00 -	- 475,000.00
11-18 / 11-21	Fire House #1	546,000	7/24/12	7/23/13 7/21/14	7/22/14 7/20/15	1.000% 1.000%	546,000.00 -	- 546,000.00	546,000.00 -	- 546,000.00
12-03	Improvements & Renovations to Fire House #1	1,825,000	7/24/12	7/23/13 7/21/14	7/22/14 7/20/15	1.000% 1.000%	1,900,000.00 -	- 1,900,000.00	1,900,000.00 -	- 1,900,000.00
12-11	Various Capital Improvements	766,834	7/21/14	7/21/14	7/20/15	1.000%	-	766,834.00	-	766,834.00
13-04	Various Capital Improvements	489,060	7/21/14	7/21/14	7/20/15	1.000%	-	489,060.00	-	489,060.00
13-15	Various Road Improvements	676,856	7/21/14	7/21/14	7/20/15	1.000%	-	676,856.00	-	676,856.00
14-24	Various Capital Improvements & Sandy	1,120,250	7/21/14	7/21/14	7/20/15	1.000%	-	1,120,250.00	-	1,120,250.00
14-13	Type School Improvements	500,000	7/21/14	7/21/14	7/20/15	1.000%	-	500,000.00	-	500,000.00
Total							\$ 4,085,000.00	\$ 7,638,000.00	\$ 4,085,000.00	\$ 7,638,000.00
							Rollover	\$ 4,085,000.00	\$ 4,085,000.00	
							New Issue	3,553,000.00	-	
								<u>\$ 7,638,000.00</u>	<u>\$ 4,085,000.00</u>	

**CITY OF MARGATE CITY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	2014 IMPROVEMENT AUTHORIZATIONS	IMPROVEMENT AUTHORIZATIONS CANCELLED	BANS ISSUED	GRANTS RECEIVED	BALANCE DECEMBER 31, 2014
09-18	Various Capital Improvements	\$ 750.00	\$ -	\$ -	-	\$ -	\$ 750.00
10-16 / 10-30	Repair of Benson Ave. Water Tower	500.00	-	-	-	-	500.00
11-18 / 11-21	Fire House #1	250.00	-	-	-	-	250.00
11-19	Various Capital Improvements	445,500.00	-	105,076.72	-	-	340,423.28
12-03	Improvements & Renovations to Fire House #1	75,000.00	-	-	-	-	75,000.00
12-11	Various Capital Improvements	766,834.00	-	-	766,834.00	-	-
13-03	Various Capital Improvements- Sandy	945,000.00	-	-	-	-	945,000.00
13-04	Various Roadway Improvements	489,060.00	-	-	489,060.00	-	-
13-15	Various Capital Improvements	1,063,240.00	-	-	676,856.00	-	386,384.00
14-07	Various Capital Improvements	-	3,547,300.00	1,623,939.00	-	28,915.00	1,894,446.00
14-24	Various Capital Improvements & Sandy	-	1,645,250.00	-	1,120,250.00	-	525,000.00
14-32	Various Capital Improvements & Sandy	-	855,000.00	-	-	-	855,000.00
14-13	Type I School Improvements	-	2,257,834.00	-	500,000.00	-	1,757,834.00
Total		\$ 3,786,134.00	\$ 8,305,384.00	\$ 1,729,015.72	\$ 3,553,000.00	\$ 28,915.00	\$ 6,780,587.28

WATER-SEWER UTILITY FUND

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**CITY OF MARGATE CITY
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF UTILITY CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>OPERATING FUND</u>	<u>WATER METER TRUST</u>	<u>CAPITAL FUND</u>
Balance December 31, 2013	\$ 1,119,768.25	\$ 97,634.00	\$ -
Increased by Receipts:			
Anticipated Revenues	\$ 4,257,527.17	\$ -	\$ -
Water Meter Receipts	-	63,050.00	-
Prepays	23,972.21	-	-
Interest Earnings	1,251.73	-	-
Due from General Capital	1,250,000.00	-	2,312,000.00
Appropriation Refunds	15,840.60	-	-
	<u>5,548,591.71</u>	<u>63,050.00</u>	<u>2,312,000.00</u>
Subtotal	<u>5,548,591.71</u>	<u>63,050.00</u>	<u>2,312,000.00</u>
Total	<u>6,668,359.96</u>	<u>160,684.00</u>	<u>2,312,000.00</u>
Decreased by Disbursements:			
2014 Budget Appropriations	3,931,231.06	-	-
2013 Appropriation Reserves	49,477.95	-	-
Water Meters	-	49,731.77	-
Due General Capital	1,250,000.00	-	647,186.75
Due Current (Surplus)	200,000.00	-	-
Rent Overpayments	567.15	-	-
Improvement Authorizations	-	-	1,664,813.25
	<u>5,431,276.16</u>	<u>49,731.77</u>	<u>2,312,000.00</u>
Total Disbursements	<u>5,431,276.16</u>	<u>49,731.77</u>	<u>2,312,000.00</u>
Balance December 31, 2014	<u><u>\$ 1,237,083.80</u></u>	<u><u>\$ 110,952.23</u></u>	<u><u>\$ -</u></u>

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**CITY OF MARGATE CITY
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 60,714.68
Increased by Receipts:	
Consumer Account Charges and Levies	<u>4,253,846.14</u>
Decreased by:	
Collections	\$ 4,186,873.04
Prepayments & Overpayments Applied	<u>64,017.31</u>
	<u>4,250,890.35</u>
Balance December 31, 2014	<u><u>\$ 63,670.47</u></u>

**WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2013 ENCUMBRANCES PAYABLE	2013 RESERVE BALANCE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operating:					
Salaries and Wages	\$ -	\$ 77,649.52	\$ 77,649.52	\$ -	\$ 77,649.52
Other Expenses	28,879.83	37,312.75	66,192.58	51,397.95	14,794.63
Atlantic County Utilities Authority - Contractual	-	1,533.00	1,533.00	-	1,533.00
	<u>\$ 28,879.83</u>	<u>\$ 116,495.27</u>	<u>\$ 145,375.10</u>	<u>\$ 51,397.95</u>	<u>\$ 93,977.15</u>

Accounts Payable	\$ 1,920.00
Cash Disbursed	<u>49,477.95</u>
Total	<u><u>\$ 51,397.95</u></u>

**CITY OF MARGATE CITY
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	AUTHORIZATIONS	TRANSFER TO FIXED CAPITAL	AUTHORIZATION CANCELLED	BALANCE DECEMBER 31, 2014
2007-45	Improvements to Water & Sewer Utility System	\$ 700,000.00	\$ -	\$ 608,490.30	\$ 91,509.70	\$ -
2009-01	Improvements to Water & Sewer Utility System	200,000.00	-	137,210.54	62,789.46	-
2013-05	Various Water & Sewer Improvements	1,654,000.00	-	-	-	1,654,000.00
2013-14	Various Water & Sewer Improvements	812,000.00	-	-	-	812,000.00
2014-04	Various Water Utility Improvements	-	180,000.00	-	-	180,000.00
2014-08	Various Water & Sewer Improvements	-	974,299.00	-	-	974,299.00
Total		\$ 3,366,000.00	\$ 1,154,299.00	\$ 745,700.84	\$ 154,299.16	\$ 3,620,299.00

**CITY OF MARGATE CITY
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013		\$ 7,083.33
Increased by:		
Due to Utility Capital	\$ 9,633.33	
Utility Operating Budget Appropriation	9,300.00	18,933.33
Subtotal		26,016.66
Decreased by:		
Cash Disbursements		12,800.00
Balance December 31, 2014		<u>\$ 13,216.66</u>

ANALYSIS OF ACCRUED INTEREST DECEMBER 31, 2014

	PRINCIPAL OUTSTANDING 12/31/14	FROM	TO	PERIOD	AMOUNT
Serial Bonds	\$ 215,000.00	8/1/2014	12/31/2014	150 Days	\$ 3,583.33
Bond Anticipation Notes	<u>2,312,000.00</u>	8/1/2014	12/31/2014	150 Days	<u>9,633.33</u>
Total	<u>\$ 2,527,000.00</u>				<u>\$ 13,216.66</u>

CITY OF MARGATE CITY
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2013		AUTHORIZATIONS	ENCUMBRANCES RECLASSIFIED	CASH DISBURSEMENTS	ENCUMBRANCES CANCELLED	BALANCE DECEMBER 31, 2014	
				FUNDED	UNFUNDED					FUNDED	UNFUNDED
2007-45	Improvements to Water & Sewer Utility System	10/18/07	\$ 700,000.00	\$ -	\$ 91,509.70	\$ -	\$ -	\$ -	\$ 91,509.70	\$ -	\$ -
2009-01	Improvements to Water & Sewer Utility System	2/5/09	200,000.00	-	62,789.46	-	-	-	62,789.46	-	-
2013-05	Various Water & Sewer Improvements	2/7/13	1,654,000.00	-	154,177.83	-	1,259,331.20	1,189,089.37	61,406.56	-	163,013.10
2013-14	Various Water & Sewer Improvements	7/3/13	812,000.00	-	559,861.49	-	200,697.75	359,650.52	67,626.79	-	333,281.93
2014-04	Various Water Utility Improvements	3/18/14	180,000.00	-	-	180,000.00	-	75,026.70	18,544.47	-	86,428.83
2014-08	Various Water & Sewer Improvements	4/1/14	974,299.00	-	-	974,299.00	-	50,679.99	830,457.01	-	93,162.00
Total			\$ -	\$ -	\$ 868,338.48	\$ 1,154,299.00	\$ 1,460,028.95	\$ 1,674,446.58	\$ 978,034.83	\$ 154,299.16	\$ 675,885.86
Capital Improvement Fund				\$ -							
Bonds & Notes Authorized				1,154,299.00							
Total				\$ 1,154,299.00							

**CITY OF MARGATE CITY
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2013	BONDS ISSUED	DECREASED BY		BALANCE DECEMBER 31, 2014
			DATE	AMOUNT				BONDS REDEEMED		
Water & Sewer Utility Refunding Bonds	9/30/09	1,045,000	2/1/15	215,000	4.000%	\$ 425,000	\$	-	\$	215,000
Total						\$ 425,000	\$	-	\$	215,000

**CITY OF MARGATE CITY
WATER-SEWER UTILITY CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	AMOUNT		DATE OF ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE		BALANCE DECEMBER 31, 2014
		DATE OF ORIGINAL ISSUE	OF ORIGINAL ISSUE					DECEMBER 31, 2013	INCREASED DECREASED	
2013-05	Various Water-Sewer Capital Improvements	7/21/14	1,500,000	7/21/14	7/20/15	1.00%	\$	-	\$ 1,500,000.00	\$ -
2013-14	Various Water-Sewer Capital Improvements	7/21/14	812,000	7/21/14	7/20/15	1.00%		-	812,000.00	-
Total								\$ -	\$ 2,312,000.00	\$ -
									\$ 2,312,000.00	

**CITY OF MARGATE CITY
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	INCREASED	NOTES ISSUED	CANCELLED	BALANCE DECEMBER 31, 2014
2007-45	Improvements to Water & Sewer Utility System	\$ 700,000.00	\$ -	-	\$ 91,509.70	\$ 608,490.30
2009-01	Improvements to Water & Sewer Utility System	200,000.00	-	-	62,789.46	137,210.54
2013-05	Various Water & Sewer Improvements	1,654,000.00	-	1,500,000.00	-	154,000.00
2013-14	Various Water & Sewer Improvements	812,000.00	-	812,000.00	-	-
2014-04	Various Water Utility Improvements	-	180,000.00	-	-	180,000.00
2014-08	Various Water & Sewer Improvements	-	974,299.00	-	-	974,299.00
Total		\$ 3,366,000.00	\$ 1,154,299.00	\$ 2,312,000.00	\$ 154,299.16	\$ 2,053,999.84

**CITY OF MARGATE CITY
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2014 and 2013	<u>\$ 65,200.00</u>
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**SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 3,872,165.86
Increased by:	
Bonds Redeemed	<u>210,000.00</u>
Balance December 31, 2014	<u>\$ 4,082,165.86</u>

**CITY OF MARGATE CITY
WATER METER TRUST FUND
SCHEDULE OF RESERVE FOR WATER METER INSTALLATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 97,634.00
Increased by:	
Water Meter Installations	<u>63,050.00</u>
Subtotal	160,684.00
Decreased by:	
Disbursements	<u>49,731.77</u>
Balance December 31, 2014	<u><u>\$ 110,952.23</u></u>

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GENERAL FIXED ASSETS

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**CITY OF MARGATE CITY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF INVESTMENT IN FIXED ASSETS
DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	NET ADDITIONS	DELETIONS	ADJUSTMENTS	BALANCE DECEMBER 31, 2014
Land	\$ 50,903,100.00	\$ -	\$ -	\$ -	\$ 50,903,100.00
Buildings	20,710,886.00	4,950.00	-	93,683.00	20,809,519.00
Machinery & Equipment	7,282,361.71	955,527.00	500,534.00	(101,066.00)	7,636,288.71
	<hr/>				
Total	\$ 78,896,347.71	\$ 960,477.00	\$ 500,534.00	\$ (7,383.00)	\$ 79,348,907.71
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**CITY OF MARGATE CITY
COUNTY OF ATLANTIC**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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The Honorable Mayor and Members of
City Commission
City of Margate City
Margate City, New Jersey

We have audited the financial statements of the City of Margate City in the County of Atlantic for the year ended December 31, 2014. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments and Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or 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 \$36,000 as of January 1, 2014, except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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

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

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," 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.A.40A:11-6*.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 as of January 1, 2014 and thereafter "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 provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes

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

The governing body on January 2, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“BE IT RESOLVED by the Board of Commissioners of the City of Margate City, County of Atlantic, that pursuant to R.S. 54:4-67, the rate of interest to be charged for non-payment of taxed and/or assessments on or before the date when they would become delinquent is hereby fixed at 8 percent per annum on the first \$1,500 of delinquency and 18 percent per annum on any amount in excess of \$1,500.”

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

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2014, included 2014 and 2013 real estate taxes.

The last tax sale was held on December 12, 2014 and was complete.

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

YEAR	NUMBER OF LIENS
2014	5
2013	5
2012	5

Deductions From Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Municipal Court

A separate report of the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the City, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

A test sample of twenty-five (25) was selected of 20 traffic and 5 criminal cases processed through the system. The purpose of the test was to determine that traffic fines were levied in accordance with State Statutes, that payments were deposited intact and on a timely basis, that dispositions were entered in traffic and criminal dockets, closure procedures for delinquent traffic tickets were enforced and that proper procedures were in effect for defendants paying on the partial payment system.

Deposit of Funds Paid to Local Unit

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

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

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

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of City employees, also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

Follow-Up on Prior Years' Finding

There were no prior year findings.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2014:

NAME	TITLE	AMOUNT OF BOND	
Michael Becker	Mayor		
Brenda Taube	City Commissioner		
Maury Blumberg	City Commissioner		
Richard Deaney	Business Administrator		
Lisa McLaughlin, CPA	Chief Financial Officer		
James Manghan, CTA	Tax Assessor		
Thomas D. Hiltner	City Clerk & Tax Collector	\$950,000	A
Maureen Larkin	Court Administrator	\$950,000	A
John H. Rosenberger	Honorable Municipal Court Judge		
Ed Walberg	City Engineer		

A: Individually Bonded

Coverage Forms and Limits of Liability: \$950,000 each

Coverage:

B: Forgery or Alteration

C: Theft, Disappearance and Destruction

D: Robbery and Safe Burglary

F: Computer Fraud

O: Public Employee Dishonestly

Acknowledgment

We received the complete cooperation of all the City officials and employees and we greatly appreciate the courtesies extended to the members of the audit team. Should you have any questions concerning our report please contact us.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
CR# 435

Medford, New Jersey
May 4, 2015