

TOWNSHIP OF EGG HARBOR

ATLANTIC COUNTY

NEW JERSEY

AUDIT REPORT

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

**TOWNSHIP OF EGG HARBOR
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TOWNSHIP OF EGG HARBOR

PART 1

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2014



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
Members of Township Committee
Township of Egg Harbor, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Egg Harbor, 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 Township'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 Township of Egg Harbor 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 Township of Egg Harbor as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 24 of the financial statements, the Township participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,540,710 and \$1,388,656 for 2014 and 2013 respectively were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, 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 Township of Egg Harbor’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relate 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, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 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 subjected 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 31, 2015 on our consideration of the Township of Egg Harbor'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 Township of Egg Harbor's internal control over financial reporting and compliance.

Very truly yours,

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Kenneth Moore

Kenneth Moore
Certified Public Accountant
Registered Municipal Accountant
No. 231

March 31, 2015

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EXHIBIT A - CURRENT FUND

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

	2014	2013
<u>ASSETS</u>		
Regular Fund:		
Cash:		
Treasurer	\$ 8,061,860	8,403,172
Payroll	267	267
Change	600	900
Petty Cash Funds	2,700	2,100
Total Cash	8,065,427	8,406,439
Other Receivables:		
Due from State - Veterans and Senior Citizens	17,429	19,929
Total Other Receivables	17,429	19,929
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	83,606	49,864
Tax Title and Other Liens	477,004	436,861
Property Acquired for Taxes - at Assessed Valuation	8,248,596	8,084,896
Revenue Accounts Receivable	337,614	599,257
Interfund Receivable:		
Animal Control Fund	829	5,942
Total Receivables and Other Assets	9,147,649	9,176,820
Deferred Charges:		
Emergency Appropriation	6,170	-
Special Emergency Appropriation	300,000	600,000
Total Deferred Charges	306,170	600,000
Total Regular Fund	17,536,675	18,203,188
Federal and State Grant Fund:		
Cash	1,655,270	1,515,918
Federal and State Grants Receivable	494,348	3,144,528
Due from Regular Fund	2,547,488	2,541,265
Total Federal and State Grant Fund	4,697,106	7,201,711
Total Current Fund	\$ 22,233,781	25,404,899

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 591,616	552,352
Reserve for Encumbrances/Accounts Payable	1,450,326	1,175,490
Taxes Collected in Advance	897,918	900,548
Overpaid Taxes	247,469	113,364
Payroll Taxes Payable	19,620	-
Special Emergency Note Payable	300,000	600,000
County Added Tax Payable	92,047	113,157
Due to State:		
DCA Training Fees	12,302	16,826
Interfund Payable:		
Third Party Inspectors	15,633	22,698
Public Defender Trust	1,300	1,800
Local Open Space Trust	3,639	4,682
Grant Fund	2,547,488	2,541,265
General Capital Fund	236,469	458,592
Other		
Due to Municipal Utilities Authority	229,778	316,230
Surety Bond Payable	291,449	463,459
Court Settlements	253,208	-
Curb and Sidewalk Surety Deposits	50,830	89,192
Curb and Sidewalk in Lieu	482,387	394,211
Street Opening Surety	65,278	86,778
In Lieu - Other	30,800	30,800
State Tax Appeals Pending	119,105	319,105
Property Sales	65,787	20,619
Property Revaluation	58,981	249,748
	8,063,430	8,470,916
Reserve for Receivables and Other Assets	9,147,649	9,176,820
Fund Balance	325,596	555,452
Total Regular Fund	17,536,675	18,203,188
Federal and State Grant Fund:		
Unappropriated Reserves	-	9,132
Appropriated Reserves	619,081	3,331,621
Encumbrances Payable	113,018	73,654
Due to General Capital	3,965,007	3,787,304
Total Federal and State Grant Fund	4,697,106	7,201,711
Total Current Fund	\$ 22,233,781	25,404,899

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

	2014	2013
Revenue and Other Income Realized		
Fund Balance	\$ 350,000	402,943
Miscellaneous Revenue Anticipated	15,897,159	15,795,110
Receipts from Delinquent Taxes	89,018	257,110
Receipts from Current Taxes	118,410,757	114,322,268
Non Budget Revenue	317,182	248,553
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	151,874	152,881
Interfund Returned	522	8,122
Cancellation of Prior Year Liabilities	556	103,818
Reserve for Tax Appeals	200,000	-
Total Income	135,417,068	131,290,805
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	14,678,224	14,301,060
Other Expenses	11,710,294	10,728,329
Deferred Charges & Statutory Expenditures	3,741,468	3,938,087
Appropriations Excluded from "CAPS"		
Operations:		
Other Expenses	1,798,371	1,695,680
Capital Improvements	590,000	450,000
Debt Service	4,339,555	4,390,474
Deferred Charges	300,000	552,600
Local District School Tax	75,859,907	73,922,654
Municipal Open Space Tax	820,610	820,169
County Tax	20,772,517	19,541,067
County Share of Added Tax	92,047	113,157
Refund of Prior Year's Revenue	600,101	358,984
Total Expenditures	135,303,094	130,812,261
Excess in Revenue	113,974	478,544

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

	2014	2013
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	6,170	-
Total Adjustments	6,170	-
Statutory Excess to Fund Balance	120,144	478,544
Fund Balance January 1	555,452	479,851
	675,596	958,395
Decreased by:		
Utilization as Anticipated Revenue	350,000	402,943
Fund Balance December 31	\$ 325,596	555,452

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

	Anticipated		
	Budget	N.J.S. 40A:4-87	Realized
			Excess or (Deficit)
Fund Balance Anticipated	\$ 350,000		350,000
Total Fund Balance Anticipated	350,000	-	350,000
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Alcoholic Beverages	91,814		91,314
Other	965,000		962,829
Fees and Permits	173,265		179,739
Fines and Costs:			
Municipal Court	796,450		814,005
Interest and Costs on Taxes	314,000		318,024
Interest Earned on Investments	37,500		26,725
Hotel Occupancy Tax	576,000		496,575
Ambulance Fees	1,034,850		1,140,535
Total Section A: Local Revenues	3,988,879	-	4,029,746
Section B: State Aid Without Offsetting Appropriations			
Energy Receipts Tax	6,013,285		6,013,285
Watershed Moratorium Offset Aid	16,779		16,779
Garden State Preservation Trust Fund	9,001		9,001
Total Section B: State Aid Without Offsetting Appropriations	6,039,065	-	6,039,065
Section C: Uniform Construction Code Fees			
Uniform Construction Code Fees	772,000		620,190
Total Section C: Uniform Construction Code Fees	772,000	-	620,190
	\$		(151,810)

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

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section D: Special Items of General Revenue Anticipated with Prior Written Consent of the Director of Local Government Services - Interlocal Municipal Service Agreements Offset with Appropriations				
City of Northfield Dispatch Services	\$ 360,706		360,706	
City of Linwood Dispatch Services	312,966		312,966	
Egg Harbor Township Board of Education Solid Waste Disposal	128,800		130,088	1,288
State of New Jersey - Motor Vehicle Commission	97,451		105,572	8,121
County of Atlantic Nutrition Site	13,350		12,494	(856)
Total Section D: Shared Service Agreements Offset with Appropriations	913,273	-	921,826	8,553
Section F: Special Items - Public and Private Programs Off-Set with Appropriations				
Recycling Tonnage Grant	79,864		79,864	
Drunk Driving Enforcement Fund	20,195		20,195	
Clean Communities Program	91,438		91,438	
Alcohol Education and Rehabilitation Fund		3,958	3,958	
Municipal Alliance on Alcoholism and Drug Abuse	11,785	24,679	36,464	
Safe and Secure Communities Program-PL 1994, Ch 220 Over the Limit Under Arrest	60,000		60,000	
Cops in Shops - Summer Shore Initiative	4,350	2,400	4,350	
Cops in Shops - Fall/College Initiative	3,600		2,400	
Justice Assistance Grant	11,243		3,600	
Smart Policing Initiative	20,000		11,243	
US Department of Justice - Bulletproof Vest Grant	9,132	2,241	22,241	
NJ Body Armor Fund	9,976		9,132	
CDBG	106,988	7,839	17,815	
NJ Transportation Trust Fund		190,000	106,988	
			190,000	

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

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
NJ DOT - Highway Safety Program		92,418	92,418
Click It Ticket		4,000	4,000
Get Sober or Get Pull Over		5,000	5,000
Donations - K-9's		162	162
Distracted Driving Statewide Crackdown		5,000	5,000
NJDL & PS Community Justice Program		11,911	11,911
Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations	428,571	349,608	778,179
Section G: Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items Uniform Fire Safety Act Host Community Fees Environmental Trust Account Reserve to Pay Bonds Appropriation of Authority Assets Towing Fees Cell Tower Leases Tax Abatement Payments ACUA PILOT Cable Franchise Fees	73,204 2,145,281 292,000 101,527 240,000 100,460 87,220 292,639 40,000 141,000		67,095 2,095,300 292,000 101,527 240,000 90,020 96,582 302,106 80,000 143,523
Total Section G: Other Special Items	3,513,331	-	(5,178)
Total Miscellaneous Revenues:	15,655,119	349,608	(107,568)
Receipts from Delinquent Taxes	308,162		(219,144)

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

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Amount to be Raised by Taxes for Support of Municipal Budget			
Local Tax for Municipal Purposes	21,138,874		376,802
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>21,138,874</u>	<u>-</u>	<u>376,802</u>
Budget Totals	<u>37,452,155</u>	<u>349,608</u>	<u>50,090</u>
Non- Budget Revenues:			
Other Non- Budget Revenues:			317,182
	<u>\$ 37,452,155</u>	<u>349,608</u>	<u>367,272</u>

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

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$	118,410,757
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Less: Reserve for Tax Appeals Pending		118,410,757
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Net Revenue from Collections		118,410,757
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Allocated to:

School, County and Other Taxes		97,545,081
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Balance for Support of Municipal Budget Appropriations		20,865,676
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Increased by:

Appropriation "Reserved for Uncollected Taxes"		650,000
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Amount for Support of Municipal Budget Appropriations		21,515,676
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Receipts from Delinquent Taxes:

Delinquent Tax Collection	(80,951)	
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Tax Title Lien Collections	169,969	
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Total Receipts from Delinquent Taxes		89,018
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Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:

Tax Searches	2,660	
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Treasurer:

Municipal Utilities Authority (MUA)

Rental and Fuel	50,000	
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SC/VET Administrative Fee	6,810	
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Cygnus Arts Center Janitorial Services	13,860	
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Atlantic County Radio System	12,990	
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Motor Vehicle Inspection Fund	17,770	
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Workers Compensation Reimbursement	16,245	
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Police Department	21,315	
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Military Leave Reimbursements	21,018	
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Other Miscellaneous	154,514	
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Total Miscellaneous Revenue Not Anticipated:	\$	317,182
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**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT						
Governing Body						
Salaries and Wages	\$ 136,752	129,150	123,090	3,787	2,273	
Other Expenses	7,850	7,850	7,087	247	516	
DEPARTMENT OF ADMINISTRATION AND FINANCE						
Administrator's Office						
Salaries and Wages	231,228	224,228	216,876	6,567	785	
Other Expenses	8,000	8,000	5,219	1,160	1,621	
Office of Township Clerk						
Salaries and Wages	323,120	326,620	315,520	10,479	621	
Other Expenses	47,700	57,650	43,086	11,241	3,323	
Office of Information Technology						
Salaries and Wages	191,958	141,958	135,814	4,412	1,732	
Other Expenses	82,908	82,908	71,290	11,191	427	
Division of Treasury						
Salaries and Wages	239,340	240,340	232,468	7,463	409	
Other Expenses	50,800	49,800	41,431	1,199	7,170	
Auditor						
Other Expenses	65,500	65,500	57,000		8,500	
Division of Collections						
Salaries and Wages	233,897	230,897	223,457	7,069	371	
Other Expenses	47,450	45,450	42,607	1,710	1,133	
Division of Assessments						
Salaries and Wages	131,023	131,023	126,980	4,008	35	
Other Expenses						
Miscellaneous Other Expenses						
Division of Law	67,000	67,000	52,954	11,614	2,432	
Other Expenses	350,000	450,000	323,827	86,740	39,433	
Rent Leveling Board						
Other Expenses	18,100	20,535	20,155		380	
DEPARTMENT OF PUBLIC WORKS						
Division of Roads						
Salaries and Wages	690,751	635,751	611,845	20,166	3,740	
Other Expenses	140,900	157,900	122,967	28,624	6,309	
Division of Buildings and Grounds						
Salaries and Wages	747,546	775,546	749,544	24,638	1,364	
Other Expenses	149,500	168,500	122,706	41,397	4,397	

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

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

	Appropriations		Paid or Charged	Expended		Reserved	(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved		
Division of Equipment Maintenance							
Salaries and Wages	350,987	355,987	342,941	10,687	2,359		
Other Expenses	240,200	298,700	223,614	60,776	14,310		
Division of Solid Waste							
Salaries and Wages	854,795	818,795	788,131	23,295	7,369		
Other Expenses	34,000	34,000	28,800	3,333	1,867		
Landfill/Solid Waste Disposal Costs							
Other Expenses	1,400,000	1,307,615	1,157,274	107,266	43,075		
Animal Control							
Other Expenses	24,000	24,000	20,350	1,850	1,800		
Engineering Services							
Other Expenses	66,000	66,000	33,120	32,680	200		
DEPARTMENT OF RECREATION							
Salaries and Wages	142,758	101,758	88,262	2,790	10,706		
Other Expenses	77,175	77,175	46,408	22,666	8,101		
Celebration of Events							
Other Expenses	2,500	2,500	2,486		14		
DEPARTMENT OF POLICE							
Salaries and Wages	8,636,318	8,697,318	8,394,631	291,453	11,234		
Other Expenses	717,170	712,170	380,771	294,653	36,746		
DEPARTMENT OF POLICE DISPATCH/911							
Salaries and Wages	334,781	224,781	205,664	17,670	1,447		
Other Expenses	37,500	37,500	25,985	4,927	6,588		
DEPARTMENT OF FIRE							
Other Expenses	190,000	188,000	154,285	33,669	46		
Aid							
Ambulance Services							
Salaries and Wages	479,347	479,347	460,841	18,506	-		
Other Expenses	86,050	117,050	79,386	3,444	34,220		
Municipal Court							
Salaries and Wages	528,008	528,008	510,015	16,295	1,698		
Other Expenses	51,800	48,800	34,106	6,365	8,329		
Public Defender							
Other Expenses	5	5			5		

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

	Appropriations		Budget After Modifications	Paid or Charged	Expended		Reserved	(Over expended) Unexpended Balance Cancelled
	Budget				Encumbered			
DEPARTMENT OF COMMUNITY DEVELOPMENT								
Division of Planning	112,207		112,207	108,745	3,414		48	
Salaries and Wages			25,850	22,641	379		2,830	
Other Expenses								
Division of Zoning	61,568		56,568	53,478	1,471		1,619	
Salaries and Wages			5,500	3,230	1,200		1,070	
Other Expenses								
ACCUMULATED LEAVE COMPENSATION								
Salaries and Wages	60,000		60,000	60,000			-	
Insurance								
Other Insurance Premiums (JIF)	609,016		609,016	590,253	1,396		17,367	
Worker Compensation Insurance (JIF)	1,183,139		1,183,139	1,183,139			-	
Group Insurance for Employees	3,437,398		3,615,398	3,615,398			-	
Group Insurance Opt-Out Payments	23,333		23,333	23,333			-	
Division of Inspections								
Salaries and Wages	343,955		336,955	322,799	10,569		3,587	
Other Expenses	31,350		27,350	9,847	601		16,902	
Uniform Fire Safety Act (PL 1983, CH383)								
Fire Prevention Program								
Salaries and Wages	73,987		70,987	66,971	2,431		1,585	
Other Expenses	5,600		5,600	2,945	2,654		1	
UNCLASSIFIED								
Electricity	350,000		435,000	375,886	55,003		4,111	
Street Lighting	262,500		307,500	292,134	12,628		2,738	
Telephone	113,000		113,000	94,857	14,289		3,854	
Water	27,000		27,000	24,146	1,416		1,438	
Gas	60,000		60,000	50,484	250		9,266	
Sewerage	3,000		3,000	2,699	301			
Gasoline	575,000		575,000	506,954	20,000		48,046	
Fire Hydrant Service	288,000		280,000	256,586	23,326		88	
Condominium Services Act (PL 1989, CH 299)	170,000		170,000	160,222	9,778		-	
TOTAL OPERATIONS WITHIN "CAPS"	26,187,120		26,388,518	24,599,740	1,396,842		391,936	
Contingent								
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	26,187,120		26,388,518	24,599,740	1,396,842		391,936	

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

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Detail:					
Salaries and Wages	14,904,326	14,678,224	14,138,072	487,170	52,982
Other Expenses	11,282,794	11,710,294	10,461,668	909,672	338,954
DEFERRED CHARGES AND STATUTORY EXPENDITURES:					
Deferred Charges:					
Overexpenditure of Appropriation Reserves		-			
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	802,374	729,466	729,466	-	-
Social Security System (O.A.S.I.)	1,196,000	1,181,000	1,169,235	11,765	11,765
Consolidated Police and Firemen's Pension Fund	1,875,992	1,762,502	1,762,502	-	-
Unemployment Compensation Insurance	67,000	67,000	60,430	6,570	6,570
Defined Contribution Retirement Program	1,500	1,500	707	15	778
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	3,942,866	3,741,468	3,722,340	15	19,113
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	30,129,986	30,129,986	28,322,080	1,396,857	411,049
OPERATIONS - EXCLUDED FROM "CAPS"					
(A) Operations - Excluded from "CAPS"					
Group Insurance for Employees	86,269	86,269	76,270	9,999	9,999
Recycling Tax	43,533	43,533	43,533	-	-
Length of Service Award Program	158,000	158,000		158,000	158,000
Shared Services:					
City of Northfield Dispatch Service	360,706	360,706	347,272	1,000	12,434
City of Linwood Dispatch Service	312,966	312,966	310,025	2,807	134
Egg Harbor Township Board of Education					
Solid Waste Disposal	128,800	128,800	118,578	10,222	-
State of NJ Motor Vehicle Commission	97,451	97,451	97,451	-	-
County of Atlantic - Nutrition Site	13,350	13,350	13,350	-	-
	1,201,075	1,201,075	1,006,479	14,029	180,567

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(A) Public and Private Programs Off-Set by Revenues						
State of NJ - Division of Motor Vehicles	20,195	20,195	20,195			
Drunk Driving Enforcement Fund	11,785	36,464	36,464			
Egg Harbor Township Municipal Alliance	2,947	9,117	9,117			
Municipal Alliance	79,864	79,864	79,864			
Local Match	91,438	91,438	91,438			
Recycling Tonnage Grant	60,000	60,000	60,000			
Clean Communities Act (NJSA 13:13-99.1 et. seq.)	20,000	22,241	22,241			
Safe and Secure Communities Program	11,243	11,243	11,243			
Smart Policing Initiative		11,911	11,911			
Justice Assistance Grant		3,958	3,958			
Community Justice Program		9,132	9,132			
Municipal Alcohol Education/Rehabilitation Program	9,132	17,815	17,815			
Bulletproof Vest Partnership Program	9,976	4,000	4,000			
Body Armor		5,000	5,000			
Click It Ticket		5,000	5,000			
Distracted Driving Statewide Crackdown		4,350	4,350			
Drive Sober or Get Pulled Over		3,600	3,600			
Over the Limit Under Arrest	4,350	2,400	2,400			
COPS in Shops Fall/College Initiative	3,600	162	162			
COPS in Shops Summer Shore Initiative		92,418	92,418			
Donation - K-9's		106,988	106,988			
NJ Highway Safety Program - Safe Corridors	106,988					
CDBG		597,296	597,296			
Total Public and Private Programs Off-Set by Revenues	431,518	1,798,371	1,603,775	14,029	180,567	
Total Operations - Excluded from "CAPS" Detail:	1,632,593	1,798,371	1,603,775	14,029	180,567	
Salaries and Wages						
Other Expenses						
(C) Capital Improvements						
Capital Improvement Fund	400,000	400,000	400,000			
NJ Transportation Trust - Ridge Avenue		190,000	190,000			
Total Capital Improvements	400,000	590,000	590,000			

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

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
(D) Debt Service					
Payment of Bond Principal	3,080,000	3,080,000	3,080,000		
Interest on Bonds	1,124,382	1,124,382	1,124,381		1
Interest on Notes	25,960	25,960	25,940		20
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	109,234	109,234	109,234		
Total Debt Service	4,339,576	4,339,576	4,339,555	-	21
(E) Deferred Charges					
Special Emergency Authorizations - 5 years	300,000	300,000	300,000		
Total Deferred Charges	300,000	300,000	300,000	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	6,672,169	7,027,947	6,833,330	14,029	21
SUBTOTAL GENERAL APPROPRIATIONS	36,802,155	37,157,933	35,155,410	1,410,886	21
(M) Reserve for Uncollected Taxes	650,000	650,000	650,000		
TOTAL GENERAL APPROPRIATIONS	\$ 37,452,155	37,807,933	35,805,410	1,410,886	21
Budget		37,452,155		Cancelled	21
Appropriations by 40A:4-87		349,608		Overexpended	-
Emergency Appropriations		6,170			
		<u>37,807,933</u>			<u>21</u>
Reserve for Uncollected Taxes		650,000			
Federal and State Grants		787,296			
Deferred Charges		300,000			
Capital Improvement Fund		400,000			
Disbursements		34,068,114			
		<u>36,205,410</u>			

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EXHIBIT B - TRUST FUND

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

	2014	2013
ASSETS		
Animal Control Fund:		
Cash	\$ 13,668	17,935
	13,668	17,935
Assessment Trust Fund:		
Assessments Receivable	10,221	10,221
Assessment Liens	2,589	2,589
	12,810	12,810
Length of Service Award Program (LOSAP) (unaudited)		
Investments		
Mutual Funds	1,540,710	1,388,657
Employer Contribution Receivable	157,304	152,544
	1,698,014	1,541,201
Other Funds:		
Cash - Treasurer	7,706,147	7,742,212
Cash - Collector	3,653,875	2,443,401
Due from Atlantic County Utilities Authority		
Environmental Trust Fund	23,287	73,464
Amount Due from Current Fund -		
Open Space Tax	3,639	4,682
Public Defender	1,300	1,800
Third Party Inspections	15,633	22,698
	11,403,881	10,288,257
	\$ 13,128,373	11,860,203

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

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

	2014	2013
LIABILITIES, RESERVES AND FUND BALANCE		
Animal Control Fund:		
Due to Current Fund	\$ 829	5,942
Due to State of New Jersey	1	1
Reserve for Expenditures	12,838	11,992
	13,668	17,935
Assessment Trust Fund:		
Reserve for Liens and Costs	2,589	2,589
Reserve for Assessments Receivable	10,221	10,221
	12,810	12,810
Length of Service Award Program (LOSAP) (unaudited)		
Net Assets Available for Benefits	1,698,014	1,541,201
Other Funds:		
Deposits for Redemption of Tax Sale Certificates	135,114	25,989
Premiums on Tax Sale Deposits	3,518,761	2,417,412
Reserves - Miscellaneous	7,750,006	7,844,856
	11,403,881	10,288,257
	\$ 13,128,373	11,860,203

EXHIBIT C - CAPITAL FUND

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

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Due from Current Fund	\$ 236,469	458,592
Due from Grant Fund	3,965,007	3,787,304
Deferred Charges to Future Taxation -		
Funded	35,494,751	33,363,965
Unfunded	-	2,200,000
Due from NJDEP Bureau of Dam Safety and Flood Control	627,195	627,195
Due From FEMA	1,498,304	-
	<u>41,821,726</u>	<u>40,437,056</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	3,415,960	1,224,177
Bond Anticipation Notes Payable	-	2,200,000
Serial Bonds Payable	34,510,000	32,291,000
Green Trust Program Loans Payable	984,751	1,072,965
Improvement Authorizations:		
Funded	2,560,858	1,848,807
Unfunded	-	1,329,507
Reserve to Pay Bonds or Notes	-	101,527
Reserve for Sidewalk Construction	-	70,585
Capital Improvement Fund	21,303	99,039
Fund Balance	328,854	199,449
	<u>\$ 41,821,726</u>	<u>40,437,056</u>

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

2013	-
2014	-

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

	<u>2014</u>	<u>2013</u>
Beginning Balance January 1	\$ 199,449	384,031
Increased by:		
Premiums on sale of Bonds & Notes	56,322	-
Unfunded Improvement Authorizations Cancelled	2,498	40,418
Cancelled Reserve	70,585	-
Decreased by:		
Surplus budgeted in Current Fund	-	225,000
Ending Balance December 31	<u>\$ 328,854</u>	<u>199,449</u>

EXHIBIT G - GENERAL FIXED ASSETS ACCOUNT GROUP

GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS
AS OF DECEMBER 31,

	<u>2014</u>	<u>2013</u>
General Fixed Assets:		
Construction in Progress	\$ 360,395	872,588
Land	2,902,953	2,902,953
Buildings	24,242,024	23,697,975
Improvements Other than Buildings	348,512	348,512
Vehicles	15,794,111	16,084,115
Machinery and Equipment	<u>15,456,841</u>	<u>14,734,906</u>
Total General Fixed Assets	<u><u>59,104,836</u></u>	<u><u>58,641,049</u></u>
Investment in General Fixed Assets	<u><u>\$ 59,104,836</u></u>	<u><u>58,641,049</u></u>

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NOTES TO FINANCIAL STATEMENTS

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Egg Harbor was incorporated in 1710 and is situated in the southeast portion of Atlantic County. The population estimate by the US Department of Census as of July 2010 is 43,323. The Township provides to its citizens the following services: public safety, recreation, public improvements, planning and zoning and general administrative services.

The Township is governed by an elected, five member committee form of government, with the Mayor appointed annually by the committee members. The committee is comprised of five individuals serving three year terms. Two committee members are elected annually except for every third year when one committee person is elected. The Township Administrator monitors the daily administrative responsibilities.

Except as noted below, the financial statements of the Township of Egg Harbor include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township of Egg Harbor, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes. The Egg Harbor Township Golf Corporation and Municipal Utilities Authority are component units of the Township however they are not presented as part of the financial statements of the Township of Egg Harbor. The Golf Corporation does have an independent audit performed however the Corporation is not a public body as defined in the Open Public Records Act (OPRA). The Municipal Utilities Authority also has an independent audit performed and a copy is available at the Authority's office.

B. Description of Funds

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

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

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

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

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

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

Revenues -- are recorded as received in cash except for certain amounts that are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts that may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

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

Interfunds -- Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets.

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

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.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value at the time the land is foreclosed or donated. Land purchased by the Township is valued at cost. Expenditures for long lived assets with an original cost in excess of \$2,500 are capitalized.

No depreciation has been provided for in the financial statements.

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

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

The following schedules are a summarization of the changes in general fixed assets for the years ended December 31, 2014 and 2013.

	Balance as of 12/31/13	Additions / Transfers	Disposal / Transfers	Balance as of 12/31/14
Construction in Progress	\$ 872,588	21,438	533,631	360,395
Land	2,902,953			2,902,953
Buildings	23,697,975	10,418	(533,631)	24,242,024
Improvements other than Buildings	348,512			348,512
Vehicles	16,084,115	392,192	682,196	15,794,111
Machinery and Equipment	14,734,906	765,933	43,998	15,456,841
	<u>\$ 58,641,049</u>	<u>1,189,981</u>	<u>726,194</u>	<u>59,104,836</u>

	Balance as of 12/31/12	Additions / Transfers	Disposal / Transfers	Balance as of 12/31/13
Construction in Progress	\$ 1,721,490	17,855	866,757	872,588
Land	2,902,953			2,902,953
Buildings	22,831,218	866,757		23,697,975
Improvements other than Buildings	348,512			348,512
Vehicles	15,135,094	1,015,021	66,000	16,084,115
Machinery and Equipment	14,298,639	448,302	12,035	14,734,906
	<u>\$ 57,237,906</u>	<u>2,347,935</u>	<u>944,792</u>	<u>58,641,049</u>

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by the 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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.

Interest on Delinquent Taxes – It is the policy of the Township of Egg Harbor 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 of taxes becoming delinquent after the due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after the due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

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

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

D. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

E. 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 Township's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

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

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

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2014 and 2013 statutory budgets included a reserve for uncollected taxes in the amount of \$650,000 and \$635,000. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2014 and 2013 statutory budgets was \$350,000 and \$377,369.

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

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**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
Information Technology		
Salaries and Wages	(50,000)	
Division of Collections		
Salaries and Wages		23,000
Division of Law		
Other Expenses	100,000	65,000
Division of Roads		
Salaries and Wages	(55,000)	
Department of Recreation		
Salaries and Wages		(33,000)
Department of Police		
Salaries and Wages	61,000	58,500
Department of Police Dispatch/911		
Salaries and Wages	(110,000)	62,000
Insurance		
Group Insurance	178,000	(101,700)
Division of Solid Waste		
Salaries and Wages		(35,000)
Landfill/Solid Waste Disposal Cost		
Other Expenses	(92,385)	(45,000)
Ambulance Services		
Salaries and Wages		(25,000)
Electricity	85,000	32,000
Gasoline		66,450
Public Employees' Retirement System	(72,908)	
Consolidated Police and Firemen's Pension	(113,490)	

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2014, the Township Committee approved total budget insertions in the amount of \$349,608. The Township Committee approved total budget insertions in the amount of \$204,297 during the 2013 calendar year. The following schedule details the significant budget insertions:

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
Recycling Tonnage Grant	\$	55,927
Highway Safety Program"Safe Corridors"	92,418	83,418
FEMA - Reimbursement Superstorm Sandy		28,250
NJ Transportation Trust Fund	190,000	

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein.

**EGG HARBOR TOWNSHIP
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This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The Township Committee did not approve any special emergency appropriations during the 2014 and 2013 calendar years. During the 2014 and 2013 calendar years, the following emergency appropriations were approved by the Township Committee:

<u>Budget Category</u>	<u>2014</u>	None <u>2013</u>
Egg Harbor Municipal Alliance		
Local Match	6,170	

Note 3: INVESTMENTS

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

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

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

Unaudited Investments

As more fully described in Note 24, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37 the investments are maintained by Lincoln Benefit Life, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2014 and 2013 amounted to \$1,540,710 and \$1,388,657, respectively.

Note 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2014, \$6,814,665 of the municipality's bank balance of \$21,589,382 was exposed to custodial credit risk. As of December 31, 2013, \$3,516,893 of the municipality's bank balance of \$20,655,960 was exposed to custodial credit risk.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 5: LONG TERM DEBT

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

	Balance 12/31/13	Issued	Retired	Balance 12/31/14	Amounts Due Within One Year
Bonds payable:					
General	\$ 32,291,000	5,299,000	3,080,000	34,510,000	3,525,000
Green Trust Loan	1,072,965		88,214	984,751	89,986
Other liabilities:					
Compensated Absences Payable	3,622,795	2,140,401	2,040,467	3,722,729	
Total long-term liabilities	<u>\$ 36,986,760</u>	<u>7,439,401</u>	<u>5,208,681</u>	<u>39,217,480</u>	<u>3,614,986</u>

	Balance 12/31/12	Issued	Retired	Balance 12/31/13	Amounts Due Within One Year
Bonds payable:					
General	\$ 35,341,000		3,050,000	32,291,000	3,080,000
Green Trust Loan	1,159,440		86,475	1,072,965	88,214
Other liabilities:					
Compensated Absences Payable	3,706,584	2,031,659	2,115,448	3,622,795	
Total long-term liabilities	<u>\$ 40,207,024</u>	<u>2,031,659</u>	<u>5,251,923</u>	<u>36,986,760</u>	<u>3,168,214</u>

Paid by Current Fund:

\$19,406,000 General Improvement Bonds, Series 2006 dated 2/1/06 payable in annual installments through 2/1/26. Interest is paid semiannually at varying rates from 4.00% to 4.375% per annum. Bonds maturing on or after 2/16/17 are redeemable at the option of the Township in whole or in part on any date on or after 2/1/16. During 2014 \$11,611,000 was refunded with the Refunding Bonds Series 2014. The balance remaining as of December 31, 2014 was \$1,735,000.

\$9,885,000 General Improvement Bonds, Series 2008 dated 9/1/08 payable in annual installments through 9/1/23. Interest is paid semiannually at varying rates from 4.00% to 4.125% per annum. Bonds maturing on or after 9/1/19 are redeemable at the option of the Township in whole or in part on any date on or after 9/1/18. The balance remaining as of December 31, 2014 was \$6,585,000.

\$4,705,000 Refunding Bonds, Series 2011 dated 9/15/2011 payable in annual installments through 2/15/16. Interest is paid semiannually at varying rates from 2.00% to 3.50% per annum. These bonds were issued to advance refund the callable portion of the General Improvement Bonds, Series 2002. The bonds that were called had maturities from 2/15/2013 to 2/15/2016 in the total amount of \$4,775,000. The total net present value savings on the issue is \$211,887. The balance remaining on the issue as of December 31, 2014 was \$2,330,000.

EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
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\$7,800,000 General Improvement Bonds, Series 2012 dated 9/1/12 payable in annual installments through 9/1/23. Interest is paid semiannually at 2.00% per annum. The bonds are not subject to redemption prior to their stated maturities. The balance remaining on this issue as of December 31, 2014 was \$6,950,000.

\$11,560,000 Refunding Bonds, Series 2014 dated 8/1/2014 payable in annual installments through 2/1/26. Interest is paid semiannually at varying rates from 2.00% to 5.00% per annum. These bonds were issued to advance refund the callable portion of the General Improvement Bonds, Series 2006. The bonds that were called had maturities from 2/1/2014 to 2/1/2016 in the total amount of \$14,156,000. The total net present value savings on the issue is \$688,012. The balance remaining on the issue as of December 31, 2014 was \$11,560,000.

\$5,350,000 General Improvement Bonds, Series 2014 dated 7/15/14 payable in annual installments through 9/1/23. Interest is paid semiannually at varying rates from 2.00% to 3.00% per annum. The bonds are callable. The balance remaining on this issue as of December 31, 2014 was \$5,350,000.

\$150,000 Loan Payable dated January 22, 1999 through the New Jersey Department of Environmental Protection payable in semi annual installments through June 22, 2018. Payments of \$4,663.74 are first applied to interest then to principal. The stated interest rate is 2.00% per annum. The balance remaining as of December 31, 2014 was \$31,380.

\$150,000 Loan Payable dated October 9, 2002 through the New Jersey Department of Environmental Protection payable in semi annual installments through July 11, 2021. Payments of \$4,870.21 are first applied to interest then to principal. The stated interest rate is 2.00% per annum. The balance remaining as of December 31, 2014 was \$63,331.

\$500,000 Loan Payable dated October 11, 2002 through the New Jersey Department of Environmental Protection payable in semi annual installments through July 11, 2022. Payments of \$15,545.80 are first applied to interest then to principal. The stated interest rate is 2.00% per annum. The balance remaining as of December 31, 2014 was \$228,800.

\$700,000 Loan Payable dated November 7, 2007 through New Jersey Department of Environmental Protection payable in semi annual installments through August 13, 2027. Payments of \$21,764 are first applied to interest then to principal. The stated interest rate is 2.00% per annum. The balance remaining as of December 31, 2014 was \$496,118.

\$250,000 Loan Payable dated November 26, 2007 through the New Jersey Department of Environmental Protection payable in semiannual installments through November 26, 2026. Payments of \$7,772.90 are first applied to interest then to principal. The stated interest rate is 2.00% per annum. The balance remaining as of December 31, 2014 was \$165,122.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

<u>Year</u>	<u>Green Trust Program Loans</u>		<u>General Capital Fund</u>		<u>Total All Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2015	\$ 89,986	19,246	3,525,000	988,792	4,623,024
2016	91,796	17,438	3,590,000	910,926	4,610,160
2017	93,640	15,594	2,945,000	817,713	3,871,947
2018	90,859	13,712	3,030,000	744,362	3,878,933
2019	87,974	11,932	3,125,000	669,506	3,894,412
2020-2024	374,034	34,091	14,635,000	1,970,330	17,013,455
2025-2027	156,463	5,212	3,660,000	138,400	3,960,075
	<u>\$ 984,752</u>	<u>117,225</u>	<u>34,510,000</u>	<u>6,240,029</u>	<u>41,852,006</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Summary of Municipal Debt</u>			
Bonds & Notes Issued	\$ 35,494,752	35,563,965	36,500,440
Bonds & Notes Authorized But Not Issued	-	-	-
Net Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 35,494,752</u>	<u>35,563,965</u>	<u>36,500,440</u>

For Debt Statement purposes, total Gross General Debt includes the total amount of outstanding debt of the Egg Harbor Township Golf Corporation as more fully explained in Note 21. The total amount of that debt guarantee is a deduction from gross debt for debt statement purposes.

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 0.837%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 88,905,000	88,905,000	-
General Debt	51,807,809	16,313,057	35,494,752
	<u>\$ 140,712,809</u>	<u>105,218,057</u>	<u>35,494,752</u>

Net Debt \$35,494,752 / Equalized Valuation Basis per NJSA 40A:2-2 as amended, \$4,240,359,244.33 = 0.837%.

**EGG HARBOR TOWNSHIP
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Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3 ½ % of Equalized Valuation Basis (Municipal)	\$ 148,412,574
Net Debt	35,494,752
Remaining Borrowing Power	<u><u>\$ 112,917,822</u></u>

Note 6: SHORT TERM FINANCING

	Balance 12/31/13	Additions	Reductions	Balance 12/31/14
Bond Anticipation Notes	\$ 2,200,000		2,200,000	-
Special Emergency Notes	600,000		300,000	300,000
	<u><u>\$ 2,800,000</u></u>	<u><u>-</u></u>	<u><u>2,500,000</u></u>	<u><u>300,000</u></u>

	Balance 12/31/12	Additions	Reductions	Balance 12/31/13
Bond Anticipation Notes	\$ -	2,200,000		2,200,000
Special Emergency Notes	900,000		300,000	600,000
	<u><u>\$ 900,000</u></u>	<u><u>2,200,000</u></u>	<u><u>300,000</u></u>	<u><u>2,800,000</u></u>

At December 31, 2014 the Township had a special emergency note held by Newfield National Bank for \$300,000. The note will mature 3/26/15 with interest at 0.85% per annum.

At December 31, 2013 the Township had a bond anticipation note held by Newfield National Bank for \$2,200,000. The note matured 7/30/14 with interest at 0.85% per annum.

At December 31, 2013 the Township had a special emergency note held by PNC Bank NA for \$600,000. The note matured 3/26/14 with interest at 1.21% per annum.

Note 7: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2014 and 2013 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Current Fund	\$300,000	350,000

As of the date of this audit report, the Township has not adopted the 2015 Local Municipal Budget and the above amount is subject to change. Municipalities are permitted to appropriate the full amount of fund balance, net of any amounts due from the State of New Jersey for Senior Citizens and Veterans deductions, deferred charges, and cash deficit. The total amount of fund balance available to the Township to

**EGG HARBOR TOWNSHIP
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appropriate in the 2015 budget is \$305,529.

Note 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charges are shown on the balance sheets of the various funds:

	Balance 12/31/14	2015 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Emergency Authorization	\$ 6,170	6,170	-
Special Emergency Authorization	300,000	300,000	-
	<u>\$ 306,170</u>	<u>306,170</u>	<u>-</u>

The appropriations in the 2015 Budget are not less than that required by statute.

Note 9: SCHOOL TAXES

Local District School Tax in the amount of \$75,859,907 has been raised for the 2014 calendar year and \$75,859,907 was remitted to the school district. Local District School Tax in the amount of \$73,922,654 was raised for the 2013 calendar year and \$73,922,654 was remitted to the school district. Since the school district operates on a July 1 to June 30 fiscal year the school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

Note 10: TAXES COLLECTED IN ADVANCE

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

	Balance 12/31/14	Balance 12/31/13
Prepaid Taxes	\$897,918	904,550
Cash Liability for Taxes Collected in Advance	<u>\$897,918</u>	<u>904,550</u>

Note 11: PENSION FUNDS

Description of Plans

Substantially all of the Township's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits,

**EGG HARBOR TOWNSHIP
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PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at – <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system.

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

Defined Contribution Retirement Program (DCRP)

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 6.78% through June 30, 2014 and 6.92% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 10.6% of covered payroll. The Township's contributions to PERS for the years ended December 31, 2014, 2013, and 2012 were \$729,466, \$733,772, and \$754,587.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The Township's contributions to PFRS for the year ended December 31, 2014, 2013, and 2012 were \$1,762,502, \$1,968,347, and \$1,853,160.

The total payroll for the year ended December 31, 2014, 2013, and 2012 was \$15,465,454, \$15,534,285, and \$15,342,970. Payroll covered by PFRS was \$7,591,713, \$7,442,854, and \$7,150,590. Covered payroll by PERS was \$6,719,178, \$6,509,008, and \$6,424,083.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
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Significant Legislation

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

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

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

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

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

NOTE 12: POST-RETIREMENT BENEFITS

Plan Description

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2000 the Township of Egg Harbor authorized participation in the State Health Benefit Program and Local Prescription Drug Program through resolution 110-2000. The Township does not offer post-retirement benefits to retirees.

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

Note 13: DEFERRED COMPENSATION

Employees of the Township of Egg Harbor may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

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

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

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

**EGG HARBOR TOWNSHIP
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Note 14: LABOR CONTRACTS

As of December 31, 2014, the Township's employees are organized in three collective bargaining units and the current contracts will expire as follows: Policeman's Benevolent Association (PBA) - December 31, 2015, Government Workers Union (GWU) - December 31, 2016, and Communications Workers Union (CWA) - December 31, 2017.

<u>Bargaining Unit</u>	<u>Job Category</u>	<u>Members</u>
PBA	Police	All uniformed police excluding Chief and Captain
GWU	General	All other employees except confidential employees
CWA	Management	Most Department Heads

Note 15: ACCRUED SICK AND VACATION BENEFITS

The Township has permitted full time employees to accrue unused sick and vacation time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the current cost of such unpaid compensation at December 31, 2014 would approximate \$3,722,729. The estimated cost of unpaid compensation as of December 31, 2013 was \$3,622,795. This amount is not reported either as an expenditure or liability. Employees covered under the CWA and PBA contracts are permitted to accumulate up to 240 and 225 days of sick time, respectively. Payment will be made upon separation at varying levels, based on years of service. Employees covered under the GWU contract are permitted to accrue sick time to a maximum of 240 days. Payment will be made upon separation based on years of service. The PBA contract permits employees to accumulate vacation time from one year to the next, up to 30 days. Payment will be made upon separation, provided adequate notice is given. New Jersey Municipalities are permitted to accrue a compensated absences liability. The Township has begun to accumulate funds for accrued absences. As of December 31, 2014 and 2013 the total amount accumulated was \$3,759 and \$3,759, respectively. The Township did not fund an increase in the reserve during 2014.

Note 16: ECONOMIC DEPENDENCY

The Township of Egg Harbor is not economically dependent on any one business or industry as a major source of tax revenue for the Township.

Note 17: HOST COMMUNITY BENEFIT

The Township of Egg Harbor has entered into a Host Community Benefit Agreement with the Atlantic County Utilities Authority with respect to waste accepted at the transfer station. The Authority, as owner of the transfer station located in the Township, agrees to provide the Township with a "host community" benefit for each ton of waste it shall accept for disposal at any of its transfer stations. For the most recent period beginning January 1, 2014 through December 31, 2014, the amount of the benefit was \$7.70 per ton of waste. \$6.70 per ton is permitted to be used for current operations of the Township. \$1.00 per ton is retained in the environmental trust fund and is to be used for the purpose of funding environmental projects to benefit the residents of Egg Harbor Township; specifically public water supply and public sewer. A \$2.00 per ton reduction has been granted to volume customers who deliver their waste to the transfer station. The benefit rate for the 2013 calendar year was \$7.61 per ton of waste of which \$6.61 per ton was used for current operations and \$1.00 per ton was retained in the environmental trust fund.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 18: ASSESSMENT PROJECTS

Several assessment improvement projects had been undertaken by the Township of Egg Harbor. These projects were for sewer and water extensions in various areas of the Township. There were no changes in the balances during 2014. The amount of the remaining project as assessed to property owners is as follows:

<u>Date</u> <u>Confirmed</u>	<u>Project</u>	<u>Amount</u> <u>Confirmed</u>	<u>Balance</u> <u>12/31/14</u>
2/28/96	Town Hall Sewer Service	\$ 878,668	10,221
		<u>\$ 878,668</u>	<u>10,221</u>

Note 19: CONTINGENT LIABILITIES

During the normal course of operations, lawsuits are occasionally brought against the governmental unit. There are presently no outstanding lawsuits that would result in a material contingent liability to the Township.

Note 20: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the 2014 and 2013 calendar years, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

Property and Liability Insurance – The Township maintains commercial insurance coverage for property, liability and surety bonds.

The Township is a member of the Atlantic County Municipal Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The Township is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The Township has a general liability limit of \$200,000 under JIF, with a coverage limitation of \$4,900,000 under MEL. There was no reduction in coverage and no claims in excess of coverage during 2009. The Joint Insurance Fund issues its own financial report which may be obtained from the Atlantic County Joint Insurance Fund, Arthur J. Gallagher Risk Management Services, Inc., PO Box 530, 6000 Sagamore Drive, Suite 6203, Marlton, NJ 08053.

New Jersey Unemployment Compensation Insurance – The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”. Under this plan, the Township is required to annually appropriate funds to pay the projected costs of contributions at a rate determined by the Commissioner of Labor. The expense for the years ended December 31, 2014 and 2013 was \$60,430 and \$57,614.

NOTE 21: RELATED PARTIES

A separate not for profit entity, the Egg Harbor Township Golf Corporation, has been formed as a 501(c)(3) entity based on the Internal Revenue Service Code. The entity was formed to construct and oversee the operation of a golf course. A separate management company operated the golf course through October 2009. To obtain the most favorable bond rates, the corporation financed the construction with a tax exempt borrowing from the Atlantic County Improvement Authority. With the approval of the State of New Jersey Local Finance Board, Egg Harbor Township guarantees the borrowing of \$10,550,000. This amount will not be a direct liability of the Township and, as long as the guarantee is not activated, the amount will not impair the borrowing capacity of the Township. Based on the terms of the guarantor agreement, if it becomes

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

necessary for the Township to make payments on this debt service, the payment is to be made within one hundred twenty (120) days of the notice and will be applied to the Debt Service Reserve Fund. The Golf Corporation is obligated to reimburse the Township at the earliest practicable date. During the 2014 and 2013 calendar years, the Township budgeted and paid \$550,000 and \$600,000 towards the Golf Corporation principal and interest payment. Prior to 2011 the payments were made from the general revenues of the Township but effective with 2011, the Township is funding the principal and interest payments through the Open Spaces Trust Fund. As of December 31, 2014, the accumulated debt service payments made by the Township on behalf of the Golf Corporation was \$3,050,000.

As of December 31, 2014, the Golf Corporation had outstanding notes in the amount of \$8,410,000.

In May 2006, the Atlantic County Improvement Authority refinanced \$9,785,000 of the originally issued bonds. This issue was to advance refund all of the outstanding callable principal amounts of the original issue with a maturity date on or after November 1, 2011. Principal payments are due November 1 of each year commencing in 2006 and continuing through 2030. Interest is due each May 1 and November 1 at rates ranging from 3.5% to 5.00% per annum.

Note 22: OPEN SPACE TAXING DISTRICT

The voters of the Township approved the establishment of an Open Space, Recreation, Farmland and Historic Preservation Trust Fund Taxing District effective January 1, 2002. The amount assessed each year, \$.02 per \$100 of assessed valuation, will be placed in an interest-bearing account for the acquisition, development, capital maintenance and payment of debt service on lands acquired for recreation and conservation purposes. The amount to be raised by taxation during 2014 was \$816,971 and \$815,487 was levied in 2013. The unexpended amount of \$1,603,486 is reserved for future use.

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**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 23: INTERFUND BALANCES

As of December 31, 2014, the following interfunds were included on the balance sheets of the various funds of the Township of Egg Harbor:

	Due From	Due To
Current Fund:		
Animal Control Fund	\$ 829	
Third Party Inspectors		15,633
Public Defender		1,300
Open Space		3,639
General Capital		236,469
Grant Fund		2,547,488
Grant Fund:		
Current Fund	2,547,488	
General Capital		3,965,007
Trust Fund:		
Current Fund -		
Animal Control Fund		829
Third Party Inspections	15,633	
Public Defender	1,300	
Open Space Trust Fund	3,639	
General Capital:		
Grant Fund	3,965,007	
Current Fund	236,469	
	\$ 6,770,365	6,770,365

The amounts due to or from the general capital fund and grant fund are due to the fact that there is no separate capital or grant bank account. All other interfunds are due to cash being transferred between accounts. It is anticipated that all other interfunds will be liquidated during the calendar year.

Note 24: LENGTH OF SERVICE AWARDS PROGRAM (UNAUDITED)

During the 2001 calendar year, the voters of the Township of Egg Harbor approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This plan is made available to all bona fide eligible volunteers who are performing qualified services which is defined as fire fighting and prevention services, emergency medical services and ambulance services pursuant to Section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP will also comply with New Jersey Public Law 1997, Chapter 388 and the LOSAP Document. The Township appropriated \$158,000 and \$158,000 in 2014 and 2013 budgets, respectively for contributions to the LOSAP for volunteers who have met the established criteria.

**EGG HARBOR TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

The LOSAP is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the Township subject only to the claims of the Township's general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the Township, and each participant's rights are equal to his or her share of the fair market value of the plan assets. The Township believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that might arise.

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

The Township of Egg Harbor issues a separate unaudited financial report that includes the statement of net assets available for benefits for the LOSAP. The financial report may be obtained by contacting the Township of Egg Harbor, 3515 Bargaintown Road, Egg Harbor Township, NJ 08234.

Note 25: SUBSEQUENT EVENTS

The Township has evaluated subsequent events through March 31, 2015, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

SUPPLEMENTARY DATA



Independent Auditor's Report

The Honorable Mayor and
Members of Township Committee
Township of Egg Harbor, New Jersey

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

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township'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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 Township'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.

Very truly yours,

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Kenneth Moore

Kenneth Moore
Certified Public Accountant
Registered Municipal Accountant
No. 231

March 31, 2015

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal or State Grantor/Pass - Through Grantor/Program Title	Grant Period	CFDA # or Pass-Through Grantor's #	Program or Award Amount	Balance Dec. 31, 2013	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustment	Balance Dec. 31, 2014
Federal:								
U. S. Department of Justice								
AC - E. Byrnes Memorial JAG	1/1/14 - 12/31/14	16.592	11,243 \$		11,243	10,267		976
AC - E. Byrnes Memorial JAG	1/1/13 - 12/31/13	16.592	10,191	184		184		-
Bulletproof Vest Partnership Program	1/1/14 - 12/31/14	NA	9,132		9,132	3,555		5,577
Bulletproof Vest Partnership Program	1/1/13 - 12/31/13	NA	6,797	6,797		6,797		-
				<u>6,981</u>	<u>20,375</u>	<u>20,803</u>	<u>-</u>	<u>6,553</u>
NJ Division of Traffic Safety								
Smart Policing Initiative	10/1/13 - 9/30/14	20.600	35,000	5,192		5,192		-
Smart Policing Initiative	10/1/14 - 9/30/15	20.600	22,241		22,241	22,241		-
Click It or Ticket	1/1/12 - 12/31/12	20.602	2,650	2,650				2,650
Click It or Ticket	1/1/12 - 12/31/12	20.602	4,000		4,000	4,000	(1,600)	-
Drive Sober or Get Pulled Over			5,000		5,000	3,400		-
				<u>7,842</u>	<u>31,241</u>	<u>34,833</u>	<u>(1,600)</u>	<u>2,650</u>
Small Cities Community Develop Block Grant								
2014 Entitlement	1/1/14 - 12/31/14	14.218	106,988		106,988	106,988		-
Curbs & Sidewalks - Pleasant Woods	1/1/10 - 12/31/10	14.218	44,163	44,163		44,163		-
2011 Entitlement	1/1/12 - 12/31/12	14.218	83,828	7,632		7,632		-
				<u>51,795</u>	<u>106,988</u>	<u>158,783</u>	<u>-</u>	<u>-</u>
U.S. Department of Homeland Security								
Passed Through Federal Emergency Management Assistance (FEMA)								
Reimbursement for Hurricane Sandy	1/1/13 - 12/31/13	97.036	28,250	27,131		27,110		21
				<u>27,131</u>	<u>-</u>	<u>27,110</u>	<u>-</u>	<u>21</u>
Total Federal Awards			\$	93,749	158,604	241,529	(1,600)	9,224

(Memo Only)
Total
Cumulative
State
Expenditures

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal or State Grantor/Pass - Through Grantor/Program Title	Grant Period	Pass-Through Grantor's #	Program or Award Amount	Balance Dec. 31, 2013	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustment	Balance Dec. 31, 2014	(Memo Only) Total Cumulative State Expenditures
State of New Jersey									
NJ Department of Environmental Protection									
Clean Communities Act	1/1/14 - 12/31/14	4900-765-178920	91,438		91,438	26,636		64,802	26,636
Clean Communities Act	1/1/13 - 12/31/13	4900-765-178920	91,438	59,361		53,685	(5,676)	-	85,762
Recycling Tonnage Grant	1/1/14 - 12/31/14	NA	79,864		79,864			79,864	79,864
Recycling Tonnage Grant	1/1/12 - 12/31/12	NA	47,482	37,011				37,011	10,471
Recycling Tonnage Grant	1/1/13 - 12/31/13	NA	79,864	79,864		52,943		26,921	52,943
Stormwater Grant	1/1/10 - 12/31/10	NA	5,155	5,155				5,155	
			5,155	181,391	171,302	133,264	(5,676)	213,753	
Department of Transportation									
Transportation Trust Fund Authority Act	1/1/14 - 12/31/14	480-078-6320-162-6010	190,000		190,000	177,703		12,297	177,703
Reconstruction of Ridge Avenue				-	190,000	177,703	-	12,297	
Department of Community Affairs									
Safe & Secure Communities	1/1/14 - 12/31/14	100-066-1020-107-090940	60,000		60,000	60,000		-	60,000
Safe & Secure Communities	1/1/13 - 12/31/13	100-066-1020-107-090940	60,000	10,239			(31)	10,239	49,761
Cops in Shops Summer Shore Initiative	1/1/12 - 12/31/12	NA	4,785	31		2,400		-	4,754
Cops in Shops Summer Shore Initiative	1/1/14 - 12/31/14	NA	2,400		2,400			-	2,400
Cops in Shops College Fall Initiative	1/1/11 - 12/31/11	NA	4,000	525			(525)	-	3,475
Cops in Shops College Fall Initiative	1/1/14 - 12/31/14	NA	3,600		3,600	3,200		-	3,200
Cops in Shops College Fall Initiative	1/1/14 - 12/31/14	NA	4,350		4,350	4,350		-	4,350
Over the Limit Under Arrest				10,795	70,350	69,950	(956)	10,239	
NJ Department of Health									
Alcohol Education Rehabilitation	1/1/10 - 12/31/10	4250-760-050000-63-260	5,279	4,106		1,153		2,953	1,173
Alcohol Education Rehabilitation	1/1/11 - 12/31/11	4250-760-050000-63-260	485	485				485	
Alcohol Education Rehabilitation	1/1/12 - 12/31/12	4250-760-050000-63-260	3,993	3,993				3,993	
Alcohol Education Rehabilitation	1/1/13 - 12/31/13	4250-760-050000-63-260	2,744	2,744				2,744	
Alcohol Education Rehabilitation	1/1/14 - 12/31/14	4250-760-050000-63-260	3,958		3,958			3,958	
				11,328	3,958	1,153	-	14,133	
NJ Division of Law and Public Safety									
Division of Motor Vehicles									
Drunk Driving Enforcement Fund	1/1/14 - 12/31/14	1110-101-030000-129040290064	20,195		20,195			20,195	30,554
Drunk Driving Enforcement Fund	1/1/11 - 12/31/11	1110-101-030000-129040290064	23,153	19,888				19,888	3,265
Drunk Driving Enforcement Fund	1/1/12 - 12/31/12	1110-101-030000-129040290064	37,707	37,707				37,707	
Drunk Driving Enforcement Fund	1/1/13 - 12/31/13	1110-101-030000-129040290064	24,399			9,560		14,839	47,054
Safe Corridor	1/1/14 - 12/31/14	NA	92,418		92,418	66,888		25,530	57,818
Safe Corridor	1/1/13 - 12/31/13	NA	83,418	25,600		25,600		-	7,943
Body Armor Fund	1/1/12 - 12/31/12	NA	7,943	4,660		4,660		-	3,836
Body Armor Fund	1/1/14 - 12/31/14	NA	17,815		17,815			13,979	3,836
Community Justice Program	1/1/14 - 12/31/14	NA	11,911		11,911	11,911		-	11,911
Distracted Driver Statewide Crackdown	1/1/14 - 12/31/14	NA	5,000		5,000	5,000		-	5,000
Office of Information Telecommunication									
Services-Enhanced 911 Grant	1/1/08 - 12/31/08	NA	41,321	15,496	147,339	127,456	-	15,496	25,825
				127,750				147,634	

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal or State Grantor/Pass - Through Grantor/Program Title	Grant Period	Pass-Through Grantor's #	Program or Award Amount	Balance Dec. 31, 2013	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustment	Balance Dec. 31, 2014	(Memo Only) Total Cumulative State Expenditures
Loan Program New Jersey Department of Environmental Protection - Green Acres Trust Loan Program	6/22/99 - 6/22/18	#	4800-533-851000-60						
	7/11/03 - 7/11/21	#	4800-533-851000-60						
	7/11/03 - 7/11/21	#	4800-533-851000-60						
	11/26/07 - 11/26/26	#	4800-533-851000-60						
	8/13/08 - 8/13/27	#	4800-533-851000-60						
				331,264	582,949	509,525	(6,632)	398,056	
Total State Assistance				<u>425,013</u>	<u>741,553</u>	<u>751,054</u>	<u>(8,232)</u>	<u>407,280</u>	
Total Federal Awards and State Financial Assistance									

- total of all loans for which the state government is at risk

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2014**

Note 1: BASIS OF PRESENTATION

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

In calculating the total state programs expended, the New Jersey Department of Environmental Protection, Green Acres Trust Loan Program have been excluded. Although the State government is at risk for these funds, the loan proceeds were received and expended in prior years and there are no compliance requirements other than to repay the loans.

Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Township's financial statement. Receipts from federal and state grants are realized as revenue when anticipated in the Township's budget. Expenditures are recognized when they become payable. Financial assistance revenue and expenditures are reported in the Township's financial statements on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, as follows:

	<u>State</u>	<u>Federal</u>
Expenditures per Schedule of Federal Awards and State Financial Assistance	\$ 509,525	241,529
(Deduct) Encumbrances, net	(38,679)	(2,397)
Expenditures reported in Basic Financial Statements	<u>\$ 470,846</u>	<u>239,132</u>

The Balance remaining on the New Jersey Department of Environmental Protection, Green Acres Trust Loans as of December 31, 2014 amounted to \$984,751.

Part II - Schedule of Financial Statement Findings

NONE

Part II – Schedule of Federal and State Award Findings and Questioned Costs

NONE

Status of Prior Year Recommendations

13 – 1 That the rescue squad develop a system to reconcile the call sheets to the information entered into the billing system on, at least, a monthly basis.

This recommendation was cleared during 2014.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	<u>Current Fund</u>	<u>Grant Fund</u>
Balance December 31, 2013	\$ 8,403,172	1,515,918
Increased by Receipts:		
Tax Collector	119,053,386	
Revenue Accounts Receivable	11,568,353	
Miscellaneous Revenue	317,182	
State of New Jersey		
Senior Citizens and Veterans	340,500	
Motor Vehicle Commission	105,572	
Uniform Fire Safety Fees	67,095	
DCA Training Fees	12,302	
Amounts Due From		
Grant Fund		
Animal Control Fund	5,942	
Public Defender Trust Fund	1,300	
Payroll Trust Fund	19,632	
General Capital Fund	236,469	
Surety Bonds Payable	291,499	
City of Northfield Dispatch Services	360,706	
City of Linwood Dispatch Services	312,966	
Egg Harbor Township Board of Education Solid		
Waste Disposal	130,088	
State of New Jersey - Motor Vehicle Commission	105,572	
County of Atlantic Nutrition Site	12,494	
Reserve for Property Sales	65,787	
Curb and Sidewalk Surety	50,830	
Curb and Sidewalk In Lieu	88,176	
Street Opening Surety	65,278	
Court Case Settlements	253,208	
Municipal Utilities Authority	229,778	
Third Party Inspection Fees	15,633	
Sale of Municipal Property	45,168	
Due from Open Space Trust Fund	824,249	
Federal and State Receivables		771,159
	<u>134,579,165</u>	<u>771,159</u>
	\$ 142,982,337	2,287,077

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	<u>Current Fund</u>	<u>Grant Fund</u>
Decreased by Disbursements:		
Current Year Appropriation	\$ 34,068,114	
Prior Year Appropriations	1,565,519	
County Taxes	20,885,674	
Local District School Taxes	75,859,907	
Local Open Space Trust Fund	825,292	
Refund of Tax Overpayments	59,607	
Refund of 90% Surety Bonds	463,459	
Reserve for Property Revaluation	190,767	
State of New Jersey		
DCA Training Fees	16,826	
Third Party Inspection Fees	22,698	
Curb and Sidewalk Surety	89,192	
Street Opening Surety	86,778	
Refund of Prior Revenue	4,508	
Amounts Due To		
Grant Fund	5,214	
Capital Fund	458,592	
Public Defender Trust Fund	1,800	
Municipal Utilities Authority	316,230	
Change in Petty Cash / Change funds	300	
Due to Current Fund		2,875
Federal and State Disbursements		628,932
	<u>134,920,477</u>	<u>631,807</u>
Balance December 31, 2014	\$ <u><u>8,061,860</u></u>	<u><u>1,655,270</u></u>

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

Balance December 31, 2013	\$	-
Increased by Receipts:		
Prepaid Taxes	897,918	
Taxes Receivable	116,701,986	
Revenue Accounts Receivable	1,280,853	
Miscellaneous Revenue	2,660	
Tax Title and Other Liens	169,969	
		119,053,386
		119,053,386
Payments to Treasurer		119,053,386
Balance December 31, 2014	\$	-

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

Year	Balance Dec. 31, 2013	Current Year Levy	Added Taxes	Overpayments Created	Collections by Cash 2013	2014	Overpayments (Applied)	Adjustments	Transferred To Tax Title Lien	Arrears	Balance Dec. 31, 2014
Arrears 2013	\$ 45,782					5,820		8		40,942	80,896
	4,082					25,107	111,878	90,853			
	49,864					30,927	111,878	90,861		40,942	80,896
2013		118,623,752	527,067	-	900,548	117,020,059	(490,150)	472,729	223,681	(40,942)	2,710
	\$ 49,864	118,623,752	527,067	-	900,548	117,050,986	(378,272)	563,590	223,681	-	83,606

Cash Receipts
Senior Citizens and Veterans
116,701,986
349,000
117,050,986

Analysis of Current Year Tax Levy

Tax Yield:	
General Property Tax	118,623,752
Added Taxes (54.4-63.1 et. Seq.)	527,067
	<u>119,150,819</u>
Tax Levy:	
General County Taxes	17,435,658
County Library Taxes	1,725,390
County Open Space Taxes	1,365,722
County Health Taxes	245,747
County Added and Omitted Taxes	92,047
Total County Taxes	<u>20,864,564</u>
Local School District Tax	75,859,907
Local Open Space Tax	820,610
Local Tax for Municipal Purposes	
Add: Additional Tax Levied	<u>21,605,738</u>
	<u>119,150,819</u>

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

Balance December 31, 2013		\$	436,861
Increased by:			
Transfers from Taxes Receivable	223,681		
Interest and Costs Accrued by Sale of December 17, 2014	3,168		
	<hr/>		<hr/>
			226,849
			663,710
Decreased by:			
Transferred Foreclosed Properties	13,069		
Collections	169,969		
Adjustment	3,668		
	<hr/>		<hr/>
			186,706
Balance December 31, 2014		\$	<u><u>477,004</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2013	Accrued in 2014	Collected by		Balance Dec. 31, 2014
			Collector	Treasurer	
Clerk:					
Licenses:					
Alcoholic Beverage		91,314		91,314	
Tax Collector:					
Interest on Taxes		318,024	318,024		
Treasurer:					
Licenses:					
Other				179,739	
Municipal Service Fees	124,032	838,797	962,829		-
Construction Code Fees	35,146	585,044		620,190	
Fines and Costs:					
Municipal Court	47,696	827,884		814,005	61,575
Interest Earned on Investments		26,725		26,725	
Energy Receipts Tax		6,013,285		6,013,285	
Watershed Moratorium Offset Aid		16,779		16,779	
Garden State Pilot Trust		9,001		9,001	
Host Community Surcharge	184,785	2,066,538		2,095,300	156,023
ACUA Pilot		80,000		80,000	
Environmental Trust		292,000		292,000	
Ambulance Fees	141,324	1,097,026		1,140,535	97,815
Hotel Occupancy Tax	66,274	452,502		496,575	22,201
Towing Fees		90,020		90,020	
Cell Tower Leases		96,582		96,582	
Tax Abatement Payments		302,106		302,106	
Cable Franchise Fees		143,523		143,523	
Reserve to Pay Bonds		101,527		101,527	
Appropriation of Authority Assets		240,000		240,000	
	\$ 599,257	13,868,416	1,280,853	12,849,206	337,614

See Accompanying Auditor's Report

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged		Balance Lapsed	Over- Expended
			Cash	Accounts Payable		
OPERATIONS WITHIN "CAPS"						
DEPARTMENT OF ADMINISTRATION AND FINANCE						
Governing Body						
Salaries and Wages	4,802	3,802	3,287		515	
Other Expenses	2,399	2,399	1,881		518	
Administrator's Office						
Salaries and Wages	7,821	7,321	7,090		231	
Other Expenses	4,091	4,091	2,621		1,470	
Office of Township Clerk						
Salaries and Wages	9,187	9,187	8,914		273	
Other Expenses	11,586	11,286	8,417		2,869	
Division of Treasury						
Salaries and Wages	10,530	6,930	6,842		88	
Other Expenses	10,587	10,587	6,894		3,693	
Auditor						
Other Expenses	4,700	4,700			4,700	
Division of Collections						
Salaries and Wages	10,246	6,146	6,034		112	
Other Expenses	11,033	11,033	7,520		3,513	
Division of Assessments						
Salaries and Wages	4,332	3,832	3,438		394	
Other Expenses						
Miscellaneous Other Expenses	4,015	4,015	3,835		180	
Division of Law						
Other Expenses	43,483	78,483	75,295		3,188	
Rent Leveling Board						
Other Expenses	3,660	3,960	3,848		112	
DEPARTMENT OF PUBLIC WORKS						
Division of Roads						
Salaries and Wages	26,310	19,010	18,885		125	
Other Expenses	31,246	31,246	24,443		6,803	
Division of Buildings and Grounds						
Salaries and Wages	24,951	21,351	21,159		192	
Other Expenses	17,545	17,545	14,847		2,698	

See Accompanying Auditor's Report

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

	Balance	Balance	Paid or Charged		Balance Lapsed	Over-Expended
	Dec. 31, 2013	After Transfers	Cash	Accounts Payable		
Division of Equipment Maintenance						
Salaries and Wages	9,698	9,698	9,498		200	
Other Expenses	25,351	25,351	21,735		3,616	
Division of Solid Waste						
Salaries and Wages	31,963	24,463	24,404		59	
Other Expenses	6,353	6,353	6,344		9	
Landfill/Solid Waste Disposal Costs						
Other Expenses	150,918	120,768	109,390		11,378	
Animal Control						
Other Expenses	3,650	3,650	1,850		1,800	
Engineering Services						
Other Expenses	29,970	29,970	22,340		7,630	
DEPARTMENT OF RECREATION						
Salaries and Wages	14,726	6,726	6,414		312	
Other Expenses	29,363	26,363	25,324		1,039	
Celebration of Events						
Other Expenses	126	126	65		61	
DEPARTMENT OF POLICE						
Salaries and Wages	267,332	304,732	300,284		4,448	
Other Expenses	311,805	324,805	323,193		1,612	
DEPARTMENT OF POLICE DISPATCH/911						
Salaries and Wages	18,394	18,491	16,618		1,873	
Other Expenses	8,357	8,357	6,036		2,321	
DEPARTMENT OF FIRE						
Aid	32,496	32,496	30,393		2,103	
Ambulance Services						
Salaries and Wages	26,843	28,843	27,974		869	
Other Expenses	13,188	34,688	30,582		4,106	
Municipal Court						
Salaries and Wages	24,165	24,165	24,165		-	
Other Expenses	16,715	16,715	12,692		4,023	

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged		Balance Lapsed	Over- Expended
			Cash	Accounts Payable		
DEPARTMENT OF COMMUNITY DEVELOPMENT						
Division of Planning						
Salaries and Wages	3,326	3,326	2,938		388	
Other Expenses	3,839	3,839	2,372		1,467	
Division of Zoning						
Salaries and Wages	1,866	1,866	1,635		231	
Other Expenses	1,695	1,695	1,450		245	
ACCUMULATED LEAVE COMPENSATION						
Salaries and Wages	39	39			39	
Insurance						
Other Insurance Premiums (JIF)	14,426	14,426	1,000		13,426	
Group Insurance for Employees	2,144	44			44	
Division of Inspections						
Salaries and Wages	9,901	9,401	8,992		409	
Other Expenses	19,965	19,965	1,399		18,566	
UNIFORM FIRE SAFETY ACT (PL 1983, CH383)						
Fire Prevention Program						
Salaries and Wages	3,055	3,055	2,530		525	
Other Expenses	847	847			847	
UNCLASSIFIED						
Electricity	19,451	29,451	26,899		2,552	
Street Lighting	35,014	35,014	32,859		2,155	
Telephone	31,436	18,436	10,316		8,120	
Water	3,904	204	171		33	
Gas	2,419	219	219		-	
Sewerage	414	14			14	
Gasoline	59,611	59,611	50,178		9,433	
Fire Hydrant Service	23,414	23,414	23,326		88	
Condominium Services Act (PL 1989 CH299)	11,000	11,000	11,000		-	

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

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged		Balance Lapsed	Over- Expended
			Cash	Accounts Payable		
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Statutory Expenditures:						
Contribution to:						
PERS		2,053	2,048		5	
Social Security (O.A.S.I.)	26,724	24	(342)		366	
Unemployment Compensation Insurance	3,386	186	(40)		226	
Defined Contribution Retirement Program	1,307	1,307	15		1,292	
OPERATIONS EXCLUDED FROM "CAPS"						
Length of Service Award Program	158,000	158,000	152,540		5,460	
City of Northfield Dispatch Service	6,515	6,515	150		6,365	
City of Linwood Dispatch Service		-			-	
Egg Harbor Township Board of Education	9,313	9,313	9,313		-	
Solid Waste Disposal						
All Other Accounts - No Change	445	445			445	
	<u>\$ 1,717,393</u>	<u>1,717,393</u>	<u>1,565,519</u>	<u>-</u>	<u>151,874</u>	<u>-</u>

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

Balance December 31, 2013	\$	-
Increased by:		
Levy - Calendar Year 2014		75,859,907
		75,859,907
Decreased by:		
Payments		75,859,907
Balance December 31, 2014	\$	-

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

<u>Purpose</u>	Balance Dec. 31, 2013	Transferred From 2014 Revenues	Received	Adjustments	Balance Dec. 31, 2014
FEDERAL GRANTS:					
Cops Hiring Program Grant	\$ 10,558	22,241	32,799		-
Smart Policing Initiative		4,000	4,000		-
Click It or Ticket		5,000	3,400	1,600	-
Drive Sober or Get Pulled Over					-
US Department of Justice		9,132	9,132		-
Bulletproof Vest Partnership Program		23,154	11,243		11,911
AC - E. Byrne Memorial JAG		106,988	106,988		-
CDBG					-
Total Federal	10,558	170,515	167,562	1,600	11,911
STATE GRANTS:					
NJ Transportation Trust Fund Authority Act of 1934			142,500		47,500
Reconstruction of Ridge Avenue		190,000			
NJ Department of Public Safety					
Safe Corridor	109,418	92,418	82,259		119,577
Body Armor Fund	6,064	17,815	7,839		16,040
Drunk Driving Enforcement Fund	21,199	20,195	20,195		21,199
Alcohol Education Rehabilitation		3,958	3,958		-
Safe and Secure Communities Program	27,158	60,000	60,000		27,158
Recycling Tonnage Grant		79,864	73,971		5,893
Clean Communities Program		91,438	85,762	5,676	-
Distracted Driving Statewide Crackdown		5,000	5,000		-
Over the Limit Under Arrest		4,350	4,350		-
COPS in Shops -					
Summer Shore Program		2,400	2,400		-
College/Fall Initiative		3,600	3,200	400	-
Total State	163,839	571,038	491,434	6,076	237,367

See Accompanying Auditor's Report

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

<u>Purpose</u>	Balance Dec. 31, 2013	Transferred From 2014 Revenues	Received	Adjustments	Balance Dec. 31, 2014
Local Grants:					
CRDA - West Atlantic City	2,945,285		86,187	2,640,000	219,098
Donation - K-9's		162	162		-
Atlantic County Municipal Drug Alliance	24,846	36,464	34,946	392	25,972
Total State	<u>2,970,131</u>	<u>36,626</u>	<u>121,295</u>	<u>2,640,392</u>	<u>245,070</u>
	<u>\$ 3,144,528</u>	<u>778,179</u>	<u>780,291</u>	<u>2,648,068</u>	<u>494,348</u>
		Cash	771,159		
		Unappropriated Reserves	9,132		
			<u>780,291</u>		

See Accompanying Auditor's Report

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

	Balance December 31, 2013	2014	Disbursed	Reverse Prior Year Encumbrances	Encumbrances	Refunds/ (Canceled)	Balance Dec. 31, 2014
	Appropriated	Appropriations					
	Encumbrances	Reserve for					
		Encumbrances					
FEDERAL GRANTS:							
AC - E. Byrne Memorial JAG	184	11,243	10,451				976
Atlantic County Improvement Authority							
Curbs and Sidewalks - Pleasant Woods	44,163		44,163				-
CDBG							
2013 Entitlement		106,988	106,988				-
2011 Entitlement	7,632		7,632				-
Smart Policing Initiative	5,192	22,241	27,433				-
Click It or Ticket	2,650	4,000	4,000				2,650
Drive Sober or Get Pulled Over		5,000	3,400			(1,600)	-
US Department of Justice							
Bulletproof Vest Partnership Program	6,797	9,132	7,955		2,397		5,577
Federal Emergency Management Assistance							
Reimbursement Superstorm Sandy							
Repairs to Police Building	27,131		27,110				21
Total Federal	93,749	158,604	239,132	-	2,397	(1,600)	9,224
STATE GRANTS:							
NJ Transportation Trust Fund Authority							
Act of 1934							
Reconstruction of Ridge Avenue	81,994	190,000	177,703				12,297
Drunk Driving Enforcement	11,328	20,195	9,560				92,629
Alcohol Education Rehabilitation	59,361	3,958	713		440		14,133
Clean Communities	4,660	91,438	73,558		7,163	(5,676)	64,802
Body Armor Fund	25,600	17,815	6,098		2,398		13,979
Safe Corridor		92,418	56,695		91,814		25,530
Community Justice Program		11,911	11,911				-
Distracted Driving Statewide Crackdown		5,000	5,000				-
Over the Limit Under Arrest		4,350	4,350				-
COPS in Shops -							
Summer Shore Program	31	2,400	2,400			(31)	-
College/Fall Initiative	525	3,600	3,200			(925)	-
Recycling Tonnage Grant	116,875	79,864	59,658		8,422		143,796
Stormwater Grant	5,155						5,155
Office of Information Telecommunications							
Services - Enhanced 911 Grant	15,496	60,000	60,000				15,496
Safe and Secure Communities Program	10,239						10,239
Total State	331,264	71,558	470,846	-	110,237	(6,632)	398,056
LOCAL GRANTS:							
Donations - School Resource Officer	4,339		602				3,737
CRDA - West Atlantic City	2,900,464		78,423			(2,640,000)	182,041
Donation - K-9's		162					162
Atlantic County Municipal Drug Alliance	392	36,464	17,632			(392)	19,759
Municipal Share	1,413	9,117	5,213		384		6,102
Total Local	2,906,608	45,743	101,870	-	384	(2,640,392)	211,801
	3,331,621	73,654	811,848	-	113,018	(2,648,624)	619,081
		Cash	628,932				
		Due to General Capital	177,703				
		Due from Current Fund	5,213				
			811,848				

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

Purpose	Balance Dec. 31, 2013	Transferred To 2014 Appropriations	Received	Adjustments	Balance Dec. 31, 2014
FEDERAL GRANTS:					
US Department of Justice	\$ 9,132	9,132			-
Bulletproof Vest Partnership Program					
Total Federal	<u>9,132</u>	<u>9,132</u>	<u>-</u>	<u>-</u>	<u>-</u>
STATE GRANTS:					
No Activity					
Total State	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 9,132</u>	<u>9,132</u>	<u>-</u>	<u>-</u>	<u>-</u>

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2013	\$ 17,935	7,742,212
Increased By:		
State Dog License Fees	1,273	
Municipal Dog License Fees	6,648	
Developers Escrow		257,545
Small Cities Loan Repayments		7,175
Recreation Expenditures		302,257
Environmental Trust		263,093
POAA Fines		112
Council on Affordable Housing (COAH)		8,309
Basin Maintenance		4,388
Law Enforcement		41,575
Law Enforcement - Federal Funds		57
Performance Bond Guarantees		92,470
Open Space Land Acquisition		867,786
Other Trusts:		
Fire Safety		-
Third Party Inspection Fees		189,244
Public Defender Fees		24,800
Police Detail		139,375
Due from Current Fund		58,785
	<u>7,921</u>	<u>2,256,971</u>
	25,856	9,999,183
Decreased By:		
Paid to State of NJ	1,273	
Dog Fund Expenditures	4,973	
Due to Current Fund	5,942	
Animal Control Fund		
Other		
Developers Escrow		361,512
Small Cities Loan Repayments		33,147
Recreation Expenditures		284,264
Environmental Trust		292,000
Council on Affordable Housing (COAH)		-
Basin Maintenance		115,871
Law Enforcement		45,871
Law Enforcement - Federal Funds		2,305
Performance Bond Guarantees		194,316
Open Space Land Acquisition		593,095
Other Trusts:		
Fire Safety		3,428
Third Party Inspection Fees		189,027
Public Defender Fees		24,750
Police Detail		153,450
	<u>12,188</u>	<u>2,293,036</u>
Balance December 31, 2014	\$ <u><u>13,668</u></u>	<u><u>7,706,147</u></u>

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

	<u>Dog Licenses</u>	<u>Other</u>
Analysis of December 31, 2014 Balance		
Developer's Escrow	\$	527,052
Recreation Commission Dedicated Trust		92,578
Environmental Trust Fund		383,022
Law Enforcement Trust Fund		11,430
Law Enforcement Trust-Federal Funds		28,168
Parking Offenses Adjudication Act		1,362
Police Detail		16,015
Municipal Evidence		40,457
Public Defender Fees		33,572
Third Party Inspection Fees		168,509
Fire Safety Fines		2,770
Small Cities Trust		11,830
Open Space Trust Fund		1,599,847
Accumulated Absences		3,759
Snow Removal Trust		20,505
Council on Affordable Housing (COAH) Trust		143,612
Basin Maintenance		2,142,027
Performance Guarantee Trust		<u>2,479,632</u>
	\$	<u><u>7,706,147</u></u>

**TRUST FUND
SCHEDULE OF CASH - COLLECTOR**

Balance December 31, 2013	\$	2,443,401
Increased by Receipts:		
Deposits for Redemption of Tax Sale Certificates		6,855,671
Premiums Received at Tax Sale		2,940,761
		9,796,432
		12,239,833
Decreased by Disbursements:		
Tax Sale Redemptions		6,746,546
Premiums Returned		1,839,412
		8,585,958
Balance December 31, 2014	\$	3,653,875

ANALYSIS OF BALANCE - DECEMBER 31, 2014

Tax Title Lien Redemption		135,114
Tax Sale Premium		3,518,761
		3,653,875
	\$	3,653,875

See Accompanying Auditor's Report

**TRUST FUND
SCHEDULE OF ASSESSMENT RECEIVABLE**

Ordinance Number	Improvement Description	Date of Confirmation	Installments		Balance Dec. 31, 2013	Collected	Adjustments	Balance Dec. 31, 2014	Balance Pledged to	
			Number	Due Date					Assessment Overpayments	Reserve
19-93	Town Hall Sewer Service	2/28/96	10	5/1/96-2005	\$ 10,221			10,221		10,221
					\$ 10,221	-	-	10,221	-	10,221

See Accompanying Auditor's Report

**TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL
FUND EXPENDITURES**

Balance December 31, 2013	\$	11,992
Increased by:		
Dog License Fees Collected		6,648
		6,648
		18,640
Decreased by:		
Expenditures under N.J.S.A. 4:19-15.11:		
Cash		4,973
Statutory Excess to Current Fund		829
		5,802
Balance December 31, 2014	\$	12,838

License Fees Collected

<u>Year</u>	<u>Amount</u>
2013	6,793
2012	6,045
	12,838
	12,838

TRUST FUND
SCHEDULE OF AMOUNT DUE TO/(FROM) STATE OF NEW JERSEY
ANIMAL CONTROL FUND

Balance December 31, 2013	\$		1
Increased By:			
Collected in 2014			
State License Fees		771	
Pilot Clinic Fund Fees		154	
Animal Population Control Fees		348	
		1,273	1,273
			1,274
Decreased By:			
Payments			1,273
Balance December 31, 2014	\$		1

**TRUST FUND
SCHEDULE OF DEPOSITS FOR REDEMPTION OF
TAX SALE CERTIFICATES**

Balance December 31, 2013	\$		25,989
Increased By:			
Deposits Received		6,855,212	
Interest Earned		<u>459</u>	
			<u>6,855,671</u>
			6,881,660
Decreased By;			
Refunds - Tax Sale Certificates Redeemed		<u>6,746,546</u>	
			<u>6,746,546</u>
Balance December 31, 2014	\$		<u><u>135,114</u></u>

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

Reserve	Balance Dec. 31, 2013	Increased by		Decreased by		Balance Dec. 31, 2014
		Receipts	Other	Disbursements	Payments made by Current Fund	
Developers Escrow	\$ 631,019	257,545		361,512		527,052
Small Cities Loan Repayments	37,802	7,175		33,147		11,830
Recreation Expenditures	74,585	302,257		284,264		92,578
Environmental Trust	435,216	263,093		292,000		406,309
Accumulated Absences	3,759					3,759
POAA Fines	1,250	112				1,362
Council on Affordable Housing (COAH)	135,303	8,309				143,612
Basin Maintenance	2,253,510	4,388		115,871		2,142,027
Law Enforcement	15,726	41,575		45,871		11,430
Law Enforcement - Federal Funds	30,416	57		2,305		28,168
Performance Bond Guarantees	2,581,478	92,470		194,316		2,479,632
Open Space Land Acquisition	1,328,795	867,786		593,095		1,603,486
Other Trusts:						
Fire Safety	6,198			3,428		2,770
Municipal Evidence	40,457					40,457
Third Party Inspection Fees	183,925	189,244		189,027		184,142
Public Defender Fees	34,822	24,800		24,750		34,872
Police Detail	30,090	139,375		153,450		16,015
Snow Removal	20,505					20,505
	<u>\$ 7,844,856</u>	<u>2,198,186</u>	<u>-</u>	<u>2,293,036</u>	<u>-</u>	<u>7,750,006</u>

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF AMOUNT DUE FROM CURRENT FUND**

Balance December 31, 2013	\$	458,592
Increased by:		
Capital Improvement Fund	400,000	
Premium on Sale of Notes	56,321	
Bonds Issued	3,150,000	
		3,606,321
		4,064,913
Decreased by:		
Improvement Authorizations	3,726,917	
Appropriated to 2014 Budget Revenue	101,527	
		3,828,444
Balance December 31, 2014	\$	236,469

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance Dec. 31, 2014
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
\$								
Fund Balance	199,449	56,322					73,083	328,854
Capital Improvement Fund	99,039	400,000				477,736		21,303
Encumbrances Payable	1,224,177					1,224,177	3,415,960	3,415,960
Reserve for Payment of Bonds	101,527					101,527		-
Reserve for Sidewalk Construction	70,585					70,585		-
State Grant Receivable	(627,195)							(627,195)
FEIMA Receivable	(3,787,304)			177,703		1,498,304		(1,498,304)
Due from Grant Fund	(458,592)		(3,150,000)	(3,726,917)		70,584	172,112	(3,965,007)
Due from Current Fund		(456,322)						(236,469)
Improvement Authorizations:								
60-2005 Design and Construction of Community Ctr	-					2,400	2,400	-
39-2007 Various Capital Improvements	3,600			9,154			7,373	1,819
22-2008 Various Capital Improvements	5,685			2,568		3,117		-
23-2008 Various Capital Improvements	41,567			6,158				35,409
28-2009 Various Capital Improvements	235,557			137,483		111,063	20,348	7,359
16-2010 Various Capital Improvements	239,652			107,128		996	6,938	138,466
17-2010 Various Capital Improvements	250							250
19-2011 Various Capital Improvements	144,990			148,895		95	4,000	-
20-2011 Various Capital Improvements	6,025			6,025				-
24-2012 Various Capital Improvements	1,087,944			648,525		274,711	46,197	210,905
25-2012 Various Capital Improvements	217			215		2		-
21-2013 Various Capital Improvements	1,329,507			1,564,924		590,838	1,008,590	182,335
22-2013 Various Capital Improvements	83,320			158,240		1,590	128,331	51,821
09-2014 Various Capital Improvements			3,150,000	759,899		2,406,862	1,936,040	1,919,279
10-2014 Purchase of Office Equipment & Furn						26,785	40,000	13,215
						6,861,372	6,861,372	-
\$								

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

Balance December 31, 2013		\$	99,039
Increased by:			
Budget Appropriation	400,000		
	<hr/>		<hr/>
			400,000
			499,039
Decreased by:			
Improvement Authorizations Funded	477,736		
	<hr/>		<hr/>
			477,736
Balance December 31, 2014		\$	<u><u>21,303</u></u>

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

Balance December 31, 2013		\$	33,363,965
Increased by:			
Serial Bonds Issued			16,910,000
Decreased by:			
Serial Bonds Paid	14,691,000		
NJEIT Bonds & Loans	<u>88,214</u>		
			<u>14,779,214</u>
Balance December 31, 2014		\$	<u><u>35,494,751</u></u>

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

Ord #	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Raised in 2014 Budget	Debt Issued	Balance Dec. 31, 2014	Analysis of Balance		Unexpended Improvement Authorizations
							Bond Anticipation Notes	Expenditures	
21-2013	Various Capital Improvements	\$ 2,200,000			2,200,000	-			-
09-2014	Various Capital Improvements		3,150,000		3,150,000				
		\$ 2,200,000	3,150,000	-	5,350,000	-			-

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Authorizations				Deferred Charges to Future Taxation	Paid or Charged	Canceled	Balance December 31, 2014		
				Balance December 31, 2013		Other Funding	Unfunded				Funded	Unfunded	Funded
				Funded	Unfunded								
39-2007	Various Capital Improvements	7/11/2007	3,219,000	\$ 3,600				1,781			1,819		
22-2008	Various Capital Improvements	6/11/2008	325,500	5,685				5,685			-		
23-2008	Various Capital Improvements	6/11/2008	5,240,000	41,568				6,158			35,410		
28-2009	Various Capital Improvements	8/12/2009	1,660,000	235,557				228,196	2		7,359		
16-2010	Various Capital Improvements	6/23/2010	2,575,000	239,651				101,186			138,465		
17-2010	Various Capital Improvements	6/23/2010	120,000	250							250		
19-2011	Various Capital Improvements	6/22/2011	2,425,000	144,990				144,895	95		-		
20-2011	Various Capital Improvements	7/20/2011	15,000	6,025				6,025			-		
24-2012	Various Capital Improvements	6/20/2012	3,032,000	1,087,944				877,039			210,905		
25-2012	Various Capital Improvements	6/20/2012	25,000	217				215	2		-		
21-2013	Various Capital Improvements	6/26/2013	2,430,000	83,320		1,329,507		1,147,172			182,335		
22-2013	Various Capital Improvements	6/26/2013	225,000					31,499			51,821		
09-2014	Various Capital Improvements	4/23/2014	5,086,400					3,166,761			1,919,279		
10-2014	Purchase of Office Equipment & Furn	4/23/2014	40,000					26,785			13,215		
				\$ 1,848,807		1,329,507		5,743,397	99		2,560,858		
								3,150,000			-		

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2014		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014	
			Date	Amount						
General Obligation Bonds of 2006	2/1/2006	19,406,000	2/1/2015	845,000	4.250%	14,156,000		12,421,000	1,735,000	
			2/1/2016	890,000	4.250%					
	General Obligation Bonds of 2008	9/1/2008	9,885,000	9/1/2015	685,000	4.000%	7,250,000		665,000	6,585,000
				9/1/2016	700,000	4.000%				
				9/1/2017	710,000	4.000%				
				9/1/2018	720,000	4.125%				
General Obligation Bonds of 2012	9/1/2012	7,800,000	9/1/2019	740,000	4.125%	3,510,000		1,180,000	2,330,000	
			9/1/2020	750,000	4.125%					
			9/1/21-23	760,000	4.125%					
2011 Refunding Bonds	9/15/2011	4,705,000	2/15/2015	1,170,000	3.000%	7,375,000		425,000	6,950,000	
			2/15/2016	1,160,000	3.500%					
			9/1/2015	475,000	2.000%					
2014 Refunding Bonds	8/1/2014	11,560,000	2/1/2016	65,000	2.000%	11,560,000			11,560,000	
			2/1/2017	985,000	2.000%					
			2/1/2018	1,010,000	2.000%					
			2/1/2019	1,035,000	2.000%					
			2/1/2019	910,000	4.000%					
			2/1/2020	155,000	2.250%					
			2/1/2020	935,000	4.000%					
			2/1/2021	155,000	2.375%					
			2/1/2021	980,000	4.000%					
			2/1/2022	145,000	5.000%					
2/1/2023	1,180,000	5.000%								
General Obligation Bonds of 2014	7/15/2014	5,350,000	7/15/2015	250,000	2.000%	5,350,000			5,350,000	
			7/15/2016	250,000	2.000%					
			7/15/2017	400,000	2.000%					
			7/15/2018	450,000	2.000%					
			7/15/2019	500,000	3.000%					
			7/15/2020	500,000	3.000%					
			7/15/2021	500,000	3.000%					
			7/15/2022	500,000	2.250%					
			7/15/2023	500,000	2.500%					
			7/15/2024	500,000	2.625%					
7/15/2025	500,000	3.000%								
7/15/2026	500,000	3.000%								
					\$	32,291,000	16,910,000	14,691,000	34,510,000	
							Refunded	11,611,000		
							Paid	3,080,000		
								14,691,000		

**GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
Tony Canale Park (Pine Oak Park)	1/22/1999	150,000	6/22/2015	4,350	2.000%	39,951		8,571	31,380
			12/22/2015	4,393	2.000%				
			6/22/2016	4,437	2.000%				
			12/22/2016	4,482	2.000%				
			6/22/2017	4,527	2.000%				
			12/22/2017	4,572	2.000%				
Regional Park, Part 1			6/22/2018	4,619	2.000%				
		150,000	1/11/2015	4,237	2.000%	71,679		8,348	63,331
			7/11/2015	4,279	2.000%				
			1/11/2016	4,322	2.000%				
			7/11/2016	4,365	2.000%				
			1/11/2017	4,409	2.000%				
			7/11/2017	4,453	2.000%				
			1/11/2018	4,498	2.000%				
			7/11/2018	4,543	2.000%				
			1/11/2019	4,588	2.000%				
			7/11/2019	4,634	2.000%				
			1/11/2020	4,680	2.000%				
			7/11/2020	4,727	2.000%				
			1/11/2021	4,774	2.000%				
			7/11/2021	4,822	2.000%				
Regional Park, Part 2		500,000	1/11/2015	13,258	2.000%	254,924		26,124	228,800
			7/11/2015	13,390	2.000%				
			1/11/2016	13,524	2.000%				
			7/11/2016	13,660	2.000%				
			1/11/2017	13,796	2.000%				
			7/11/2017	13,934	2.000%				
			1/11/2018	14,073	2.000%				
			7/11/2018	14,214	2.000%				
			1/11/2019	14,356	2.000%				
			7/11/2019	14,500	2.000%				
			1/11/2020	14,645	2.000%				
			7/11/2020	14,791	2.000%				
			1/11/2021	14,939	2.000%				
			7/11/2021	15,089	2.000%				
			1/11/2022	15,239	2.000%				
		7/11/2022	15,392	2.000%					
Bargaintown Park		700,000	2/13/2015	16,803	2.000%	529,227		33,109	496,118
			8/13/2015	16,971	2.000%				
			2/13/2016	17,141	2.000%				
			8/13/2016	17,312	2.000%				
			2/13/2017	17,485	2.000%				
			8/13/2017	17,660	2.000%				
			2/13/2018	17,837	2.000%				
			8/13/2018	18,015	2.000%				
			2/13/2019	18,195	2.000%				
			8/13/2019	18,377	2.000%				
			2/13/2020	18,561	2.000%				
		8/13/2020	18,746	2.000%					
		2/13/2021	18,934	2.000%					

**GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2014		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
	8/13/2021		19,123		2.000%				
	8/13/2022		19,314		2.000%				
	8/13/2022		19,508		2.000%				
	2/13/2023		19,703		2.000%				
	8/13/2023		19,900		2.000%				
	2/13/2024		20,099		2.000%				
	8/13/2024		20,300		2.000%				
	2/13/2025		20,503		2.000%				
	8/13/2025		20,708		2.000%				
	2/13/2026		20,915		2.000%				
	8/13/2026		21,124		2.000%				
	2/13/2027		21,335		2.000%				
	8/13/2027		21,549		2.000%				
						177,184		12,062	165,122
Tony Canale Park, Phase II	11/26/2007	250,000	6,122		2.000%				
	5/26/2015		6,183		2.000%				
	5/26/2016		6,245		2.000%				
	11/26/2016		6,307		2.000%				
	5/26/2017		6,370		2.000%				
	11/26/2017		6,434		2.000%				
	5/26/2018		6,498		2.000%				
	11/26/2018		6,563		2.000%				
	5/26/2019		6,629		2.000%				
	11/26/2019		6,695		2.000%				
	5/26/2020		6,762		2.000%				
	11/26/2020		6,830		2.000%				
	5/26/2021		6,898		2.000%				
	11/26/2021		6,967		2.000%				
	5/26/2022		7,037		2.000%				
	11/26/2022		7,107		2.000%				
	5/26/2023		7,178		2.000%				
	11/26/2023		7,250		2.000%				
	5/26/2024		7,322		2.000%				
	11/26/2024		7,396		2.000%				
	5/26/2025		7,470		2.000%				
	11/26/2025		7,544		2.000%				
	5/26/2026		7,620		2.000%				
	11/26/2026		7,695		2.000%				
						1,072,965		88,214	984,751
						\$			

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

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
Various Capital Improvements	2013	7/31/2013	7/31/2013	7/30/2014	0.850%	\$ 2,200,000	-	2,200,000	-
						<u>\$ 2,200,000</u>	<u>-</u>	<u>2,200,000</u>	<u>-</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Debt Issued	Balance Dec. 31, 2014
09-2014	Various Capital Improvements	\$ -	3,150,000	3,150,000	-
		<u> -</u>	<u>3,150,000</u>	<u>3,150,000</u>	<u> -</u>

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TOWNSHIP OF EGG HARBOR

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

GENERAL COMMENTS

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

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

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

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

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

- Window Replacement
- Electronic Ticketing
- Basin Mowing
- Road Improvements and Repairs
- Uniforms
- Western Star Hood Lift Truck
- Freightliner M2 Single Axle
- Signalization
- Waterproof Police Department
- Purchase of Police Motorcycles
- Phase – 4 Gabion
- Field Groomer

Contracts and Agreements Requiring Solicitation of Quotations

N.J.S. 40A:11-6.1 states, "Prior to the award of any other purchase, contract or agreement, the contracting agent shall, except in the case of the performance of professional services, solicit quotations, whenever practical, on any such purchase, contract or agreement the estimated cost or price of which is \$2,625 or more."

Our examination of expenditures did reveal not purchases made in excess of \$5,400 without obtaining quotes as required by statute.

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 1, 2014, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, NJSA 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law, and

WHEREAS, NJSA 54:4-67 has been amended to permit the fixing of said rate of 8 percent per annum on the first \$1,500; and

WHEREAS, N.J.S.A. 54-4-67 has been amended to allow for an additional penalty of 6% to be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year;

NOW, THEREFORE, BE IT RESOLVED, by the Township Committee of the Township of Egg Harbor, Atlantic County, New Jersey, as follows;

1. That the tax collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 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 31st of the tax year, an additional penalty of 6% shall be charged against the delinquency.
2. Effective January 1, 2014, there will be a ten-day grace period for quarterly tax payments made by cash, check, or money order.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date, as set forth in paragraph one of this resolution.
4. This resolution shall be published in its entirety once in the official newspaper of the Township of Egg Harbor.
5. The Tax Collector is hereby authorized to hold a Tax Lien Sale in the month of December.
6. A certified copy of this resolution shall be provided by the Township Clerk to the Tax Collector, Township Attorney, and Township Auditor for the Township of Egg Harbor.

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 17, 2014 and was not complete due to properties in bankruptcy not being sold.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2014	438
2013	360
2012	315
2011	310
2010	227

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

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payment of 2015 and 2014 Taxes	10
Municipal Court	15

As of the date of this audit report, all verifications have not been returned. No problems were noted with the verifications that have been returned related to property taxes, utilities or municipal court.

Deposit of Municipal Funds

N.J.S. 40A:5-15 states, "All municipal funds shall be deposited within 48 hours upon receipt."

Our examination has revealed that municipal funds were all deposited within the mandated time.

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2014	\$ 119,150,819	118,410,757	99.38%
2013	115,393,839	114,322,268	99.07%
2012	109,419,955	107,633,826	98.37%
2011	106,350,123	104,304,768	98.08%
2010	103,273,476	101,998,858	98.77%

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	2.9040	2.813	4.228	4.101	3.980
Apportionment of Tax Rate:					
Municipal	0.5180	0.4990	0.7340	0.7340	0.6900
Local Open Space	0.0200	0.0200	0.0200	0.0200	0.0200
County	0.5080	0.4810	0.6410	0.6650	0.6200
Local School	1.8580	1.8130	2.8330	2.6820	2.6500
Assessed Value	4,084,839,929	4,077,433,434	2,567,152,785	2,576,920,800	2,577,775,392

A revaluation of properties was performed in 2012 in order to bring the property values in line with their true value. The revaluation was effective for the 2013 tax year.

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 five years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percent of Tax Levy</u>
2014	\$ 461,293	83,606	544,899	0.46%
2013	436,861	49,864	486,725	0.42%
2012	349,298	74,799	424,097	0.39%
2011	458,223	77,437	535,660	0.50%
2010	248,309	84,070	332,379	0.32%

Schedule of Financial Statement Findings

NONE

Status of Prior Year Recommendations

13 – 1 That the rescue squad develop a system to reconcile the call sheets to the information entered into the billing system on, at least, a monthly basis.

This recommendation was cleared during 2014.

Recommendations

NONE

Should any questions arise, please do not hesitate to call me.

Very truly yours,

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Kenneth Moore

Kenneth Moore
Certified Public Accountant
Registered Municipal Accountant
No. 231

March 31, 2015