

**BOROUGH OF WESTVILLE  
REPORT OF AUDIT  
YEAR ENDED DECEMBER 31, 2014**

## INDEX

|  | <b>Page</b> |
|--|-------------|
| PART I   | 1           |
| Independent Auditor's Report   | 2-4         |
| <br>   |             |
| CURRENT FUND   | 5           |
| A    Comparative Balance Sheet - Current Fund - Regulatory Basis   | 6-7         |
| A-1  Comparative Statement of Operations and Change in<br>Fund Balance - Current Fund - Regulatory Basis   | 8           |
| A-2  Statement of Revenues - Current Fund - Regulatory Basis   | 9-10        |
| A-3  Statement of Expenditures - Current Fund - Regulatory Basis   | 11-16       |
| <br>   |             |
| TRUST FUND   | 17          |
| B    Comparative Balance Sheet - Trust Fund - Regulatory Basis   | 18-19       |
| <br>   |             |
| GENERAL CAPITAL FUND   | 20          |
| C    Comparative Balance Sheet - General Capital Fund - Regulatory Basis   | 21          |
| C-1  Statement of Fund Balance - General Capital Fund - Regulatory Basis   | 22          |
| <br>   |             |
| WATER UTILITY FUND   | 23          |
| D    Comparative Balance Sheet - Water Utility Fund - Regulatory Basis   | 24-25       |
| D-1  Comparative Statement of Operations and Change in<br>Fund Balance - Water Utility Fund - Regulatory Basis   | 26          |
| D-2  Statement of Fund Balance - Water Capital Fund - Regulatory Basis   | 27          |
| D-3  Statement of Revenues - Water Utility Fund - Regulatory Basis   | 27          |
| D-4  Statement of Expenditures - Water Utility Fund - Regulatory Basis   | 28          |
| <br>   |             |
| GENERAL FIXED ASSETS   | 29          |
| E    Statement of General Fixed Assets - Regulatory Basis  | 30          |
| <br>   |             |
| NOTES TO FINANCIAL STATEMENTS  | 31-45       |
| <br>   |             |
| SUPPLEMENTARY DATA   | 46          |
| SINGLE AUDIT SECTION   | 47          |
| Report on Internal Control Over Financial Reporting and on Compliance and<br>Other Matters Based on an Audit of Financial Statements Performed<br>in Accordance with Government Auditing Standards | 48-49       |
| Schedule of Expenditures of State Awards   | 50          |
| Notes to Schedule of Expenditures of State Awards  | 51          |

**INDEX  
(CONTINUED)**

|   | <b>Page</b>   |
|---|---------------|
| <b>CURRENT FUND</b>   | <b>52</b>     |
| A-4 Schedule of Cash - Treasurer  | 53            |
| A-5 Schedule of Cash -Tax Collector   | 54            |
| A-6 Schedule of Cash - Sewer Collector  | 55            |
| A-7 Schedule of Federal and State Grants Receivable                                     | 56            |
| A-8 Schedule of Taxes Receivable and Analysis of Property Tax Levy                      | 57-58         |
| A-9 Schedule of Tax Title Liens Receivable  | 59            |
| A-10 Schedule of Property Acquired for Taxes (At Assessed Valuation)                    | 59            |
| A-11 Schedule of Sewer Rents Receivable   | 60            |
| A-12 Schedule of Sewer Liens Receivable   | 60            |
| A-13 Schedule of Revenue Accounts Receivable  | 61            |
| A-14 Schedule of 2013 Appropriation Reserves  | 62            |
| A-15 Schedule of Encumbrances Payable   | 63            |
| A-16 Schedule of Due To State of New Jersey - Senior Citizen and<br>Veterans Deductions | 64            |
| A-17 Schedule of Local District School Tax Payable                                      | 65            |
| A-18 Schedule of Regional High School Tax Payable                                       | 65            |
| A-19 Schedule of Reserve for Federal and State Grants - Appropriated                    | 66            |
| A-20 Schedule of Reserve for Federal and State Grants - Unappropriated                  | 67            |
| <br><b>TRUST FUND</b>   | <br><b>68</b> |
| B-1 Schedule of Trust Fund Cash - Treasurer   | 69            |
| B-2 Schedule of Trust Fund Cash - Collector   | 70            |
| B-3 Schedule of Reserve for Dog Fund Expenditures                                       | 71            |
| <br><b>GENERAL CAPITAL FUND</b>   | <br><b>72</b> |
| C-2 Schedule of General Capital Cash - Treasurer  | 73            |
| C-3 Analysis of General Capital Fund Cash   | 74-75         |
| C-4 Schedule of Loan Receivable   | 76            |
| C-5 Schedule of Due from State of New Jersey  | 77            |
| C-6 Schedule of Deferred Charges to Future Taxation - Funded                            | 78            |
| C-7 Schedule of Deferred Charges to Future Taxation - Unfunded                          | 79            |
| C-8 Schedule of Capital Improvement Fund  | 80            |
| C-9 Schedule of Improvement Authorizations  | 81            |
| C-10 Schedule of Encumbrances Payable   | 82            |
| C-11 Schedule of Contracts Payable  | 82            |
| C-12 Schedule of Serial Bonds Payable   | 83            |
| C-13 Schedule of New Jersey Environmental Trust Loan                                    | 84            |
| C-14 Schedule of Bond Anticipation Notes Payable  | 85            |
| C-15 Schedule of Bonds and Notes Authorized But Not Issued                              | 86            |

**INDEX  
(CONTINUED)**

|   | <b>Page</b> |
|---|-------------|
| WATER UTILITY FUND  | 87          |
| D-5 Schedule of Utility Cash - Treasurer  | 88          |
| D-6 Analysis of Utility Capital Fund Cash   | 89          |
| D-7 Schedule of Consumer Accounts Receivable  | 90          |
| D-8 Schedule of Utility Liens Receivable  | 90          |
| D-9 Schedule of Other Accounts Receivable   | 90          |
| D-10 Schedule of Fixed Capital  | 91          |
| D-11 Schedule of Fixed Capital Authorized and Uncompleted                               | 92          |
| D-12 Schedule of 2013 Appropriation Reserves  | 93          |
| D-13 Schedule of Encumbrances Payable   | 93          |
| D-14 Schedule of Accrued Interest on Bonds, Notes and Loans,<br>and Analysis of Balance | 94          |
| D-15 Schedule of Improvement Authorizations   | 95          |
| D-16 Schedule of Capital Improvement Fund   | 96          |
| D-17 Schedule of Reserve for Amortization   | 96          |
| D-18 Schedule of Deferred Reserve for Amortization                                      | 97          |
| D-19 Schedule of Serial Bonds Payable   | 98          |
| D-20 Schedule of New Jersey Environmental Trust Loan                                    | 99-101      |
| D-21 Schedule of Bond Anticipation Notes Payable  | 102         |
| D-22 Schedule of Bonds and Notes Authorized But Not Issued                              | 103         |
| <br>  |             |
| PART II   | 104         |
| General Comments  | 105-107     |
| Other Comments  | 107         |
| Findings and Recommendations  | 107         |

## **PART I**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA  
Wendy G. Fama, CPA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Borough Council  
Borough of Westville  
165 Broadway  
Westville, New Jersey 08093

### ***Report on the Financial Statements***

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

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

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

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

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

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

### ***Other Matters***

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Westville's basic financial statements. The supplementary information listed in the table of contents, the schedule of expenditures of state financial assistance as required by New Jersey OMB 04-04 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of state financial assistance as required by New Jersey OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents and the schedule of expenditures of state financial assistance as required by New Jersey OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2015, on our consideration of the Borough of Westville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Westville's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Registered Municipal Accountant #252

March 20, 2015

## **CURRENT FUND**

## COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

| <b>ASSETS</b>                                       | Ref. | Balance<br>Dec. 31, 2014 | Balance<br>Dec. 31, 2013 |
|---|------|--------------------------|--------------------------|
| <b>Regular Fund</b>                                 |      |                          |                          |
| Cash - Treasurer                                    | A-4  | \$ 347,479.38            | \$ 563,969.69            |
| Cash - Tax Collector                                | A-5  | 282,263.60               | 280,499.73               |
| Cash - Sewer Collector                              | A-6  | 713,719.37               | 782,294.18               |
| Change Fund   |      | 200.00                   | 200.00                   |
| Petty Cash  |      |                          | 500.00                   |
|   |      | <u>1,343,662.35</u>      | <u>1,627,463.60</u>      |
| Receivables and Other Assets with Full Reserves:    |      |                          |                          |
| Delinquent Property Taxes Receivable                | A-8  | 366,298.62               | 340,667.94               |
| Tax Title Liens Receivable                          | A-9  | 106,448.97               | 23,583.60                |
| Property Acquired for Taxes -<br>Assessed Valuation | A-10 | 237,450.00               | 237,450.00               |
| Sewer Rents Receivable                              | A-11 | 101,120.61               | 118,113.04               |
| Sewer Utility Liens Receivable                      | A-12 | 2,063.54                 | 1,659.70                 |
| Other Accounts Receivable                           |      | 11,198.25                | 11,080.40                |
| Revenue Accounts Receivable                         | A-13 | 38,604.99                | 10,852.52                |
| Due from General Capital Fund                       | C    | 3,537.20                 | 3,271.21                 |
| Due from Water Utility Operating Fund               | D    | 48,238.60                | 48,238.60                |
| Due from Water Utility Capital Fund                 | D    | 105,000.00               | 105,000.00               |
| Due from Other Trust Funds                          | B    | 9,349.07                 | 10,084.63                |
| Due from Animal Control Trust Fund                  | B    | 2,324.04                 | 2,316.37                 |
| Due from Federal and State Grant Fund               | A    | 48,724.65                | 7,798.30                 |
| Due from Community Development                      |      | 2,860.84                 | 2,860.84                 |
|   |      | <u>1,083,219.38</u>      | <u>922,977.15</u>        |
|   |      | <u>2,426,881.73</u>      | <u>2,550,440.75</u>      |
| <b>Federal and State Grant Fund</b>                 |      |                          |                          |
| Cash  | A-4  | 30,132.59                | 28,742.06                |
| Grants Receivable                                   | A-7  | 293,846.63               | 212,928.95               |
|   |      | <u>323,979.22</u>        | <u>241,671.01</u>        |
|   |      | <u>\$ 2,750,860.95</u>   | <u>\$ 2,792,111.76</u>   |

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

| <b>LIABILITIES, RESERVES AND FUND BALANCE</b>                       | Ref.     | Balance<br>Dec. 31, 2014 | Balance<br>Dec. 31, 2013 |
|---|----------|--------------------------|--------------------------|
| <b>Regular Fund</b>   |          |                          |                          |
| Liabilities:  |          |                          |                          |
| Appropriation Reserves  | A-3:A-14 | \$ 289,239.25            | \$ 207,635.43            |
| Encumbrances Payable  | A-15     | 16,025.88                | 41,006.98                |
| Due State of New Jersey - Senior Citizen<br>and Veterans Deductions | A-16     | 36,893.89                | 39,326.68                |
| Prepaid Taxes   |          | 31,007.41                | 72,708.53                |
| Tax Overpayments  |          | 82,130.71                | 70,676.43                |
| Sewer Overpayments  |          | 2,882.18                 | 1,040.46                 |
| Due to Clerk  |          | 6.25                     |                          |
| Due to Trust Other - Tax Sale Account                               | B        | 25,183.84                |                          |
| Reserve for Zoning Escrow   |          | 1,845.00                 | 1,845.00                 |
| Reserve for JIF Safety Program                                      |          | 5,850.00                 | 2,925.00                 |
| Reserve for Storm water Grant                                       |          | 5,117.00                 | 5,117.00                 |
| Reserve for Revaluation   |          | 1,461.53                 | 1,461.53                 |
| Reserve for Street Scape Refund                                     |          | 523.00                   | 523.00                   |
| Reserve for Sale of Municipal Assets                                |          | 3,231.00                 | 3,231.00                 |
| Reserve for Public Defender   |          | 33,384.83                | 27,704.83                |
| Reserve for Codification of Ordinances                              |          | 5,053.53                 | 8,534.63                 |
| Local District School Taxes Payable                                 | A-17     | 18,974.37                | 13,975.88                |
| Regional High School Taxes Payable                                  | A-18     | 2.13                     | 0.13                     |
| Due County for Added & Omitted Taxes                                |          | 2,107.61                 | 1,594.66                 |
| Due Fire District   |          | 8,577.41                 | 10,482.77                |
| Due Library   |          | 19,526.56                | 26,526.56                |
|   |          | <u>589,023.38</u>        | <u>536,316.50</u>        |
| Reserve for Receivables   |          | 1,083,219.38             | 922,977.15               |
| Fund Balance  | A-1      | 754,638.97               | 1,091,147.10             |
|   |          | <u>2,426,881.73</u>      | <u>2,550,440.75</u>      |
| <b>Federal and State Grant Fund</b>                                 |          |                          |                          |
| Encumbrances Payable  | A-15     | 2,990.00                 | 30,788.00                |
| Reserve for Grants - Appropriated                                   | A-19     | 149,568.02               | 71,866.90                |
| Reserve for Grants - Unappropriated                                 | A-20     | 8,803.88                 | 18,715.67                |
| Reserve for Small Cities Loan Payback                               |          | 30,132.59                | 28,742.06                |
| Due Fire District   |          | 874.00                   | 874.00                   |
| Due General Capital Fund  | C        | 82,285.58                | 82,285.58                |
| Due Current Fund  | A        | 48,724.65                | 7,798.30                 |
| Unallocated Receipts  |          | 600.50                   | 600.50                   |
|   |          | <u>323,979.22</u>        | <u>241,671.01</u>        |
|   |          | <u>\$ 2,750,860.95</u>   | <u>\$ 2,792,111.76</u>   |

The accompanying notes to the financial statements are an integral part of this statement.

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

| <b>Revenue and Other Income Realized</b>     | Ref. | Year 2014            | Year 2013              |
|--|------|----------------------|------------------------|
| Fund Balance Utilized                        | A-2  | \$ 750,000.00        | \$ 550,000.00          |
| Miscellaneous Revenue Anticipated            | A-2  | 2,455,503.50         | 2,419,852.78           |
| Receipts from Delinquent Taxes               | A-2  | 315,100.59           | 546,774.84             |
| Receipts from Current Taxes                  | A-2  | 9,227,622.42         | 9,102,591.07           |
| Non-Budget Revenue                           | A-2  | 219,602.42           | 138,639.83             |
| Other Credits to Income:                     |      |                      |                        |
| Unexpended Balance of Appropriation Reserves | A-14 | 117,230.37           | 250,863.65             |
| Encumbrances Payable - Canceled              | A-15 | 210.00               | 4,189.25               |
| Interfund Loans Returned                     |      |                      | 75,453.87              |
| <b>Total Income</b>                          |      | <b>13,085,269.30</b> | <b>13,088,365.29</b>   |
| <b>Expenditures</b>                          |      |                      |                        |
| Budget Appropriations:                       |      |                      |                        |
| Appropriations Within "CAPS:"                |      |                      |                        |
| Operations:                                  |      |                      |                        |
| Salaries and Wages                           | A-3  | 1,874,284.00         | 1,875,543.00           |
| Other Expenses                               | A-3  | 1,569,903.00         | 1,514,138.00           |
| Deferred Charges and Statutory               |      |                      |                        |
| Expenditures - Municipal                     | A-3  | 481,595.00           | 520,630.00             |
| Appropriations Excluded from "CAPS:"         |      |                      |                        |
| Operations:                                  |      |                      |                        |
| Other Expenses                               | A-3  | 1,187,066.39         | 1,059,214.31           |
| Capital Improvements                         | A-3  | 215,000.00           | 25,000.00              |
| Debt Service                                 | A-3  | 434,126.78           | 416,737.18             |
| Deferred Charges                             |      |                      | 4,000.00               |
| County Taxes                                 |      | 1,485,432.61         | 1,474,636.69           |
| Due County for Added Taxes                   |      | 2,107.61             | 1,594.66               |
| Local District School Tax                    | A-17 | 2,424,648.00         | 2,332,692.00           |
| Regional High School Tax                     | A-18 | 2,550,969.00         | 2,550,215.00           |
| Fire District Tax                            |      | 379,303.00           | 329,309.00             |
| Interfund Loan Advanced                      |      | 66,228.04            | 116,080.40             |
| Prior Year Deduction Disallowed              | A-16 | 250.00               |                        |
| Refund of Prior Year Revenue                 | A-4  | 864.00               |                        |
| <b>Total Expenditures</b>                    |      | <b>12,671,777.43</b> | <b>12,219,790.24</b>   |
| Statutory Excess to Fund Balance             |      | 413,491.87           | 868,575.05             |
| <b>Fund Balance</b>                          |      |                      |                        |
| Balance January 1                            | A    | 1,091,147.10         | 772,572.05             |
|  |      | 1,504,638.97         | 1,641,147.10           |
| Decreased by:                                |      |                      |                        |
| Utilization as Anticipated Revenue           | A-1  | 750,000.00           | 550,000.00             |
| <b>Balance December 31</b>                   | A    | <b>\$ 754,638.97</b> | <b>\$ 1,091,147.10</b> |

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

|   | Ref. | Anticipated     |                          | Realized        | Excess or<br>(Deficit) |
|---|------|-----------------|--------------------------|-----------------|------------------------|
|   |      | Budget<br>2014  | Special NJSA<br>40A:4-87 |                 |                        |
| Fund Balance Anticipated  | A-1  | \$ 750,000.00   |                          | \$ 750,000.00   |                        |
| Miscellaneous Revenues:   |      |                 |                          |                 |                        |
| Licenses:   |      |                 |                          |                 |                        |
| Alcoholic Beverages   | A-13 | 10,000.00       |                          | 12,168.00       | \$ 2,168.00            |
| Other   | A-13 | 2,000.00        |                          | 1,967.00        | (33.00)                |
| Fees and Permits  | A-13 | 4,000.00        |                          | 7,334.19        | 3,334.19               |
| Fines and Costs:  |      |                 |                          |                 |                        |
| Municipal Court   | A-13 | 130,000.00      |                          | 149,842.61      | 19,842.61              |
| Interest and Costs on Taxes   | A-13 | 55,000.00       |                          | 64,257.23       | 9,257.23               |
| Interest on Investments   | A-13 | 9,237.33        |                          | 3,952.29        | (5,285.04)             |
| Sewer Rents   | A-11 | 710,000.00      |                          | 820,192.53      | 110,192.53             |
| Interest on Delinquent:   |      |                 |                          |                 |                        |
| Sewer Rents   | A-13 | 1,000.00        |                          | 7,926.54        | 6,926.54               |
| Housing Inspection Fees   | A-13 | 17,000.00       |                          | 42,800.00       | 25,800.00              |
| Consolidated Municipal<br>Property Tax Relief Act<br>(NJSA 52:27D-118.34) | A-13 | 26,778.00       |                          | 26,778.00       |                        |
| Energy Receipts Tax   | A-13 | 375,619.00      |                          | 375,619.00      |                        |
| Franchise Fees - Cable TV   | A-13 | 12,000.00       |                          | 14,174.50       | 2,174.50               |
| Shared Service Agreement:   |      |                 |                          |                 |                        |
| Borough of National Park  | A-13 | 662,400.00      |                          | 662,400.00      |                        |
| Recycling Tonnage Grant   | A-7  | 5,888.79        |                          | 5,888.79        |                        |
| Clean Communities   | A-7  |                 | \$ 7,625.94              | 7,625.94        |                        |
| Municipal Alliance on   |      |                 |                          |                 |                        |
| Alcoholism and Drug Abuse   | A-7  | 9,250.00        |                          | 9,250.00        |                        |
| Body Armor Grant  | A-7  | 2,212.48        |                          | 2,212.48        |                        |
| Clean Community Cleanup Grant   | A-7  |                 | 500.00                   | 500.00          |                        |
| Drunk Driving Enforcement   | A-7  | 10,614.40       |                          | 10,614.40       |                        |
| Community Development Block Grant   | A-7  | 50,000.00       |                          | 50,000.00       |                        |
| Transportation Trust Fund   | A-7  | 175,000.00      |                          | 175,000.00      |                        |
| Click It or Ticket  | A-7  |                 | 2,000.00                 | 2,000.00        |                        |
| Drive Sober or Get Pulled Over  | A-7  |                 | 3,000.00                 | 3,000.00        |                        |
| Total Miscellaneous Revenues  |      | 2,268,000.00    | 13,125.94                | 2,455,503.50    | 174,377.56             |
| Receipts from Delinquent Taxes  | A-2  | 300,000.00      |                          | 315,100.59      | 15,100.59              |
| Subtotal General Revenues   |      | 3,318,000.00    | 13,125.94                | 3,520,604.09    | 189,478.15             |
| Amount to be Raised by Taxation   | A-2  | 2,869,000.00    |                          | 2,821,564.75    | (47,435.25)            |
| Budget Totals   |      | 6,187,000.00    | 13,125.94                | 6,342,168.84    | \$ 142,042.90          |
| Non-Budget Revenue  | A-2  |                 |                          | 219,602.42      |                        |
|   |      | \$ 6,187,000.00 | \$ 13,125.94             | \$ 6,561,771.26 |                        |
| Ref.  |      | A-3             | A-3                      |                 |                        |

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

**Analysis of Realized Revenue**

|   | Ref. |                        |
|---|------|------------------------|
| Allocation of Current Tax Collections:                |      |                        |
| Revenue from Collections                              | A-8  | \$ 9,227,622.42        |
| Allocated to:   |      |                        |
| School, Fire and County Taxes                         | A-8  | 6,842,460.22           |
| Balance for Support of Municipal Budget Appropriation |      | <u>2,385,162.20</u>    |
| Add: Appropriation "Reserve for Uncollected Taxes"    | A-3  | 436,402.55             |
| Amount for Support of Municipal Budget Appropriation  | A-2  | <u>\$ 2,821,564.75</u> |
| Receipts from Delinquent Taxes:                       |      |                        |
| Delinquent Tax Collection                             | A-8  | \$ 303,703.27          |
| Tax Title Liens                                       | A-9  | 11,397.32              |
|   | A-2  | <u>\$ 315,100.59</u>   |

**Analysis of Non-Budget Revenue**

|  | Ref. |                      |
|--|------|----------------------|
| Miscellaneous Revenue Not Anticipated: |      |                      |
| Revenue Accounts Receivable:           |      |                      |
| Construction Code Fees                 | A-13 | \$ 20,628.71         |
| Sale of Scrap Iron                     | A-13 | 1,155.85             |
| Recycling Proceeds                     | A-13 | 1,296.49             |
| Income from Leases                     | A-13 | 16,700.00            |
| JIF Dividend                           | A-13 | 63,921.83            |
| Gasoline Reimbursement                 | A-13 | 4,995.53             |
| Fire District JIF Reimbursement        | A-13 | 62,778.19            |
| Abandoned Property Fines               | A-13 | 6,594.00             |
| Payment in Lieu of Taxes               | A-13 | 4,700.74             |
| Motor Vehicle Inspection Fees          | A-13 | 10,997.13            |
| Administrative Fee                     | A-13 | 1,102.13             |
| Easement                               | A-13 | 3,100.00             |
| Refunds                                | A-13 | 16,003.31            |
| Miscellaneous                          | A-13 | 5,628.51             |
|  | A-2  | <u>\$ 219,602.42</u> |

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

|   | Appropriations |                               | Expended           |            |           | Unexpended<br>Balance<br>Canceled |
|---|----------------|-------------------------------|--------------------|------------|-----------|-----------------------------------|
|   | Budget         | Budget After<br>Modifications | Paid or<br>Charged | Encumbered | Reserved  |                                   |
| <b>OPERATIONS WITHIN "CAPS"</b>         |                |                               |                    |            |           |                                   |
| <b>GENERAL GOVERNMENT</b>               |                |                               |                    |            |           |                                   |
| General Administration                  |                |                               |                    |            |           |                                   |
| Salaries & Wages                        | \$ 46,592.00   | \$ 47,592.00                  | \$ 47,155.16       |            | \$ 436.84 |                                   |
| Municipal Clerk                         |                |                               |                    |            |           |                                   |
| Salaries & Wages                        | 69,360.00      | 63,360.00                     | 59,871.44          |            | 3,488.56  |                                   |
| Other Expenses                          | 37,990.00      | 37,990.00                     | 34,983.04          | \$ 500.96  | 2,506.00  |                                   |
| Financial Administration                |                |                               |                    |            |           |                                   |
| Salaries & Wages                        | 44,370.00      | 44,370.00                     | 44,340.69          |            | 29.31     |                                   |
| Other Expenses                          | 16,650.00      | 16,650.00                     | 15,880.15          |            | 769.85    |                                   |
| Audit Services                          |                |                               |                    |            |           |                                   |
| Other Expenses                          | 10,250.00      | 10,250.00                     | 10,250.00          |            |           |                                   |
| Revenue Administration (Tax Collection) |                |                               |                    |            |           |                                   |
| Salaries & Wages                        | 78,360.00      | 83,860.00                     | 83,648.31          |            | 211.69    |                                   |
| Other Expenses                          | 7,420.00       | 6,620.00                      | 5,010.07           |            | 1,609.93  |                                   |
| Tax Assessment Administration           |                |                               |                    |            |           |                                   |
| Other Expenses                          | 2,000.00       | 2,100.00                      | 2,008.93           |            | 91.07     |                                   |
| Legal Services and Costs                |                |                               |                    |            |           |                                   |
| Other Expenses                          | 44,000.00      | 39,000.00                     | 36,336.55          |            | 2,663.45  |                                   |
| Engineering Services and Costs          |                |                               |                    |            |           |                                   |
| Other Expenses                          | 15,000.00      | 23,000.00                     | 22,306.00          |            | 694.00    |                                   |
| Economic Development                    |                |                               |                    |            |           |                                   |
| Other Expenses                          | 10,000.00      | 10,000.00                     | 2,831.90           | 650.00     | 6,518.10  |                                   |
| <b>LAND USE ADMINISTRATION</b>          |                |                               |                    |            |           |                                   |
| Municipal Land Use Law (NJSA 40:55D-1)  |                |                               |                    |            |           |                                   |
| Municipal Land Use Board                |                |                               |                    |            |           |                                   |
| Salaries and Wages                      | 400.00         | 400.00                        | 203.34             |            | 196.66    |                                   |
| Other Expenses                          | 4,000.00       | 4,000.00                      | 2,329.54           |            | 1,670.46  |                                   |
| <b>INSURANCE</b>                        |                |                               |                    |            |           |                                   |
| Liability Insurance                     | 132,655.00     | 127,655.00                    | 126,973.14         |            | 681.86    |                                   |
| Worker Compensation Insurance           | 200,000.00     | 198,000.00                    | 197,883.00         |            | 117.00    |                                   |
| Employee Group Insurance                | 356,498.00     | 356,498.00                    | 261,638.99         |            | 94,859.01 |                                   |

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

|                                    | Appropriations |                               | Expended           |            |           | Unexpended<br>Balance<br>Canceled |
|------------------------------------|----------------|-------------------------------|--------------------|------------|-----------|-----------------------------------|
|                                    | Budget         | Budget After<br>Modifications | Paid or<br>Charged | Encumbered | Reserved  |                                   |
| <b>PUBLIC SAFETY FUNCTIONS</b>     |                |                               |                    |            |           |                                   |
| Police                             |                |                               |                    |            |           |                                   |
| Salaries and Wages                 | 862,000.00     | 845,000.00                    | 840,760.41         |            | 4,239.59  |                                   |
| Other Expenses                     | 36,000.00      | 40,000.00                     | 39,403.34          | 557.50     | 39.16     |                                   |
| Office of Emergency Management     |                |                               |                    |            |           |                                   |
| Other Expenses                     | 9,500.00       | 7,900.00                      | 337.52             |            | 7,562.48  |                                   |
| Municipal Prosecutor               |                |                               |                    |            |           |                                   |
| Salaries and Wages                 | 12,500.00      | 12,500.00                     | 11,458.26          |            | 1,041.74  |                                   |
| <b>PUBLIC WORKS FUNCTIONS</b>      |                |                               |                    |            |           |                                   |
| Road Repairs & Maintenance         |                |                               |                    |            |           |                                   |
| Salaries & Wages                   | 86,700.00      | 78,200.00                     | 76,463.40          |            | 1,736.60  |                                   |
| Other Expenses                     | 38,750.00      | 41,750.00                     | 41,032.24          | 689.88     | 27.88     |                                   |
| Public Buildings & Grounds         |                |                               |                    |            |           |                                   |
| Salaries & Wages                   | 7,000.00       | 7,000.00                      | 4,539.17           |            | 2,460.83  |                                   |
| Other Expenses                     | 27,500.00      | 25,500.00                     | 24,666.82          | 604.56     | 228.62    |                                   |
| Vehicle Maintenance                |                |                               |                    |            |           |                                   |
| Other Expenses                     | 58,540.00      | 61,540.00                     | 61,299.26          | 144.20     | 96.54     |                                   |
| Garbage and Trash Removal          |                |                               |                    |            |           |                                   |
| Salaries & Wages                   | 206,040.00     | 226,040.00                    | 224,579.42         |            | 1,460.58  |                                   |
| Sanitary Landfill                  |                |                               |                    |            |           |                                   |
| Other Expenses                     | 200,000.00     | 200,000.00                    | 188,865.14         | 1,038.00   | 10,096.86 |                                   |
| Sewer System                       |                |                               |                    |            |           |                                   |
| Salaries & Wages                   | 208,590.00     | 212,190.00                    | 211,653.72         |            | 536.28    |                                   |
| Other Expenses                     | 11,500.00      | 10,500.00                     | 9,255.15           |            | 1,244.85  |                                   |
| <b>HEALTH &amp; HUMAN SERVICES</b> |                |                               |                    |            |           |                                   |
| Board of Health                    |                |                               |                    |            |           |                                   |
| Salaries & Wages                   | 100.00         | 100.00                        |                    |            | 100.00    |                                   |
| Other Expenses                     | 200.00         | 200.00                        | 73.50              | 62.50      | 64.00     |                                   |
| Dog Regulation                     |                |                               |                    |            |           |                                   |
| Other Expenses                     | 6,000.00       | 6,000.00                      |                    |            | 6,000.00  |                                   |
| Environmental Commission           |                |                               |                    |            |           |                                   |
| Other Expenses                     | 1,000.00       | 1,000.00                      | 100.00             |            | 900.00    |                                   |

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

|   | Appropriations |                               | Expended           |            |            | Unexpended<br>Balance<br>Canceled |
|---|----------------|-------------------------------|--------------------|------------|------------|-----------------------------------|
|   | Budget         | Budget After<br>Modifications | Paid or<br>Charged | Encumbered | Reserved   |                                   |
| <b>PARK &amp; RECREATION FUNCTIONS</b>  |                |                               |                    |            |            |                                   |
| Parks and Playgrounds   |                |                               |                    |            |            |                                   |
| Salaries & Wages  | 120,172.00     | 127,672.00                    | 126,851.37         |            | 820.63     |                                   |
| Other Expenses  | 22,000.00      | 24,200.00                     | 16,178.00          | 3,000.00   | 5,022.00   |                                   |
| <b>OTHER COMMON OPERATING FUNCTIONS</b>   |                |                               |                    |            |            |                                   |
| Celebration of Public Event, Anniversary<br>or Holiday  |                |                               |                    |            |            |                                   |
| Other Expenses  | 8,000.00       | 8,000.00                      | 8,000.00           |            |            |                                   |
| <b>UNIFORM CONSTRUCTION CODE-<br/>APPROPRIATIONS OFFSET BY DEDICATED<br/>REVENUE (NJAC 5:23-4.17)</b> |                |                               |                    |            |            |                                   |
| Construction Official   |                |                               |                    |            |            |                                   |
| Salaries & Wages  | 40,000.00      | 40,000.00                     | 24,724.02          |            | 15,275.98  |                                   |
| Other Expenses  | 20,000.00      | 15,000.00                     | 5,414.46           | 183.50     | 9,402.04   |                                   |
| Housing Inspector   |                |                               |                    |            |            |                                   |
| Salaries & Wages  | 8,000.00       | 14,000.00                     | 13,726.12          |            | 273.88     |                                   |
| Other Expenses  | 6,400.00       | 1,400.00                      | 81.52              |            | 1,318.48   |                                   |
| <b>UTILITY EXPENSES AND BULK PURCHASES</b>  |                |                               |                    |            |            |                                   |
| Electricity   | 71,000.00      | 71,000.00                     | 54,696.15          |            | 16,303.85  |                                   |
| Street Lighting   | 66,000.00      | 66,000.00                     | 54,319.92          |            | 11,680.08  |                                   |
| Telephone   | 30,000.00      | 25,000.00                     | 16,368.54          |            | 8,631.46   |                                   |
| Heating Oil   | 13,000.00      | 13,000.00                     | 9,322.49           | 3,677.51   |            |                                   |
| Gasoline  | 98,000.00      | 98,000.00                     | 89,298.89          |            | 8,701.11   |                                   |
| <b>MUNICIPAL COURT FUNCTIONS</b>  |                |                               |                    |            |            |                                   |
| Municipal Court   |                |                               |                    |            |            |                                   |
| Salaries & Wages  | 72,000.00      | 72,000.00                     | 66,559.63          |            | 5,440.37   |                                   |
| Other Expenses  | 16,150.00      | 16,150.00                     | 13,567.98          |            | 2,582.02   |                                   |
| Public Defender   |                |                               |                    |            |            |                                   |
| Other Expenses  | 6,000.00       | 6,000.00                      | 6,000.00           |            |            |                                   |
| Total Operations Within "CAPS"  | 3,444,187.00   | 3,444,187.00                  | 3,193,246.69       | 11,108.61  | 239,831.70 |                                   |
| Detail:   |                |                               |                    |            |            |                                   |
| Salaries & Wages  | 1,862,184.00   | 1,874,284.00                  | 1,836,534.46       |            | 37,749.54  |                                   |
| Other Expenses  | 1,582,003.00   | 1,569,903.00                  | 1,356,712.23       | 11,108.61  | 202,082.16 |                                   |

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

|  | Appropriations |                               | Expended           |            |            | Unexpended<br>Balance<br>Canceled |
|--|----------------|-------------------------------|--------------------|------------|------------|-----------------------------------|
|  | Budget         | Budget After<br>Modifications | Paid or<br>Charged | Encumbered | Reserved   |                                   |
| <b>DEFERRED CHARGES &amp; STATUTORY<br/>EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b> |                |                               |                    |            |            |                                   |
| Statutory Expenditures:  |                |                               |                    |            |            |                                   |
| Contribution to:   |                |                               |                    |            |            |                                   |
| Social Security System (OASI)  | 116,935.00     | 116,935.00                    | 109,991.37         |            | 6,943.63   |                                   |
| Public Employees' Retirement System  | 159,450.00     | 159,450.00                    | 159,450.00         |            |            |                                   |
| Police and Firemen's Retirement System   | 205,210.00     | 205,210.00                    | 205,210.00         |            |            |                                   |
| Total Deferred Charges & Statutory<br>Expenditures within "CAPS"                   | 481,595.00     | 481,595.00                    | 474,651.37         |            | 6,943.63   |                                   |
| <br>Total General Appropriations for Municipal<br>Purposes within "CAPS"           | 3,925,782.00   | 3,925,782.00                  | 3,667,898.06       | 11,108.61  | 246,775.33 |                                   |
| <br><b>OPERATIONS EXCLUDED FROM "CAPS"</b>   |                |                               |                    |            |            |                                   |
| Insurance  |                |                               |                    |            |            |                                   |
| Employee Group Insurance   | 8,502.00       | 8,502.00                      | 8,502.00           |            |            |                                   |
| Gloucester County Utilities Authority  |                |                               |                    |            |            |                                   |
| Contractual - Share Costs - Sewerage   | 484,000.00     | 484,000.00                    | 472,956.33         |            | 11,043.67  |                                   |
| Maintenance of Free Public Library   |                |                               |                    |            |            |                                   |
| Other Expenses   | 80,996.78      | 80,996.78                     | 77,318.90          |            | 3,677.88   |                                   |
| SFSP Fire District Payment   | 1,764.00       | 1,764.00                      | 1,764.00           |            |            |                                   |
| National Park Interlocal Service Agreement   | 518,400.00     | 518,400.00                    | 491,859.96         | 2,173.63   | 24,366.41  |                                   |

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

|  | Appropriations |                               | Expended           |                        | Unexpended<br>Balance<br>Canceled |
|--|----------------|-------------------------------|--------------------|------------------------|-----------------------------------|
|  | Budget         | Budget After<br>Modifications | Paid or<br>Charged | Encumbered<br>Reserved |                                   |
| <b>PUBLIC AND PRIVATE PROGRAMS</b>                     |                |                               |                    |                        |                                   |
| <b>OFFSET BY REVENUES</b>                              |                |                               |                    |                        |                                   |
| Recycling Tonnage Grant                                | 5,888.79       | 5,888.79                      | 5,888.79           |                        |                                   |
| Municipal Alliance for Drug and Alcohol Abuse          | 11,562.00      | 11,562.00                     | 11,562.00          |                        |                                   |
| Clean Community Cleanup Grant                          |                | 500.00                        | 500.00             |                        |                                   |
| Clean Communities                                      |                | 7,625.94                      | 7,625.94           |                        |                                   |
| Body Armor Fund  | 2,212.48       | 2,212.48                      | 2,212.48           |                        |                                   |
| Community Development Funds                            | 50,000.00      | 50,000.00                     | 50,000.00          |                        |                                   |
| Click It or Ticket                                     |                | 2,000.00                      | 2,000.00           |                        |                                   |
| Drive Sober or Get Pulled Over                         |                | 3,000.00                      | 3,000.00           |                        |                                   |
| Drunk Driving Enforcement                              | 10,614.40      | 10,614.40                     | 10,614.40          |                        |                                   |
| Total Operations Excluded from "CAPS"                  | 1,173,940.45   | 1,187,066.39                  | 1,145,804.80       | 2,173.63               | 39,087.96                         |
| Detail:  |                |                               |                    |                        |                                   |
| Other Expenses   | 1,173,940.45   | 1,187,066.39                  | 1,145,804.80       | 2,173.63               | 39,087.96                         |
| <b>CAPITAL IMPROVEMENTS -<br/>EXCLUDED FROM "CAPS"</b> |                |                               |                    |                        |                                   |
| Capital Improvement Fund                               | 25,000.00      | 25,000.00                     | 25,000.00          |                        |                                   |
| Purchase of a Computer and Phone System                | 15,000.00      | 15,000.00                     | 11,624.04          |                        | 3,375.96                          |
| New Jersey Transportation Trust Fund                   | 175,000.00     | 175,000.00                    | 175,000.00         |                        |                                   |
| Capital Improvements Excluded from "CAPS"              | 215,000.00     | 215,000.00                    | 211,624.04         |                        | 3,375.96                          |
| <b>DEBT SERVICE</b>                                    |                |                               |                    |                        |                                   |
| Payment of Bond Principal                              | 207,400.00     | 207,400.00                    | 207,039.29         |                        | \$ 360.71                         |
| Payment of Bond Anticipation Notes                     | 112,575.00     | 112,575.00                    | 112,575.00         |                        |                                   |
| Interest on Bonds                                      | 97,000.00      | 97,000.00                     | 96,139.11          |                        | 860.89                            |
| Interest on Notes                                      | 18,900.00      | 18,900.00                     | 18,373.38          |                        | 526.62                            |
| Total Debt Service                                     | 435,875.00     | 435,875.00                    | 434,126.78         |                        | 1,748.22                          |

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

|   | Appropriations         |                               | Expended               |   | Unexpended<br>Balance<br>Canceled |
|---|------------------------|-------------------------------|------------------------|---|-----------------------------------|
|   | Budget                 | Budget After<br>Modifications | Paid or<br>Charged     | Encumbered<br>Reserved                      |                                   |
| Total General Appropriations for Municipal<br>Purposes Excluded from "CAPS" | 1,824,815.45           | 1,837,941.39                  | 1,791,555.62           | 2,173.63<br>42,463.92                       | 1,748.22                          |
| Subtotal General Appropriations   | 5,750,597.45           | 5,763,723.39                  | 5,459,453.68           | 13,282.24<br>289,239.25                     | 1,748.22                          |
| Reserve for Uncollected Taxes   | 436,402.55             | 436,402.55                    | 436,402.55             |   |                                   |
| Total General Appropriations  | <u>\$ 6,187,000.00</u> | <u>\$ 6,200,125.94</u>        | <u>\$ 5,895,856.23</u> | <u>\$ 13,282.24</u><br><u>\$ 289,239.25</u> | <u>\$ 1,748.22</u>                |
|   | Ref. A-2               |                               |                        | A-15<br>A                                   |                                   |
| Budget<br>Appropriations by 40A:4-87  | Ref. A-3<br>A-2        | \$ 6,187,000.00<br>13,125.94  |                        |   |                                   |
|   |                        | <u>\$ 6,200,125.94</u>        |                        |   |                                   |
| Reserve for Federal and State Grants  |                        | Ref. A-19                     | \$ 268,403.61          |   |                                   |
| Reserve for Uncollected Taxes   |                        | A-2                           | 436,402.55             |   |                                   |
| Disbursed   |                        | A-4                           | 5,191,050.07           |   |                                   |
|   |                        |                               | <u>\$ 5,895,856.23</u> |   |                                   |

The accompanying notes to the financial statements are an integral part of this statement.

## TRUST FUND

## COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

| <b>ASSETS</b>              | Ref. | Balance<br>Dec. 31, 2014 | Balance<br>Dec. 31, 2013 |
|----------------------------|------|--------------------------|--------------------------|
| Animal Control Trust Fund  |      |                          |                          |
| Cash - Treasurer           | B-1  | \$ 3,093.59              | \$ 2,969.62              |
| Due from Bank              |      | 39.25                    | 39.25                    |
|                            |      | <u>3,132.84</u>          | <u>3,008.87</u>          |
| Other Trust Funds          |      |                          |                          |
| Cash - Treasurer           | B-1  | 145,162.38               | 112,892.37               |
| Cash - Collector           | B-2  | 263,834.69               | 230,755.00               |
| Escrow Accounts Receivable |      | 634.50                   | 963.25                   |
| Due from Current Fund      | A    | 25,183.84                |                          |
|                            |      | <u>434,815.41</u>        | <u>344,610.62</u>        |
|                            |      | <u>\$ 437,948.25</u>     | <u>\$ 347,619.49</u>     |

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

| <b>LIABILITIES, RESERVES AND FUND BALANCE</b> | Ref. | Balance<br>Dec. 31, 2014 | Balance<br>Dec. 31, 2013 |
|---|------|--------------------------|--------------------------|
| Animal Control Trust Fund                     |      |                          |                          |
| Due Current Fund                              | A    | \$ 2,324.04              | \$ 2,316.27              |
| Reserve for Dog Fund Expenditures             | B-3  | 808.80                   | 692.60                   |
|   |      | <u>3,132.84</u>          | <u>3,008.87</u>          |
| Other Trust Funds                             |      |                          |                          |
| Due Current Fund                              | A    | 9,349.07                 | 10,084.63                |
| Due General Capital Fund                      | C    | 137.50                   | 137.50                   |
| Accounts Payable - State of New Jersey        |      |                          |                          |
| Reserve for:                                  |      |                          |                          |
| Payroll Taxes Payable                         |      | 81,610.86                | 44,894.48                |
| Public Events                                 |      | 13,852.29                | 17,138.20                |
| Municipal Alliance                            |      | 6,659.59                 | 6,642.94                 |
| Unemployment                                  |      | 5,495.86                 | 1,257.77                 |
| Redemption of Tax Title Liens                 |      | 12,418.53                | 987.13                   |
| Planning and Zoning Board                     |      | 21,129.30                | 21,382.60                |
| Fieldstone Escrow                             |      | 693.82                   | 691.91                   |
| Tax Sale Premiums                             |      | 276,600.00               | 234,500.00               |
| Parking Offense Adjudication Act              |      |                          | 1,418.16                 |
| Forfeited Property                            |      | 3,323.89                 | 1,662.72                 |
| Rental Security Deposits                      |      |                          | 325.00                   |
| Recreation                                    |      | 115.52                   | 66.97                    |
| K-9 Police Donations                          |      | 3,429.18                 | 3,420.61                 |
|   |      | <u>434,815.41</u>        | <u>344,610.62</u>        |
|   |      | <u>\$ 437,948.25</u>     | <u>\$ 347,619.49</u>     |

The accompanying notes to the financial statements are an integral part of this statement.

**GENERAL CAPITAL FUND**

## COMPARATIVE BALANCE SHEET - GENERAL CAPITAL FUND - REGULATORY BASIS

| <b>ASSETS</b>                                 | Ref. | Balance                | Balance                |
|---|------|------------------------|------------------------|
|   |      | Dec. 31, 2014          | Dec. 31, 2013          |
| Cash - Treasurer                              | C-2  | \$ 197,124.87          | \$ 246,089.96          |
| Loan Receivable                               | C-4  | 51,538.00              | 51,538.00              |
| Due from State of New Jersey                  | C-5  | 68,111.77              | 68,111.77              |
| Due from Federal and State Grant Fund         | A    | 82,285.58              | 82,285.58              |
| Due from Trust Other                          | B    | 137.50                 | 137.50                 |
| Deferred Charges to Future Taxation:          |      |                        |                        |
| Funded  | C-6  | 2,104,455.74           | 2,311,495.03           |
| Unfunded                                      | C-7  | 2,454,644.00           | 2,305,969.00           |
|   |      | <u>\$ 4,958,297.46</u> | <u>\$ 5,065,626.84</u> |
| <b>LIABILITIES, RESERVES AND FUND BALANCE</b> |      |                        |                        |
| Serial Bonds Payable                          | C-12 | \$ 1,650,000.00        | \$ 1,825,000.00        |
| Bond Anticipation Notes Payable               | C-14 | 2,308,825.00           | 2,160,150.00           |
| New Jersey Infrastructure Loan Payable        | C-13 | 454,455.74             | 486,495.03             |
| Encumbrances Payable                          | C-10 | 19,951.50              | 76,589.39              |
| Contracts Payable                             | C-11 | 6,861.50               | 6,861.50               |
| Improvement Authorizations:                   |      |                        |                        |
| Funded  | C-9  | 68,895.05              | 68,895.05              |
| Unfunded                                      | C-9  | 415,630.28             | 413,579.51             |
| Capital Improvement Fund                      | C-8  | 14,748.00              | 3,498.00               |
| Due Current Fund                              | A    | 3,537.20               | 3,271.21               |
| Retainage Percentage Due Contractor           |      | 3,093.04               | 3,093.04               |
| Reserve for Land Acquisition                  |      | 2,375.00               | 2,375.00               |
| Reserve for Insurance Refund                  |      | 1,460.11               | 1,460.11               |
| Reserve for Sunoco Donations                  |      | 2,255.30               | 2,255.30               |
| Reserve for Municipal Building Improvements   |      | 5,290.74               | 11,184.70              |
| Reserve for Debt Service                      |      | 100.00                 | 100.00                 |
| Fund Balance                                  | C-1  | 819.00                 | 819.00                 |
|   |      | <u>\$ 4,958,297.46</u> | <u>\$ 5,065,626.84</u> |

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF FUND BALANCE - GENERAL CAPITAL FUND - REGULATORY BASIS

|                           | Ref. |             |
|---------------------------|------|-------------|
| Balance December 31, 2013 | C    | \$ 819.00   |
|                           |      | <hr/>       |
| Balance December 31, 2014 | C    | \$ 819.00   |
|                           |      | <hr/> <hr/> |

The accompanying notes to the financial statements are an integral part of this statement.

## **WATER UTILITY FUND**

## COMPARATIVE BALANCE SHEET - WATER UTILITY FUND - REGULATORY BASIS

| <b>ASSETS</b>   | Ref. | Balance<br>Dec. 31, 2014 | Balance<br>Dec. 31, 2013 |
|---|------|--------------------------|--------------------------|
| <b>Operating Fund</b>                                       |      |                          |                          |
| Cash - Treasurer  | D-5  | \$ 232,501.79            | \$ 114,156.38            |
| Cash - Change Fund  |      | 550.00                   | 550.00                   |
| Due from Utility Capital Fund                               | D    | 135,191.94               | 134,923.43               |
|   |      | <u>368,243.73</u>        | <u>249,629.81</u>        |
| Receivables with Full Reserves:                             |      |                          |                          |
| Water Rents Receivable                                      | D-7  | 85,782.40                | 90,324.27                |
| Water Liens Receivable                                      | D-8  | 249.68                   | 249.68                   |
|   |      | <u>86,032.08</u>         | <u>90,573.95</u>         |
| Total Operating Fund  |      | <u>454,275.81</u>        | <u>340,203.76</u>        |
| <b>Capital Fund</b>   |      |                          |                          |
| Cash - Treasurer  | D-5  | 67,176.48                | 116,428.29               |
| Due from State of New Jersey -<br>Infrastructure Trust Loan |      | 288,805.00               | 288,805.00               |
| Other Accounts Receivable                                   | D-9  | 170.47                   | 170.47                   |
| Fixed Capital   | D-10 | 2,947,593.89             | 2,947,593.89             |
| Fixed Capital Authorized and Uncompleted                    | D-11 | 3,199,773.00             | 3,199,773.00             |
| Total Capital Fund  |      | <u>6,503,518.84</u>      | <u>6,552,770.65</u>      |
|   |      | <u>\$ 6,957,794.65</u>   | <u>\$ 6,892,974.41</u>   |

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE BALANCE SHEET - WATER UTILITY FUND - REGULATORY BASIS

| <b>LIABILITIES, RESERVES AND FUND BALANCE</b> | Ref.     | Balance<br>Dec. 31, 2014 | Balance<br>Dec. 31, 2013 |
|---|----------|--------------------------|--------------------------|
| <b>Operating Fund</b>                         |          |                          |                          |
| Liabilities:                                  |          |                          |                          |
| Appropriation Reserves                        | D-4:D-12 | \$ 10,780.91             | \$ 1,449.43              |
| Encumbrances Payable                          | D-13     | 2,993.29                 | 11,397.52                |
| Accrued Interest on Bonds, Notes & Loans      | D-14     | 10,292.59                | 11,189.79                |
| Utility Rent Prepayments                      |          | 49,392.30                | 29,109.23                |
| Utility Rent Overpayments                     |          | 2,229.43                 | 780.84                   |
| Due Current Fund                              | A        | 48,238.60                | 48,238.60                |
| Accounts Payable                              |          |                          | 2,009.51                 |
|   |          | <hr/>                    | <hr/>                    |
|   |          | 123,927.12               | 104,174.92               |
| Reserve for Receivables                       |          | 86,032.08                | 90,573.95                |
| Fund Balance                                  | D-1      | 244,316.61               | 145,454.89               |
|   |          | <hr/>                    | <hr/>                    |
| Total Operating Fund                          |          | 454,275.81               | 340,203.76               |
|   |          | <hr/>                    | <hr/>                    |
| <b>Capital Fund</b>                           |          |                          |                          |
| Serial Bonds Payable                          | D-19     | 685,008.00               | 752,324.00               |
| Bond Anticipation Notes                       | D-21     | 375,500.00               | 395,000.00               |
| New Jersey Environmental Trust Loan           | D-20     | 1,195,824.81             | 1,282,699.96             |
| Improvement Authorizations:                   |          |                          |                          |
| Funded  | D-15     | 14,213.24                | 15,657.97                |
| Unfunded                                      | D-15     | 183,546.12               | 238,244.36               |
| Capital Improvement Fund                      | D-16     | 4,076.00                 | 4,076.00                 |
| Due Utility Operating Fund                    | D        | 135,191.94               | 134,923.43               |
| Due Current Fund                              | A        | 105,000.00               | 105,000.00               |
| Encumbrances Payable                          | D-13     | 29,055.34                | 29,055.34                |
| Reserve for Debt Service                      |          | 6,703.65                 | 81.00                    |
| Reserve for Amortization                      | D-17     | 2,262,585.89             | 2,195,269.89             |
| Deferred Reserve for Amortization             | D-18     | 1,505,958.19             | 1,399,583.04             |
| Fund Balance                                  | D-2      | 855.66                   | 855.66                   |
|   |          | <hr/>                    | <hr/>                    |
| Total Capital Fund                            |          | 6,503,518.84             | 6,552,770.65             |
|   |          | <hr/>                    | <hr/>                    |
|   |          | \$ 6,957,794.65          | \$ 6,892,974.41          |
|   |          | <hr/>                    | <hr/>                    |

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - WATER UTILITY FUND - REGULATORY BASIS

| <b>Revenue and Other Income Realized</b>                      | Ref. | Year 2014            | Year 2013            |
|---|------|----------------------|----------------------|
| Fund Balance Utilized   | D-3  | \$ 60,000.00         | \$ 40,000.00         |
| Rents   | D-3  | 1,089,809.42         | 1,050,486.68         |
| Fire Hydrant Services   | D-3  | 2,250.00             | 2,251.28             |
| Miscellaneous   | D-3  | 99,586.46            | 91,187.56            |
| Other Credits to Income:                                      |      |                      |                      |
| Unexpended Balance of Appropriation Reserves                  | D-12 | 1,065.03             | 32,527.36            |
| Prior Year Accounts Payable Canceled                          | D    | 2,009.51             |                      |
| Total Income  |      | <u>1,254,720.42</u>  | <u>1,216,452.88</u>  |
| <b>Expenditures</b>   |      |                      |                      |
| Operating   | D-4  | 856,162.00           | 918,101.00           |
| Debt Service  | D-4  | 209,696.70           | 206,474.25           |
| Deferred Charges and Statutory Expenditures                   | D-4  | 30,000.00            | 39,399.00            |
| Total Expenditures  |      | <u>1,095,858.70</u>  | <u>1,163,974.25</u>  |
| Excess in Revenue   |      | 158,861.72           | 52,478.63            |
| Adjustments to Income Before Fund Balance:                    |      |                      |                      |
| Expenditures Included Above Which Were<br>Funded by Ordinance |      |                      | 85,000.00            |
| Statutory Excess to Fund Balance                              |      | 158,861.72           | 137,478.63           |
| <b>Fund Balance</b>   |      |                      |                      |
| Balance January 1   | D    | 145,454.89           | 47,976.26            |
|   |      | 304,316.61           | 185,454.89           |
| Decreased by:   |      |                      |                      |
| Utilization as Anticipated Revenue                            | D-1  | 60,000.00            | 40,000.00            |
| Balance December 31   | D    | <u>\$ 244,316.61</u> | <u>\$ 145,454.89</u> |

The accompanying notes to the financial statements are an integral part of this statement.

## EXHIBIT D-2

## STATEMENT OF FUND BALANCE - WATER CAPITAL FUND - REGULATORY BASIS

|                           |           |                  |
|---------------------------|-----------|------------------|
| Balance December 31, 2013 | Ref.<br>D | \$ 856.66        |
| Balance December 31, 2014 | D         | <u>\$ 856.66</u> |

## EXHIBIT D-3

## STATEMENT OF REVENUES - WATER UTILITY FUND - REGULATORY BASIS

|                          | Ref. | Anticipated<br>Budget<br>2014 | Realized               | Excess or<br>(Deficit) |
|--------------------------|------|-------------------------------|------------------------|------------------------|
| Fund Balance Anticipated | D-1  | \$ 60,000.00                  | \$ 60,000.00           |                        |
| Rents                    | D-3  | 980,000.00                    | 1,089,809.42           | \$ 109,809.42          |
| Fire Hydrant Service     | D-5  | 1,900.00                      | 2,250.00               | 350.00                 |
| Miscellaneous            | D-3  | 80,762.00                     | 99,586.46              | 18,824.46              |
| Budget Totals            |      | <u>\$ 1,122,662.00</u>        | <u>\$ 1,251,645.88</u> | <u>\$ 128,983.88</u>   |
|                          | Ref. | D-4                           |                        |                        |

**Analysis of Realized Revenue**

|                                 | Ref.    |                        |
|---------------------------------|---------|------------------------|
| Rents:                          |         |                        |
| Consumer Accounts Receivable:   |         |                        |
| Collected                       | D-7     | \$ 1,059,919.35        |
| Overpayments Applied            | D-7     | 780.84                 |
| Prepayments Applied             | D-7     | 29,109.23              |
|                                 | D-3     | <u>\$ 1,089,809.42</u> |
| Miscellaneous:                  |         |                        |
| Interest on Investments         |         | \$ 860.08              |
| Interest on Delinquent Accounts |         | 16,041.53              |
| Water Laboratory Fees           |         | 79,695.66              |
| Sprinkler                       |         | 2,989.19               |
|                                 | D-3:D-5 | <u>\$ 99,586.46</u>    |

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF EXPENDITURES - WATER UTILITY FUND - REGULATORY BASIS

|   | Appropriations         | Expended               |                    |                     | Unexpended<br>Balance<br>Canceled |
|---|------------------------|------------------------|--------------------|---------------------|-----------------------------------|
|   | Budget                 | Paid or<br>Charged     | Encumbered         | Reserved            |                                   |
| Operating:                                      |                        |                        |                    |                     |                                   |
| Salaries and Wages                              | \$ 385,160.00          | \$ 375,662.82          |                    | \$ 9,497.18         |                                   |
| Other Expenses                                  | 471,002.00             | 467,986.76             | \$ 2,993.29        | 21.95               |                                   |
| Debt Service:                                   |                        |                        |                    |                     |                                   |
| Payment of Bond Principal                       | 68,000.00              | 67,316.00              |                    |                     | \$ 684.17                         |
| Payment of Bond Anticipation Notes              | 19,500.00              | 19,500.00              |                    |                     |                                   |
| Interest on Bonds                               | 40,000.00              | 35,417.02              |                    | (0.17)              | 4,583.15                          |
| Interest on Notes                               | 4,000.00               | 3,553.53               |                    |                     | 446.47                            |
| Infrastructure Trust and Fund Loan              | 105,000.00             | 83,910.49              |                    |                     | 21,089.51                         |
| Statutory Expenditures:                         |                        |                        |                    |                     |                                   |
| Contribution to:                                |                        |                        |                    |                     |                                   |
| Social Security System (OASI)                   | 30,000.00              | 28,738.22              |                    | 1,261.78            |                                   |
|   | <u>\$ 1,122,662.00</u> | <u>\$ 1,082,084.84</u> | <u>\$ 2,993.29</u> | <u>\$ 10,780.74</u> | <u>\$ 26,803.30</u>               |
| Ref.  | D-3                    |                        | D-13               | D                   |                                   |
|   | Ref.                   |                        |                    |                     |                                   |
| Interest on Bonds, Notes and Loans<br>Disbursed | D-14                   | \$ 48,349.63           |                    |                     |                                   |
|   | D-5                    | 1,033,734.87           |                    |                     |                                   |
|   |                        | <u>\$ 1,082,084.50</u> |                    |                     |                                   |

The accompanying notes to the financial statements are an integral part of this statement.

## **GENERAL FIXED ASSETS**

## STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

|  | Balance<br>Dec. 31, 2014 | Balance<br>Dec. 31, 2013 |
|--|--------------------------|--------------------------|
| General Fixed Assets:                      |                          |                          |
| Land and Improvements Other Than Buildings | \$ 3,627,600.00          | \$ 3,627,600.00          |
| Buildings                                  | 2,413,969.71             | 1,845,269.71             |
| Vehicles                                   | 1,155,816.67             | 1,059,149.67             |
| Miscellaneous Equipment                    | 280,909.63               | 259,434.63               |
| Office Furniture and Equipment             | 91,208.00                | 91,208.00                |
|  | <u>\$ 7,569,504.01</u>   | <u>\$ 6,882,662.01</u>   |
| Investment in General Fixed Assets         | <u>\$ 7,569,504.01</u>   | <u>\$ 6,882,662.01</u>   |

The accompanying notes to the financial statements are an integral part of this statement.

## **NOTES TO FINANCIAL STATEMENTS**

BOROUGH OF WESTVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Borough of Westville was incorporated in 1914 and is located in Gloucester County, New Jersey.

The Borough is governed by an elected Mayor and six elected Council Representatives. The Borough is managed daily by the Borough Administrator.

The financial statements of the Borough included every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough, as required by NJSA 40A:5-5.

Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Borough is obligated for debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of the taxes. The Borough has no component units.

**B. Description of Funds and Account Groups**

The accounting policies of the Borough conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its transactions through the following separate funds and accounts as presented below. This presentation differs from the three funds; two account group presentation as required by GAAP.

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

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

**General Capital Fund** - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. In addition, the fund is used to track the status of debt authorized for capital projects.

**Water Operating and Capital Fund** - Account for the operations and acquisition of capital facilities of the municipally owned Water Utility.

**General Fixed Assets** - All fixed assets used in Governmental Fund type operations are accounted for in the general fixed asset account group, rather than in Governmental Funds.

BOROUGH OF WESTVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities in the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America, applicable to local governmental units. The more significant policies in New Jersey are as follows:

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

**Revenues** - are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Borough budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. Fund balance utilized to balance the budget is recorded as revenue and budgeted transfers from other funds are also recorded as revenue when anticipated in the budget. This method of revenue recognition differs from accounting principles generally accepted in the United States of America which recognizes revenue in the accounting period in which it is earned net of allowances for doubtful accounts.

**Expenditures** - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods and services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Grant appropriations are charged upon budget adoption to create separate spending reserves. Budgeted transfers to other funds are recorded as expenditures when the budget is adopted to the extent permitted or required by law. Appropriations for principal payments on outstanding general capital and utility capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis while interest on utility capital indebtedness is on the accrual basis.

This method differs from accounting principles generally accepted in the United States of America which requires that expenditures be recorded when services are rendered or goods are received.

Under accounting principles generally accepted in the United States of America appropriation reserves do not exist and encumbrances do not constitute expenditures.

**Property Taxes** - The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by the 11<sup>th</sup> day of the 11<sup>th</sup> month in the year levied are subject to

BOROUGH OF WESTVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Property Taxes (Continued)** - being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county. The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough from those taxes not paid. The minimum amount of the reserve is determined by the percentage of collections experienced in the preceding year, and is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. Under accounting principles generally accepted in the United States of America, a "Reserve for Uncollected Taxes" would not be an appropriation.

**Interest on Delinquent Taxes** - It is the policy of the Borough to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31<sup>st</sup>, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

**Foreclosed Property** - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Under accounting principles generally accepted in the United States of America, foreclosed property would be recorded at historical cost and no reserve would be provided.

**Interfunds** - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. Under accounting principles generally accepted in the United States of America, interfunds are not reserved.

**Insurance** - Cost of insurance for all funds are recorded as expenditures at the time of payment. Under accounting principles generally accepted in the United States of America, insurance costs chargeable to future periods would be recorded as prepayments on the balance sheet.

**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 balance sheets. Under accounting principles generally accepted in the United States of America, inventory would be recorded as an asset on the balance sheet.

**Proprietary Fund - Cash Flows Statement** - In accordance with the reporting requirements of the Division of Local Government Services, the utility fund's financial statements do not include a statement of cash flows.

BOROUGH OF WESTVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Borough has developed a fixed asset accounting and reporting system.

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

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

All fixed assets are recorded at historical cost or estimated historical cost if actual historical cost is not available except for land, which is valued at estimated market value on the date of acquisition. The Borough capitalizes fixed assets with an original cost in excess of \$1,000.00.

No depreciation has been provided for in the financial statements.

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

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

Property and equipment purchased by the Water Utility Fund is recorded in the respective capital account at cost and are adjusted for dispositions and abandonment. Contributions in aid of construction are not capitalized. The balances in Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represent charges to operations for the costs of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

**General Long-Term Debt** - General Long-Term Debt is accounted for in the General Capital Fund. Accounting principles generally accepted in the United States of America require General Long-Term Debt to be accounted for in the General Long-Term Debt Account Group.

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

**Tax Appeals and Other Contingent Losses** - Losses which arise from tax appeals and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

BOROUGH OF WESTVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Comparative Data**

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

**E. Recent Accounting Pronouncements Not Yet Effective**

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27." This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the Borough's financial reporting.

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

**NOTE 2: BUDGETARY INFORMATION**

The Borough must adopt an annual budget in accordance with NJSA 40A:4 et seq. This budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. This protects the Borough from taxes not paid currently. Once approved, the Borough may make emergency appropriations for a purpose which is not foreseen at the time the budget is adopted per NJSA 40A:4-46 and 54. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety or welfare prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. Budget transfers between appropriation accounts are prohibited until the last two months of the year. Budget transfers during the year were not significant. After approval from the Director, the Borough can also make amendments for any special item of revenue made available by any public or private funding source as per NJSA 40A:4-87.

The Borough amended the budget during the year by the insertion of Special Items of Revenue in the amount of \$13,125.94 for various grants as detailed on Exhibit A-2.

BOROUGH OF WESTVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

**NOTE 3: CASH**

**Custodial Credit Risk – Deposits**

Custodial Credit Risk is the risk that in the event of a bank failure, the government's deposits may not be able to recover the value of its deposits or investments. Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The municipality's policy is based on New Jersey Statutes requiring cash to be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in NJSA 40A:5-15.1(a) that are treated as cash equivalents. At December 31, 2014 and 2013, the carrying amount of the Borough's deposits was \$2,283,238.74 and \$2,480,047.28, respectively. As of December 31, 2014 and 2013, \$0 of the municipality's bank balance of \$2,347,557.77 and \$2,597,481.12, respectively, was exposed to Custodial Credit Risk.

**NOTE 4: INVESTMENTS**

As of December 31, 2014, the Borough had no investments.

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

**Credit Risk** - NJSA 40A:5-15.1(a) limits municipal investments to those specified in the statutes. The type of allowable investments are Bonds or other obligations of the United States or obligations guaranteed by the United States, Bonds or other obligations of the Borough or bonds or other obligations of the Borough school district, Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units, government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

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

BOROUGH OF WESTVILLE  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2014

**NOTE 5: FUND BALANCES APPROPRIATED**

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

|         | Year | Balance<br>December 31 | Budget of<br>Succeeding<br>Year |
|---------|------|------------------------|---------------------------------|
| Current | 2014 | \$ 754,638.97          | a                               |
|         | 2013 | 1,091,147.10           | \$ 750,000.00                   |
|         | 2012 | 772,572.05             | 550,000.00                      |
|         | 2011 | 898,686.66             | 600,000.00                      |
|         | 2010 | 1,274,376.32           | 770,000.00                      |
| Utility | 2014 | 244,316.61             | a                               |
|         | 2013 | 145,454.89             | 60,000.00                       |
|         | 2012 | 47,976.26              | 40,000.00                       |
|         | 2011 | 35,087.68              | 48,000.00                       |
|         | 2010 | 105,346.26             | 95,000.00                       |

a = The budget for the year 2015 has not been adopted as of the date of the audit.

**NOTE 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

There were no deferred charges required to be raised in budgets of succeeding years.

**NOTE 7: FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group for the year ending December 31, 2014:

|                              | Dec. 31, 2013          | Additions            | Deletions   | Dec. 31, 2014          |
|------------------------------|------------------------|----------------------|-------------|------------------------|
| Land and Improvements        |                        |                      |             |                        |
| Other than Buildings         | \$ 3,627,600.00        |                      |             | \$ 3,627,600.00        |
| Buildings                    | 1,845,269.71           | \$ 568,700.00        |             | 2,413,969.71           |
| Vehicles                     | 1,059,149.67           | 96,667.00            |             | 1,155,816.67           |
| Miscellaneous Equipment      | 259,434.63             | 21,475.00            |             | 280,909.63             |
| Office Furniture & Equipment | 91,208.00              |                      |             | 91,208.00              |
|                              | <u>\$ 6,882,662.01</u> | <u>\$ 686,842.00</u> | <u>None</u> | <u>\$ 7,569,504.01</u> |

BOROUGH OF WESTVILLE  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2014

**NOTE 8: INTERFUND RECEIVABLES AND PAYABLES**

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2014:

|                               | Due From      | Due To        |
|-------------------------------|---------------|---------------|
| Current Fund:                 |               |               |
| General Capital Fund          | \$ 3,537.20   |               |
| Water Utility Operating Fund  | 48,238.60     |               |
| Water Utility Capital Fund    | 105,000.00    |               |
| Other Trust Funds             | 9,349.07      |               |
| Animal Control Trust          | 2,324.04      |               |
| Federal and State Grant Fund  | 48,724.65     |               |
| Other Trust Funds             |               | \$ 25,183.84  |
| Federal and State Grant Fund: |               |               |
| Current Fund                  |               | 48,724.65     |
| General Capital Fund          |               | 82,285.58     |
| Animal Control Trust:         |               |               |
| Current Fund                  |               | 2,324.04      |
| Other Trust Funds             |               |               |
| Current Fund - Tax Sale Fund  | 25,183.84     |               |
| Current Fund                  |               | 9,349.07      |
| General Capital Fund          |               | 137.50        |
| General Capital Fund          |               |               |
| Federal and State Grant Fund  | 82,285.58     |               |
| Other Trust Funds             | 137.50        |               |
| Current Fund                  |               | 3,537.20      |
| Water Utility Operating Fund: |               |               |
| Water Utility Capital Fund    | 135,191.94    |               |
| Current Fund                  |               | 48,238.60     |
| Water Utility Capital Fund:   |               |               |
| Current Fund                  |               | 105,000.00    |
| Water Utility Operating Fund  |               | 135,191.94    |
|                               | \$ 459,972.42 | \$ 459,972.42 |

The various interfunds are being reviewed by the Chief Financial Officer.

BOROUGH OF WESTVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

**NOTE 9: LONG-TERM DEBT**

During the calendar year 2014, the following changes occurred in the municipal debt of the Borough:

|                            | Balance<br>Dec. 31, 2013 | Issued/<br>Authorized | Retired/<br>Reductions | Balance<br>Dec. 31, 2014 | Due Within<br>One Year |
|----------------------------|--------------------------|-----------------------|------------------------|--------------------------|------------------------|
| Issued:                    |                          |                       |                        |                          |                        |
| Current Fund:              |                          |                       |                        |                          |                        |
| Bonds & Loans              | \$ 2,311,495.03          |                       | \$ 207,039.29          | \$ 2,104,455.74          | \$ 206,695.67          |
| Bond Anticipation Notes    | 2,160,150.00             | \$ 261,250.00         | 112,575.00             | 2,308,825.00             | 125,075.00             |
| Water Utility Fund:        |                          |                       |                        |                          |                        |
| Bonds & Loans              | 2,035,023.96             |                       | 154,191.15             | 1,880,832.81             | 155,341.23             |
| Bond Anticipation Notes    | 395,000.00               |                       | 19,500.00              | 375,500.00               | 35,000.00              |
| Net Debt Issued            | <u>6,901,668.99</u>      | <u>261,250.00</u>     | <u>493,305.44</u>      | <u>6,669,613.55</u>      | <u>522,111.90</u>      |
| Authorized But Not Issued: |                          |                       |                        |                          |                        |
| Current Fund:              |                          |                       |                        |                          |                        |
| Bonds and Notes            | 145,819.00               | 261,250.00            | 261,250.00             | 145,819.00               |                        |
| Water Utility Fund:        |                          |                       |                        |                          |                        |
| Bonds and Notes            | 122,490.00               |                       |                        | 122,490.00               |                        |
| Authorized But Not Issued  | <u>268,309.00</u>        | <u>261,250.00</u>     | <u>261,250.00</u>      | <u>268,309.00</u>        |                        |
| Total Debt                 | <u>\$ 7,169,977.99</u>   | <u>\$ 522,500.00</u>  | <u>\$ 754,555.44</u>   | <u>\$ 6,937,922.55</u>   | <u>\$ 522,111.90</u>   |

Permanently funded debt as of December 31, 2014, consisted of the following:

\$3,025,000.00 General Improvement Bonds dated December 1, 2005, payable in annual installments through December 1, 2022. Interest is paid semi-annually at a rate of 4.625% per annum. The balance remaining at December 31, 2014, was \$1,650,000.00.

\$627,024.00 Environmental Trust Loan dated November 8, 2007. The trust loan portion is payable in annual installments through August 1, 2027, and interest is paid semi-annually at rates from 4% to 5% per annum. The fund portion of the loan is payable in semi-annual installments through August 1, 2027, and no interest is charged. The balance remaining at December 31, 2014, was \$454,455.74.

\$819,000.00 Utility Improvement Bonds dated October 15, 1981, payable in annual installments through October 15, 2021. Interest is paid semi-annually at the rate of 5% per annum. The balance remaining at December 31, 2014, was \$276,008.00.

\$724,000.00 Utility Improvement Bonds dated December 1, 2005, payable in annual installments through December 1, 2022. Interest is paid semi-annually at a rate of 4.625% per annum. The balance remaining at December 31, 2014, was \$409,000.00.

\$472,136.00 Environmental Trust Loan dated October 15, 1999. The trust loan portion is payable in annual installments through August 1, 2019, and interest is paid semi-annually at rates from 5.5% to 5.7% per annum. The fund portion of the loan is payable in semi-annual

BOROUGH OF WESTVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

**NOTE 9: LONG-TERM DEBT (CONTINUED)**

installments through August 1, 2019, and no interest is charged. The balance remaining at December 31, 2014, was \$145,002.33.

\$226,411.00 Environmental Trust Loan dated August 1, 2012. The trust loan portion is payable in annual installments through August 1, 2031, and interest is paid semi-annually at rates from .48% to 3.17% per annum. The fund portion of the loan is payable in semi-annual installments through August 1, 2031, and no interest is charged. The balance remaining at December 31, 2014, was \$200,436.60.

\$971,685.00 Environmental Trust Loan dated August 1, 2012. The trust loan portion is payable in annual installments through August 1, 2031, and interest is paid semi-annually at rates from .51% to 3.29% per annum. The fund portion of the loan is payable in semi-annual installments through August 1, 2031, and no interest is charged. The balance remaining at December 31, 2014, was \$850,385.88.

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

| Year Ended<br>December 31 | Interest             | Principal              | Total                  |
|---------------------------|----------------------|------------------------|------------------------|
| General Serial Bonds:     |                      |                        |                        |
| 2015                      | \$ 87,550.00         | \$ 206,695.67          | \$ 294,245.67          |
| 2016                      | 78,706.25            | 206,218.43             | 284,924.68             |
| 2017                      | 69,862.50            | 230,741.18             | 300,603.68             |
| 2018                      | 59,862.50            | 230,263.93             | 290,126.43             |
| 2019                      | 49,862.50            | 229,786.69             | 279,649.19             |
| 2020-2024                 | 96,200.00            | 882,173.91             | 978,373.91             |
| 2025-2027                 | 6,337.50             | 118,575.93             | 124,913.43             |
|                           | <u>\$ 448,381.25</u> | <u>\$ 2,104,455.74</u> | <u>\$ 2,552,836.99</u> |
| Utility Serial Bonds:     |                      |                        |                        |
| 2015                      | \$ 44,409.06         | \$ 155,341.23          | \$ 199,750.29          |
| 2016                      | 40,191.26            | 166,596.33             | 206,787.59             |
| 2017                      | 35,400.31            | 167,954.43             | 203,354.74             |
| 2018                      | 30,482.46            | 182,631.89             | 213,114.35             |
| 2019                      | 24,877.34            | 184,056.80             | 208,934.14             |
| 2020-2024                 | 52,305.85            | 577,482.35             | 629,788.20             |
| 2025-2029                 | 16,750.38            | 315,938.35             | 332,688.73             |
| 2030-2031                 | 2,244.20             | 130,831.43             | 133,075.63             |
|                           | <u>\$ 246,660.86</u> | <u>\$ 1,880,832.81</u> | <u>\$ 2,127,493.67</u> |

BOROUGH OF WESTVILLE  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2014

**NOTE 9: LONG-TERM DEBT (CONTINUED)**

**Summary of Statutory Debt Condition – Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.844%.

|                      | Gross Debt             | Deductions             | Net Debt               |
|----------------------|------------------------|------------------------|------------------------|
| School District Debt | \$ 1,859,417.41        | \$ 1,859,417.41        |                        |
| Utility Debt         | 2,378,822.98           | 2,378,822.98           |                        |
| General Debt         | 4,559,099.74           |                        | \$ 4,559,099.74        |
|                      | <u>\$ 8,797,340.13</u> | <u>\$ 4,238,240.39</u> | <u>\$ 4,559,099.74</u> |

Net Debt \$4,559,099.74/Equalized Valuation Basis per NJSA 40A:2-2 as amended  
 \$247,191,062.00 = 1.844%

**Borrowing Power Under NJSA 40A:2-6 As Amended**

|   |                        |
|---|------------------------|
| 3 1/2% of Equalized Valuation Basis (Municipal) | \$ 8,651,687.17        |
| Net Debt  | 4,559,099.74           |
| Remaining Borrowing Power                       | <u>\$ 4,092,587.43</u> |

**Calculation of “Self-Liquidating Purpose” Water Utility per NJSA 40:2-45**

|   |                      |
|---|----------------------|
| Cash Receipts from Fees, Rents, or<br>Other Charges | \$ 1,251,645.88      |
| Deductions:   |                      |
| Operating and Maintenance Costs                     | \$ 886,162.00        |
| Debt Service  | <u>209,696.70</u>    |
|   | 1,095,858.70         |
| Excess in Revenue                                   | <u>\$ 155,787.18</u> |

**NOTE 10: NOTES PAYABLE**

The Borough had three Bond Anticipation notes outstanding as of December 31, 2014. One in the amount of \$162,000.00 for the re-drill of Well #5, that will mature on July 25, 2015, at an interest rate of .85%; one in the amount of \$2,261,075.00 for repairs of existing water treatment filters and electrical upgrades and various general improvements, that will mature on July 28, 2015, at an interest rate of .83%; and one in the amount of \$261,250.00 for various capital improvements, that will mature on November 17, 2015, at an interest rate of .719%.

**NOTE 11: PENSION FUNDS**

**Description of Plans** - All eligible employees of the Borough are covered by either the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS), a cost-sharing, multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and

BOROUGH OF WESTVILLE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

**NOTE 11: PENSION FUNDS (CONTINUED)**

Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the PERS and PFRS. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/actuarial-rpts.shtml>.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 43:15A to provide retirement, death, disability, and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer plan. Membership is generally required for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another state-administered retirement system or other state or local jurisdiction.

**Police and Firemen's Retirement System (PFRS)** - The Police and Firemen's Retirement System was established in July 1944 under the provisions of NJSA 43:16A to provide coverage to substantially all full-time county or municipal police and fire-fighters and State fire-fighters appointed after June 30, 1944. Plan members and employer contributions may be amended by State of New Jersey legislation.

**Funding Policy** - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 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. The PERS contribution rate increased to 6.5% of base salary effective with the first payroll to be paid on or after October 1, 2011. Subsequent increases will then be phased in over 7 years (each July 1st) to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. The PFRS contribution rate increased to 10% of base salary effective with the first payroll to be paid on or after October 1, 2011. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The Borough's contributions to PERS for the years ending December 31, 2014, 2013, and 2012, were \$159,450.00, \$174,078.00, and \$155,943.00, respectively, equal to the required contributions for each year. The Borough's contributions to PFRS for the years ending December 31, 2014, 2013, and 2012, were \$205,210.00, \$226,552.00, and \$216,844.00, respectively, equal to the required contributions for each year.

**NOTE 12: ACCUMULATED ABSENCE BENEFITS**

Borough employees are entitled to paid vacation and compensatory time depending on their length of service and position with the Borough. Vacation days not used by the end of the year are forfeited. Sick time is accumulated and carried forward to succeeding years but is not reimbursed to employees upon termination.

BOROUGH OF WESTVILLE  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2014

**NOTE 13: POST-RETIREMENT BENEFITS**

The Borough does not provide for any post-retirement benefits for health care.

**NOTE 14: DEFERRED COMPENSATION PLAN**

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All assets of the plan are held by an independent administrator, Nationwide Retirement Solutions.

**NOTE 15: LABOR CONTRACTS**

As of December 31, 2014, the Borough had a total of approximately 60 employees. Of this total, 14 employees are represented by a union, New Jersey Policemen's Benevolent Association Local 122, whose contract expires on December 31, 2015, and 15 employees are represented by an association, Westville Public Works Association, whose agreement expires on December 31, 2015.

**NOTE 16: TAXES COLLECTED IN ADVANCE**

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

|                                | Balance<br>Dec. 31, 2014 | Balance<br>Dec. 31, 2013 |
|--------------------------------|--------------------------|--------------------------|
| Prepaid Taxes - Cash Liability | \$ 31,007.41             | \$ 72,708.53             |

**NOTE 17: ECONOMIC DEPENDENCY**

The Borough is not economically dependent on any one business or industry within the Borough.

**NOTE 18: RISK MANAGEMENT**

The Borough is exposed to various risks or loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Borough maintains commercial insurance coverage for property, liability and surety bonds. The Borough is a member of the Gloucester, Salem, and Cumberland Counties Municipal Joint Insurance Fund and the Municipal Excess Liability Fund which includes other municipalities throughout the region. The Borough is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Gloucester, Salem and Cumberland County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. There have been no claims in excess of coverage and no reduction in coverage during the year 2014.

BOROUGH OF WESTVILLE  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2014

**NOTE 18: RISK MANAGEMENT (CONTINUED)**

**New Jersey Unemployment Compensation Insurance**

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's Trust Fund for the current year and previous two years:

| Year | Borough<br>Contribution | Employee<br>Contribution | Amount<br>Reimbursed | Ending<br>Balance |
|------|-------------------------|--------------------------|----------------------|-------------------|
| 2014 | \$ 15,000.00            | None                     | \$ 10,778.50         | \$ 5,495.86       |
| 2013 | 10,000.00               | None                     | 9,156.55             | 1,257.77          |
| 2012 | None                    | \$ 4,195.19              | 6,392.59             | 392.27            |

**NOTE 19: LITIGATION**

It is the Borough of Westville Counsel's opinion there exist no litigation or contingent liability that may be pending against the Borough of Westville that would have an adverse effect on the financial position in the future.

**NOTE 20: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2014 and March 20, 2015, the date that the financial statements were issued, and no additional items have come to their attention that would require disclosure.

## **SUPPLEMENTARY DATA**

**SINGLE AUDIT SECTION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA  
Wendy G. Fama, CPA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## 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

### Independent Auditor's Report

Honorable Mayor and Members  
of the Borough Council  
Borough of Westville  
165 Broadway  
Westville, New Jersey 08093

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accompanying balance sheets- regulatory basis of the various funds and account group, the related statement of operations and changes in fund balance – regulatory basis and the related statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the Borough of Westville, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough of Westville's basic financial statements, and have issued our report thereon dated March 20, 2015, which contained an adverse opinion on those financial statements due to being presented in accordance with the New Jersey regulatory basis of accounting.

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

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

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

was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

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

### ***Purpose of this Report***

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Registered Municipal Accountant #252

March 20, 2015

BOROUGH OF WESTVILLE  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

| State Funding Department/Program        | State Grant Number              | Program Amount | Matching Funds | Total Funds Received | Grant Period |     | Amount of Expenditures | Cumulative Expenditures |
|---|---------------------------------|----------------|----------------|----------------------|--------------|-----|------------------------|-------------------------|
|   |                                 |                |                |                      | From         | To  |                        |                         |
| Department of Law and Public Safety:    |                                 |                |                |                      |              |     |                        |                         |
| Body Armor                              | 1020-718-066-1020-01-YCJS-6120  | \$ 1,813.49    |                | \$ 1,813.49          | 1/1/13       | N/A | \$ 1,607.44            | \$ 1,813.49             |
| Body Armor                              | 1020-718-066-1020-01-YCJS-6120  | 2,212.48       |                | 2,212.48             | 1/1/14       | N/A | 1,296.56               | 1,296.56                |
| Department of Transportation:           |                                 |                |                |                      |              |     |                        |                         |
| Drunk Driving Enforcement               | 6040-100-078-6400-YYYY          | 10,614.40      |                | 10,614.40            | 1/1/14       | N/A | 500.00                 | 500.00                  |
| Transportation Trust Fund               | 6320-480-078-6320-Z50-TCAP-6010 | 175,000.00     |                | 93,808.82            | 1/1/14       | N/A | 115,886.76             | 115,886.76              |
| Department of Community Affairs:        |                                 |                |                |                      |              |     |                        |                         |
| Municipal Alliance on Alcohol and Drugs | N/A                             | 11,561.00      | \$ 2,312.00    | 9,249.00             | 1/1/11       | N/A | 6,178.86               | 11,561.00               |
| Municipal Alliance on Alcohol and Drugs | N/A                             | 11,561.00      | 2,312.00       | 9,249.00             | 1/1/12       | N/A | 2,423.56               | 2,423.56                |
| Clean Community Clean Up Grant          | N/A                             | 500.00         |                | 500.00               | 1/1/12       | N/A | 490.13                 | 500.00                  |
| Clean Community Clean Up Grant          | N/A                             | 500.00         |                | 500.00               | 1/1/13       | N/A | 20.87                  | 20.87                   |
| Clean Energy Program                    | N/A                             | 300.00         |                | 300.00               | 1/1/11       | N/A | 153.69                 | 238.69                  |
| Clean Communities                       | 4900-765-042-4900-004-VCMC-6020 | 8,131.90       |                | 8,131.90             | 1/1/13       | N/A | 67.98                  | 8,131.90                |
| Clean Communities                       | 4900-765-042-4900-004-VCMC-6020 | 7,625.94       |                | 7,625.94             | 1/1/14       | N/A | 7,476.64               | 7,476.64                |
|   |                                 |                |                | \$ 144,005.03        |              |     | \$ 136,102.49          | \$ 149,849.47           |

**BOROUGH OF WESTVILLE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE A: BASIS OF PRESENTATION

The accompanying schedule of expenditures of State awards includes the state grant activity of the Borough of Westville and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*, and New Jersey Circular Letter 04-04 OMB. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

## **CURRENT FUND**

## SCHEDULE OF CASH - TREASURER

|  | Ref. | Regular Fund                | Federal and State Grant Fund |
|--|------|-----------------------------|------------------------------|
| Balance December 31, 2013  | A    | <u>\$ 563,969.69</u>        | <u>\$ 28,742.06</u>          |
| Increased by Receipts:   |      |                             |                              |
| Transferred from Tax Collector   | A-5  | \$ 9,525,000.00             |                              |
| Transferred from Sewer Collector   | A-6  | 900,000.00                  |                              |
| Federal and State Grants Receivable                                      | A-7  | 166,458.26                  |                              |
| Revenue Accounts Receivable  | A-13 | 1,514,381.10                |                              |
| Due State of New Jersey - Senior Citizen<br>and Veterans Deductions      | A-16 | 55,106.43                   |                              |
| Federal and State Grants - Unappropriated<br>Reserve for Public Defender | A-20 | 8,803.88                    |                              |
| Reserve for JIF Safety Program   |      | 5,680.00                    |                              |
| Due to Clerk   |      | 2,925.00                    |                              |
| Petty Cash Returned  |      | 6.25                        |                              |
| Small Cities Loan Payback  |      | 500.00                      |                              |
|  |      | <u>12,178,860.92</u>        | <u>1,390.53</u>              |
|  |      | <u>12,742,830.61</u>        | <u>30,132.59</u>             |
| Decreased by Disbursements:  |      |                             |                              |
| 2014 Budget Appropriations   | A-3  | 5,191,050.07                |                              |
| 2013 Appropriation Reserves  | A-14 | 90,405.06                   |                              |
| Encumbrances Payable   | A-15 | 65,851.34                   |                              |
| Reserve for Federal and State Grants                                     | A-19 | 190,702.49                  |                              |
| Tax Overpayments Refunded  |      | 7,027.18                    |                              |
| Reserve for Codification of Ordinances                                   |      | 3,481.10                    |                              |
| Due to Library   |      | 7,000.00                    |                              |
| County Taxes   |      | 1,487,027.27                |                              |
| Fire District Tax  |      | 381,208.36                  |                              |
| Local District School Tax  | A-17 | 2,419,649.51                |                              |
| Regional High School Tax   | A-18 | 2,550,967.00                |                              |
| Refund of Prior Year Revenue   | A-1  | 864.00                      |                              |
| Other Accounts Receivable  |      | 117.85                      |                              |
|  |      | <u>12,395,351.23</u>        |                              |
| Balance December 31, 2014  | A    | <u><u>\$ 347,479.38</u></u> | <u><u>\$ 30,132.59</u></u>   |

## SCHEDULE OF CASH - TAX COLLECTOR

|                             |           |                 |                             |
|-----------------------------|-----------|-----------------|-----------------------------|
| Balance December 31, 2013   | Ref.<br>A |                 | \$ 280,499.73               |
| Increased by Receipts:      |           |                 |                             |
| Taxes Receivable            | A-8       | \$ 9,337,178.69 |                             |
| Tax Title Liens             | A-9       | 11,397.32       |                             |
| Revenue Accounts Receivable | A-13      | 65,049.74       |                             |
| Prepaid Taxes               |           | 31,007.41       |                             |
| Tax Overpayments            |           | 82,130.71       |                             |
|                             |           | <hr/>           | 9,526,763.87                |
|                             |           |                 | <hr/>                       |
|                             |           |                 | 9,807,263.60                |
| Decreased by Disbursements: |           |                 |                             |
| Paid to Treasurer           | A-4       |                 | 9,525,000.00                |
|                             |           |                 | <hr/>                       |
| Balance December 31, 2014   | A         |                 | <u><u>\$ 282,263.60</u></u> |

## SCHEDULE OF CASH - SEWER COLLECTOR

|                             |           |               |                             |
|-----------------------------|-----------|---------------|-----------------------------|
| Balance December 31, 2013   | Ref.<br>A |               | \$ 782,294.18               |
| Increased by Receipts:      |           |               |                             |
| Rents Receivable            | A-11      | \$ 819,152.07 |                             |
| Revenue Accounts Receivable | A-13      | 9,390.94      |                             |
| Sewer Overpayments          |           | 2,882.18      |                             |
|                             |           | <hr/>         | 831,425.19                  |
|                             |           |               | <hr/>                       |
|                             |           |               | 1,613,719.37                |
| Decreased by Disbursements: |           |               |                             |
| Paid to Treasurer           | A-4       |               | 900,000.00                  |
|                             |           |               | <hr/>                       |
| Balance December 31, 2014   | A         |               | <u><u>\$ 713,719.37</u></u> |

## SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

| Grant   | Balance<br>Dec. 31, 2013 | 2014 Budget<br>Revenue<br>Realized | Received             | From<br>Grants<br>Unappropriated | Balance<br>Dec. 31, 2014 |
|---|--------------------------|------------------------------------|----------------------|----------------------------------|--------------------------|
| Federal Programs:                             |                          |                                    |                      |                                  |                          |
| Small Cities Grant                            | \$ 19,602.00             |                                    |                      |                                  | \$ 19,602.00             |
| COPS More Program                             | 20,274.00                |                                    |                      |                                  | 20,274.00                |
| COPS Fast Program                             | 15,000.05                |                                    |                      |                                  | 15,000.05                |
| Community Development Funds:                  |                          |                                    |                      |                                  |                          |
| Downtown Revitalization                       | 622.55                   |                                    |                      |                                  | 622.55                   |
| Elevators and Barriers                        |                          | \$ 50,000.00                       | \$ 50,000.00         |                                  |                          |
| Click It or Ticket                            | 4,000.00                 | 2,000.00                           | 2,000.00             |                                  | 4,000.00                 |
| Drive Sober or Get Pulled Over                |                          | 3,000.00                           | 3,000.00             |                                  |                          |
| Homeland Security Grant                       | 0.49                     |                                    |                      |                                  | 0.49                     |
| State Programs:                               |                          |                                    |                      |                                  |                          |
| New Jersey Transportation Trust Funds:        |                          |                                    |                      |                                  |                          |
| Willow Road                                   | 2,259.52                 |                                    |                      |                                  | 2,259.52                 |
| Highland Avenue                               | 7,369.69                 |                                    |                      |                                  | 7,369.69                 |
| Summit Avenue                                 | 36,926.13                |                                    |                      |                                  | 36,926.13                |
| Bike path Safety                              | 330.00                   |                                    |                      |                                  | 330.00                   |
| Pedestrian Safety                             | 2,814.99                 |                                    |                      |                                  | 2,814.99                 |
| Olive Street Phase II                         | 3,702.90                 |                                    |                      |                                  | 3,702.90                 |
| River Drive                                   |                          | 175,000.00                         | 93,808.82            |                                  | 81,191.18                |
| Transportation Enhancement Project            | 3,000.00                 |                                    |                      |                                  | 3,000.00                 |
| Statewide Domestic Preparedness - 2003        | 331.34                   |                                    |                      |                                  | 331.34                   |
| Statewide Domestic Preparedness - 2004        | 74,000.00                |                                    |                      |                                  | 74,000.00                |
| Statewide Domestic Preparedness - 2005        | 1,867.53                 |                                    |                      |                                  | 1,867.53                 |
| Clean Communities                             | 3,130.50                 | 7,625.94                           | 7,625.94             |                                  | 3,130.50                 |
| Municipal Alliance for Drug and Alcohol Abuse | 17,697.26                | 9,250.00                           | 9,523.50             |                                  | 17,423.76                |
| Recycling Tonnage Grant                       |                          | 5,888.79                           |                      | \$ 5,888.79                      |                          |
| Clean Community Cleanup Grant                 |                          | 500.00                             | 500.00               |                                  |                          |
| Body Armor Grant                              |                          | 2,212.48                           |                      | 2,212.48                         |                          |
| Drunk Driving Enforcement                     |                          | 10,614.40                          |                      | 10,614.40                        |                          |
|   | <u>\$ 212,928.95</u>     | <u>\$ 266,091.61</u>               | <u>\$ 166,458.26</u> | <u>\$ 18,715.67</u>              | <u>\$ 293,846.63</u>     |
| Ref.  | A                        | A-2                                | A-4                  | A-20                             | A                        |

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| Year | Balance<br>Dec. 31, 2013 | 2013<br>Levy            | Added<br>Taxes     | Collected           |                        | Overpayments<br>Applied | Canceled            | Transferred<br>to Tax Title<br>Liens | Balance<br>Dec. 31, 2014 |
|------|--------------------------|-------------------------|--------------------|---------------------|------------------------|-------------------------|---------------------|--------------------------------------|--------------------------|
|      |                          |                         |                    | 2013                | 2014                   |                         |                     |                                      |                          |
| 1997 | \$ 27.63                 |                         |                    |                     |                        |                         |                     |                                      | \$ 27.63                 |
| 1998 | 27.90                    |                         |                    |                     |                        |                         |                     |                                      | 27.90                    |
| 1999 | 28.21                    |                         |                    |                     |                        |                         |                     |                                      | 28.21                    |
| 2000 | 21.08                    |                         |                    |                     |                        |                         |                     |                                      | 21.08                    |
| 2001 | 29.31                    |                         |                    |                     |                        |                         |                     |                                      | 29.31                    |
| 2002 | 31.16                    |                         |                    |                     |                        |                         |                     |                                      | 31.16                    |
| 2003 | 32.82                    |                         |                    |                     |                        |                         |                     |                                      | 32.82                    |
| 2004 | 70.00                    |                         |                    |                     |                        |                         |                     |                                      | 70.00                    |
| 2005 | 38.47                    |                         |                    |                     |                        |                         |                     |                                      | 38.47                    |
| 2006 | 42.26                    |                         |                    |                     |                        |                         |                     |                                      | 42.26                    |
| 2007 | 46.43                    |                         |                    |                     |                        |                         |                     |                                      | 46.43                    |
| 2008 | 49.17                    |                         |                    |                     |                        |                         |                     |                                      | 49.17                    |
| 2009 | 49.65                    |                         |                    |                     |                        |                         |                     |                                      | 49.65                    |
| 2010 | 51.41                    |                         |                    |                     |                        |                         |                     |                                      | 51.41                    |
| 2011 | 52.20                    |                         |                    |                     |                        |                         |                     |                                      | 52.20                    |
| 2012 | 322.54                   |                         |                    |                     | \$ 288.00              |                         |                     |                                      | 34.54                    |
| 2013 | 339,747.70               |                         | \$ 4,223.15        |                     | 303,415.27             |                         | \$ 10,822.81        | \$ 29,427.80                         | 304.97                   |
|      | <u>340,667.94</u>        |                         | <u>4,223.15</u>    |                     | <u>303,703.27</u>      |                         | <u>10,822.81</u>    | <u>29,427.80</u>                     | <u>937.21</u>            |
| 2014 |                          | \$ 9,721,357.19         |                    | \$ 72,708.53        | 9,091,264.64           | \$ 63,649.25            | 66,717.98           | 61,655.38                            | 365,361.41               |
|      | <u>\$ 340,667.94</u>     | <u>\$ 9,721,357.19</u>  | <u>\$ 4,223.15</u> | <u>\$ 72,708.53</u> | <u>\$ 9,394,967.91</u> | <u>\$ 63,649.25</u>     | <u>\$ 77,540.79</u> | <u>\$ 91,083.18</u>                  | <u>\$ 366,298.62</u>     |
| Ref. | A                        |                         |                    |                     |                        |                         |                     | A-9                                  | A                        |
|      |                          | Cash                    |                    | Ref.                |                        |                         |                     |                                      |                          |
|      |                          | Due State of New Jersey |                    | A-5                 | \$ 9,337,178.69        |                         |                     |                                      |                          |
|      |                          |                         |                    | A-16                | 57,789.22              |                         |                     |                                      |                          |
|      |                          |                         |                    |                     | <u>\$ 9,394,967.91</u> |                         |                     |                                      |                          |

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

**Analysis of Property Tax Levy**

**Tax Yield**

|                                 |  |              |                        |
|---------------------------------|--|--------------|------------------------|
| General Purpose Tax:            |  |              |                        |
| Business Personalty Tax         |  | \$ 8,438.63  |                        |
| General Property Tax            |  | 9,703,323.11 |                        |
|                                 |  | <hr/>        |                        |
|                                 |  |              | \$ 9,711,761.74        |
| Added Taxes (54:4-63.1 et seq.) |  |              | 9,595.45               |
|                                 |  |              | <hr/>                  |
|                                 |  |              | <u>\$ 9,721,357.19</u> |

|  |      |                 |                        |
|--|------|-----------------|------------------------|
|  | Ref. |                 |                        |
| <b>Tax Levied</b>                              |      |                 |                        |
| Local District School Tax (Abstract)           | A-17 |                 | \$ 2,424,648.00        |
| Regional High School Tax Payable (Abstract)    | A-18 |                 | 2,550,969.00           |
| Fire District Tax                              |      |                 | 379,303.00             |
| County Taxes:                                  |      |                 |                        |
| County Tax (Abstract)                          |      | \$ 1,388,772.73 |                        |
| County Open Space Tax (Abstract)               |      | 96,659.88       |                        |
| Due County for Added Taxes (54:4-63.1 et seq.) |      | 2,107.61        |                        |
|  |      | <hr/>           |                        |
| Total County Taxes                             |      |                 | 1,487,540.22           |
| Local Tax for Municipal Purposes               |      |                 |                        |
| Local Municipal Budget                         |      | 2,788,003.22    |                        |
| Municipal Library                              |      | 80,996.78       |                        |
|  |      | <hr/>           |                        |
| Add: Additional Taxes Levied                   | A-2  | 2,869,000.00    |                        |
|  |      | 9,896.97        |                        |
|  |      | <hr/>           |                        |
|  |      |                 | 2,878,896.97           |
|  |      |                 | <hr/>                  |
|  |      |                 | <u>\$ 9,721,357.19</u> |

## SCHEDULE OF TAX TITLE LIENS RECEIVABLE

|   |           |                 |                             |
|---|-----------|-----------------|-----------------------------|
| Balance December 31, 2013                         | Ref.<br>A |                 | \$ 23,583.60                |
| Increased by:                                     |           |                 |                             |
| Transfers from Taxes Receivable                   | A-8       | \$ 91,083.18    |                             |
| Interest and Costs from Sale of<br>April 25, 2014 |           | <u>3,179.51</u> |                             |
|   |           |                 | <u>94,262.69</u>            |
|   |           |                 | 117,846.29                  |
| Decreased by:                                     |           |                 |                             |
| Collections                                       | A-5       |                 | <u>11,397.32</u>            |
| Balance December 31, 2014                         | A         |                 | <u><u>\$ 106,448.97</u></u> |

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

|                           |           |  |                             |
|---------------------------|-----------|--|-----------------------------|
| Balance December 31, 2013 | Ref.<br>A |  | <u>\$ 237,450.00</u>        |
| Balance December 31, 2014 | A         |  | <u><u>\$ 237,450.00</u></u> |

## SCHEDULE OF SEWER RENTS RECEIVABLE

|                           |           |               |                      |
|---------------------------|-----------|---------------|----------------------|
| Balance December 31, 2013 | Ref.<br>A |               | \$ 118,113.04        |
| Increased by:             |           |               |                      |
| Sewer Rents Levied        |           |               | 804,839.51           |
|                           |           |               | <hr/>                |
|                           |           |               | 922,952.55           |
| Decreased by:             |           |               |                      |
| Collections               | A-6       | \$ 819,152.07 |                      |
| Overpayments Applied      |           | 1,040.46      |                      |
| Canceled                  |           | 1,235.57      |                      |
| Transfer to Liens         | A-12      | 403.84        |                      |
|                           |           | <hr/>         |                      |
|                           |           |               | 821,831.94           |
|                           |           |               | <hr/>                |
| Balance December 31, 2014 | A         |               | <u>\$ 101,120.61</u> |

## SCHEDULE OF SEWER LIENS RECEIVABLE

|                           |           |  |                    |
|---------------------------|-----------|--|--------------------|
| Balance December 31, 2013 | Ref.<br>A |  | \$ 1,659.70        |
| Increased by:             |           |  |                    |
| Transfer from Sewer Rents | A-11      |  | 403.84             |
|                           |           |  | <hr/>              |
| Balance December 31, 2014 | A         |  | <u>\$ 2,063.54</u> |

## SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

|  | Balance<br>Dec. 31, 2013 | Accrued<br>in 2014     | Collected              | Balance<br>Dec. 31, 2014 |
|--|--------------------------|------------------------|------------------------|--------------------------|
| <b>Miscellaneous Revenue Anticipated</b>               |                          |                        |                        |                          |
| Licenses:  |                          |                        |                        |                          |
| Alcoholic Beverages                                    |                          | \$ 12,168.00           | \$ 12,168.00           |                          |
| Other  | \$ 62.00                 | 1,914.00               | 1,967.00               | \$ 9.00                  |
| Fees and Permits                                       | 672.90                   | 7,545.44               | 7,334.19               | 884.15                   |
| Fines and Costs:                                       |                          |                        |                        |                          |
| Municipal Court  | 8,982.54                 | 177,418.64             | 149,842.61             | 36,558.57                |
| Interest and Costs on Taxes                            |                          | 64,257.23              | 64,257.23              |                          |
| Interest on Investments                                | 10.08                    | 3,970.48               | 3,952.29               | 28.27                    |
| Interest on Delinquent Sewer Rents                     |                          | 7,926.54               | 7,926.54               |                          |
| Housing Inspection Fees                                |                          | 42,800.00              | 42,800.00              |                          |
| Consolidated Municipal Property Tax Relief Act         |                          | 26,778.00              | 26,778.00              |                          |
| Energy Receipts Tax                                    |                          | 375,619.00             | 375,619.00             |                          |
| Franchise Fees - Cable TV                              |                          | 14,174.50              | 14,174.50              |                          |
| Shared Service Agreement -<br>Borough of National Park |                          | 662,400.00             | 662,400.00             |                          |
| <b>Miscellaneous Revenue Not Anticipated</b>           |                          |                        |                        |                          |
| Construction Code Fees                                 |                          | 20,628.71              | 20,628.71              |                          |
| Sale of Scrap Iron                                     |                          | 1,155.85               | 1,155.85               |                          |
| Recycling Proceeds                                     |                          | 1,296.49               | 1,296.49               |                          |
| Income from Leases                                     | 1,125.00                 | 16,700.00              | 16,700.00              | 1,125.00                 |
| JIF Dividend   |                          | 63,921.83              | 63,921.83              |                          |
| Gasoline Reimbursement                                 |                          | 4,995.53               | 4,995.53               |                          |
| Fire District JIF Reimbursement                        |                          | 62,778.19              | 62,778.19              |                          |
| Abandoned Property Fines                               |                          | 6,594.00               | 6,594.00               |                          |
| Payment in Lieu of Taxes                               |                          | 4,700.74               | 4,700.74               |                          |
| Motor Vehicle Inspection Fees                          |                          | 10,997.13              | 10,997.13              |                          |
| Administrative Fee                                     |                          | 1,102.13               | 1,102.13               |                          |
| Easement   |                          | 3,100.00               | 3,100.00               |                          |
| Refunds  |                          | 16,003.31              | 16,003.31              |                          |
| Miscellaneous  |                          | 5,628.51               | 5,628.51               |                          |
|  | <u>\$ 10,852.52</u>      | <u>\$ 1,616,574.25</u> | <u>\$ 1,588,821.78</u> | <u>\$ 38,604.99</u>      |
| Ref.   | A                        |                        |                        | A                        |
|  |                          | Ref.                   |                        |                          |
| Treasurer  |                          | A-4                    | \$ 1,514,381.10        |                          |
| Tax Collector  |                          | A-5                    | 65,049.74              |                          |
| Sewer Collector  |                          | A-6                    | 9,390.94               |                          |
|  |                          |                        | <u>\$ 1,588,821.78</u> |                          |

## SCHEDULE OF 2013 APPROPRIATION RESERVES

|  | Balance<br>Dec. 31, 2013 | Balance After<br>Transfers | Paid or<br>Charged  | Balance<br>Lapsed    |
|--|--------------------------|----------------------------|---------------------|----------------------|
| Salaries and Wages                         |                          |                            |                     |                      |
| Police                                     | \$ 10,909.47             | \$ 909.47                  |                     | \$ 909.47            |
| Municipal Prosecutor                       | 791.41                   | 1,091.41                   | \$ 1,041.66         | 49.75                |
| Road Repairs and Maintenance               | 4,703.72                 | 3.72                       |                     | 3.72                 |
| Garbage and Trash Removal                  | 13,857.40                | 857.40                     |                     | 857.40               |
| Sewer System                               | 6,027.45                 | 2,527.45                   |                     | 2,527.45             |
| Other Expenses                             |                          |                            |                     |                      |
| Municipal Clerk                            | 2,000.78                 | 2,000.78                   | 1,868.48            | 132.30               |
| Financial Administration                   | 955.70                   | 2,955.70                   | 2,295.47            | 660.23               |
| Revenue Administration (Tax Collection)    | 1,569.65                 | 1,569.65                   | 113.45              | 1,456.20             |
| Tax Assessment Administration              | 3,785.12                 | 3,785.12                   | 226.88              | 3,558.24             |
| Legal Services and Costs                   | 2,617.60                 | 9,617.60                   | 9,272.57            | 345.03               |
| Engineering Services and Costs             | 4,137.50                 | 4,137.50                   | 1,774.75            | 2,362.75             |
| Municipal Land Use Board                   | 95.52                    | 95.52                      | 11.52               | 84.00                |
| Employee Group Insurance                   | 19,425.21                | 425.21                     |                     | 425.21               |
| Police                                     | 30.18                    | 1,030.18                   | 650.45              | 379.73               |
| Office of Emergency Management             | 8,214.47                 | 8,214.47                   | 7,077.48            | 1,136.99             |
| Road Repairs and Maintenance               | 5,995.18                 | 10,695.18                  | 9,284.93            | 1,410.25             |
| Public Buildings and Grounds               | 3,662.14                 | 3,662.14                   | 504.33              | 3,157.81             |
| Sewer System                               | 1,540.09                 | 1,540.09                   | 324.38              | 1,215.71             |
| Environmental Commission                   | 6.80                     | 6.80                       | 5.85                | 0.95                 |
| Celebration of Public Events               | 9,196.41                 | 9,196.41                   | 685.22              | 8,511.19             |
| Electricity                                | 12,422.98                | 17,422.98                  | 16,967.04           | 455.94               |
| Street Lighting                            | 5,685.27                 | 5,685.27                   | 5,616.25            | 69.02                |
| Telephone                                  | 3,755.19                 | 3,755.19                   | 2,036.53            | 1,718.66             |
| Housing Inspector                          | 92.40                    | 292.40                     | 113.45              | 178.95               |
| Sewerage Disposal                          | 368.02                   | 30,368.02                  | 26,702.79           | 3,665.23             |
| Municipal Court                            | 1,405.27                 | 1,405.27                   | 818.23              | 587.04               |
| National Park Interlocal Service Agreement | 53,873.31                | 53,873.31                  | 3,013.35            | 50,859.96            |
| Other Accounts - No Change                 | 30,511.19                | 30,511.19                  |                     | 30,511.19            |
|  | <u>\$ 207,635.43</u>     | <u>\$ 207,635.43</u>       | <u>\$ 90,405.06</u> | <u>\$ 117,230.37</u> |
| Ref.                                       | A                        | A                          | A-4                 | A-1                  |

## SCHEDULE OF ENCUMBRANCES PAYABLE

|                                | Ref. | Current<br>Fund     | Grant<br>Fund       |
|--------------------------------|------|---------------------|---------------------|
| Balance December 31, 2013      | A    | <u>\$ 41,006.98</u> | <u>\$ 30,788.00</u> |
| Increased by:                  |      |                     |                     |
| Charges to 2014 Appropriations | A-3  | <u>13,282.24</u>    |                     |
|                                |      | <u>13,282.24</u>    |                     |
|                                |      | <u>54,289.22</u>    | <u>30,788.00</u>    |
| Decreased by:                  |      |                     |                     |
| Payments                       | A-4  | <u>38,053.34</u>    | <u>27,798.00</u>    |
| Canceled                       | A-1  | <u>210.00</u>       |                     |
|                                |      | <u>38,263.34</u>    | <u>27,798.00</u>    |
| Balance December 31, 2014      | A    | <u>\$ 16,025.88</u> | <u>\$ 2,990.00</u>  |

SCHEDULE OF DUE TO STATE OF NEW JERSEY -  
SENIOR CITIZEN AND VETERANS DEDUCTIONS

|   |            |  |
|---|------------|--|
| Balance December 31, 2013               | Ref.<br>A  | \$ 39,326.68   |
| Increased by:                           |            |  |
| Receipts                                | A-4        | 55,106.43  |
|   |            | <hr style="width: 100%; border: 0.5px solid black;"/>  |
|   |            | 94,433.11  |
| Decreased by:                           |            |  |
| 2014 Deductions Per Tax Duplicate       |            | \$ 61,000.00   |
| 2014 Deductions Allowed by Collector    |            | 1,750.00   |
| 2014 Deductions Disallowed by Collector |            | (4,960.78)   |
|   |            | <hr style="width: 100%; border: 0.5px solid black;"/>  |
| Prior Year Deduction Disallowed         | A-8<br>A-1 | 57,789.22<br>(250.00)  |
|   |            | <hr style="width: 100%; border: 0.5px solid black;"/>  |
|   |            | 57,539.22  |
| Balance December 31, 2014               | A          | <hr style="width: 100%; border: 0.5px solid black;"/><br>\$ 36,893.89<br><hr style="width: 100%; border: 0.5px solid black;"/> |

## SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

|                                |           |                            |
|--------------------------------|-----------|----------------------------|
| Balance December 31, 2013      | Ref.<br>A | \$ 13,975.88               |
| Increased by:                  |           |                            |
| 2014 Calendar Year School Levy | A-8       | <u>2,424,648.00</u>        |
|                                |           | 2,438,623.88               |
| Decreased by:                  |           |                            |
| Payments                       | A-4       | <u>2,419,649.51</u>        |
| Balance December 31, 2014      | A         | <u><u>\$ 18,974.37</u></u> |

## SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

|                                |           |                       |
|--------------------------------|-----------|-----------------------|
| Balance December 31, 2013      | Ref.<br>A | \$ 0.13               |
| Increased by:                  |           |                       |
| 2014 Calendar Year School Levy | A-8       | <u>2,550,969.00</u>   |
|                                |           | 2,550,969.13          |
| Decreased by:                  |           |                       |
| Payments                       | A-4       | <u>2,550,967.00</u>   |
| Balance December 31, 2014      | A         | <u><u>\$ 2.13</u></u> |

## SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

|   | Balance<br>Dec. 31, 2013 | Transferred<br>from 2014<br>Budget<br>Appropriation | Paid or<br>Charged   | Balance<br>Dec. 31, 2014 |
|---|--------------------------|---|----------------------|--------------------------|
| Federal Grants:                               |                          |   |                      |                          |
| Community Development Funds:                  |                          |   |                      |                          |
| Downtown Revitalization                       | \$ 999.24                |   |                      | \$ 999.24                |
| Park  | 15,000.00                |   |                      | 15,000.00                |
| Elevators and Barriers                        |                          | \$ 50,000.00  | \$ 50,000.00         |                          |
| Obey the Signs or Pay the Fines               | 232.23                   |   |                      | 232.23                   |
| Click It or Ticket                            | 4,000.00                 | 2,000.00  | 2,000.00             | 4,000.00                 |
| Drive Sober or Get Pulled Over                |                          | 3,000.00  | 2,600.00             | 400.00                   |
| Homeland Security Grant                       | 0.49                     |   |                      | 0.49                     |
| State Grants:                                 |                          |   |                      |                          |
| Alcohol Education and Rehabilitation Grant    | 189.82                   |   |                      | 189.82                   |
| New Jersey Legislative Grant:                 |                          |   |                      |                          |
| Downtown Redevelopment                        | 5,884.28                 |   |                      | 5,884.28                 |
| New Jersey State Police - SLA HEOP Grant      | 1,051.02                 |   |                      | 1,051.02                 |
| DEP GIS Grant                                 | 820.74                   |   |                      | 820.74                   |
| New Jersey Transportation Trust Funds:        |                          |   |                      |                          |
| Willow Road                                   | 4,822.05                 |   |                      | 4,822.05                 |
| Reconstruction of River Drive                 | 735.00                   |   |                      | 735.00                   |
| Olive Street Phase II                         | 1,590.40                 |   |                      | 1,590.40                 |
| River Drive                                   |                          | 175,000.00  | 115,886.76           | 59,113.24                |
| Statewide Domestic Preparedness - 2003        | 331.34                   |   |                      | 331.34                   |
| Statewide Domestic Preparedness - 2005        | 17.44                    |   |                      | 17.44                    |
| Municipal Alliance for Drug and Alcohol Abuse | 29,300.86                | 11,562.00   | 8,602.42             | 32,260.44                |
| Body Armor Fund                               | 1,607.44                 | 2,212.48  | 2,904.00             | 915.92                   |
| Recycling Tonnage Grant                       | 3,937.96                 | 5,888.79  |                      | 9,826.75                 |
| Municipal Stormwater Regulation Program       | 73.48                    |   |                      | 73.48                    |
| Clean Communities                             | 67.98                    | 7,625.94  | 7,544.62             | 149.30                   |
| Clean Energy Program                          | 215.00                   |   | 153.69               | 61.31                    |
| Clean Community Cleanup Grant                 | 990.13                   | 500.00  | 511.00               | 979.13                   |
| Drunk Driving Enforcement                     |                          | 10,614.40   | 500.00               | 10,114.40                |
|   | <u>\$ 71,866.90</u>      | <u>\$ 268,403.61</u>                                | <u>\$ 190,702.49</u> | <u>\$ 149,568.02</u>     |
| Ref.  | A                        | A-3   | A-4                  | A                        |

## SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED

|                                 | Balance<br>Dec. 31, 2013 | Received           | To Grants<br>Receivable | Balance<br>Dec. 31, 2014 |
|---------------------------------|--------------------------|--------------------|-------------------------|--------------------------|
| Recycling Tonnage Grant         | \$ 5,888.79              | \$ 7,038.61        | \$ 5,888.79             | \$ 7,038.61              |
| Body Armor Grant                | 2,212.48                 | 1,765.27           | 2,212.48                | 1,765.27                 |
| Drunk Driving Enforcement Grant | 10,614.40                |                    | 10,614.40               |                          |
|                                 | <u>\$ 18,715.67</u>      | <u>\$ 8,803.88</u> | <u>\$ 18,715.67</u>     | <u>\$ 8,803.88</u>       |
| Ref.                            | A                        | A-4                | A-7                     | A                        |

## TRUST FUND

## SCHEDULE OF TRUST FUND CASH - TREASURER

|                                  | Ref. | Animal Control Trust | Other Trust Funds    |
|----------------------------------|------|----------------------|----------------------|
| Balance December 31, 2013        | B    | \$ 2,969.62          | \$ 112,892.37        |
| Increased by Receipts:           |      |                      |                      |
| Interest Earned                  |      | \$ 7.77              | \$ 345.78            |
| Dog License Fees:                |      |                      |                      |
| Municipal Share                  | B-3  | 488.60               |                      |
| State Share                      |      | 131.40               |                      |
| Payroll Deductions Payable       |      |                      | 1,545,597.70         |
| Unemployment Compensation        |      |                      | 15,000.00            |
| Donations for Public Events      |      |                      | 46,259.61            |
| Recreation Fees                  |      |                      | 14,455.00            |
| Escrow Deposits                  |      |                      | 16,712.75            |
| Forfeited Funds                  |      |                      | 1,161.00             |
|                                  |      | <u>627.77</u>        | <u>1,639,531.84</u>  |
|                                  |      | 3,597.39             | 1,752,424.21         |
| Decreased by Disbursements:      |      |                      |                      |
| NJ State Department of Health    |      | 131.40               |                      |
| Expenditures Under RS 4:19-15.11 | B-3  | 372.40               |                      |
| Payroll Deductions Paid          |      |                      | 1,509,026.90         |
| Public Event Expenditures        |      |                      | 49,606.51            |
| Recreation Expenditures          |      |                      | 14,410.00            |
| Unemployment Claims              |      |                      | 10,778.50            |
| Forfeited Funds Expenditures     |      |                      | 6,800.00             |
| Escrow Expenditures              |      |                      | 16,639.92            |
|                                  |      | <u>503.80</u>        | <u>1,607,261.83</u>  |
| Balance December 31, 2014        | B    | <u>\$ 3,093.59</u>   | <u>\$ 145,162.38</u> |

## SCHEDULE OF TRUST FUND CASH - COLLECTOR

|  |           |               |                             |
|--|-----------|---------------|-----------------------------|
| Balance December 31, 2013                        | Ref.<br>B |               | \$ 230,755.00               |
| Increased by:                                    |           |               |                             |
| Deposits for Redemption of Tax Sale Certificates |           | \$ 287,274.52 |                             |
| Premiums Received at Sale                        |           | 120,400.00    |                             |
| Interest Earned                                  |           | 712.45        |                             |
|  |           | <hr/>         | 408,386.97                  |
|  |           |               | <hr/>                       |
|  |           |               | 639,141.97                  |
| Decreased by:                                    |           |               |                             |
| Refunds Upon Redemption                          |           | 344,247.76    |                             |
| Due from Current Fund                            |           | 31,059.52     |                             |
|  |           | <hr/>         | 375,307.28                  |
| Balance December 31, 2014                        | B         |               | <u><u>\$ 263,834.69</u></u> |

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

|                                     |           |                       |
|-------------------------------------|-----------|-----------------------|
| Balance December 31, 2013           | Ref.<br>B | \$ 692.60             |
| Increased by:                       |           |                       |
| Municipal Share of Dog License Fees | B-1       | 488.60                |
|                                     |           | <hr/> 1,181.2         |
| Decreased by:                       |           |                       |
| Expenditures under RS 4:19-15.11:   |           |                       |
| Cash                                | B-1       | 372.40                |
| Balance December 31, 2014           | B         | <hr/> <hr/> \$ 808.80 |

**License Fees Collected**

| <u>Year</u> | <u>Amount</u>                 |
|-------------|-------------------------------|
| 2012        | \$ 571.80                     |
| 2013        | 545.00                        |
|             | <hr/> \$ 1,116.80 <hr/> <hr/> |

## **GENERAL CAPITAL FUND**

## SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

|   |           |            |               |
|---|-----------|------------|---------------|
| Balance December 31, 2013                   | Ref.<br>C |            | \$ 246,089.96 |
| Increased by:                               |           |            |               |
| Interest Earned                             | C-3       | \$ 265.99  |               |
| Budget Appropriation:                       |           |            |               |
| Capital Improvement Fund                    | C-8       | 25,000.00  |               |
| Bond Anticipation Note                      | C-14      | 261,250.00 |               |
| Refund                                      | C-9       | 42,935.49  |               |
|   |           | <hr/>      | 329,451.48    |
|   |           |            | <hr/>         |
|   |           |            | 575,541.44    |
| Decreased by:                               |           |            |               |
| Improvement Authorizations                  | C-9       | 316,183.72 |               |
| Encumbrances Payable                        | C-10      | 56,338.89  |               |
| Reserve for Municipal Building Improvements | C-3       | 5,893.96   |               |
|   |           | <hr/>      | 378,416.57    |
| Balance December 31, 2014                   | C         |            | <hr/> <hr/>   |
|   |           |            | \$ 197,124.87 |

ANALYSIS OF GENERAL CAPITAL FUND CASH

|   | Balance<br>Dec. 31, 2013   | Receipts                 |                               |               | Disbursements                |               |                | Balance<br>Dec. 31, 2014 |
|---|--|--------------------------|-------------------------------|---------------|------------------------------|---------------|----------------|--------------------------|
|   |  | Budget<br>Appropriations | Bond<br>Anticipation<br>Notes | Miscellaneous | Improvement<br>Authorization | Miscellaneous | Transfers      |                          |
| Fund Balance                                | \$ 819.00  |                          |                               |               |                              |               |                | \$ 819.00                |
| Capital Improvement Fund                    | 3,498.00   | \$ 25,000.00             |                               |               |                              |               | \$ (13,750.00) | 14,748.00                |
| Loan Receivable                             | (51,538.00)  |                          |                               |               |                              |               |                | (51,538.00)              |
| Due from State of New Jersey                | (68,111.77)  |                          |                               |               |                              |               |                | (68,111.77)              |
| Due from Federal and State Grant Fund       | (82,285.58)  |                          |                               |               |                              |               |                | (82,285.58)              |
| Due from Current Fund                       | 3,271.21   |                          |                               | \$ 265.99     |                              |               |                | 3,537.20                 |
| Due From Trust Other                        | (137.50)   |                          |                               |               |                              |               |                | (137.50)                 |
| Contracts Payable                           | 6,861.50   |                          |                               |               |                              |               |                | 6,861.50                 |
| Encumbrances Payable                        | 76,589.39  |                          |                               |               |                              | \$ 56,338.89  | (299.00)       | 19,951.50                |
| Retainage Percentage Due Contractor         | 3,093.04   |                          |                               |               |                              |               |                | 3,093.04                 |
| Reserve for Land Acquisition                | 2,375.00   |                          |                               |               |                              |               |                | 2,375.00                 |
| Reserve for Insurance Refund                | 1,460.11   |                          |                               |               |                              |               |                | 1,460.11                 |
| Reserve for Sunoco Donations                | 2,255.30   |                          |                               |               |                              |               |                | 2,255.30                 |
| Reserve for Debt Service                    | 100.00   |                          |                               |               |                              |               |                | 100.00                   |
| Reserve for Municipal Building Improvements | 11,184.70  |                          |                               |               |                              | 5,893.96      |                | 5,290.74                 |
| Improvement Authorizations:                 |  |                          |                               |               |                              |               |                |                          |
| Ordinance Number                            | Purpose  |                          |                               |               |                              |               |                |                          |
| 5-95  | Rehabilitation of Downtown Area                                    | 127.08                   |                               |               |                              |               |                | 127.08                   |
| 9-96  | Purchase of Computer Hardware and Software and Telephone System    | 196.00                   |                               |               |                              |               |                | 196.00                   |
| 149-98                                      | Development of a Geographical Information System                   | 803.80                   |                               |               |                              |               |                | 803.80                   |
| 155-98                                      | Improvements of Certain Roads                                      | 7,720.14                 |                               |               |                              |               |                | 7,720.14                 |
| 172-99                                      | Improvements of Certain Roads                                      | 985.95                   |                               |               |                              |               |                | 985.95                   |
| 25-00                                       | Purchase of a Trash Truck  | 9,325.00                 |                               |               |                              |               |                | 9,325.00                 |
| 7-01  | Improvements to New Street and Center Street                       | 18.68                    |                               |               |                              |               |                | 18.68                    |
| 7-03  | Various Improvements or Purposes Including Crown Point Parking Lot | 439.00                   |                               |               |                              |               |                | 439.00                   |
| 25-04                                       | Summit Avenue Phase II   | (1,443.00)               |                               |               |                              |               |                | (1,443.00)               |
| 15-05                                       | Various Improvements or Purposes                                   | 1,607.58                 |                               |               |                              |               |                | 1,607.58                 |
| 6-07  | Rehabilitation to the Sanitary Sewer Lines                         | 47,671.82                |                               |               |                              |               |                | 47,671.82                |

ANALYSIS OF GENERAL CAPITAL FUND CASH

| Ordinance Number | Purpose   | Balance<br>Dec. 31, 2013 | Receipts                 |                               |                     | Disbursements                |                     |           | Balance<br>Dec. 31, 2014 |
|------------------|---|--------------------------|--------------------------|-------------------------------|---------------------|------------------------------|---------------------|-----------|--------------------------|
|                  |   |                          | Budget<br>Appropriations | Bond<br>Anticipation<br>Notes | Miscellaneous       | Improvement<br>Authorization | Miscellaneous       | Transfers |                          |
| 8-07             | Rehabilitation of Borough Owned Buildings,<br>Purchase of a Digital Audio System and<br>Security System for Courts and Council,<br>Purchase of a Filing System for the<br>Municipal Records, 4x4 Vehicle for<br>Code Enforcement and Emergency<br>Management Use and Pickup Truck<br>and Snow Plow for Public Works | 4,654.77                 |                          |                               |                     | \$ 4,248.52                  |                     |           | 406.25                   |
| 7-08             | Roadway Construction on Burr Avenue<br>from Delsea Drive to Almonesson Road   | (114.55)                 |                          |                               |                     |                              |                     |           | (114.55)                 |
| 1-09             | Remediation of Underground Storage Tank   | 43,881.60                |                          |                               |                     | 30,969.20                    |                     |           | 12,912.40                |
| 7-09             | Purchase of Trash Truck   | 4,688.00                 |                          |                               |                     | 4,688.00                     |                     |           |                          |
| 14-09            | Roadway Construction on Woodbine Avenue   | 3,742.03                 |                          |                               |                     |                              |                     |           | 3,742.03                 |
| 5-10             | Various Capital Improvements  | 23,891.40                |                          |                               |                     | 23,157.44                    |                     |           | 733.96                   |
| 6-10             | Roadway Construction on East Olive Street   | 6,690.19                 |                          |                               |                     |                              |                     |           | 6,690.19                 |
| 7-11             | Rehabilitation of Borough Owned Property<br>and Purchase of a 4-Wheel Drive Police<br>Vehicle   | 8,956.53                 |                          |                               |                     | 8,956.53                     |                     |           |                          |
| 7-12             | Road Improvements to Olive Street   | 13,531.52                |                          |                               |                     |                              |                     |           | 13,531.52                |
| 9-12             | Rehabilitation of Borough Owned Properties,<br>Buildings and Rehabilitation of Fuel System  | 25,133.09                |                          |                               |                     | 6,032.75                     |                     | 299.00    | 19,399.34                |
| 3-13             | Rehabilitation of Borough Owned Properties,<br>Including Building Renovations and<br>Installation of Elevator   | 516.51                   |                          |                               | 42,935.49           | 24,875.27                    |                     |           | 18,576.73                |
| 5-13             | Rehabilitation of Borough Owned Properties,<br>Including Building Renovations and<br>Installation of Elevator   | 42,400.42                |                          |                               |                     | 33,675.50                    |                     |           | 8,724.92                 |
| 14-13            | Purchase of Leaf Vac Machine, Pickup<br>Truck for Public Works Department,<br>SUV Vehicle and 6 In Car Cameras<br>for Police Department   | 91,232.00                |                          |                               |                     | 89,402.61                    |                     |           | 1,829.39                 |
| 8-14             | Rehabilitation of Borough Owned Properties<br>and Installation of a Traffic Signal  |                          |                          | \$ 261,250.00                 |                     | 90,177.90                    |                     | 13,750.00 | 184,822.10               |
|                  |   | <u>\$ 246,089.96</u>     | <u>\$ 25,000.00</u>      | <u>\$ 261,250.00</u>          | <u>\$ 43,201.48</u> | <u>\$ 316,183.72</u>         | <u>\$ 62,232.85</u> |           | <u>\$ 197,124.87</u>     |
| Ref.             |   | C                        | C-8                      | C-14                          | C-2:C-9             | C-9                          | C-2:C-10            |           | C                        |

## SCHEDULE OF LOAN RECEIVABLE

|                           | Ref. | <u>Total</u>               | <u>Trust Portion</u>       | <u>Fund Portion</u>        |
|---------------------------|------|----------------------------|----------------------------|----------------------------|
| Balance December 31, 2013 | C    | <u>\$ 51,538.00</u>        | <u>\$ 25,769.00</u>        | <u>\$ 25,769.00</u>        |
| Balance December 31, 2014 | C    | <u><u>\$ 51,538.00</u></u> | <u><u>\$ 25,769.00</u></u> | <u><u>\$ 25,769.00</u></u> |

## SCHEDULE OF DUE FROM STATE OF NEW JERSEY

|                                   | Ref. |                            |
|-----------------------------------|------|----------------------------|
| Balance December 31, 2013         | C    | <u>\$ 68,111.77</u>        |
| Balance December 31, 2014         | C    | <u><u>\$ 68,111.77</u></u> |
| Analysis of Balance:              |      |                            |
| Birch and Boundry Roads           |      | \$ 12,974.43               |
| Big Timber Creek - Ordinance 4-02 |      | 46,667.77                  |
| Burr Avenue - Ordinance 7-08      |      | 3,612.10                   |
| Olive Street - Ordinance 7-12     |      | 4,857.47                   |
|                                   |      | <u><u>\$ 68,111.77</u></u> |

## SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

|                                   |           |                             |                               |
|-----------------------------------|-----------|-----------------------------|-------------------------------|
| Balance December 31, 2013         | Ref.<br>C |                             | \$ 2,311,495.03               |
| Decreased by:                     |           |                             |                               |
| 2014 Budget Appropriation to Pay: |           |                             |                               |
| Bonds                             | C-12      | \$175,000.00                |                               |
| Loans                             | C-13      | 32,039.29                   |                               |
|                                   |           | <u>                    </u> |                               |
|                                   |           |                             | <u>207,039.29</u>             |
| Balance December 31, 2014         | C         |                             | <u><u>\$ 2,104,455.74</u></u> |



## SCHEDULE OF CAPITAL IMPROVEMENT FUND

|   | Ref. |                            |
|---|------|----------------------------|
| Balance December 31, 2013                                   | C    | \$ 3,498.00                |
| Increased by:   |      |                            |
| 2014 Budget Appropriation                                   | C-2  | <u>25,000.00</u>           |
|   |      | 28,498.00                  |
| Decreased by:   |      |                            |
| Amount Appropriated to Finance<br>Improvement Authorization | C-9  | <u>13,750.00</u>           |
| Balance December 31, 2014                                   | C    | <u><u>\$ 14,748.00</u></u> |

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| Ordinance Number | Purpose  | Date     | Amount       | Balance Dec. 31, 2013 |                      | 2014 Authorizations  | Paid or Charged      | Balance Dec. 31, 2014 |                      |
|------------------|--|----------|--------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|
|                  |  |          |              | Funded                | Unfunded             |                      |                      | Funded                | Unfunded             |
| 5-95             | Rehabilitation of Downtown Area  | 7/1/95   | \$ 45,355.00 | \$ 127.08             |                      |                      |                      | \$ 127.08             |                      |
| 9-96             | Purchase of Computer Hardware and Software and Telephone System  | 9/10/96  | 80,000.00    | 196.00                |                      |                      |                      | 196.00                |                      |
| 149-98           | Development of a Geographical Information System   | 5/27/98  | 15,000.00    | 803.80                |                      |                      |                      | 803.80                |                      |
| 155-98           | Improvements of Certain Roads  | 10/13/98 | 110,000.00   | 7,720.14              |                      |                      |                      | 7,720.14              |                      |
| 172-99           | Improvements of Certain Roads  | 8/25/99  | 113,000.00   | 985.95                |                      |                      |                      | 985.95                |                      |
| 25-00            | Purchase of a Trash Truck  | 5/31/00  | 110,000.00   | 9,325.00              |                      |                      |                      | 9,325.00              |                      |
| 7-01             | Improvements to New Street and Center Street   | 11/28/01 | 172,000.00   | 18.68                 |                      |                      |                      | 18.68                 |                      |
| 7-03             | Various Improvements or Purposes Including Crown Point Parking Lot   | 8/25/03  | 883,500.00   | 439.00                |                      |                      |                      | 439.00                |                      |
| 15-05            | Various Improvements or Purposes   | 7/27/05  | 200,000.00   | 1,607.58              |                      |                      |                      | 1,607.58              |                      |
| 6-07             | Rehabilitation to the Sanitary Sewer Lines   | 4/25/07  | 640,000.00   | 47,671.82             | \$ 12,976.00         |                      |                      | 47,671.82             | \$ 12,976.00         |
| 8-07             | Rehabilitation of Borough Owned Buildings, Purchase of a Digital Audio System and Security System for Courts and Council, Purchase of a Filing System for the Municipal Records, 4x4 Vehicle for Code Enforcement and Emergency Management Use and Pickup Truck and Snow Plow for Public Works | 8/22/07  | 161,052.00   |                       | 4,654.77             |                      | \$ 4,248.52          |                       | 406.25               |
| 7-08             | Roadway Construction on Burr Avenue from Delsea Drive to Almonesson Road   | 9/10/08  | 175,000.00   |                       | 14,335.45            |                      |                      |                       | 14,335.45            |
| 1-09             | Remediation of Underground Storage Tank  | 2/11/09  | 345,000.00   |                       | 157,381.60           |                      | 30,969.20            |                       | 126,412.40           |
| 7-09             | Purchase of Trash Truck  | 5/27/09  | 200,000.00   |                       | 4,688.00             |                      | 4,688.00             |                       |                      |
| 14-09            | Roadway Construction on Woodbine Avenue  | 11/10/09 | 225,000.00   |                       | 3,742.03             |                      |                      |                       | 3,742.03             |
| 5-10             | Various Capital Improvements   | 8/11/10  | 656,000.00   |                       | 24,591.40            |                      | 23,157.44            |                       | 1,433.96             |
| 6-10             | Roadway Construction on East Olive Street  | 11/10/10 | 220,000.00   |                       | 9,440.19             |                      |                      |                       | 9,440.19             |
| 7-10             | Purchase of Property   | 11/10/10 | 100,000.00   |                       |                      |                      |                      |                       |                      |
| 7-11             | Rehabilitation of Borough Owned Property and Purchase of a 4-Wheel Drive Police Vehicle  | 9/28/11  | 185,000.00   |                       | 8,956.53             |                      | 8,956.53             |                       |                      |
| 7-12             | Road Improvements to Olive Street  | 7/11/12  | 200,000.00   |                       | 13,531.52            |                      |                      |                       | 13,531.52            |
| 9-12             | Rehabilitation of Borough Owned Properties, Buildings and Rehabilitation of Fuel System  | 8/8/12   | 265,000.00   |                       | 25,133.09            |                      | 5,733.75             |                       | 19,399.34            |
| 3-13             | Rehabilitation of Borough Owned Properties, Including Building Renovations and Installation of Elevator  | 3/13/13  | 220,000.00   |                       | 516.51               |                      | (18,060.22)          |                       | 18,576.73            |
| 5-13             | Rehabilitation of Borough Owned Properties, Including Building Renovations and Installation of Elevator  | 5/15/13  | 100,000.00   |                       | 42,400.42            |                      | 33,675.50            |                       | 8,724.92             |
| 14-13            | Purchase of Leaf Vac Machine, Pickup Truck for Public Works Department, SUV Vehicle and 6 In Car Cameras for Police Department   | 11/4/13  | 121,000.00   |                       | 91,232.00            |                      | 89,402.61            |                       | 1,829.39             |
| 8-14             | Rehabilitation of Borough Owned Properties and Installation of a Traffic Signal  | 10/20/4  | 275,000.00   |                       |                      | \$ 275,000.00        | 90,177.90            |                       | 184,822.10           |
|                  |  |          |              | <u>\$ 68,895.05</u>   | <u>\$ 413,579.51</u> | <u>\$ 275,000.00</u> | <u>\$ 272,949.23</u> | <u>\$ 68,895.05</u>   | <u>\$ 415,630.28</u> |
|                  | Ref.   |          | C            |                       | C                    |                      |                      | C                     | C                    |
|                  | Capital Improvement Fund   |          |              |                       | Ref. C-8             | \$ 13,750.00         |                      |                       |                      |
|                  | Deferred Charges to  |          |              |                       |                      |                      |                      |                       |                      |
|                  | Future Taxation Unfunded   |          |              |                       | C-7                  | 261,250.00           |                      |                       |                      |
|                  |  |          |              |                       |                      | <u>\$ 275,000.00</u> |                      |                       |                      |
|                  | Cash Disbursed   |          |              |                       | C-2                  | \$ 316,183.72        |                      |                       |                      |
|                  | Encumbrance Canceled   |          |              |                       | C-10                 | (299.00)             |                      |                       |                      |
|                  | Refunds  |          |              |                       | C-2                  | (42,935.49)          |                      |                       |                      |
|                  |  |          |              |                       |                      | <u>\$ 272,949.23</u> |                      |                       |                      |

EXHIBIT C-10

SCHEDULE OF ENCUMBRANCES PAYABLE

|                           | Ref. |              |                     |
|---------------------------|------|--------------|---------------------|
| Balance December 31, 2013 | C    |              | \$ 76,589.39        |
| Decreased by:             |      |              |                     |
| Disbursed                 | C-2  | \$ 56,338.89 |                     |
| Canceled                  | C-9  | 299.00       |                     |
|                           |      | <hr/>        | 56,637.89           |
| Balance December 31, 2014 | C    |              | <u>\$ 19,951.50</u> |

EXHIBIT C-11

SCHEDULE OF CONTRACTS PAYABLE

|                           | Ref. |  |                    |
|---------------------------|------|--|--------------------|
| Balance December 31, 2013 | C    |  | <u>\$ 6,861.50</u> |
| Balance December 31, 2014 | C    |  | <u>\$ 6,861.50</u> |

## SCHEDULE OF SERIAL BONDS PAYABLE

| Purpose                           | Date of Issue | Original Issue  | Maturities of Bonds Outstanding |               | Interest Rate | Balance Dec. 31, 2013 | Decreased           | Balance Dec. 31, 2014 |
|-----------------------------------|---------------|-----------------|---------------------------------|---------------|---------------|-----------------------|---------------------|-----------------------|
|                                   |               |                 | Date                            | Amount        |               |                       |                     |                       |
| General Improvement Bonds of 2005 | 12/1/05       | \$ 3,025,000.00 | 12/1/15-16                      | \$ 175,000.00 | 4.625%        | <u>\$1,825,000.00</u> | <u>\$175,000.00</u> | <u>\$1,650,000.00</u> |
|                                   |               |                 | 12/1/17-20                      | 200,000.00    | 4.625%        |                       |                     |                       |
|                                   |               |                 | 12/1/21-22                      | 250,000.00    | 4.625%        |                       |                     |                       |
|                                   |               |                 |                                 |               | Ref.          | C                     | C-6                 | C                     |

## SCHEDULE OF NEW JERSEY ENVIRONMENTAL TRUST LOAN

| Date of Issue | Purpose                                | Original Issue | Maturities of Bonds Outstanding |              |             | Interest Rate (A) | Balance Dec. 31, 2013 | Decreased    | Balance Dec. 31, 2014 |
|---------------|--|----------------|---------------------------------|--------------|-------------|-------------------|-----------------------|--------------|-----------------------|
|               |  |                | Date                            | Trust Loan   | Fund Loan   |                   |                       |              |                       |
| 11/8/07       | Rehabilitation of Sanitary Sewer Lines | \$ 627,024.00  | 2/1/15                          |              | \$ 3,575.37 |                   |                       |              |                       |
|               |  |                | 8/1/15                          | \$ 15,000.00 | 13,120.30   | 5.00%             |                       |              |                       |
|               |  |                | 2/1/16                          |              | 3,336.75    |                   |                       |              |                       |
|               |  |                | 8/1/16                          | 15,000.00    | 12,881.68   | 5.00%             |                       |              |                       |
|               |  |                | 2/1/17                          |              | 3,098.12    |                   |                       |              |                       |
|               |  |                | 8/1/17                          | 15,000.00    | 12,643.06   | 5.00%             |                       |              |                       |
|               |  |                | 2/1/18                          |              | 2,859.50    |                   |                       |              |                       |
|               |  |                | 8/1/18                          | 15,000.00    | 12,404.43   | 5.00%             |                       |              |                       |
|               |  |                | 2/1/19                          |              | 2,620.88    |                   |                       |              |                       |
|               |  |                | 8/1/19                          | 15,000.00    | 12,165.81   | 4.00%             |                       |              |                       |
|               |  |                | 2/1/20                          |              | 2,429.98    |                   |                       |              |                       |
|               |  |                | 8/1/20                          | 20,000.00    | 15,156.56   | 4.00%             |                       |              |                       |
|               |  |                | 2/1/21                          |              | 2,175.44    |                   |                       |              |                       |
|               |  |                | 8/1/21                          | 20,000.00    | 14,902.03   | 5.00%             |                       |              |                       |
|               |  |                | 2/1/22                          |              | 1,857.28    |                   |                       |              |                       |
|               |  |                | 8/1/22                          | 20,000.00    | 14,583.86   | 5.00%             |                       |              |                       |
|               |  |                | 2/1/23                          |              | 1,539.12    |                   |                       |              |                       |
|               |  |                | 8/1/23                          | 20,000.00    | 14,265.70   | 4.25%             |                       |              |                       |
|               |  |                | 2/1/24                          |              | 1,268.68    |                   |                       |              |                       |
|               |  |                | 8/1/24                          | 20,000.00    | 13,995.26   | 4.50%             |                       |              |                       |
|               |  |                | 2/1/25                          |              | 982.33      |                   |                       |              |                       |
|               |  |                | 8/1/25                          | 20,000.00    | 13,708.91   | 4.50%             |                       |              |                       |
|               |  |                | 2/1/26                          |              | 695.98      |                   |                       |              |                       |
|               |  |                | 8/1/26                          | 25,000.00    | 16,604.21   | 4.50%             |                       |              |                       |
|               |  |                | 2/1/27                          |              | 338.04      |                   |                       |              |                       |
|               |  |                | 8/1/27                          | 25,000.00    | 16,246.46   | 4.25%             | \$ 486,495.03         | \$ 32,039.29 | \$ 454,455.74         |
|               |  |                |                                 |              |             | Ref.              | C                     | C-6          | C                     |

(A) Interest is applicable to Trust Loan only.

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

| Ordinance Number | Purpose  | Date of Issue of Original Note | Date of Issue | Date of Maturity | Interest Rate | Balance                |                      |                      |                        |
|------------------|--|--------------------------------|---------------|------------------|---------------|------------------------|----------------------|----------------------|------------------------|
|                  |  |                                |               |                  |               | Dec. 31, 2013          | Increased            | Decreased            | Balance Dec. 31, 2014  |
| 7-07             | Rehabilitation and Resurfacing of Certain Streets and Certain Park Improvement Projects  | 11/1/07                        | 10/21/14      | 7/28/15          | 0.83%         | \$ 165,000.00          |                      | \$ 11,000.00         | \$ 154,000.00          |
| 8-07             | Rehabilitation of Borough Owned Buildings, Purchase of a Digital Audio System and Security System for Courts and Council, Purchase of a Filing System for the Municipal Records, 4x4 Vehicle for Code Enforcement and Emergency Management Use and Pickup Truck and Snow Plow for Public Works | 11/1/07                        | 10/21/14      | 7/28/15          | 0.83%         | 85,000.00              |                      | 17,000.00            | 68,000.00              |
| 7-09             | Purchase of Trash Truck  | 10/30/09                       | 10/21/14      | 7/28/15          | 0.83%         | 160,500.00             |                      | 22,000.00            | 138,500.00             |
| 7-08             | Roadway Construction on Burr Avenue from Delsea Drive to Almonesson Road   | 10/29/10                       | 10/21/14      | 7/28/15          | 0.83%         | 13,000.00              |                      | 2,000.00             | 11,000.00              |
| 1-09             | Remediation of Underground Storage Tank  | 10/29/10                       | 10/21/14      | 7/28/15          | 0.83%         | 75,000.00              |                      | 8,000.00             | 67,000.00              |
| 14-09            | Roadway Construction on Woodbine Avenue  | 10/29/10                       | 10/21/14      | 7/28/15          | 0.83%         | 23,500.00              |                      | 4,000.00             | 19,500.00              |
| 5-10             | Various Capital Improvements   | 10/29/10                       | 10/21/14      | 7/28/15          | 0.83%         | 597,500.00             |                      | 25,000.00            | 572,500.00             |
| 1-09             | Remediation of Underground Storage Tank  | 10/29/11                       | 10/21/14      | 7/28/15          | 0.83%         | 30,000.00              |                      | 2,000.00             | 28,000.00              |
| 6-10             | Roadway Construction on East Olive Street  | 10/29/11                       | 10/21/14      | 7/28/15          | 0.83%         | 40,000.00              |                      | 4,000.00             | 36,000.00              |
| 7-11             | Rehabilitation of Borough Owned Property and Purchase of a 4-Wheel Drive Police Vehicle  | 10/29/11                       | 10/21/14      | 7/28/15          | 0.83%         | 30,000.00              |                      | 17,575.00            | 12,425.00              |
| 1-09             | Remediation of Underground Storage Tank  | 10/25/12                       | 10/21/14      | 7/28/15          | 0.83%         | 50,000.00              |                      |                      | 50,000.00              |
| 7-12             | Road Improvements to Olive Street  | 10/25/12                       | 10/21/14      | 7/28/15          | 0.83%         | 23,750.00              |                      |                      | 23,750.00              |
| 9-12             | Rehabilitation of Borough Owned Properties, Buildings and Rehabilitation of Fuel System  | 10/25/12                       | 10/21/14      | 7/28/15          | 0.83%         | 251,750.00             |                      |                      | 251,750.00             |
| 1-09             | Remediation of Underground Storage Tank  | 10/25/13                       | 10/21/14      | 7/28/15          | 0.83%         | 50,000.00              |                      |                      | 50,000.00              |
| 7-11             | Rehabilitation of Borough Owned Property and Purchase of a 4-Wheel Drive Police Vehicle  | 10/25/13                       | 10/21/14      | 7/28/15          | 0.83%         | 145,750.00             |                      |                      | 145,750.00             |
| 5-13             | Rehabilitation of Borough Owned Properties, Including Building Renovations and Installation of Elevator  | 6/20/13                        | 10/21/14      | 7/28/15          | 0.83%         | 95,000.00              |                      |                      | 95,000.00              |
| 3-13             | Rehabilitation of Borough Owned Properties, Including Building Renovations and Installation of Elevator  | 10/25/13                       | 10/21/14      | 7/28/15          | 0.83%         | 209,500.00             |                      |                      | 209,500.00             |
| 14-13            | Purchase of Leaf Vac Machine, Pickup Truck for Public Works Department, SUV Vehicle and 6 In Car Cameras for Police Department   | 12/12/13                       | 10/21/14      | 7/28/15          | 0.83%         | 114,900.00             |                      |                      | 114,900.00             |
| 8-14             | Rehabilitation of Borough Owned Properties and Installation of a Traffic Signal  | 11/18/14                       | 11/18/14      | 11/17/15         | 0.719%        |                        | \$ 261,250.00        |                      | 261,250.00             |
|                  |  |                                |               |                  |               | <u>\$ 2,160,150.00</u> | <u>\$ 261,250.00</u> | <u>\$ 112,575.00</u> | <u>\$ 2,308,825.00</u> |
|                  |  |                                |               |                  | Ref.          | C                      | C-15                 | C-7                  | C                      |

## SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| Ordinance<br>Number | Purpose  | Balance<br>Dec. 31, 2013 | 2014<br>Authorization | Bond<br>Anticipation<br>Notes<br>Issued | Balance<br>Dec. 31, 2014 |
|---------------------|--|--------------------------|-----------------------|---|--------------------------|
| 25-04               | Summit Avenue Phase II   | \$ 1,443.00              |                       |   | \$ 1,443.00              |
| 6-07                | Rehabilitation to the Sanitary Sewer Lines   | 12,976.00                |                       |   | 12,976.00                |
| 7-08                | Roadway Construction on Burr Avenue from Delsea Drive to<br>Almonesson Road        | 14,450.00                |                       |   | 14,450.00                |
| 1-09                | Remediation of Underground Storage Tank  | 113,500.00               |                       |   | 113,500.00               |
| 5-10                | Various Capital Improvements   | 700.00                   |                       |   | 700.00                   |
| 6-10                | Roadway Construction on East Olive Street  | 2,750.00                 |                       |   | 2,750.00                 |
| 8-14                | Rehabilitation of Borough Owned Properties and Installation of a<br>Traffic Signal |                          | \$ 261,250.00         | \$ 261,250.00                           |                          |
|                     |  | <u>\$ 145,819.00</u>     | <u>\$ 261,250.00</u>  | <u>\$ 261,250.00</u>                    | <u>\$ 145,819.00</u>     |
|                     | Ref.   |                          | C-9                   | C-14                                    |                          |

## **WATER UTILITY FUND**

## SCHEDULE OF UTILITY CASH - TREASURER

|                                    | Ref. | Operating                   | Capital                    |
|------------------------------------|------|-----------------------------|----------------------------|
| Balance December 31, 2013          | D    | \$ 114,156.38               | \$ 116,428.29              |
| Increased by:                      |      |                             |                            |
| Consumer Accounts Receivable       | D-7  | \$ 1,059,919.35             |                            |
| Fire Hydrant Service               | D-3  | 2,250.00                    |                            |
| Miscellaneous Revenues             | D-3  | 99,317.95                   | \$ 268.51                  |
| Utility Rent Overpayments          |      | 2,229.43                    |                            |
| Utility Rent Prepayments           |      | 49,392.30                   |                            |
| Refunds - Reserve for Debt Service |      |                             | 6,622.65                   |
|                                    |      | <u>1,213,109.03</u>         | <u>6,891.16</u>            |
|                                    |      | 1,327,265.41                | 123,319.45                 |
| Decreased by:                      |      |                             |                            |
| Budget Appropriations              | D-4  | 1,033,734.87                |                            |
| Appropriation Reserves             | D-12 | 384.40                      |                            |
| Encumbrances Payable               | D-13 | 11,397.52                   |                            |
| Accrued Interest Paid              | D-14 | 49,246.83                   |                            |
| Improvement Authorizations         | D-15 |                             | 56,142.97                  |
|                                    |      | <u>1,094,763.62</u>         | <u>56,142.97</u>           |
| Balance December 31, 2014          | D    | <u><u>\$ 232,501.79</u></u> | <u><u>\$ 67,176.48</u></u> |

ANALYSIS OF UTILITY CAPITAL FUND CASH

|                              |  | Balance<br>Dec. 31, 2013 | Receipts<br>Miscellaneous | Disbursements<br>Improvement<br>Authorizations | Balance<br>Dec. 31, 2014 |
|------------------------------|--|--------------------------|---------------------------|--|--------------------------|
| Capital Fund Balance         |  | \$ 855.66                |                           |  | \$ 855.66                |
| Capital Improvement Fund     |  | 4,076.00                 |                           |  | 4,076.00                 |
| Reserve for Debt Service     |  | 81.00                    | \$ 6,622.65               |  | 6,703.65                 |
| Due Utility Operating Fund   |  | 134,923.43               | 268.51                    |  | 135,191.94               |
| Due Current Fund             |  | 105,000.00               |                           |  | 105,000.00               |
| Other Accounts Receivable    |  | (170.47)                 |                           |  | (170.47)                 |
| Due from State of New Jersey |  | (288,805.00)             |                           |  | (288,805.00)             |
| Improvement Authorizations:  |  |                          |                           |  |                          |
| Ordinance                    |  |                          |                           |  |                          |
| Number                       | Purpose  |                          |                           |  |                          |
| 93-8                         | Various Improvements   | 1,154.00                 |                           |  | 1,154.00                 |
| 95-9                         | Redevelopment of Well #5   | 81.00                    |                           |  | 81.00                    |
| 95-9                         | Painting of Water Tower  | 2,905.71                 |                           | \$ 1,444.73                                    | 1,460.98                 |
| 03-11                        | Chestnut Street Water Mains and Improvements,<br>Redevelop Well #5, Purchase of Dump Truck,<br>Purchase and Installation of a Clarifier Dome<br>in the Borough | 263.54                   |                           |  | 263.54                   |
| 04-23                        | Purchase of a 4x4 Pickup Truck with Plow and<br>a Utility Truck  | 11,253.72                |                           |  | 11,253.72                |
| 11-02                        | Various Capital Improvements   | (32,689.64)              |                           | 2,012.50                                       | (34,702.14)              |
| 11-8                         | Repair &/or Replacement of Existing Water<br>Treatment Filters and Electrical Upgrades   | 134,821.50               |                           | 52,000.00                                      | 82,821.50                |
| 13-15                        | Repair and/or Replacement of Water Mains   | 13,622.50                |                           | 685.74   | 12,936.76                |
| Encumbrances Payable         |  | 29,055.34                |                           |  | 29,055.34                |
|                              |  | <u>\$ 116,428.29</u>     | <u>\$ 6,891.16</u>        | <u>\$ 56,142.97</u>                            | <u>\$ 67,176.48</u>      |
|                              | Ref.   | D                        | D-5                       | D-5  | D                        |

## EXHIBIT D-7

## SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

|                           |      |                 |                     |
|---------------------------|------|-----------------|---------------------|
|                           | Ref. |                 |                     |
| Balance December 31, 2013 | D    |                 | \$ 90,324.27        |
| Increased by:             |      |                 |                     |
| Utility Rents Levied      |      |                 | 1,093,893.99        |
|                           |      |                 | <u>1,184,218.26</u> |
| Decreased by:             |      |                 |                     |
| Collections               | D-5  | \$ 1,059,919.35 |                     |
| Overpayments Applied      |      | 780.84          |                     |
| Prepayments Applied       |      | 29,109.23       |                     |
| Canceled                  |      | 8,626.44        |                     |
|                           |      |                 | <u>1,098,435.86</u> |
| Balance December 31, 2014 | D    |                 | <u>\$ 85,782.40</u> |

## EXHIBIT D-8

## SCHEDULE OF WATER UTILITY LIENS RECEIVABLE

|                           |      |  |                  |
|---------------------------|------|--|------------------|
|                           | Ref. |  |                  |
| Balance December 31, 2013 | D    |  | \$ 249.68        |
| Balance December 31, 2014 | D    |  | <u>\$ 249.68</u> |

## EXHIBIT D-9

## SCHEDULE OF OTHER ACCOUNTS RECEIVABLE

|                           |      |                 |                  |
|---------------------------|------|-----------------|------------------|
|                           | Ref. | Capital<br>Fund |                  |
| Balance December 31, 2013 | D    |                 | \$ 170.47        |
| Balance December 31, 2014 | D    |                 | <u>\$ 170.47</u> |

## SCHEDULE OF FIXED CAPITAL

|   | Balance<br>Dec. 31, 2013 | Balance<br>Dec. 31, 2014 |
|---|--------------------------|--------------------------|
| Intangible Assets:                      |                          |                          |
| Organization                            | \$ 2,400.00              | \$ 2,400.00              |
| Miscellaneous                           | 24,000.00                | 24,000.00                |
| Source of Plant Supply:                 |                          |                          |
| Structure                               | 20,393.00                | 20,393.00                |
| Wells                                   | 677,029.00               | 677,029.00               |
| Supply Wells                            | 12,364.00                | 12,364.00                |
| Pumping Plant:                          |                          |                          |
| Structure                               | 14,569.00                | 14,569.00                |
| Electric Pumping Equipment              | 17,947.00                | 17,947.00                |
| Water Treatment Plant:                  |                          |                          |
| Structure                               | 87,755.00                | 87,755.00                |
| Water Treatment Equipment               | 363,381.00               | 363,381.00               |
| Backwash Water System                   | 5,091.00                 | 5,091.00                 |
| Transmission & Distribution Plant:      |                          |                          |
| Distribution Reservoirs & Standpipe     | 205,061.00               | 205,061.00               |
| Transmission & Distribution Mains       | 678,788.00               | 678,788.00               |
| Services                                | 17,989.00                | 17,989.00                |
| Meters                                  | 112,680.00               | 112,680.00               |
| Hydrants                                | 29,397.00                | 29,397.00                |
| General Plant - Other General Equipment | 76,528.00                | 76,528.00                |
| Improvement to Water Filtration System  | 400,000.00               | 400,000.00               |
| Purchase of Water Meters                | 18,759.70                | 18,759.70                |
| Purchase of Water Meters & Hydrants     | 36,452.93                | 36,452.93                |
| Various Capital Outlay                  | 147,009.26               | 147,009.26               |
|   | <u>\$ 2,947,593.89</u>   | <u>\$ 2,947,593.89</u>   |
| Ref.                                    | D                        | D                        |

## SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

| Purpose  | Ordinance |              | Balance                | Balance                |
|--|-----------|--------------|------------------------|------------------------|
|  | Date      | Amount       | Dec. 31, 2013          | Dec. 31, 2014          |
| Various Improvements   | 8/10/93   | \$ 39,500.00 | \$ 39,500.00           | \$ 39,500.00           |
| Redevelopment of Well #5   | 12/12/95  | 43,500.00    | 43,500.00              | 43,500.00              |
| Painting of Water Tower  | 12/12/95  | 126,500.00   | 126,500.00             | 126,500.00             |
| Replace & Repair Water Mains   | 6/23/99   | 525,000.00   | 525,000.00             | 525,000.00             |
| Improvements to Water Treatment Facility<br>& Reconstruct Elm Avenue   | 4/12/00   | 168,700.00   | 168,700.00             | 168,700.00             |
| Chestnut Street Water Mains and Improvements,<br>Redevelop Well #5, Purchase of Dump Truck,<br>Purchase and Installation of a Clarifier Dome<br>in the Borough | 6/25/00   | 451,800.00   | 451,800.00             | 451,800.00             |
| Purchase of a 4x4 Pickup Truck with Plow and<br>a Utility Truck  | 12/8/04   | 65,000.00    | 65,000.00              | 65,000.00              |
| Re-drill Well #5   | 7/12/06   | 239,773.00   | 239,773.00             | 239,773.00             |
| Various Capital Improvements   | 4/13/11   | 1,320,000.00 | 1,320,000.00           | 1,320,000.00           |
| Repair &/or Replacement of Existing Water<br>Treatment Filters and Electrical Upgrades   | 9/28/11   | 135,000.00   | 135,000.00             | 135,000.00             |
| Repair and/or Replacement of Water Mains   | 10/7/13   | 85,000.00    | 85,000.00              | 85,000.00              |
|  |           |              | <u>\$ 3,199,773.00</u> | <u>\$ 3,199,773.00</u> |
|  |           | Ref.         | D                      | D                      |

## SCHEDULE OF 2013 APPROPRIATION RESERVES

|                             | <u>Balance<br/>Dec. 31, 2013</u> | <u>Paid or<br/>Charged</u> | <u>Balance<br/>Lapsed</u> |
|-----------------------------|----------------------------------|----------------------------|---------------------------|
| Operating:                  |                                  |                            |                           |
| Other Expenses              | \$ 1,232.91                      | \$ 384.40                  | \$ 848.51                 |
| Other Accounts - No Changes | 216.52                           |                            | 216.52                    |
|                             | <u>\$ 1,449.43</u>               | <u>\$ 384.40</u>           | <u>\$ 1,065.03</u>        |
| Ref.                        | D                                | D-5                        | D-1                       |

## SCHEDULE OF ENCUMBRANCES PAYABLE

|                                | Ref. | <u>Operating</u>    | <u>Capital</u>      |
|--------------------------------|------|---------------------|---------------------|
| Balance December 31, 2013      | D    | <u>\$ 11,397.52</u> | <u>\$ 29,055.34</u> |
| Increased by:                  |      |                     |                     |
| Charges to 2014 Appropriations | D-4  | 2,993.29            |                     |
|                                |      | <u>14,390.81</u>    | <u>29,055.34</u>    |
| Decreased by:                  |      |                     |                     |
| Payments                       | D-5  | 11,397.52           |                     |
| Balance December 31, 2014      | D    | <u>\$ 2,993.29</u>  | <u>\$ 29,055.34</u> |

SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS,  
AND ANALYSIS OF BALANCE

|                             |           |              |
|-----------------------------|-----------|--------------|
| Balance December 31, 2013   | Ref.<br>D | \$ 11,189.79 |
| Increased by:               |           |              |
| Budget Appropriation for:   |           |              |
| Interest on Bonds and Notes | D-4       | 48,349.63    |
|                             |           | 59,539.42    |
| Decreased by:               |           |              |
| Interest Paid               | D-5       | 49,246.83    |
| Balance December 31, 2014   | D         | \$ 10,292.59 |

**Analysis of Accrued Interest December 31, 2014**

|           | Principal<br>Outstanding<br>Dec. 31, 2014 | Interest<br>Rate | From     | To       | Period   | Amount       |
|-----------|---|------------------|----------|----------|----------|--------------|
| Bonds: \$ | 276,008.00                                | 5.00%            | 10/15/14 | 12/31/14 | 77 Days  | \$ 2,912.05  |
|           | 409,000.00                                | Various          | 12/1/14  | 12/31/14 | 1 Month  | 1,575.62     |
| Notes:    | 162,000.00                                | 0.85%            | 7/29/14  | 12/31/14 | 155 Days | 580.01       |
|           | 213,500.00                                | 0.83%            | 10/21/14 | 12/31/14 | 71 Days  | 349.44       |
| Loans:    | 85,000.00                                 | Various          | 8/1/14   | 12/31/14 | 5 Months | 1,981.24     |
|           | 330,463.00                                | Various          | 8/1/14   | 12/31/14 | 5 Months | 2,894.23     |
|           |   |                  |          |          |          | \$ 10,292.59 |

## SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| Ordinance<br>Number | Purpose  | Date     | Amount       | Balance Dec. 31, 2013 |                      | Paid or<br>Charged  | Balance Dec. 31, 2014 |                      |
|---------------------|--|----------|--------------|-----------------------|----------------------|---------------------|-----------------------|----------------------|
|                     |  |          |              | Funded                | Unfunded             |                     | Funded                | Unfunded             |
| 93-08               | Various Improvements   | 8/10/93  | \$ 39,500.00 | \$ 1,154.00           |                      |                     | \$ 1,154.00           |                      |
| 95-09               | Redevelopment of Well #5   | 12/12/95 | 43,500.00    | 81.00                 |                      |                     | 81.00                 |                      |
| 95-09               | Painting of Water Tower  | 12/12/95 | 126,500.00   | 2,905.71              |                      | \$ 1,444.73         | 1,460.98              |                      |
| 03-11               | Chestnut Street Water Mains and Improvements,<br>Redevelop Well #5, Purchase of Dump Truck,<br>Purchase and Installation of a Clarifier Dome<br>in the Borough | 6/25/03  | 451,800.00   | 263.54                | \$ 586.00            |                     | 263.54                | \$ 586.00            |
| 04-23               | Purchase of a 4x4 Pickup Truck with Plow and<br>a Utility Truck  | 12/8/04  | 65,000.00    | 11,253.72             |                      |                     | 11,253.72             |                      |
| 11-02               | Various Capital Improvements   | 4/13/11  | 1,320,000.00 |                       | 89,214.36            | 2,012.50            |                       | 87,201.86            |
| 11-8                | Repair &/or Replacement of Existing Water<br>Treatment Filters and Electrical Upgrades   | 9/28/11  | 135,000.00   |                       | 134,821.50           | 52,000.00           |                       | 82,821.50            |
| 13-15               | Repair and/or Replacement of Water Mains   | 10/7/13  | 85,000.00    |                       | 13,622.50            | 685.74              |                       | 12,936.76            |
|                     |  |          |              | <u>\$ 15,657.97</u>   | <u>\$ 238,244.36</u> | <u>\$ 56,142.97</u> | <u>\$ 14,213.24</u>   | <u>\$ 183,546.12</u> |
|                     |  |          | Ref.         | D                     | D                    | D-5                 | D                     | D                    |

## EXHIBIT D-16

## SCHEDULE OF CAPITAL IMPROVEMENT FUND

|                           |           |                    |
|---------------------------|-----------|--------------------|
| Balance December 31, 2013 | Ref.<br>D | \$ 4,076.00        |
| Balance December 31, 2014 | D         | <u>\$ 4,076.00</u> |

## EXHIBIT D-17

## SCHEDULE OF RESERVE FOR AMORTIZATION

|                                       |           |                        |
|---------------------------------------|-----------|------------------------|
| Balance December 31, 2013             | Ref.<br>D | \$ 2,195,269.89        |
| Increased by:                         |           |                        |
| Serial Bonds Paid by Operating Budget | D-19      | <u>67,316.00</u>       |
| Balance December 31, 2014             | D         | <u>\$ 2,262,585.89</u> |

## SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

| Ordinance<br>Number | Purpose  | Date of<br>Ordinance | Balance<br>Dec. 31, 2013 | Paid from<br>Operating Budget |                     | Balance<br>Dec. 31, 2014 |
|---------------------|--|----------------------|--------------------------|-------------------------------|---------------------|--------------------------|
|                     |  |                      |                          | Notes                         | Loans               |                          |
| 93-8                | Various Improvements   | 8/10/93              | \$ 39,500.00             |                               |                     | \$ 39,500.00             |
| 95-9                | Redevelopment of Well #5   | 12/12/95             | 43,500.00                |                               |                     | 43,500.00                |
| 95-9                | Painting of Water Tower  | 12/12/95             | 126,500.00               |                               |                     | 126,500.00               |
| 99-9                | Repair and Replace Water Mains   | 6/23/99              | 352,653.59               |                               | \$ 27,344.08        | 379,997.67               |
| 00-19               | Improvements to Water Treatment Facility<br>& Reconstruct Elm Avenue                     | 12/14/00             | 168,700.00               |                               |                     | 168,700.00               |
| 03-11               | Water Main Improvements  | 6/25/03              | 451,214.00               |                               |                     | 451,214.00               |
| 04-23               | Purchase of a 4x4 Pickup Truck with Plow and<br>a Utility Truck                          | 12/8/04              | 65,000.00                |                               |                     | 65,000.00                |
| 06-6                | Re-drill Well  | 7/12/06              | 64,773.00                | \$ 13,000.00                  |                     | 77,773.00                |
| 11-2                | Various Improvements   | 4/12/11              | 87,742.45                |                               | 59,531.07           | 147,273.52               |
| 11-8                | Repair and/or Replacement of Existing Water<br>Treatment Filters and Electrical Upgrades | 9/28/11              |                          | 6,500.00                      |                     | 6,500.00                 |
|                     |  |                      | <u>\$ 1,399,583.04</u>   | <u>\$ 19,500.00</u>           | <u>\$ 86,875.15</u> | <u>\$ 1,505,958.19</u>   |
|                     |  | Ref.                 | D                        | D-21                          | D-20                | D                        |

## SCHEDULE OF SERIAL BONDS PAYABLE

| Date of Issue | Purpose                      | Original Issue | Maturities of Bonds Outstanding |              | Interest Rate | Balance       |              | Balance       |
|---------------|------------------------------|----------------|---------------------------------|--------------|---------------|---------------|--------------|---------------|
|               |                              |                | December 31, 2014               |              |               | Dec. 31, 2013 | Decreased    |               |
|               |                              |                | Date                            | Amount       |               |               |              |               |
| 10/15/81      | Improvement to Water System  | \$ 819,000.00  | 10/15/15                        | \$ 33,932.00 | 5.00%         |               |              |               |
|               |                              |                | 10/15/16                        | 35,628.00    | 5.00%         |               |              |               |
|               |                              |                | 10/15/17                        | 37,410.00    | 5.00%         |               |              |               |
|               |                              |                | 10/15/18                        | 39,280.00    | 5.00%         |               |              |               |
|               |                              |                | 10/15/19                        | 41,244.00    | 5.00%         |               |              |               |
|               |                              |                | 10/15/20                        | 43,306.00    | 5.00%         |               |              |               |
|               |                              |                | 10/15/21                        | 45,208.00    | 5.00%         | \$ 308,324.00 | \$ 32,316.00 | \$ 276,008.00 |
| 12/1/05       | Improvements to Water System | 724,000.00     | 12/1/15                         | 35,000.00    | 4.625%        |               |              |               |
|               |                              |                | 12/1/16-17                      | 45,000.00    | 4.625%        |               |              |               |
|               |                              |                | 12/1/18-20                      | 50,000.00    | 4.625%        |               |              |               |
|               |                              |                | 12/1/21                         | 65,000.00    | 4.625%        |               |              |               |
|               |                              |                | 12/1/22                         | 69,000.00    | 4.625%        | 444,000.00    | 35,000.00    | 409,000.00    |
|               |                              |                |                                 |              |               | \$ 752,324.00 | \$ 67,316.00 | \$ 685,008.00 |
|               |                              |                |                                 |              |               | D             | D-17         | D             |

## SCHEDULE OF NEW JERSEY ENVIRONMENTAL TRUST LOAN

| Date of Issue | Purpose  | Original Issue | Maturities of Bonds Outstanding<br>December 31, 2014 |              |             | Interest Rate (A) | Balance<br>Dec. 31, 2013 | Decreased    | Balance<br>Dec. 31, 2014 |
|---------------|--|----------------|--|--------------|-------------|-------------------|--------------------------|--------------|--------------------------|
|               |  |                | Date   | Trust Loan   | Fund Loan   |                   |                          |              |                          |
| 10/15/99      | Replacement, Repair and<br>Rehabilitation of Water Mains   | \$ 472,136.00  | 2/1/15   |              | \$ 1,118.53 |                   |                          |              |                          |
|               |  |                | 8/1/15   | \$ 15,000.00 | 10,698.63   | 5.50%             |                          |              |                          |
|               |  |                | 2/1/16   |              | 855.08      |                   |                          |              |                          |
|               |  |                | 8/1/16   | 15,000.00    | 10,435.18   | 5.50%             |                          |              |                          |
|               |  |                | 2/1/17   |              | 591.63      |                   |                          |              |                          |
|               |  |                | 8/1/17   | 15,000.00    | 10,171.73   | 5.50%             |                          |              |                          |
|               |  |                | 2/1/18   |              | 328.18      |                   |                          |              |                          |
|               |  |                | 8/1/18   | 20,000.00    | 13,101.64   | 5.70%             |                          |              |                          |
|               |  |                | 2/1/19   |              | (35.87)     |                   |                          |              |                          |
|               |  |                | 8/1/19   | 20,000.00    | 12,737.60   | 5.70%             | \$ 172,346.41            | \$ 27,344.08 | \$ 145,002.33            |
| 8/1/12        | Replacement, Repair and<br>Rehabilitation of Water Utility | 226,411.00     | 2/1/15   |              | 1,895.05    |                   |                          |              |                          |
|               |  |                | 8/1/15   | 5,432.00     | 3,790.10    | 0.48%             |                          |              |                          |
|               |  |                | 2/1/16   |              | 1,895.05    |                   |                          |              |                          |
|               |  |                | 8/1/16   | 5,458.00     | 3,790.10    | 0.59%             |                          |              |                          |
|               |  |                | 2/1/17   |              | 1,895.05    |                   |                          |              |                          |
|               |  |                | 8/1/17   | 5,490.00     | 3,790.10    | 0.79%             |                          |              |                          |
|               |  |                | 2/1/18   |              | 1,895.05    |                   |                          |              |                          |
|               |  |                | 8/1/18   | 5,533.00     | 3,790.10    | 1.20%             |                          |              |                          |
|               |  |                | 2/1/19   |              | 1,895.05    |                   |                          |              |                          |
|               |  |                | 8/1/19   | 5,590.00     | 3,790.10    | 1.25%             |                          |              |                          |
|               |  |                | 2/1/20   |              | 1,895.05    |                   |                          |              |                          |
|               |  |                | 8/1/20   | 5,660.00     | 3,790.10    | 1.52%             |                          |              |                          |

SCHEDULE OF NEW JERSEY ENVIRONMENTAL TRUST LOAN

| Date of Issue | Purpose  | Original Issue | Maturities of Bonds Outstanding<br>December 31, 2014 |            |           | Interest Rate (A) | Balance<br>Dec. 31, 2013 | Decreased | Balance<br>Dec. 31, 2014 |
|---------------|--|----------------|--|------------|-----------|-------------------|--------------------------|-----------|--------------------------|
|               |  |                | Date   | Trust Loan | Fund Loan |                   |                          |           |                          |
| 8/1/12        | Replacement, Repair and<br>Rehabilitation of Water Utility | 226,411.00     | 2/1/21   |            | 1,895.05  |                   |                          |           |                          |
|               |  |                | 8/1/21   | 5,746.00   | 3,790.10  | 1.73%             |                          |           |                          |
|               |  |                | 2/1/22   |            | 1,895.05  |                   |                          |           |                          |
|               |  |                | 8/1/22   | 5,845.00   | 3,790.10  | 1.88%             |                          |           |                          |
|               |  |                | 2/1/23   |            | 1,895.05  |                   |                          |           |                          |
|               |  |                | 8/1/23   | 5,955.00   | 3,790.10  | 2.02%             |                          |           |                          |
|               |  |                | 2/1/24   |            | 1,895.05  |                   |                          |           |                          |
|               |  |                | 8/1/24   | 6,075.00   | 3,790.10  | 2.14%             |                          |           |                          |
|               |  |                | 2/1/25   |            | 1,895.05  |                   |                          |           |                          |
|               |  |                | 8/1/25   | 6,205.00   | 3,790.10  | 2.26%             |                          |           |                          |
|               |  |                | 2/1/26   |            | 1,895.05  |                   |                          |           |                          |
|               |  |                | 8/1/26   | 6,346.00   | 3,790.10  | 2.35%             |                          |           |                          |
|               |  |                | 2/1/27   |            | 1,895.05  |                   |                          |           |                          |
|               |  |                | 8/1/27   | 6,495.00   | 3,790.10  | 2.88%             |                          |           |                          |
|               |  |                | 2/1/28   |            | 1,895.05  |                   |                          |           |                          |
|               |  |                | 8/1/28   | 6,682.00   | 3,790.10  | 2.96%             |                          |           |                          |
|               |  |                | 2/1/29   |            | 1,895.05  |                   |                          |           |                          |
|               |  |                | 8/1/29   | 6,880.00   | 3,790.10  | 3.04%             |                          |           |                          |
|               |  |                | 2/1/30   |            | 1,895.05  |                   |                          |           |                          |
| 8/1/30        | 7,089.00   | 3,790.10       | 3.10%  |            |           |                   |                          |           |                          |
| 2/1/31        |  | 1,895.05       |  |            |           |                   |                          |           |                          |
| 8/1/31        | 7,308.00   | 3,790.15       | 3.17%  | 211,534.75 | 11,098.15 | 200,436.60        |                          |           |                          |
| 8/1/12        | Replacement, Repair and<br>Rehabilitation of Water Utility | 971,685.00     | 2/1/15   |            | 12,229.64 |                   |                          |           |                          |
|               |  |                | 8/1/15   | 11,786.00  | 24,459.28 | 0.51%             |                          |           |                          |
|               |  |                | 2/1/16   |            | 12,229.64 |                   |                          |           |                          |
|               |  |                | 8/1/16   | 11,846.00  | 24,459.28 | 0.60%             |                          |           |                          |
|               |  |                | 2/1/17   |            | 12,229.64 |                   |                          |           |                          |
| 8/1/17        | 11,917.00  | 24,459.28      | 0.82%  |            |           |                   |                          |           |                          |

SCHEDULE OF NEW JERSEY ENVIRONMENTAL TRUST LOAN

| Date of Issue | Purpose   | Original Issue | Maturities of Bonds Outstanding<br>December 31, 2014 |            |           | Interest Rate (A) | Balance<br>Dec. 31, 2013 | Decreased           | Balance<br>Dec. 31, 2014 |
|---------------|---|----------------|--|------------|-----------|-------------------|--------------------------|---------------------|--------------------------|
|               |   |                | Date   | Trust Loan | Fund Loan |                   |                          |                     |                          |
| 8/1/12        | Replacement, Repair and Rehabilitation of Water Utility | 971,685.00     | 2/1/18   |            | 12,229.64 |                   |                          |                     |                          |
|               |   |                | 8/1/18   | 12,015.00  | 24,459.28 | 1.10%             |                          |                     |                          |
|               |   |                | 2/1/19   |            | 12,229.64 |                   |                          |                     |                          |
|               |   |                | 8/1/19   | 12,147.00  | 24,459.28 | 1.36%             |                          |                     |                          |
|               |   |                | 2/1/20   |            | 12,229.64 |                   |                          |                     |                          |
|               |   |                | 8/1/20   | 12,312.00  | 24,459.28 | 1.62%             |                          |                     |                          |
|               |   |                | 2/1/21   |            | 12,229.64 |                   |                          |                     |                          |
|               |   |                | 8/1/21   | 12,512.00  | 24,459.28 | 1.82%             |                          |                     |                          |
|               |   |                | 2/1/22   |            | 12,229.64 |                   |                          |                     |                          |
|               |   |                | 8/1/22   | 12,739.00  | 24,459.28 | 1.96%             |                          |                     |                          |
|               |   |                | 2/1/23   |            | 12,229.64 |                   |                          |                     |                          |
|               |   |                | 8/1/23   | 12,989.00  | 24,459.28 | 2.12%             |                          |                     |                          |
|               |   |                | 2/1/24   |            | 12,229.64 |                   |                          |                     |                          |
|               |   |                | 8/1/24   | 13,265.00  | 24,459.28 | 2.26%             |                          |                     |                          |
|               |   |                | 2/1/25   |            | 12,229.64 |                   |                          |                     |                          |
|               |   |                | 8/1/25   | 13,564.00  | 24,459.28 | 2.39%             |                          |                     |                          |
|               |   |                | 2/1/26   |            | 12,229.64 |                   |                          |                     |                          |
|               |   |                | 8/1/26   | 13,888.00  | 24,459.28 | 2.48%             |                          |                     |                          |
|               |   |                | 2/1/27   |            | 12,229.64 |                   |                          |                     |                          |
|               |   |                | 8/1/27   | 14,233.00  | 24,459.28 | 3.01%             |                          |                     |                          |
|               |   |                | 2/1/28   |            | 12,229.64 |                   |                          |                     |                          |
|               |   |                | 8/1/28   | 14,661.00  | 24,459.28 | 3.09%             |                          |                     |                          |
|               |   |                | 2/1/29   |            | 12,229.64 |                   |                          |                     |                          |
|               |   |                | 8/1/29   | 15,114.00  | 24,459.28 | 3.16%             |                          |                     |                          |
|               |   |                | 2/1/30   |            | 12,229.64 |                   |                          |                     |                          |
|               |   |                | 8/1/30   | 15,592.00  | 24,459.28 | 3.22%             |                          |                     |                          |
|               |   |                | 2/1/31   |            | 12,229.64 |                   |                          |                     |                          |
|               |   |                | 8/1/31   | 16,094.00  | 24,459.52 | 3.29%             | 898,818.80               | 48,432.92           | 850,385.88               |
|               |   |                |  |            |           |                   | <u>\$ 1,282,699.96</u>   | <u>\$ 86,875.15</u> | <u>\$1,195,824.81</u>    |
|               |   |                |  |            |           |                   | Ref. D                   | D-18                | D                        |

(A) Interest is applicable to Trust Loan only.

## SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

| Ordinance<br>Number | Purpose  | Date of Issue       |                  |                     | Interest<br>Rate | Balance              |                     | Balance<br>Dec. 31, 2014 |
|---------------------|--|---------------------|------------------|---------------------|------------------|----------------------|---------------------|--------------------------|
|                     |  | of Original<br>Note | Date of<br>Issue | Date of<br>Maturity |                  | Dec. 31, 2013        | Decreased           |                          |
| 6-06                | Re-drill Well #5   | 8/9/06              | 7/29/14          | 7/28/15             | 0.85%            | \$ 175,000.00        | \$ 13,000.00        | \$ 162,000.00            |
| 11-08               | Repair and/or Replacement of Existing Water<br>Treatment Filters and Electrical Upgrades | 10/28/11            | 10/21/14         | 7/28/15             | 0.83%            | 65,000.00            | 6,500.00            | 58,500.00                |
| 11-08               | Repair and/or Replacement of Existing Water<br>Treatment Filters and Electrical Upgrades | 10/25/12            | 10/21/14         | 7/28/15             | 0.83%            | 70,000.00            |                     | 70,000.00                |
| 13-15               | Repair and/or Replacement of Water Mains   | 12/12/13            | 10/21/14         | 7/28/15             | 0.83%            | 85,000.00            |                     | 85,000.00                |
|                     |  |                     |                  |                     |                  | <u>\$ 395,000.00</u> | <u>\$ 19,500.00</u> | <u>\$ 375,500.00</u>     |
|                     |  |                     |                  |                     | Ref.             | D                    | D-18                | D                        |

## SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| Ordinance<br>Number | Purpose  | Balance<br>Dec. 31, 2013 | Balance<br>Dec. 31, 2014 |
|---------------------|--|--------------------------|--------------------------|
| 3-11                | Chestnut Street Water Mains and Improvements,<br>Redevelop Well #5, Purchase of Dump Truck,<br>Purchase and Installation of a Clarifier Dome<br>in the Borough | \$ 586.00                | \$ 586.00                |
| 11-02               | Various Capital Improvements   | 121,904.00               | 121,904.00               |
|                     |  | <u>\$ 122,490.00</u>     | <u>\$ 122,490.00</u>     |

**PART II**  
**LETTER OF COMMENTS AND RECOMMENDATIONS**  
**YEAR ENDED DECEMBER 31, 2014**

## GENERAL COMMENTS

### **Contracts and Agreements Required to be Advertised for NJSA 40A:11-4**

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

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

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

Resurfacing and Safety Improvements to River Drive  
Calcium Hypochlorite Tablets  
Coagulant and CES PAC1

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per NJSA 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.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJSA 40A:11-6.

NJSA 40A:11-6.1 requires that at least two competitive quotations be obtained for all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount.

### **Collection of Interest on Delinquent Taxes and Assessments**

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

The governing body on January 6, 2014, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, RS 54:4-67 permits the Governing Body of each municipality to fix the rate of interest to be charged for nonpayment of taxes, sewer charges, water charges, assessments subject to any abatement or discount for the late payment of taxes, assessments, etc., as provided by law:

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the Borough of Westville, County of Gloucester, State of New Jersey that property taxes shall be due and payable quarterly on February 1<sup>st</sup>, May 1<sup>st</sup>, August 1<sup>st</sup> and November 1<sup>st</sup> of each year with a ten-day grace period, after which dates, if unpaid shall become delinquent with interest charged as set forth below and reverting back to the due date on any quarterly installment of taxes.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the Borough of Westville, County of Gloucester, State of New Jersey, hereby fix the rate of interest 8% per annum on the first \$1,500.00 of delinquency and 18% per annum on any amount in excess of \$1,500.00 of delinquency and 18% per annum on any amount in excess of \$1,500.00.

BE IT FURTHER RESOLVED, that a 6% year end penalty be assessed on the last day of the fiscal year on delinquent accounts when in excess of \$10,000.00.

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

**Delinquent Taxes and Tax Title Liens**

The last tax sale was held on April 25, 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.

| <u>Year</u> | <u>Number of Liens</u> |
|-------------|------------------------|
| 2014        | 4                      |
| 2013        | 3                      |
| 2012        | 3                      |

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

**Verification of Delinquent Taxes and Other Charges**

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services. All notices returned were reviewed and no discrepancies were noted. A separate report will be rendered if any irregularities develop after the date of the audit.

**Comparison of Tax Levies and Collections Currently**

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

|                           | <u>2014</u>     | <u>2013</u>     | <u>2012</u>     |
|---------------------------|-----------------|-----------------|-----------------|
| Tax Levy                  | \$ 9,721,357.19 | \$ 9,503,946.19 | \$ 9,277,875.76 |
| Cash Collections          | 9,227,622.42    | 9,102,591.07    | 8,810,943.80    |
| Percentage of Collections | 94.92%          | 95.78%          | 94.97%          |

**Comparative Schedule of Tax Rate Information**

|                            | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|----------------------------|-------------|-------------|-------------|
| Tax Rate                   | 3.570       | 3.478       | 3.336       |
| Apportionment of Tax Rate: |             |             |             |
| Municipal                  | 1.066       | 1.032       | 0.951       |
| Library Tax                | 0.030       | 0.031       | 0.032       |
| County                     | 0.569       | 0.561       | 0.537       |
| Local School               | 0.928       | 0.886       | 0.838       |
| Regional High School       | 0.977       | 0.968       | 0.978       |
| Assessed Valuation         | 261,358,759 | 263,446,994 | 268,529,139 |

**Comparative Schedule of Delinquent Taxes and Tax Title Liens**

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

|                           | 2014          | 2013         | 2012         |
|---------------------------|---------------|--------------|--------------|
| Amount of Tax Title Liens | \$ 106,448.97 | \$ 23,583.60 | \$ 20,712.15 |
| Delinquent Taxes          | 366,298.62    | 340,667.94   | 546,765.94   |
| Total Delinquent          | 472,747.59    | 364,251.54   | 567,478.09   |
| Percentage of Tax Levy    | 4.86%         | 3.83%        | 6.12%        |

**Comparative Schedule of Property Acquired by Tax Title Lien Liquidation**

The value of property acquired by liquidation of tax title liens on December 31<sup>st</sup>, on the basis of the last assessed valuation of such properties, was as follows:

|   | 2014    | 2013    | 2012    |
|---|---------|---------|---------|
| Property Acquired for Taxes<br>(Assessed Valuation) | 237,450 | 237,450 | 237,450 |

**OTHER COMMENTS**

**Accounting Procedures**

A general ledger has been established as required by NJAC 5:30-5.7.

An encumbrance accounting system has been established as required by NJAC 5:30-5.2.

There are numerous interfund loans existing as of year-end. These interfunds are being researched by the Chief Financial Officer and will be cleared.

There are two ordinances with deficits in cash over five years old. These deficits are being cleared by the Chief Financial Officer in the year 2015.

**Corrective Action Plan**

A corrective action plan was not required for the year 2013.

**FINDINGS AND RECOMMENDATIONS**

None

\*\*\*\*\*

We received the complete cooperation of all the officials of the Borough and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
 Certified Public Accountant  
 Registered Municipal Accountant #252