

**REPORT OF AUDIT**  
**CITY OF PERTH AMBOY**  
**COUNTY OF MIDDLESEX**  
**DECEMBER 31, 2013**

# CITY OF PERTH AMBOY

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the City Council  
City of Perth Amboy  
County of Middlesex, New Jersey

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Perth Amboy in the County of Middlesex, as of December 31, 2013 and 2012, 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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Perth Amboy as of December 31, 2013 and 2012, or changes in financial position for the years then ended.

The Honorable Mayor and  
Members of the City Council  
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### ***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2013 and 2012, 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, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Perth Amboy's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget 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 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*, the schedule of federal financial awards 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, 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 subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



The Honorable Mayor and  
Members of the City Council  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2014 on our consideration of the City of Perth Amboy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Perth Amboy's internal control over financial reporting and compliance.



Charles J. Ferraioli, Jr., C.P.A.  
Registered Municipal Accountant  
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

May 19, 2014



City of Perth Amboy, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

Years Ended December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>			
Cash	A-4	\$ 15,538,528.37	\$ 13,754,880.56
Due from State of New Jersey			
Deduction Per Ch. 73, P.L. 1976	A-5	43,496.13	21,831.74
CMPTRA Revenue Receivable	A-10	1,475,858.00	266,228.00
		<u>17,057,882.50</u>	<u>14,042,940.30</u>
Receivables and Other Assets			
with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	5,637.78	16,966.02
Tax Title Liens Receivable	A-7	1,264,218.87	1,328,178.64
Bankruptcy Receivable	A-8	1,701.62	54,472.08
Revenue Accounts Receivable	A-9	130,952.59	101,948.28
		<u>1,402,510.86</u>	<u>1,501,565.02</u>
		<u>18,460,393.36</u>	<u>15,544,505.32</u>
Federal and State Grant Funds:			
Cash	A-26	696,359.35	823,060.19
Grants Receivable	A-27	2,329,320.07	3,461,870.62
		<u>3,025,679.42</u>	<u>4,284,930.81</u>
		<u>\$ 21,486,072.78</u>	<u>\$ 19,829,436.13</u>

See accompanying notes to financial statements.

**City of Perth Amboy, N.J.**

**Comparative Balance Sheet - Regulatory Basis**

**Current Fund**

**Years Ended December 31, 2013 and 2012**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b>Liabilities:</b>			
Appropriation Reserves	A-3, A-11	\$ 3,977,337.43	\$ 1,956,734.44
Reserves for Encumbrances	A-12	1,102,168.63	2,237,837.00
Reserve for Maintenance of Free Public Library with State Aid	A-13	14,922.88	13,405.97
Accounts Payable	A-14	1,313,281.88	1,068,242.67
Prepaid Taxes	A-15	1,206,330.15	208,233.16
Tax Overpayments	A-16	325.93	1,836.86
Reserve for Library	A-19	30,718.97	116,223.17
Reserve for Payroll - Unsettled Contracts	A-20	-	47,582.43
Reserve for Garden State Preservation Fund	A-21	12.68	12.68
Reserve for Tax Appeals Pending	A-22	4,693,299.80	5,152,066.27
		<u>12,338,398.35</u>	<u>10,802,174.65</u>
Reserve for Receivables and Other Assets	Contra	1,402,510.86	1,501,565.02
Fund Balance	A-1	<u>4,719,484.15</u>	<u>3,240,765.65</u>
		<u>18,460,393.36</u>	<u>15,544,505.32</u>
<b>Grant Fund:</b>			
Reserve for Grants Appropriated	A-29	1,898,214.02	2,181,494.98
Reserve for Grants Unappropriated	A-31	41,633.00	-
Reserve for Encumbrances	A-30	1,085,832.40	2,103,435.83
		<u>3,025,679.42</u>	<u>4,284,930.81</u>
		<u>\$ 21,486,072.78</u>	<u>\$ 19,829,436.13</u>

See accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31, 2013

With comparative figures for the Year Ending December 31, 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>REVENUE AND OTHER INCOME REALIZED:</u>			
Fund Balance Utilized	A-2	1,900,000.00	1,700,000.00
Miscellaneous Revenue Realized	A-2	14,208,452.08	14,787,332.72
Receipts from Delinquent Taxes	A-2	402,570.95	126,645.09
Receipts from Current Taxes	A-2	92,088,926.25	91,432,710.56
Non-Budget Revenue	A-2	488,549.96	378,188.39
Other Credits to Income:			
Appropriations Canceled	A-3		5,447.21
Canceled Outstanding Checks	A-4	7,772.61	-
Unexpended Balance of Appropriation Reserves	A-11	1,519,868.76	2,803,782.90
Adjustment to Tax Overpayments	A-16		2,466.65
Cancellation of Appropriations Payable	A-20	47,582.43	-
Grants Canceled	A-17	415,309.65	463,930.34
		<u>\$ 111,079,032.69</u>	<u>\$ 111,700,503.86</u>
<u>EXPENDITURES:</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and wages	A-3	\$ 27,803,980.83	\$ 26,694,499.12
Other expenses	A-3	23,283,685.00	23,097,107.00
Municipal Debt Service	A-3	11,700,397.15	11,804,763.00
Def. Charges and Statutory Expenditures- Municipal	A-3	6,187,363.52	6,216,868.86
Operations - Excluded from "CAPS":			
Salaries and wages	A-3	620,623.00	633,301.00
Other expenses	A-3	1,097,101.53	2,222,187.55
Capital Improvements	A-3	629,744.00	441,600.00
Refund of Prior Year Revenue	A-4	17,081.91	56,130.96
Grant Receivables Canceled	A-17	423,822.32	491,436.18
Tax Appeals		-	1,100,000.00
Local District School Tax	A-23	23,956,568.00	24,021,741.00
County Taxes	A-24	11,747,816.93	12,032,709.99
Special District Taxes	A-25	232,130.00	232,130.00
		<u>107,700,314.19</u>	<u>109,044,474.66</u>
TOTAL EXPENDITURES			

See accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31, 2013

With comparative figures for the Year Ending December 31, 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>EXPENDITURES (Continued)</u>			
Excess (Deficit) in Revenue		3,378,718.50	2,656,029.20
Fund Balance, Beginning	A	<u>3,240,765.65</u>	<u>2,284,736.45</u>
		6,619,484.15	4,940,765.65
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>1,900,000.00</u>	<u>1,700,000.00</u>
Balance, Ending	A	<u>\$ 4,719,484.15</u>	<u>\$ 3,240,765.65</u>

See accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	Ref.	Budget	Special N.J.S 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	1,900,000.00		1,900,000.00	
Miscellaneous Revenues - Section A: Local Revenues					
Licenses:					
Alcoholic Beverages	A-9	100,000.00		120,686.00	20,686.00
Other	A-2, A-9	61,000.00		39,220.30	(21,779.70)
Fees and Permits	A-2, A-9	180,000.00		219,587.00	39,587.00
Fines and Costs:					
Municipal Court	A-9	1,650,000.00		1,775,961.21	125,961.21
Interest and Costs on Taxes	A-9	250,000.00		295,283.14	45,283.14
Interest on Investments and Deposits	A-9	95,000.00		44,800.52	(50,199.48)
Rental of City Property	A-9	255,800.00		270,438.49	14,638.49
Right of Way Fees	A-9	208,460.00		208,460.00	-
Verizon Franchise Fee	A-9	130,640.44		130,640.44	-
Total Section A		2,930,900.44	-	3,105,077.10	174,176.66
Miscellaneous Revenues - Section B: State Aid Without Offsetting Appropriations					
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)	A-9	6,049,430.00		6,049,430.00	-
Consolidated Municipal Property Tax Relief Act (N.J.S.A. 52:27D0118034)	A-9	3,187,939.00		3,187,939.00	-
Total Section B		9,237,369.00	-	9,237,369.00	-

See accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2013

Ref.	Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Miscellaneous Revenues - Section C: Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S.A. 40A:4-36 and N.J.A.C. 5:23-4.17): Uniform Construction Code Fees	A-9 330,000.00		599,264.50	269,264.50
Miscellaneous Revenues - Section D: Special Items of Revenues Anticipated With Prior Written Consent of Director of Local Government Services - Interlocal Municipal Service Agreements offset with Appropriations:				-

See accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	Ref.	Budget	Special N.J.S 40A:4-87	Realized	Excess or (Deficit)
Miscellaneous Revenues - Section F: Special Items of Revenues Anticipated With Prior Written Consent of Director of Local Government Services State and Federal Revenues Offset With Appropriations:					
Public Health Priority Funding	A-9				
New Jersey Transportation Trust Fund Authority Act	A-9	379,744.00		379,744.00	-
Recycling Tonnage Grant	A-9	52,528.41		52,528.41	-
Clean Communities Program	A-9	59,462.04		59,462.04	-
Alcohol Education and Rehabilitation Fund	A-9	1,108.27		1,108.27	-
Municipal Alliance on Alcoholism and Drug Abuse	A-9	42,081.00		42,081.00	-
Handicapped Recreation Opportunities Grant	A-9	18,801.00		18,801.00	-
Recycling Program - Middlesex County	A-9	42,407.00		42,407.00	-
UEZ Business Marketing Grant	A-9	25,000.00		25,000.00	-
Provident Bank Defibrillator Grant	A-9	5,000.00		5,000.00	-
Emergency Management Grant	A-9	5,000.00		5,000.00	-
NJ Pedestrian Safety Grant	A-9	15,000.00		15,000.00	-
Office of Aging - Transportation	A-9	5,000.00		5,000.00	-
Office of Aging - Housing	A-9	5,000.00		5,000.00	-
NJ DEP - HDSR Grant - Former Municipal Complex	A-9	14,735.00		14,735.00	-
NJ DEP - HDSR Grant - General Cable Property	A-9	79,752.00		79,752.00	-
NJ Body Armor Replacement	A-9	14,199.81		14,199.81	-
Middlesex County Title V Delinquency	A-9	32,020.00		32,020.00	-
Middlesex County 2014 Arts Grant	A-9	1,195.00		1,195.00	-
<b>Total Section F</b>		<b>798,033.53</b>	<b>-</b>	<b>798,033.53</b>	<b>-</b>

See accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	Ref.	Budget	Special N.J.S 40A:4-87	Realized	Excess or (Deficit)
Miscellaneous Revenues - Section G: Special Items of Revenues Anticipated With Prior Written Consent of Director of Local Government Services-Other Special Items:					
Uniform Fire Safety Act	A-9	79,055.00		58,914.54	(20,140.46)
UAW In Lieu of Tax Payments	A-9	100,000.00		109,111.00	9,111.00
King Plaza in Lieu of Tax Payments	A-9	225,000.00		225,000.00	-
Reserve for Debt Service	A-9	75,682.41		75,682.41	-
Total Section G:		479,737.41	-	468,707.95	(11,029.46)
Total Miscellaneous Revenues	A-1	13,776,040.38	-	14,208,452.08	432,411.70
Receipts from Delinquent Taxes	A-1, A-2	200,000.00		402,570.95	202,570.95
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	A-2	56,546,854.65		57,252,411.32	705,556.67
Non-Budget Revenue	A-1, A-2	-		488,549.96	488,549.96
Grand Total		72,422,895.03	-	74,251,984.31	1,829,089.28

See accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	Ref.	2013	2012
Analysis of Realized Revenues			
Allocation of Current Tax Collections:			
Prepaid Prior Period	A-6	\$ 208,233.16	\$ 247,908.69
Collected Current Period	A-6	91,705,524.60	90,999,801.87
Senior Citizen's and Veterans' Deduction	A-6	<u>175,168.49</u>	<u>185,000.00</u>
Revenue from Collections	A-1	\$ 92,088,926.25	\$ 91,432,710.56
Allocated to:			
School, County and Special School District Taxes	A-23, A-24, A-25	<u>35,936,514.93</u>	<u>36,286,580.99</u>
Balance for Support of Municipal Budget Appropriations		\$ 56,152,411.32	\$ 55,146,129.57
Add: Appropriation - Reserve for Uncollected Taxes	A-3	<u>1,100,000.00</u>	<u>1,406,462.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 57,252,411.32</u>	<u>\$ 56,552,591.57</u>
Receipts from Delinquent taxes:			
Delinquent Tax Collections	A-6	4,552.68	126,645.09
Tax Title Liens	A-7	345,247.81	-
Bankruptcy Receipts	A-8	<u>52,770.46</u>	<u>-</u>
	A-2	<u>\$ 402,570.95</u>	<u>\$ 126,645.09</u>

See accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2013

Licenses - Other:			
Clerk	A-9	28,083.30	
Code Enforcement	A-9	3,625.00	
Police Department	A-9	7,512.00	
			\$ 39,220.30
Fees and Permits - Other:			
Clerk	A-9	160,131.00	
Police Department	A-9	681.00	
Board of Health	A-9	27,450.00	
Public Works	A-9	31,525.00	
			\$ 219,587.00

See accompanying notes to financial statements.

City of Perth Amboy, N.J.  
Statement of Revenues - Regulatory Basis  
Current Fund  
Year Ended December 31, 2013

Ref.	<u>2013</u>	<u>2012</u>
Analysis of Non - Budget Revenues		
Miscellaneous Revenues Not Anticipated:		
Revenue Accounts Receivable:		
Non-Budget Revenues -		
Street Opening Permits	20,525.00	31,325.00
Accident Reports	18,253.48	10,865.43
Discovery Fee	6,445.00	7,512.00
Cat Licenses	411.00	196.00
Building Fines	7,400.00	450.00
Municipal Court - Marriage Fees	600.00	11,100.00
Police Off Duty Administrative Fees	43,745.39	30,294.52
Police - Miscellaneous Fees	1,832.00	681.00
Copies	840.76	1,452.20
Senior Citizens and Veterans		
Administrative Fees	3,250.08	5,110.67
Miscellaneous	8,571.50	6,409.89
Tax Collector Electronic File Fee	300.00	300.00
Code Enforcement Liens	5,907.06	3,624.94
Lease of Municipal Property	1,000.00	200.00
Fire Sub-Code Fines	1,000.00	200.00
Municipal Court - Restitution	6,800.66	7,311.26
Tax Sale Fees	32,217.64	41,294.94
Refund of Accrued Interest	7,220.15	-
Prior Year Refund	99,368.42	81,296.98
NJDMW Exp. Inspection Stickers	11,091.00	12,775.25
Duplicate Tax Lien Discharge	550.00	700.00
PA Housing Authority - In Lieu of Taxes	115,446.00	-
Return Check Fees	1,140.00	840.00
Sale of City Property	14,570.08	38,486.50
Sale of Municipal Property	-	41,656.16
Cancellation of O/S Checks	652.74	13,331.65
Handicapped Parking Renewal Fees	-	9,375.00
Fire Prevention Fees	79,412.00	21,399.00
	<u>488,549.96</u>	<u>\$ 378,188.39</u>

A-1, A-4

See accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2013

	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved
<u>General Appropriations</u>					
<b>OPERATIONS - WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT:</b>					
Business Administrator					
Salaries and Wages		229,757.00	232,757.00	231,839.59	917.41
Other Expenses		251,450.00	248,450.00	181,317.59	67,132.41
Office of the Mayor					
Salaries and Wages		293,209.00	293,209.00	291,610.70	1,598.30
Other Expenses		7,695.00	7,695.00	6,367.83	1,327.17
Municipal Council					
Salaries and Wages		52,000.00	52,000.00	52,000.00	-
Other Expenses		3,740.00	3,740.00	2,222.69	1,517.31
Municipal Clerk					
Salaries and Wages		307,127.00	307,127.00	305,264.87	1,862.13
Other Expenses		31,480.00	31,480.00	24,647.69	6,832.31
Financial Administration					
Salaries and Wages		369,759.00	369,759.00	366,893.69	2,865.31
Other Expenses		69,150.00	69,150.00	42,437.61	26,712.39
Audit Service					
Other Expenses		60,000.00	60,000.00	1,000.00	59,000.00
Revenue Administration					
Salaries and Wages		217,061.00	217,061.00	214,604.44	2,456.56
Other Expenses		16,450.00	16,450.00	6,535.61	9,914.39
Tax Assessment Administration					
Salaries and Wages		199,500.00	199,500.00	197,659.24	1,840.76
Other Expenses		249,450.00	249,450.00	203,470.95	45,979.05

See Accompanying notes to financial statements.

City of Perth Amboy, N.J.  
Statement of Expenditures - Regulatory Basis  
Current Fund  
Year Ending December 31, 2013

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<u>General Appropriations</u>					
Elections					
Other Expenses		15,000.00	15,000.00	13,435.82	1,564.18
Legal Services					
Salaries and Wages		196,121.00	196,121.00	194,250.83	1,870.17
Other Expenses		1,098,650.00	1,098,650.00	502,777.39	595,872.61
Consultant Fees					
Other expenses		70,000.00	70,000.00	20,340.21	49,659.79
Civic Activities					
Other Expenses		7,500.00	7,500.00	6,999.94	500.06
Economic Development					
Salaries and Wages		69,211.00	69,211.00	53,088.49	16,122.51
Other Expenses		3,200.00	3,200.00	955.64	2,244.36
Engineering Services					
Other expenses		38,000.00	38,000.00	19,000.00	19,000.00
Centralized Office Supplies					
Other expenses		155,150.00	155,150.00	146,854.46	8,295.54
Historic Preservation					
Other Expenses		6,800.00	6,800.00	350.00	6,450.00
Land Use Administration					
Salaries and Wages		2,105.00	2,105.00	1,594.08	510.92
Other Expenses		24,550.00	24,550.00	12,505.50	12,044.50
Zoning Board of Adjustment					
Salaries and Wages		14,485.00	14,485.00	13,890.24	594.76
Other Expenses		3,625.00	3,625.00	268.00	3,357.00

See Accompanying notes to financial statements.

City of Perth Amboy, N.J.  
Statement of Expenditures - Regulatory Basis  
Current Fund  
Year Ending December 31, 2013

	General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved
<b>PUBLIC SAFETY FUNCTIONS</b>						
Police Department						
Salaries and Wages		11,995,896.83	11,995,896.83	12,224,896.83	12,178,115.05	46,781.78
Other Expenses		596,820.00	596,820.00	596,820.00	539,607.10	57,212.90
Police Dispatch						
Salaries & Wages		639,965.00	639,965.00	639,965.00	617,138.28	22,826.72
Other Expenses		2,400.00	2,400.00	2,400.00	2,400.00	-
Office of Emergency Management						
Other Expenses		94,860.00	94,860.00	62,860.00	62,724.36	135.64
Fire Department						
Salaries and Wages		4,740,177.00	4,740,177.00	4,827,177.00	4,760,130.71	67,046.29
Other Expenses		314,150.00	314,150.00	227,150.00	194,635.79	32,514.21
School Patrol						
Salaries and Wages		460,000.00	460,000.00	460,000.00	439,098.38	20,901.62
Other Expenses		3,520.00	3,520.00	3,520.00	1,250.00	2,270.00
Traffic Maintenance						
Salaries and Wages		96,286.00	96,286.00	97,286.00	96,953.65	332.35
Other Expenses		42,500.00	42,500.00	41,500.00	25,147.79	16,352.21

See Accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2013

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<u>General Appropriations</u>					
<b>PUBLIC WORKS FUNCTIONS</b>					
Office of Department Director		300,708.00	300,708.00	285,181.61	15,526.39
Salaries and Wages		1,625.00	1,625.00	1,209.45	415.55
Other Expenses					
Street and Road Maintenance		931,847.00	931,847.00	843,404.90	88,442.10
Salaries and Wages		162,000.00	176,000.00	175,234.32	765.68
Other Expenses					
Equipment and Maintenance		227,600.00	227,600.00	218,537.01	9,062.99
Salaries and Wages		89,500.00	79,500.00	78,074.20	1,425.80
Other Expenses					
Division of Solid Waste /Recycling		1,197,939.00	1,197,939.00	1,147,619.46	50,319.54
Salaries and Wages		1,605,450.00	1,578,450.00	1,330,684.59	247,765.41
Other Expenses					
Condo Municipal Services Agreement		100,000.00	100,000.00	-	100,000.00
Other Expenses					
Parks Department		488,870.00	488,870.00	423,468.57	65,401.43
Salaries and Wages		237,650.00	210,650.00	205,432.57	5,217.43
Other Expenses					
Buildings and Grounds		558,268.00	558,268.00	457,245.74	101,022.26
Salaries and Wages		714,200.00	764,200.00	711,144.49	53,055.51
Other Expenses					

See Accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2013

	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved
<b>General Appropriations</b>					
<b>HEALTH AND WELFARE FUNCTIONS</b>					
Public Health Services		167,877.00	167,877.00	164,389.80	3,487.20
Salaries and Wages		227,630.00	227,630.00	222,601.93	5,028.07
Other Expenses					
Office of Public Information		57,652.00	57,652.00	54,673.37	2,978.63
Salaries and Wages		25,000.00	25,000.00	19,372.75	5,627.25
Other Expenses					
Animal Control		98,830.00	73,830.00	69,300.72	4,529.28
Salaries and Wages		21,300.00	21,300.00	19,022.18	2,277.82
Other Expenses					
Welfare Department		93,134.00	93,134.00	90,900.14	2,233.86
Salaries and Wages		9,855.00	9,855.00	2,125.97	7,729.03
Other Expenses					
Office on Aging		142,986.00	142,986.00	142,513.92	472.08
Salaries and Wages		42,800.00	42,800.00	42,466.70	333.30
Other Expenses					
<b>PARKS AND RECREATION FUNCTION:</b>					
Recreation Services and Programs		345,994.00	353,994.00	353,971.54	22.46
Salaries and Wages		160,125.00	160,125.00	143,068.80	17,056.20
Other Expenses					

See Accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2013

	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved
<u>General Appropriations</u>					
<b>UNIFORM CONSTRUCTION CODE -</b>					
<b>APPROPRIATIONS OFFSET BY DEDICATED</b>					
<b>REVENUES (N.J.A.C. 5:23-4.17)</b>					
Division of Code Enforcement					
Salaries and Wages		672,364.00	672,364.00	665,471.29	6,892.71
Other Expenses		47,760.00	47,760.00	32,431.02	15,328.98
Uniform Fire Safety Act		193,165.00	193,165.00	193,165.00	-
Salaries and Wages		6,350.00	6,350.00	5,715.92	634.08
Other Expenses					
Municipal Court:					
Salaries & Wages		799,835.00	799,835.00	749,239.24	50,595.76
Other Expenses		85,000.00	85,000.00	83,908.61	1,091.39
Public Defender					
Salaries & Wages		11,372.00	11,372.00	10,449.12	922.88
Other Expenses		500.00	500.00	375.96	124.04
Insurance					
General Liability		1,155,000.00	1,255,000.00	1,132,150.45	122,849.55
Worker's Compensation		2,522,000.00	2,422,000.00	1,471,890.48	950,109.52
Employee Group Insurance		10,309,200.00	10,309,200.00	10,084,672.19	224,527.81
Health Benefits Waiver		23,000.00	23,000.00	22,679.76	320.24

See Accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2013

	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved
<u>General Appropriations</u>					
<b>UNCLASSIFIED:</b>					
Utilities		2,411,000.00	2,411,000.00	2,048,330.73	362,669.27
Computer Data Processing		54,500.00	54,500.00	52,500.00	2,000.00
Salaries and Wages		273,600.00	273,600.00	250,184.18	23,415.82
Other Expenses		1,275,380.00	1,275,380.00	1,275,380.00	-
Accumulated Leave Compensation					
<b>TOTAL OPERATIONS (ITEM 8(A) WITHIN "CAPS"</b>		<u>50,897,665.83</u>	<u>51,077,665.83</u>	<u>47,311,572.89</u>	<u>3,766,092.94</u>
<b>CONTINGENT</b>		10,000.00	10,000.00	-	10,000.00
<b>TOTAL OPERATIONS INCLUDING CONTINGENT - WITHIN "CAPS"</b>		<u>50,907,665.83</u>	<u>51,087,665.83</u>	<u>47,311,572.89</u>	<u>3,776,092.94</u>
<b>DETAIL:</b>					
Salaries and Wages	A-1	27,500,980.83	27,803,980.83	27,211,543.67	592,437.16
Other Expenses (Including Contingent)	A-1	23,406,685.00	23,283,685.00	20,100,029.22	3,183,655.78

See Accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2013

General Appropriations  
DEFERRED CHARGES AND STATUTORY  
EXPENDITURES MUNICIPAL WITHIN "CAPS"

DEFERRED CHARGES:

PRIOR YEARS BILLS:

Prior Year Bills

STATUTORY EXPENDITURES:

Contribution to:

- Public Employees' Retirement System
- Social Security System (O.A.S.I.)
- Consolidated Police and Firemen's Pension Fund
- Police and Firemen's Retirement System of NJ
- Unemployment Insurance
- Defined Contribution Retirement Plan

TOTAL DEFERRED CHARGES AND STATUTORY  
EXPENDITURES - MUNICIPAL WITHIN "CAPS"

TOTAL GENERAL APPROPRIATIONS FOR  
MUNICIPAL PURPOSES WITHIN "CAPS"

	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved
		1,116,636.00	1,116,636.00	1,012,364.11	104,271.89
		1,281,400.00	1,101,400.00	1,030,734.57	70,665.43
		27,999.52	27,999.52	27,999.52	-
		3,699,328.00	3,699,328.00	3,699,328.00	-
		220,000.00	220,000.00	220,000.00	-
		22,000.00	22,000.00	(4,307.17)	26,307.17
A-1		6,367,363.52	6,187,363.52	5,986,119.03	201,244.49
		57,275,029.35	57,275,029.35	53,297,691.92	3,977,337.43

See Accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2013

General Appropriations  
OPERATIONS - EXCLUDED FROM "CAPS"

Maintenance of Free Public Library

(P.L. 1985, CH. 82-541)

Salaries and Wages

Other Expenses

Recycling Tax

TOTAL OTHER OPERATIONS -  
EXCLUDED FROM "CAPS"

Ref.	Budget	Budget After Modification	Paid or Charged	Reserved
	620,623.00	620,623.00	620,623.00	-
	626,282.00	626,282.00	626,282.00	0.00
	52,530.00	52,530.00	52,530.00	-
	1,299,435.00	1,299,435.00	1,299,435.00	0.00

See Accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2013

	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved
General Appropriations					
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET</b>					
<b>BY REVENUES</b>					
Recycling Tonnage Grant		52,528.41	52,528.41	52,528.41	-
MCIA Recycling Grant		42,407.00	42,407.00	42,407.00	-
Clean Communities Program		59,462.04	59,462.04	59,462.04	-
NJ Pedestrian Safety Grant		15,000.00	15,000.00	15,000.00	-
UEZ Business Management Plan		25,000.00	25,000.00	25,000.00	-
Middlesex County Title V Delinquency		32,020.00	32,020.00	32,020.00	-
Middlesex County 2014 Arts Grant		1,195.00	1,195.00	1,195.00	-
Municipal Alliance on Alcoholism and Drug Abuse		42,081.00	42,081.00	42,081.00	-
Office on Aging - Transportation		5,000.00	5,000.00	5,000.00	-
Office on Aging - Housing		5,000.00	5,000.00	5,000.00	-
Municipal Court Alcohol Education		1,108.27	1,108.27	1,108.27	-
Body Armor Replacement		14,199.81	14,199.81	14,199.81	-
Emergency Management Grant		5,000.00	5,000.00	5,000.00	-
Provident Bank - Defibrillator Grant		5,000.00	5,000.00	5,000.00	-
Handicapped Recreation		18,801.00	18,801.00	18,801.00	-
NIDEP HDSR Grant - Former Municipal Complex		14,735.00	14,735.00	14,735.00	-
NIDEP HDSR Grant - General Cable Property		79,752.00	79,752.00	79,752.00	-
<b>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET</b>		<b>418,289.53</b>	<b>418,289.53</b>	<b>418,289.53</b>	<b>-</b>
<b>BY REVENUES</b>					
<b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>		<b>1,717,724.53</b>	<b>1,717,724.53</b>	<b>1,717,724.53</b>	<b>0.00</b>

See Accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2013

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved
<b>DETAIL:</b>					
Salaries and Wages	A-1	620,623.00	620,623.00	620,623.00	-
Other Expenses	A-1	1,097,101.53	1,097,101.53	1,097,101.53	0.00
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund		250,000.00	250,000.00	250,000.00	-
Public and Private Programs Offset by Revenues					
New Jersey Transportation Trust Fund Authority Act		379,744.00	379,744.00	379,744.00	-
<b>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</b>	A-1	<u>629,744.00</u>	<u>629,744.00</u>	<u>629,744.00</u>	<u>-</u>
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>					
Payment of Bond Principal		4,096,258.00	4,096,257.13	4,096,257.13	XXXXXXXXXX
Payment of Bond Application Notes and Capital Notes		2,048,923.15	2,048,923.15	2,048,923.15	XXXXXXXXXX
Interest on Bonds		4,913,567.00	4,913,566.83	4,913,566.83	XXXXXXXXXX
Interest on Notes		203,650.00	203,226.27	203,226.27	XXXXXXXXXX
Green Trust Loan Program:					
Loan Repayments for Principal and Interest		302,419.00	302,844.71	302,844.71	XXXXXXXXXX
Capital Lease Approved Prior to 07/01/2007					
Principal		119,685.00	119,685.00	119,685.00	XXXXXXXXXX
Interest		15,895.00	15,894.06	15,894.06	XXXXXXXXXX
<b>TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>	A-1	<u>11,700,397.15</u>	<u>11,700,397.15</u>	<u>11,700,397.15</u>	<u>-</u>

See Accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2013

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<b>DEFERRED CHARGES:</b>					
Deferred Charges to Future Taxation					XXXXXXXXXX
Unfunded:					XXXXXXXXXX
<b>TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"</b>	A-1	-	-	-	-
<b>JUDGMENTS</b>					
TRANSFERRED TO BOARD OF EDUCATION FOR USE OF LOCAL SCHOOL (N.J.S.A. 40:48-17.1 & 17.3)					
<b>WITH PRIOR CONSENT OF LOCAL FINANCE BOARD: CASH DEFICIT OF PRECEDING YEAR</b>					
<b>TOTAL GENERAL APPROPRIATIONS FOR MUN. PURPOSES EXCLUDED FROM "CAPS"</b>		14,047,865.68	14,047,865.68	14,047,865.68	0.00

See Accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ending December 31, 2013

	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved
General Appropriations					
<b>TOTAL GENERAL APPROPRIATIONS - EXCLUDED FROM "CAPS"</b>		<u>14,047,865.68</u>	<u>14,047,865.68</u>	<u>14,047,865.68</u>	<u>0.00</u>
<b>SUBTOTAL GENERAL APPROPRIATIONS</b>		<u>71,322,895.03</u>	<u>71,322,895.03</u>	<u>67,345,557.60</u>	<u>3,977,337.43</u>
<b>RESERVE FOR UNCOLLECTED TAXES</b>		<u>1,100,000.00</u>	<u>1,100,000.00</u>	<u>1,100,000.00</u>	<u>XXXXXXXXXX</u>
<b>TOTAL GENERAL APPROPRIATIONS</b>		<u>72,422,895.03</u>	<u>72,422,895.03</u>	<u>68,445,557.60</u>	<u>3,977,337.43</u>
	Ref.				A
<b>ADOPTED BUDGET</b>	A-2		<u>72,422,895.03</u>		
			<u>72,422,895.03</u>		
<b>RESERVE FOR UNCOLLECTED TAXES</b>	A-2			<u>1,100,000.00</u>	
<b>RESERVE FOR ENCUMBRANCES</b>	A-12			<u>1,102,168.63</u>	
<b>REFUND OF TAX OVERPAYMENTS</b>	A-16			<u>58,595.39</u>	
<b>RESERVE FOR LIBRARY DISBURSED</b>	A-19			<u>30,718.97</u>	
	A-4			<u>66,154,074.61</u>	
				<u>68,445,557.60</u>	

See Accompanying notes to financial statements.

## City of Perth Amboy, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Fund

December 31, 2013

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b>Animal Control Trust Fund:</b>			
Cash	B-1	27,283.13	17,410.36
		<u>27,283.13</u>	<u>17,410.36</u>
<b>Other Trust Funds:</b>			
Cash - Treasurer	B-1	10,098,065.12	10,074,400.23
		<u>10,098,065.12</u>	<u>10,074,400.23</u>
		<u>10,125,348.25</u>	<u>10,091,810.59</u>
 <u>LIABILITIES AND RESERVES</u>			
<b>Animal Control Trust Fund:</b>			
Reserve for Animal Control Fund Expenditures	B-2	27,220.73	17,367.76
Due to State Department of Health	B-3	62.40	42.60
		<u>27,283.13</u>	<u>17,410.36</u>
<b>Other Trust Funds:</b>			
Reserve for Unemployment Insurance	B-5	324,965.49	230,996.05
Miscellaneous Reserves	B-6	5,980,983.11	5,770,842.24
Reserve for Self Insurance	B-7	3,477,580.86	3,789,871.63
Reserve for Community Development	B-8	2,121.29	2,966.79
Reserve for Payroll Deductions	B-9	271,611.60	279,723.52
Fund Balance - Other Trust	B-10	40,802.77	-
		<u>10,098,065.12</u>	<u>10,074,400.23</u>
		<u>10,125,348.25</u>	<u>10,091,810.59</u>

See accompanying notes to financial statements.

## City of Perth Amboy, N.J.

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31, 2013 and 2012

<u>Assets</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b>General Capital:</b>			
Cash	C-2, C-3	5,517,997.35	12,077,168.21
Grant Receivable	C-4	13,000,953.30	8,311,033.18
Deferred Charges to Future Taxation:			
Funded	C-5	102,827,837.61	107,066,250.72
Unfunded	C-6	18,912,267.00	6,157,738.89
		<u>140,259,055.26</u>	<u>133,612,191.00</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Bond Payable	C-7	100,890,242.87	104,986,500.00
Capital Lease Payable	C-8	137,100.85	256,785.56
Green Trust Loan Payable	C-9	1,800,493.89	1,822,965.16
Bond Anticipation Notes Payable	C-10	5,808,816.00	7,654,072.00
Improvement Authorizations:			
Funded	C-11	4,119,957.43	5,263,035.88
Unfunded	C-11	13,550,000.00	-
Encumbrances Payable	C-12	8,070,186.08	6,487,055.94
Capital Improvement Fund	C-13	25,694.84	125,694.84
Reserve for Grant Receivable	C-14	4,690,000.00	4,690,000.00
Reserve for Public Safety Complex	C-16	977,912.00	923,370.00
Reserve for Library	C-17	5,268.12	8,978.56
Reserve for Debt Service	C-18	140,153.91	75,682.41
Reserve for Storm Damage Costs	C-19	-	149,989.58
Capital Fund Balance	C-1	43,229.27	1,168,061.07
		<u>140,259,055.26</u>	<u>133,612,191.00</u>

See accompanying notes to financial statements.

There were bonds and notes authorized but not issued on December 31, 2013 of \$13,550,000.00 as per Exhibit C-21.

City of Perth Amboy, N.J.

Comparative Balance Sheet - Regulatory Basis

Water and Wastewater Utility Fund

December 31, 2013

With Comparative Figures for 2012

<u>ASSETS</u>	<u>Ref</u>	<u>2013</u>	<u>2012</u>
<b>Operating Fund:</b>			
Cash	D-5	10,155,732.54	6,762,507.42
Cash - Change Fund	D-5	500.00	500.00
Due From Middlesex Water Company	D-29	14,851.00	
		<u>10,171,083.54</u>	<u>6,763,007.42</u>
Receivables with Full Reserves:			
Water and Wastewater Accounts Receivable	D-6	1,604,887.16	1,763,026.35
Water and Wastewater Liens	D-7	1,675.71	5,134.64
		<u>1,606,562.87</u>	<u>1,768,160.99</u>
Totals - Operating Fund		<u>11,777,646.41</u>	<u>8,531,168.41</u>
<b>Capital Fund:</b>			
Cash	D-5, D-14	4,690,348.94	5,450,254.22
Investments	D-5	4,671,048.83	6,341,792.00
Loans Receivable	D-15	1,555,146.00	127,508.00
Fixed Capital	D-16	140,394,144.55	138,819,158.92
Fixed Capital Authorized and Uncompleted	D-17	11,320,850.00	9,955,850.00
Totals - Capital Fund		<u>162,631,538.32</u>	<u>160,694,563.14</u>
		<u>174,409,184.73</u>	<u>169,225,731.55</u>

There were bonds and notes authorized and not issued of \$3,510,712.00 at December 31, 2013 as per Exhibit D-30.

See accompanying notes to financial statements.

City of Perth Amboy, N.J.

Comparative Balance Sheet - Regulatory Basis

Water and Wastewater Utility Fund

December 31, 2013

With Comparative Figures for 2012

	Ref	2013	2012
<b><u>LIABILITIES, RESERVES AND SURPLUS</u></b>			
<b>Operating Fund:</b>			
Appropriation Reserves	D-4,D-8	491,758.48	22,938.73
Accounts Payable	D-9	6,068.00	23,872.71
Accrued Interest on Bonds and Notes	D-10	420,908.75	427,526.95
Reserve for Debt Service	D-11	723,964.10	50,076.02
Reserve for Future Trustee Funds	D-12	631,185.88	631,185.88
Due to USA/ PA	D-13	1,391.97	2,532.26
		<u>2,275,277.18</u>	<u>1,158,132.55</u>
Reserve for Receivables	Contra	1,606,562.87	1,768,160.99
Operating Fund Balance	D-1	<u>7,895,806.36</u>	<u>5,604,874.87</u>
		<u>11,777,646.41</u>	<u>8,531,168.41</u>
<b>Capital Fund:</b>			
Serial Bonds	D-18	17,260,000.00	17,605,000.00
MCI A Revenue Bonds	D-19	47,047,050.35	51,503,487.55
Notes Payable	D-20	4,305,000.00	4,472,500.00
Loans Payable	D-21	7,118,087.10	5,126,641.20
Improvement Authorization - Funded	D-22	1,453,458.32	2,208,268.53
Improv. Authorizations - Unfunded	D-22	5,880,168.07	2,714,223.10
Accounts Payable	D-23	898,581.73	2,169,913.40
Reserve for Amortization	D-24	61,239,353.60	61,239,353.60
Reserve for Debt Service	D-25	4,932,969.06	6,707,593.66
Reserve for Capital Improvements	D-26	569,910.60	1,137,101.85
Deferred Reserve for Amortization	D-27	11,181,492.57	5,800,393.27
Capital Outlay	D-28	2,379.00	2,379.00
Capital Fund Balance	D-2	<u>743,087.92</u>	<u>7,707.98</u>
Totals - Capital Fund		<u>162,631,538.32</u>	<u>160,694,563.14</u>
		<u>174,409,184.73</u>	<u>169,225,731.55</u>

See accompanying notes to financial statements.

## City of Perth Amboy, N.J.

## Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

## Water and Wastewater Utility Operating Fund

For the Year Ended December 31, 2013

With Comparative Figures for the Fiscal Year Ending December 31, 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Operating Surplus Utilized			412,070.99
Rents and Additional Rents	D-3	19,087,160.17	18,720,741.50
Miscellaneous Income	D-3	265,032.00	310,256.58
Reserve for Debt Service	D-3	106,745.15	
Miscellaneous Revenue Not Anticipated	D-5	3,669.50	30,797.15
Other Credits to Income:			
Appropriation Payable cancelled	D-4	884,415.49	5,186.40
Appropriation Reserves cancelled	D-8	22,486.69	14,768.08
		<u>20,369,509.00</u>	<u>19,493,820.70</u>
Total Income			
<u>EXPENDITURES</u>			
Operating	D-4	11,353,204.10	10,173,940.34
Debt Service	D-4	6,713,847.41	8,373,418.95
Refund of Prior Year's Revenue	D-5	11,526.00	
		<u>18,078,577.51</u>	<u>18,547,359.29</u>
Total Expenditures			
Excess or (Deficit) in Revenue		<u>2,290,931.49</u>	<u>946,461.41</u>
FUND BALANCE -BEGINNING	D	<u>5,604,874.87</u>	<u>5,070,484.45</u>
Decreased by:			
Utilization by Operating Budget			<u>412,070.99</u>
FUND BALANCE - ENDING	D	<u><u>7,895,806.36</u></u>	<u><u>5,604,874.87</u></u>

See accompanying notes to financial statements.

**Exhibit D-2**

**City of Perth Amboy, N.J.**

**Statement of Capital Fund Balance - Regulatory Basis**

**Water and Wastewater Utility Capital Fund**

**December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	D	7,707.98
Increased by:		
Loans Receivable	D-15	27,430.00
Balance of Liquidated Reserve Account	D-25	752,949.94
Decreased by:		
Deferred Reserve for Amortization	D-27	<u>45,000.00</u>
Balance - December 31, 2013	D	<u><u>743,087.92</u></u>

See accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Revenues - Regulatory Basis

Water and Wastewater Utility Operating Fund

December 31, 2013

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)*</u>
Rents	D-1	17,650,306.36	19,087,160.17	1,436,853.81
Miscellaneous	D-1	310,000.00	265,032.00	(44,968.00)
Reserve for Debt Service	D-1	106,745.15	106,745.15	-
Budget Totals		<u>18,067,051.51</u>	<u>19,458,937.32</u>	<u>1,391,885.81</u>
Analysis of Revenue:				
Rents	D-5		19,087,160.17	
Due From Middlesex Water Company	D-29		14,851.00	
Collected in Cash	D-5		<u>356,926.15</u>	
			<u>19,458,937.32</u>	

See accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Expenditures - Regulatory Basis

Water and Wastewater Utility Operating Fund

December 31, 2013

Ref.	Appropriated		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
	11,353,204.10	11,353,204.10	10,861,445.62	491,758.48	-
D-1	11,353,204.10	11,353,204.10	10,861,445.62	491,758.48	-
<b>Operating:</b>					
Salaries and Wages					-
Other Expenses			10,861,445.62	491,758.48	-
<b>Total Operations</b>					
	11,353,204.10	11,353,204.10	10,861,445.62	491,758.48	-
<b>Debt Service:</b>					
Payment of Bond Principal	4,801,437.20	4,801,437.20	4,741,437.20	-	60,000.00
Interest on Bonds and Notes	1,217,770.69	1,217,770.69	456,663.42	-	761,107.27
NJ Environmental Infrastructure Trust	527,139.52	527,139.52	463,831.30	-	63,308.22
Middlesex County Improvement Authority	167,500.00	167,500.00	167,500.00	-	-
<b>Total Debt Service</b>					
	6,713,847.41	6,713,847.41	5,829,431.92	-	884,415.49
<b>Grand Total</b>					
	18,067,051.51	18,067,051.51	16,690,877.54	491,758.48	884,415.49
				D	D-1
<b>Ref.</b>					
D-5			16,263,900.79		
D-9			6,068.00		
D-10			420,908.75		
			16,690,877.54		

See accompanying notes to financial statements.

**City of Perth Amboy, N.J.**

**Comparative Balance Sheet - Regulatory Basis**

**Parking Utility Fund**

**Years Ended December 31, 2013 and 2012**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Assets</u>			
Operating Fund:			
Cash	E-4, E-11	495,820.87	918,228.42
Deferred Charges	E-5	-	136,050.00
		<u>495,820.87</u>	<u>1,054,278.42</u>
Capital Fund:			
Cash	E-4	217,827.12	822,336.51
Fixed Capital Authorized and Uncompleted	E-12	820,000.00	900,000.00
		<u>1,037,827.12</u>	<u>1,722,336.51</u>

See accompanying notes to financial statements.

**City of Perth Amboy, N.J.**

**Comparative Balance Sheet - Regulatory Basis**

**Parking Utility Fund**

**Years Ended December 31, 2013 and 2012**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Reserve for Encumbrances	E-6	2,209.65	-
Encumbrances Payable	E-7	1,245.05	563,298.13
Appropriation Reserve	E-3, E-8	76,502.68	37,102.35
Accrued Interest on Loans	E-9	13,406.25	-
Reserve for King Plaza	E-10	10,931.50	4,964.00
		<u>104,295.13</u>	<u>605,364.48</u>
Operating Fund Balance	E-1	391,525.74	448,913.94
		<u>495,820.87</u>	<u>1,054,278.42</u>
Capital Fund:			
Improvement Authorizations	E-13	217,827.12	822,336.51
Serial Bond Payable	E-14	820,000.00	900,000.00
		<u>1,037,827.12</u>	<u>1,722,336.51</u>

See accompanying notes to financial statements.

## City of Perth Amboy, N.J.

## Statement of Operations and Change in Operating Fund Balance - Statutory Basis

## Parking Utility Fund

Years Ended December 31, 2013

With Comparative Figures for the Year Ending December 31, 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b>Revenue and Other Income Realized:</b>			
Operating Surplus Utilized	E-1, E-2	136,050.00	700,000.00
Parking Fees	E-2	737,979.12	750,754.24
Miscellaneous Revenue Not Anticipated	E-4	49,298.28	4,871.55
Other Credits to Income:			
Prior Years Accounts Payable Cancelled			40,173.46
2013 Appropriations Cancelled	E-3	15,013.89	
Unexpended Balance of Appropriation Reserves	E-8	<u>27,120.51</u>	<u>53,268.78</u>
Total Income		<u>965,461.80</u>	<u>1,549,068.03</u>
<b>Expenditures:</b>			
Operating	E-3	<u>886,800.00</u>	<u>1,278,500.00</u>
Total Expenditures		<u>886,800.00</u>	<u>1,278,500.00</u>
Excess in Revenue		78,661.80	270,568.03
Fund Balance, January 1	E	<u>448,913.94</u>	<u>878,345.91</u>
Decreased by:			
Utilization by Operating Budget	E-1	<u>136,050.00</u>	<u>700,000.00</u>
Fund Balance, December 31	E	<u><u>391,525.74</u></u>	<u><u>448,913.94</u></u>

See accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Revenues - Statutory Basis

Parking Utility Operating Fund

December 31, 2013

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	136,050.00	136,050.00	-
Parking Fees	<u>750,750.00</u>	<u>737,979.12</u>	<u>(12,770.88)</u>
	<u>886,800.00</u>	<u>874,029.12</u>	<u>(12,770.88)</u>
	E-3	E-1	

See accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Expenditures- Statutory Basis

Parking Utility Operating Fund

December 31, 2013

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<b>Operating:</b>				
Salaries and Wages	265,000.00	265,000.00	234,376.56	30,623.44
Other Expenses	321,835.00	321,835.00	275,955.76	45,879.24
Capital Improvement	261,150.00	261,150.00	261,150.00	-
<b>Statutory Expenses:</b>				
Public Employee's Retirement	18,540.00	18,540.00	18,540.00	-
Social Security System	20,275.00	20,275.00	20,275.00	-
	<u>886,800.00</u>	<u>886,800.00</u>	<u>810,297.32</u>	<u>76,502.68</u>
	E-2			E
Cancellation		E-1	15,013.89	
Deferred Charges		E-5	136,050.00	
Encumbrances Payable		E-7	1,245.05	
Accrued Interest on Loans		E-9	13,406.25	
Disbursed		E-4	<u>644,582.13</u>	
			<u>810,297.32</u>	

See accompanying notes to financial statements.

**City of Perth Amboy, N.J.**  
**Comparative Balance Sheet - Regulatory Basis**  
**Harborside Marina Utility Fund**  
**For the Persion Ending December 31, 2013**

	<u>Ref.</u>	<u>Period Ending December 31, 2013</u>
<u>Assets</u>		
Cash	F-4	85,214.62
		85,214.62
<u>Liabilities, Reserves and Fund Balance</u>		
Reserve for Encumbrances	F-5	2,840.44
Appropriation Reserve	F-3	28,408.18
Reserve for Key Deposits	F-6	8,485.00
		39,733.62
Fund Balance	F-1	45,481.00
		85,214.62

See accompanying notes to financial statements.

## City of Perth Amboy, N.J.

## Statement of Operations and Change in Operating Fund Balance - Statutory Basis

## Harborside Marina Utility Fund

For the Period Ending December 31, 2013

	<u>Ref.</u>	<u>Period Ending December 31, 2013</u>
<b>Revenue and Other Income Realized:</b>		
Slip Rental Fees	F-2	198,746.00
Miscellaneous Revenue	F-2	424.73
Miscellaneous Revenue Not Anticipated	F-4	6,712.00
Cancellation of Appropriations	F-1	<u>10,000.00</u>
Total Income		<u>215,882.73</u>
<b>Expenditures:</b>		
Operating	F-3	<u>206,794.00</u>
Total Expenditures		<u>206,794.00</u>
Excess in Revenue		9,088.73
Fund Balance, March 11, 2013		<u>36,392.27</u>
Fund Balance, December 31, 2013	F	<u><u>45,481.00</u></u>

See accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Revenues - Statutory Basis

Harborside Marina Utility Fund

Period Ending December 31, 2013

	<u>Anticipated</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Slip Rental Fees	178,762.00	198,746.00	19,984.00
Miscellaneous Revenue	<u>28,032.00</u>	<u>424.73</u>	<u>(27,607.27)</u>
	<u>206,794.00</u>	<u>199,170.73</u>	<u>(7,623.27)</u>
	F-3	F-1	

See accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of Expenditures- Statutory Basis

Harborside Marina Utility Fund

December 31, 2013

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<b>Operating:</b>				
Salaries and Wages	86,881.00	89,381.00	87,194.96	2,186.04
Other Expenses	118,137.00	115,637.00	89,414.86	26,222.14
Capital Improvement				-
<b>Statutory Expenses:</b>				
Public Employee's Retirement	809.00	809.00	809.00	-
Social Security System	967.00	967.00	967.00	-
	<u>206,794.00</u>	<u>206,794.00</u>	<u>178,385.82</u>	<u>28,408.18</u>
	F-2			F
Encumbrances Payable		F-5	2,840.44	
Cancellation		F-1	10,000.00	
Disbursed		F-4	<u>165,545.38</u>	
			<u>178,385.82</u>	

See accompanying notes to financial statements.

City of Perth Amboy, N.J.

Statement of General Fixed Assets - Regulatory Basis

December 31, 2013

<u>Assets</u>	<u>2013</u>	<u>2012</u>
General Fixed Assets:		
Land	37,007,400.00	37,007,400.00
Buildings	105,760,726.92	105,760,726.92
Machinery, Vehicles and Equipment	18,741,873.00	18,672,671.00
	<u>161,509,999.92</u>	<u>161,440,797.92</u>
<u>Liabilities</u>		
Investment in General Fixed Assets	<u>161,509,999.92</u>	<u>161,440,797.92</u>

See accompanying notes to financial statements.

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

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

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the City of Perth Amboy have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is another comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

**A. Reporting Entity**

The City of Perth Amboy (the "City") operates under a Mayor/Council form of government. The City's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

The Water and Wastewater Utility is operated by the City's "Lease and Franchise Acquisition Agreement" with the Middlesex County Improvement Authority and the City and Authority's agreement with Utility Service Affiliates (Perth Amboy), Inc. ("USA(PA)") for operation, maintenance and management services of the City's system. USA(PA) is a subsidiary of Middlesex Water company, and is subject to a separate audit of its operations and internal controls which are not presented in this report.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**  
**(CONTINUED)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

A. Reporting Entity, (continued)

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the City do not include the Municipal Library, which is considered a component unit under GAAP. Complete financial statements of the above component can be obtained by contacting the Treasurer of the respective entity.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The City uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain City functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The City has the following funds and account group:

Current Fund – This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds – Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the City as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund – This fund is established to account for the assets and resources which are also held by the City as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal License Fund – This fund is used to account for fees collected from animal licenses and expenditures, which are regulated by NJS 4:19-15.11.

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**  
**(CONTINUED)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Water and Wastewater Operating and Capital Funds – This fund is used to account for the operations and acquisition of capital facilities of the Water and Wastewater Utility as operated by the City’s “Lease and Franchise Acquisition Agreement” with the Middlesex County Improvement Authority and the City and Authority’s agreement with Utility Service Affiliates (Perth Amboy), Inc. for operation, maintenance and management services of the City’s system.

Parking Utility Operating and Capital Funds – This fund is used to account for the receipts and disbursements of funds used for the operations and capital of the City’s parking facilities.

Harborside Marina Utility Fund – This fund is used to account for the receipt and disbursement of funds used for the operations of the City’s marina facilities.

General Fixed Assets Account Group – This fund is used to account for all fixed assets of the City. The City’s infrastructure is not reported in the group.

Basis of Accounting

A modified accrual basis of accounting is followed by the City of Perth Amboy. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year’s levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**  
**(CONTINUED)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

February 15, May 15, August 15 and November 15, to the County by the City. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the City. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the City's Current Fund, Water and Wastewater Operating Fund, and Parking Utility Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the City's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund, water and wastewater utility operating fund, and the parking utility fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The City is not required to adopt budgets for the following funds:

- General Capital Fund
- Trust Fund
- Water and Wastewater Utility Capital Fund

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**  
**(CONTINUED)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted.

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During the year ended December 31, 2013, the governing body approved several budget transfers.

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 an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at June 30 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**  
**(CONTINUED)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

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

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair value and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the City establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the City may levy taxes on all taxable property within the local unit to repay the debt. Annually, the City raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**  
**(CONTINUED)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

General Fixed Assets - The City of Perth Amboy 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.

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

All fixed assets are valued at historical cost, replacement value or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. Management has not adopted a methodology for reconciling capital expenditures to additions in their construction in progress.

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

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Machinery, vehicles and equipment listed in the General Fixed Asset group have been adjusted to historic cost as further described in Note 8.

Use of Estimate - The preparation of financial statements requires management of the City to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**  
**(CONTINUED)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the City's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The City presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

As of December 31, 2013, the City has implemented the disclosure requirements of Governmental Accounting Standards Board Statement No. 40 "Deposit and Investment Risk Disclosures" ("GASB 40") and, accordingly, the City has assessed the Custodial Risk, the Concentration of Credit Risk, Credit Risk and Interest Rate Risk of its cash and investments.

- (a) Custodial Credit Risk – The City's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. The deposit risk is that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The City's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the City and are held by either: the counterparty or the counterparty's trust department

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**  
**(CONTINUED)**

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)**

or agent but not in the City's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investment or collateral securities that are in possession of an outside party.

As of December 31, 2013, the City's bank balance was not exposed to custodial credit risk since the full amount was covered by either FDIC insurance or GUDPA. The New Jersey Cash Management Fund, which is administered by the New Jersey Department of the Treasury, invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, Short-Term Commercial Paper, U.S. Government Agency Bonds, Corporate Bonds and Certificates of Deposits. Agencies that are part of the Fund typically earn returns that mirror short-term interest rates. The Fund is considered an investment pool and as such is not exposed to custodial credit risk. The City does not have a formal policy for deposit custodial credit risk other than to maintain sufficient funds in the checking account to cover checks that have not cleared the account as of a specific date.

- (b) Concentration of Credit Risk – This is the risk associated with the amount of investments the City has with any one issuer that exceeds 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.
- (c) Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the City does not have an investment policy regarding Credit Risk except to the extent previously outlined under the City's investment policy. The New Jersey Cash Management Fund is not rated.
- (d) Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

**CITY OF PERTH AMBOY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013  
(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT**

Municipal debt as of December 31, 2013 consisted of the following:

	Balance <u>Dec.31, 2012</u>	Additions	Reductions	Balance <u>Dec.31, 2013</u>	Amounts Due Within One Year
Long-Term Debt:					
General Obligation Debt	\$114,720,322.72	\$251,260.13	\$6,334,929.24	\$108,636,653.61	\$4,498,603.92
Water and Wastewater Utility Obligation Debt	78,707,628.75	2,482,288.00	5,459,779.30	75,730,137.45	5,758,025.02
Parking Utility Obligation Deb	900,000.00		80,000.00	820,000.00	85,000.00
Other Debt:					
Compensated Absences Payable	<u>6,635,248.32</u>		<u>1,025,597.63</u>	<u>5,609,650.69</u>	
Total Bonds Payable	<u>\$200,963,199.79</u>	<u>\$2,733,548.13</u>	<u>\$12,900,306.17</u>	<u>\$190,796,441.75</u>	<u>\$10,341,628.94</u>

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The City's debt is summarized as follows:

	Year Ended <u>Dec. 31, 2013</u>	Year Ended <u>Dec. 31, 2012</u>	Year Ended <u>Dec. 31, 2011</u>
Issued:			
General:			
Bonds, Notes and Leases	\$108,636,653.61	\$114,720,322.72	\$118,730,037.34
Water and Wastewater Utility:			
Bonds and Notes	75,730,137.45	78,707,628.75	80,221,221.41
Parking Utility Bonds and Notes	<u>820,000.00</u>	<u>900,000.00</u>	
Total Issued	185,186,791.06	193,427,951.47	198,951,258.75
Less: Bonds Authorized by Another Public Body to be Guaranteed by the City	137,100.85	256,785.56	37,381,470.27
Less: Funds in Hand to Pay Bonds or Notes	<u>5,073,122.97</u>	<u>6,783,276.07</u>	<u>7,643,032.75</u>
Net Debt Issued	<u>179,976,567.24</u>	<u>186,387,889.84</u>	<u>153,926,755.73</u>
Authorized But Not Issued:			
General Bonds and Notes:			
Bonds and Notes	13,550,000.00		3,380,000.00
Water and Wastewater Utility Bonds and Notes	<u>3,510,712.00</u>	<u>2,573,000.00</u>	<u>3,754,512.00</u>
	<u>17,060,712.00</u>	<u>2,573,000.00</u>	<u>7,134,512.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$197,037,279.24</u>	<u>\$188,960,889.84</u>	<u>\$161,061,267.73</u>

**CITY OF PERTH AMBOY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013  
(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS**

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 3.583%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$11,015,000.00	\$11,015,000.00	\$0.00
General Debt	122,186,653.61	723,803.76	121,462,849.85
Water and Wastewater Utility Debt	79,240,849.45	79,240,849.45	0.00
Parking Utility Debt	<u>820,000.00</u>	<u>820,000.00</u>	<u>0.00</u>
	<u>\$213,262,503.06</u>	<u>\$91,799,653.21</u>	<u>\$121,462,849.85</u>

Net Debt \$121,462,849.85 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$3,390,085,149.33 equals 3.583%.

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

3 ½% of equalized valuation basis (municipal)	\$118,652,980.23
Net Debt	<u>121,462,849.85</u>
Debt Exceeding borrowing power	<u>\$2,809,869.62</u>

**CALCULATION OF "SELF-LIQUIDATING PURPOSE", WATER AND WASTEWATER UTILITY PER N.J.S. 40A:2-45**

Cash Receipts from Fees, Rents or Other Charges for Year		\$19,462,606.82
Deductions:		
Operating and Maintenance Cost	\$10,861,445.62	
Debt Service	<u>5,829,431.92</u>	
Total Deductions		<u>16,690,877.54</u>
Excess in Revenue		<u>\$2,771,729.28</u>

**CITY OF PERTH AMBOY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013  
(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The calculation is used for the following purpose:

If there is an “excess in revenue” all such utility debt is deductible.

If there is a “deficit”, then utility debt is not deductible to the extent of 20 times such deficit amount.

**CALCULATION OF “SELF-LIQUIDATING PURPOSE”, PARKING UTILITY  
PER N.J.S. 40A:2-45**

Cash Receipts from Fees, Rents or Other Charges for Year		\$923,327.40
Deductions:		
Operating Cost	\$771,482.32	
Statutory Expenses	<u>38,815.00</u>	
Total Deductions		<u>810,297.32</u>
Excess in Revenue		<u>\$113,030.08</u>

The calculation is used for the following purpose:

If there is an “excess in revenue” all such utility debt is deductible.

If there is a “deficit”, then utility debt is not deductible to the extent of 20 times such deficit amount.

The annual debt statement is not in agreement with this information. A revised annual debt statement should be filed by the Chief Finance Officer.

**CITY OF PERTH AMBOY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013  
(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The City's bonded debt consisted of the following at December 31, 2013:

	<u>General</u>	<u>Water and Wastewater Utility</u>	<u>Parking Utility</u>
2012 General Improvement Bonds, dated May 15, 2012, due in annual installments through March 15, 2031, bearing interest rates of 2.00% to 5.00%	\$35,585,000.00	\$	\$
2012 General Improvement Bonds, dated July 18, 2012, due in annual installments through July 15, 2033 bearing interest rates at 2.00% to 5.00%	9,725,000.00		
2011 General Improvement Refunding Bonds, dated June 15, 2011, due in annual installments through February 1, 2022, bearing interest rates of 3.00% to 4.00%	4,835,000.00		
2007 General Improvement Bonds, dated May 31, 2007, due in annual installments through February 1, 2037, bearing an interest rate of 5.00%	41,033,242.87		
2007 General Improvement Bonds, dated May 31, 2007, due in annual installments through February 1, 2019, bearing an interest rate of 5.30%	3,422,000.00		
2011 Tax Appeal Refunding Bonds, dated June 15, 2011, due in annual installments through February 1, 2021, bearing interest rates of 3.00% to 4.00%	6,290,000.00		
2012 General Improvement Bonds, dated January 10, 2012, due in annual installments through September 1, 2029, bearing interest rates of 2.00% to 5.00%		17,260,000.00	
2012 Parking Utility Bonds, dated July 18, 2012, due in annual installments through July 15, 202, bearing interest rates of 2.00% to 5.00%			820,000.00
	<u>\$100,890,242.87</u>	<u>\$17,260,000.00</u>	<u>\$820,000.00</u>

All bonds issued 1988 and after are "Qualified Bonds", issued pursuant to the Municipal Qualified Bond Act (N.J.S.A. 40A:3-1 et seq. as amended).

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**  
**(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

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

Fiscal Year	General		Water and Wastewater		Parking	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$4,498,603.92	\$4,771,880.83	\$ -	\$686,137.50	\$85,000.00	\$29,250.00
2015	4,677,051.21	4,608,583.54	-	686,137.50	85,000.00	25,850.00
2016	4,863,945.79	4,434,498.96	-	686,137.50	85,000.00	21,600.00
2017	5,022,940.86	4,255,571.39	-	686,137.50	85,000.00	17,350.00
2018	4,557,940.86	4,057,143.89	-	686,137.50	90,000.00	15,600.00
2019-2023	23,308,063.87	17,851,033.38	40,000.00	3,429,362.50	390,000.00	20,900.00
2024-2028	20,689,717.08	12,915,064.17	11,120,000.00	3,138,900.00	-	-
2029-2033	22,106,773.12	9,280,280.01	6,100,000.00	221,125.00	-	-
2034-2037	<u>11,165,206.16</u>	<u>4,293,293.84</u>	-	-	-	-
	<u>\$100,890,242.87</u>	<u>\$66,467,350.01</u>	<u>\$17,260,000.00</u>	<u>\$10,220,075.00</u>	<u>\$820,000.00</u>	<u>\$130,550.00</u>

**Water and Wastewater**

**New Jersey Environmental Infrastructure Trust/Fund Loans Payable**

Outstanding at Dec.31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$414,522.52	\$123,627.50	\$538,150.02
2015	438,108.18	116,377.50	554,485.68
2016	462,370.83	109,577.50	571,948.33
2017	462,540.11	104,327.50	566,867.61
2018	465,713.16	96,937.50	562,650.66
2019	482,282.86	89,275.00	571,557.86
2020	486,343.86	81,425.00	567,768.86
2021	502,156.53	73,125.00	575,281.53
2022	500,691.95	63,950.00	564,641.95
2023	515,742.99	54,387.50	570,130.49
2024	358,870.45	44,600.00	403,470.45
2025	361,596.36	37,000.00	398,596.36
2026	367,480.73	29,851.00	397,331.73
2027	378,223.14	22,474.00	400,697.14
2028	228,954.70	14,850.00	243,804.70
2029	220,359.90	11,050.00	231,409.90
2030	200,709.55	6,850.00	207,559.55
2031	135,709.55	2,400.00	138,109.55
2032	<u>135,709.73</u>	<u>1,200.00</u>	<u>136,909.73</u>
	<u>\$7,118,087.10</u>	<u>\$1,083,285.00</u>	<u>\$8,201,372.10</u>

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**  
**(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

**Water and Wastewater**

**Utility System Revenue Bond**

Fiscal Year	Total		
	Principal	Interest	Total
2014	\$5,466,502.50	\$326,347.50	\$5,792,850.00
2015	3,837,291.00	2,660,659.00	6,497,950.00
2016	2,656,576.50	3,723,423.50	6,380,000.00
2017	2,416,637.80	3,733,362.20	6,150,000.00
2018	2,203,798.65	3,701,201.35	5,905,000.00
2019	2,669,175.30	4,920,824.70	7,590,000.00
2020	2,933,916.95	5,791,083.05	8,725,000.00
2021	2,913,877.80	6,251,122.20	9,165,000.00
2022	2,848,104.00	6,616,896.00	9,465,000.00
2023	2,825,317.25	7,119,682.75	9,945,000.00
2024	2,790,089.60	7,609,910.40	10,400,000.00
2025	2,531,456.30	7,518,543.70	10,050,000.00
2026	2,585,011.60	8,329,988.40	10,915,000.00
2027	1,052,527.80	3,792,472.20	4,845,000.00
2028	944,978.80	3,700,021.20	4,645,000.00
2029	996,419.60	4,233,580.40	5,230,000.00
2030	1,248,047.90	5,746,952.10	6,995,000.00
2031	1,147,908.30	5,722,091.70	6,870,000.00
2032	1,051,545.60	5,668,454.40	6,720,000.00
2033	968,629.40	5,641,370.60	6,610,000.00
2034	959,237.70	6,030,762.30	6,990,000.00
	<u>\$47,047,050.35</u>	<u>\$108,838,749.65</u>	<u>\$155,885,800.00</u>

**CITY OF PERTH AMBOY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013  
(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

**Green Trust Loans**

The New Jersey Green Trust Loans obtained for the Rehabilitation of Neil J. Lucey Park and the Marina Expansion in 2001 for \$97,500 and \$2,579,936.04, respectively, for the Waterfront Park Pier Project in 2006 for \$362,500.000, for the Rehabilitation of Patten Center Park in 2007 for \$350,000.00; for the Bayview Park project in 2011 for \$493,168.61 and \$192,695.75, respectively; and for the Willow Pond Park project in 2013 for \$190,000.00 and \$61,260.13, respectively, require semi-annual installments that include interest and is noted below.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$285,546.46	\$29,756.99	\$315,303.45
2015	291,026.92	24,276.56	315,303.48
2016	95,682.64	19,685.53	115,368.17
2017	97,346.88	18,021.29	115,368.17
2018	99,044.55	16,323.62	115,368.17
2019	100,776.35	14,591.82	115,368.17
2020	102,542.98	12,825.19	115,368.17
2021	101,313.67	11,023.07	112,336.74
2022	100,029.33	9,275.98	109,305.31
2023	101,780.94	7,524.38	109,305.32
2024	103,567.76	5,737.56	109,305.32
2025	105,390.46	3,914.86	109,305.32
2026	95,979.22	2,055.39	98,034.61
2027	56,040.03	798.00	56,838.03
2028	12,885.14	-	12,885.14
2029	12,885.14	-	12,885.14
2030	12,885.14	-	12,885.14
2031	12,885.14	-	12,885.14
2032	12,885.14	-	12,885.14
	<u>\$1,800,493.89</u>	<u>\$175,510.24</u>	<u>\$1,976,004.13</u>

**CITY OF PERTH AMBOY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013  
(CONTINUED)**

**NOTE 4. BOND ANTICIPATION NOTES**

The City issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

At December 31, 2013, bond anticipation notes payable consisted of the following:

	<u>General</u>	<u>Water and Wastewater</u>
Bond anticipation note issued March 1, 2013, due February 28, 2014, bearing interest at the rate of 1.99%	<u>\$5,808,816.00</u>	<u>\$4,305,000.00</u>

**NOTE 5. PENSION PLANS**

Description of Systems

Substantially all of the City's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemens' Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemens' Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**  
**(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

Description of Systems, (continued)

*Public Employees' Retirement System (PERS)*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. 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. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, 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. This law also closed the Prosecutors Part of the PERS to new

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**  
**(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

Description of Systems, (continued)

*Public Employees' Retirement System (PERS), (continued)*

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 as 1/7th of the required amount, beginning in fiscal year 2012.

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

Chapter 78, P.L. 2011, provides that new members of 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. Tier 5 members will be eligible for a service retirement benefit at age 65.

*Police and Firemens' Retirement System (PFRS)*

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**  
**(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

Description of Systems, (continued)

*Police and Firemens' Retirement System (PFRS), (continued)*

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan 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.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Significant Legislation

Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent.

Chapter 108 (P.L. 2003), effective July 1, 2003, provided that local employer PFRS normal and accrued liability contributions will be 20% of the amount certified by the PFRS for payments due in State fiscal year 2004 and thereafter a percentage of the amount certified by the System as the State Treasurer will determine, but not more than 40% in fiscal year 2005, not more than 60% in fiscal year 2006, and not more than 80% in fiscal year 2007. According to the Appropriation Act of 2003, the State as well is paying pension obligations through a five-year phase-in.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under PERS and PFRS, effective July 12, 2002.

**CITY OF PERTH AMBOY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013  
(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The City's contribution to the various plans, equal to the required contributions for each year, were as follows:

	<u>PERS</u>	<u>PFRS</u>
Year Ended December 31, 2013	\$1,012,364.11	\$3,699,328.00
Year Ended December 31, 2012	1,092,211.17	3,698,805.00
Year Ended December 31, 2011	1,172,779.56	4,646,717.00

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**  
**(CONTINUED)**

**NOTE 5. PENSION PLANS, (continued)**

Defined Contribution Retirement Program, (continued)

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

**NOTE 6. OTHER POST-RETIREMENT BENEFITS**

In addition to the pension benefits described in Note 5, the City provides post employment health care benefits as follows:

**Eligibility for Retired Group Coverage**

Eligibility

- Retire under the New Jersey Police & Firemen's Retirement System (NJPFERS) or under the New Jersey Public Employees Retirement System (NJPERS) with an accidental disability retirement as a result of an on-the-job injury with the City; or
- Retire from the City after 25 or more years of NJPFERS or NJPERS service; or
- Retire from the City after attainment of age 62 and after 15 or more years of service with the City.

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**  
**(CONTINUED)**

**NOTE 6. OTHER POST-RETIREMENT BENEFITS, (continued)**

Eligibility, (continued)

Non-NJPFRS employees hired after July 1, 2008 are not eligible to receive any welfare benefits after retirement.

Benefits

Medical - Medical benefits for retirees are provided through a self-insured PPO plan with CIGNA. A benefit summary of the medical plans are at the end of Appendix 2.

Prescription Drug - Prescription drug benefits are provided through a self-insured plan with Benecard. The co-pay for Police and Fire retirees are:

<u>Retail:</u>	
Generic drugs	5%
Brand drugs	15%
<u>Mail Order:</u>	
Generic drugs	5%
Brand drugs	10%

The co-pay for non-Police and Fire retirees are:

<u>Retail:</u>	
Generic drugs	5%
Brand drugs	20%
<u>Mail Order:</u>	
Generic drugs	5%
Brand drugs	15%

A benefit summary of the prescription drug plan is at the end of Appendix 2.

Dental - Dental benefits are provided through a self-insured PPO plan with CIGNA and a fully-insured plan with Healthplex. A benefit summary of the dental plans are at the end of this Appendix 2.

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**  
**(CONTINUED)**

**NOTE 6. OTHER POST-RETIREMENT BENEFITS, (continued)**

Benefits, (continued)

Vision - Vision benefits are provided to anyone with a retirement date after 12/31/2000 and are self-insured by the City. Retirees and/or dependent(s) are reimbursed up to a maximum of \$150 per year, for eye examinations and/or corrective lenses, subject to an overall annual maximum of \$500 per year.

Life Insurance - \$1,000

Survivorship Provisions - The surviving spouse of a deceased retiree receive continued benefits for life. The surviving spouse of an active employee who dies while employed with the City receives no benefits.

Cost of Plan - The City pays the entire cost of the Plan. This valuation does not consider the effect of any retiree contributions that may be required under P.L. 2011 c.78.

Medicare - Medical benefits coordinate with Medicare primary and the City Plan secondary for retirees eligible for Medicare. Medicare eligible retirees and dependents are required to enroll in Medicare Part B. The City does not reimburse Medicare eligible retirees and dependents for the Medicare Part B premium

The City applies for, and receives, a subsidy from Medicare for providing prescription drug coverage to Medicare eligible retirees and dependents. The Medicare Part D subsidy is not considered in this valuation.

**Funding Policy**

The City is not required to nor does it contribute the annual required contribution (ARC) per N.J.S.A. 40A:4-1 et. seq. There is currently no provision under State statute for the City to accrue funds, create a trust or issue debt to finance their other post employment benefit ("OPEB") liability.

Currently, there are no contribution requirements of plan members.

**Annual OPEB Cost**

An actuary performed a valuation as of December 31, 2012 of the cost and liabilities attributable to these postemployment welfare benefits using the methods and procedures under GASB 45 Statement for Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions.

**CITY OF PERTH AMBOY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013  
(CONTINUED)**

**NOTE 6. OTHER POST-RETIREMENT BENEFITS, (continued)**

**Annual OPEB Cost, (continued)**

The results of this valuation are as follows:

- The Actuarial Accrued Liability for retirees is \$120,180,000, and for active employees is \$54,020,000, for a total accrued liability of \$174,200,000.
- The Annual Required Contribution (ARC) for the fiscal year ending December 31, 2012 under the GASB accounting standard is \$14,110,000.
- The Net OPEB Obligation (NOO) as of December 31, 2012 is \$19,540,000, based on estimated cash payments from January 1, 2012 through December 31, 2012 of \$3,720,000 and the ARC stated above.

**SUMMARY OF VALUATION RESULTS  
(in thousands)**

	December 31, <u>2012</u>
Present Value of Future Benefits	
Retiree	\$120,180
Active	<u>111,740</u>
Total	231,920
Actuarial Accrued Liability	
Retiree	120,180
Active	<u>54,020</u>
Total	174,200
Assets	-
Unfunded Actuarial Accrued Liability*	174,200
Normal Cost	3,270
Discount Rate	4.5%

\* This amount is calculated by subtracting the Assets and Normal Cost and adding Benefit Payments with interest to the Actuarial Accrued Liability to account for the end of year valuation date.

**CITY OF PERTH AMBOY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**  
**(CONTINUED)**

**NOTE 6. OTHER POST-RETIREMENT BENEFITS, (continued)**

**Annual OPEB Cost, (continued)**

**FISCAL YEAR 2012 ANNUAL OPEB COST**  
**(in thousands)**

	December 31, <u>2012</u>
(1) Normal Cost	\$3,880
(2) Amortization of Unfunded Actuarial Accrued Liability	<u>10,230</u>
(3) Annual Required Contribution (ARC): (1) + (2)	14,110
(4) Net OPEB Obligation at Beginning of Year	9,280
(5) Interest on (4)	420
(6) Adjustment to ARC (if (4) ≠ 0)	<u>550</u>
(7) Annual OPEB Cost: (3) + (5) - (6)	13,980
(8) Employer Contributions	<u>3,720</u>
(9) Net OPEB Obligation at End of Year: (4) + (7) - (8)	19,540

**CITY OF PERTH AMBOY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013  
(CONTINUED)**

**NOTE 7. ACCUMULATED VACATION AND SICK PAY**

The City has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate.

It is estimated by the City that the cost of such unpaid compensation at December 31, 2013 would be approximately \$5,609,650.69.

**NOTE 8. FIXED ASSETS**

The following is a summary of General Fixed Assets Account Group as of December 31, 2013 and 2012:

	Balance <u>Dec.31, 2012</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>Dec.31, 2013</u>
Land	\$37,007,400.00	\$	\$	\$37,007,400.00
Buildings	105,760,726.92			105,760,726.92
Machinery, Vehicles and Equipment	<u>18,672,671.00</u>	<u>3,455,580.00</u>	<u>3,386,378.00</u>	<u>18,741,873.00</u>
	<u>\$161,440,797.92</u>	<u>\$3,455,580.00</u>	<u>\$3,386,378.00</u>	<u>\$161,509,999.92</u>

**NOTE 9. DUE TO/FROM OTHER FUNDS**

There were no balances due from/to other funds at December 31, 2013.

**NOTE 10. RISK MANAGEMENT**

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

**Health Insurance Arrangement**

The City participates in the Connecticut General Insurance Co. (CIGNA) Cash Management/Minimum Premium Program, which provides for the City's employees health, dental, and prescription benefits. Under the program, annual rates are established with the insurance carrier based on expenses, projected claims and a margin for fluctuations, thereby providing a predictable monthly premium. Each week, the City is required to deposit a predetermined amount of money into an interest-bearing checking account. The claims are filed with and paid by CIGNA and CIGNA withdraws funds from the checking account in the amount of claims paid.

**CITY OF PERTH AMBOY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013  
(CONTINUED)**

**NOTE 10. RISK MANAGEMENT, (continued)**

It is estimated by the City that the Incurred But Not Reported (“IBNR”) medical claims for the fiscal year ending December 31, 2013, applying CIGNA standard which is an estimate of 24% of paid medical claims, amounts to \$1,438,495.

**Self-Insurance Program**

The City maintains a self-insurance program for its property and casualty exposures, as follows:

*Auto Physical Damage (City vehicles only):* This is fully self-insured without excess or reinsurance coverage.

*Excess Auto and General Liability:* This is self-insured for the first \$250,000 per occurrence – excess coverage is in force up to \$5,000,000 per occurrence and \$10,000,000 in aggregate with State National Insurance Co. CompServices, Inc. Is retained by the City to serve as administrator for these coverages.

*Excess Workers Compensation and Employers Liability:* Excess Workers Compensation is self-insured for the first \$350,000 per occurrence – excess coverage is in force up to statutory NJ limits for workers compensation. Employers Liability is self-insured for the first \$250,000 per occurrence – excess coverage is in force up to \$5,000,000 per occurrence and \$10,000,000 in aggregate. These coverages are provided by State National Insurance Company. CompServices, Inc. is retained by the City to serve as administrator for these coverages.

The City had a balance in its reserve for self-insurance as of December 31, 2013 in the amount of \$3,477,580.86. In addition, there are unpaid claims amounting to \$1,438,495.00 which have not been recorded on the financial statements.

The City has appropriated \$13,757,665.00 in their FY14 budget for the self-insurance fund.

**New Jersey Unemployment Compensation Insurance** – The City has elected to fund New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the City is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the

**CITY OF PERTH AMBOY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013  
(CONTINUED)**

**NOTE 10. RISK MANAGEMENT, (continued)**

State. The City is billed quarterly for amounts due to the State. The following is a summary of City contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the City's trust fund for the current and two prior years:

<u>Fiscal Year</u>	<u>City Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
FY2013	\$220,000.00	\$134.49	\$126,165.05	\$324,965.49
FY2012	225,000.00	57.77	91,739.76	230,996.05
FY2011	200,000.00	174.05	301,815.49	97,678.04

**NOTE 11. DEFERRED COMPENSATION PLAN**

The City of Perth Amboy Deferred Compensation Plan was established pursuant to Section 457 of the Internal Revenue Code and in accordance with Applicable New Jersey Statutes and the New Jersey Administrative Code (NJAC 5:37). The plan is an arrangement whereby a public employer may establish a plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under governing regulations. The plan is offered by the City through the program administrator, the Variable Annuity Life Insurance Company.

All moneys deferred and any other assets or income of the plan funds held in trust, or one or more annuity contracts or one or more custodial accounts for the exclusive benefit of the participating employees and their beneficiaries.

**NOTE 12. 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 periods:

	<u>Year Ended Dec.31, 2013</u>	<u>Year Ended Dec.31, 2012</u>
Prepaid Taxes	<u>\$1,206,330.15</u>	<u>\$208,233.16</u>
Cash Liability for Taxes Collected in Advance	<u>\$1,206,330.15</u>	<u>\$208,233.16</u>

**CITY OF PERTH AMBOY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013  
(CONTINUED)**

**NOTE 13. AGREEMENT WITH THE PERTH AMBOY REDEVELOPMENT AGENCY**

On June 28, 2007, the City entered into a certain subsidy agreement with the Perth Amboy Redevelopment Agency ("PARA") in which the City agreed to pay or provide to PARA an amount equal to the principal or redemption premium of and any interest becoming due on \$3,700,00.00 bonds. The following details the City's remaining obligation on these bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$1,000,000.00	\$29,916.67	\$1,029,916.67
2015	<u>500,000.00</u>	<u>8,750.00</u>	<u>508,750.00</u>
	<u>\$1,500,000.00</u>	<u>\$38,666.67</u>	<u>\$1,538,666.67</u>

**NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES**

We are advised by the City Counsel that the City is involved in several legal suits. Many of these legal proceedings are covered by insurance or are not likely to have a material adverse impact on the affected funds of the City, with the exception of the following:

**City of Perth Amboy v. TAK, et al and Safeco Insurance Company, et al. v. City of Perth Amboy, et al**

This is complex Superior Court litigation involving cross-claim and counterclaims between and among multiple parties in connection with the construction of the Perth Amboy Public Safety Complex. There is significant exposure in this case. The claims against the City, its construction managers and architect relate to termination of the general contractor, TAK Construction, and delay damage claims by other contractors. The claims against the City by Safeco Insurance Company are estimated at more than \$8 million. The claims against the City by Interstate Industrial are estimated to be more than \$3 million. The claims of S.M. Electric have been settled. Third-party mediation and settlement conferences with the Court were unsuccessful. The parties are currently close to completing discovery. The City continues to vigorously defend against these claims and to assert its own claims.

**Imperial Construction Group v. City of Perth Amboy**

This matter is related to the more complex and older Superior Court litigation involving the construction of the Perth Amboy Public Safety Complex. In this action, the City's construction managers, Imperial Construction Group, have asserted a claim for alleged unpaid construction management fees of approximately \$700,000. Court-ordered mediation was unsuccessful, and the parties continue to exchange paper discovery. No depositions have been taken, and discovery is scheduled to end in June 2014. The City is vigorously defending the claims against it.

**CITY OF PERTH AMBOY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013  
(CONTINUED)**

**NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)**

The City also had several pending tax appeals at the close of December 2013. Because no specific monetary demands are made in the pleadings, the extent of the liability of the City for any refund due as a result of the over assessment of the property cannot be determined with any specificity until full discovery is made by the taxpayer and a demand for a specific reduction is made. Even then, any reduction in assessment and resulting refund is contingent upon negotiation.

**NOTE 15. SUBSEQUENT EVENTS**

On February 28, 2014, the City issued a \$18,072,921 Bond Anticipation Note that matures February 26, 2015.

**City of Perth Amboy v. TAK, et al and Safeco Insurance Company, et al. v. City of Perth Amboy, et al**

Trial in this matter commenced on March 31, 2014. On July 4, 2014, the Superior Court of New Jersey issued a written decision and Order concluding that the City properly terminated the contract of TAK and, therefore, its surety, Safeco Insurance Company of America, is not entitled to damages from the City. The City is not entitled to delay damages from TAK or Safeco and is obligated to pay the outstanding contract balance to TAK in the amount of \$927,547.38, which is the contract sum the City has withheld pending resolution of its damage claims against the contractor.

The decision and Order further concluded that Interstate Industrial is not entitled to damages from the City, but the City is entitled to a judgment of damages from Interstate in the amount of \$221,071.41, to be offset by monies already recovered from its surety, XL. Since the City has received a \$600,000 settlement from XL, the City will not recover any of the judgment from Interstate. Any party may file a Notice of Appeal with the Appellate Division of the Superior Court within 45 days of July 4, 2014.

**SUPPLEMENTARY DATA AND SCHEDULES**

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>Year Ended</u> <u>Dec. 31, 2013</u>	<u>Year Ended</u> <u>Dec. 31, 2012</u>	<u>Year ended</u> <u>Dec. 31, 2011</u>
<u>Tax Rate</u>	2.837	2.680	2.655
<u>Apportionment of Tax Rate</u>			
Municipal	1.738	1.630	1.631
County	0.362	0.350	0.344
Local School	0.737	0.700	0.680
<u>Assessed Valuation</u>			
Year Ended December 31, 2013	\$3,235,377,500		
Year Ended December 31, 2012		\$3,433,840,161	
Year Ended December 31, 2011			\$3,484,176,200

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

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

	<u>Tax Levy</u>	<u>Cash</u> <u>Collections</u>	<u>Percentage</u> <u>of Collection</u>
Year Ended December 31, 2013	\$92,694,072.84	\$92,088,926.25	99.35%
Year Ended December 31, 2012	92,349,542.37	91,432,710.56	99.01
Year Ended December 31, 2011	93,323,216.75	91,912,262.91	98.49

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

	<u>Amount</u> <u>of Tax</u> <u>Title Lien</u>	<u>Amount of</u> <u>Delinquent</u> <u>Taxes</u>	<u>Total</u> <u>Delinquent</u> <u>Taxes</u>	<u>Percentage</u> <u>of Tax Levy</u>
Year Ended December 31, 2013	\$1,264,218.87	\$5,637.78	\$1,269,856.65	1.37%
Year Ended December 31, 2012	1,328,178.64	16,966.02	1,345,144.66	1.46
Year Ended December 31, 2011	913,980.83	148,376.07	1,062,356.90	1.14

**PROPERTY ACQUIRED BY TAX TITLE LIENS LIQUIDATION**

The value of properties acquired by liquidation of tax title liens on December 31, 2013, on the basis of the last assessed valuation of such properties, was as follows:

	<u>Amount</u>
Year Ended December 31, 2013	\$ -0-
Year Ended December 31, 2012	-0-
Year Ended December 31, 2011	-0-

**COMPARATIVE SCHEDULE OF FUND BALANCES**

	<u>Period Ended</u>	<u>Balance</u>	<u>Utilized in Budget of Succeeding Period</u>
Current Fund	Dec. 31, 2013	\$4,719,484.15	\$2,000,000.00
	Dec. 31, 2012	3,240,765.65	1,900,000.00
	Dec. 31, 2011	2,284,736.45	1,700,000.00
Water and Wastewater Utility Fund	Dec. 31, 2013	7,895,806.36	723,708.17
	Dec. 31, 2012	5,604,874.87	0.00
	Dec. 31, 2011	5,070,484.45	412,070.99
Parking Utility	Dec. 31, 2013	391,525.74	0.00
	Dec. 31, 2011	448,913.94	136,050.00
	Dec. 31, 2010	878,345.91	700,000.00
Marina Utility	Dec. 31, 2013	45,481.00	0.00

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>Name</u>	<u>Title</u>	<u>Surety Bond</u>
Wilda Diaz	Mayor	(3)
Kennth L. Gonzalez	Council Member	(3)
Joel Pabon, Sr.	Council Member	(3)
William Petrick	Council Member	(3)
Kenneth Balut	Council Member	(3)
Fernando Gonzalez	Council Member	(3)
Gregory C. Fehrenbach	Business Administrator	
Elaine M. Jasko	City Clerk	
Jill A. Goldy	Chief Financial Officer	
Nancy Martin	Tax Collector	(1)
George Boyd	Municipal Court Judge	
Emery Z. Toth	Municipal Court Judge	
Maria Del Valle-Koch	Municipal Court Judge	
Jennifer Ingenito	Municipal Court Administrator	(2)
John Casesse	Municipal Prosecutor	
David R. Spevack	Municipal Prosecutor	
Mark J. Blunda	City Attorney	
Ernest Feist	Engineer	
Ferraioli, Wielkocz Cerullo & Cuva, PA	Auditor	

(1) Covered by \$500,000 Surety Bond with Western Surety.

(2) Covered by \$100,000 Surety Bond with Western Surety.

(3) All employees are covered by \$1,000,000 public official liability covered with Darwin National Assurance.

## City of Perth Amboy, N.J.

## Current Fund

## Statement of Current Cash

	Ref.	<u>Current Fund</u>
Balance December 31, 2012	A	13,754,880.56
Increased by Receipts:		
Cancelled Outstanding Checks	A-1	7,772.61
Miscellaneous Revenues Not Anticipated State of New Jersey Chapter 73, Public Laws of 1976	A-2	488,549.96
Taxes Receivable	A-5	153,504.10
Tax Title Liens Receivable	A-6	91,710,077.28
Bankruptcy Recivable	A-7	345,247.81
Revenue Accounts Receivable	A-8	52,770.46
CMPTRA Received	A-9	12,732,594.08
Reserve for Maintenance of Free Public Library	A-10	266,228.00
2013 Prepaid Taxes	A-13	11,131.00
Interfund - Water and Wastewater Fund	A-15	1,206,330.15
	A-18	2,680,590.22
		<u>109,654,795.67</u>
		<u>123,409,676.23</u>
Decreased by Disbursements:		
Refund of Prior Year Revenue	A-1	17,081.91
2013 Appropriations	A-3	66,154,074.61
2012 Appropriation Reserves	A-11	1,361,420.80
Reserve for Maintenance of Free Public Library	A-13	9,614.09
Accounts Payable	A-14	1,068,242.67
Refund of Tax Overpayments	A-16	60,106.32
Grant Expenditures	A-17	8,512.67
Interfund - Water and Wastewater Fund	A-18	2,680,590.22
Reserve for Free Public Library	A-19	116,223.17
Reserve for Tax Appeals	A-22	458,766.47
Local District School Tax	A-23	23,956,568.00
County Taxes	A-24	11,747,816.93
Special District Tax	A-25	232,130.00
		<u>107,871,147.86</u>
Balance December 31, 2013	A	<u>15,538,528.37</u>

City of Perth Amboy, N.J.

Current Fund

Statement of Due to State of New Jersey -

Deduction Per Chapter 73, P.L. 1976

	<u>Ref.</u>		
Balance December 31, 2012	A		21,831.74
Increased by:			
Senior Citizens and Veterans Tax			
Deductions Per Tax Duplicate	A-6	171,000.00	
Senior Citizens and Veterans Tax			
Deductions Allowed by Collector	A-6	<u>4,250.00</u>	
			<u>175,250.00</u>
Decreased by:			
Receipts	A-4	153,504.10	
Senior Citizens and Veterans			
Deductions Disallowed by Collector	A-6	<u>81.51</u>	
			<u>153,585.61</u>
Balance December 31, 2013	A		<u><u>43,496.13</u></u>

City of Perth Amboy, N.J.

Current Fund

Statement of Taxes Receivable and Analysis of Property Tax Levy

Year Ended December 31, 2013

Year	Beginning Balance	2013 Levy	Added Taxes	Collections			Remitted And Canceled	Transferred to Tax Title Liens and Bankruptcy Rec.	Ending Balance
				FY 2012	FY 2013	State of N.J. Per Ch. 73 P.L. 1976			
FY 2011	1,836.86						1,836.86		
FY 2012	15,129.16				4,552.68		8,824.52	666.86	1,085.10
	16,966.02				4,552.68		10,661.38	666.86	1,085.10
FY 2013		92,383,494.64	310,578.20	208,233.16	91,705,524.60	175,168.49	319,972.73	280,621.18	4,552.68
	16,966.02	92,383,494.64	310,578.20	208,233.16	91,710,077.28	175,168.49	330,634.11	281,288.04	5,637.78
	A			A-2, A-15	A-2, A-4	A-2		A-7	A

Analysis of FY 2013 Property Tax Levy

Tax Yield	Ref.
General Purpose	92,383,494.64
Added Taxes ( 54:4-36 et seq.)	<u>310,578.20</u>
	<u>92,694,072.84</u>
Local District School Tax (Abstract)	A-23
County Taxes	A-24
Special District Tax	A-25
	<u>35,936,514.93</u>
Local Tax for Municipal Purposes (Abstract)	A-2
Add: Additional Tax Levies	<u>56,546,854.65</u>
	<u>210,703.26</u>
	<u>56,757,557.91</u>
	<u>92,694,072.84</u>

City of Perth Amboy, N.J.

Current Fund

Statement of Tax Title Liens

	<u>Ref.</u>	
Balance December 31, 2012	A	1,328,178.64
Increased by:		
Transfer from Taxes Receivable	A-6	<u>281,288.04</u>
		1,609,466.68
Decreased by:		
Receipts	A-4	<u>345,247.81</u>
Balance December 31, 2013	A	<u><u>1,264,218.87</u></u>

City of Perth Amboy, N.J.

Current Fund

Statement of Bankruptcy Receivable

	<u>Ref.</u>	
Balance December 31, 2012	A	54,472.08
Decreased by:		
Payments Received	A-4	<u>52,770.46</u>
Balance December 31, 2013	A	<u><u>1,701.62</u></u>

City of Perth Amboy, N.J.

Current Fund

Statement of Revenue Accounts Receivable

	Ref	Balance, Dec. 31, 2012	Accrued in 2013	Collected	Balance Dec. 31, 2013
Licenses:					
Alcoholic Beverages	A-2	-	120,686.00	120,686.00	-
Other	A-2	-	39,220.30	39,220.30	-
Fees and Permits	A-2	-	219,587.00	219,587.00	-
Fines and Costs:					
Municipal Court	A-2	101,948.28	1,804,965.52	1,775,961.21	130,952.59
Interest and Costs on Taxes	A-2	-	295,283.14	295,283.14	-
Interest on Investments and Deposits	A-2	-	44,800.52	44,800.52	-
Rental of City Property	A-2	-	270,438.49	270,438.49	-
Right of Way Fees	A-2	-	208,460.00	208,460.00	-
Verizon Franchise Fee	A-2	-	130,640.44	130,640.44	-
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)	A-2	-	6,049,430.00	6,049,430.00	-
Consolidated Municipal Property Tax Relief Act (N.J.S.A. 52:27D0118034)	A-2	-	3,187,939.00	3,187,939.00	-
Uniform Construction Code Fees	A-2	-	599,264.50	599,264.50	-
New Jersey Transportation Trust Fund Authority Act	A-2	-	379,744.00	379,744.00	-
Recycling Tonnage Grant	A-2	-	52,528.41	52,528.41	-
Drunk Driving Enforcement Fund	A-2	-	-	-	-
Clean Communities Program	A-2	-	59,462.04	59,462.04	-
Alcohol Education and Rehabilitation Fund	A-2	-	1,108.27	1,108.27	-
Municipal Alliance on Alcoholism and Drug Abuse	A-2	-	42,081.00	42,081.00	-
Handicapped Recreation Opportunities Grant	A-2	-	18,801.00	18,801.00	-
US Housing and Urban Development	A-2	-	-	-	-
Recycling Program - Middlesex County	A-2	-	42,407.00	42,407.00	-
UEZ Business Marketing Grant	A-2	-	25,000.00	25,000.00	-
Provident Bank Defibrillator Grant	A-2	-	5,000.00	5,000.00	-
Emergency Management Grant	A-2	-	5,000.00	5,000.00	-
NJ Pedestrian Safety Grant	A-2	-	15,000.00	15,000.00	-
Office of Aging - Transportation	A-2	-	5,000.00	5,000.00	-
Office of Aging - Housing	A-2	-	5,000.00	5,000.00	-
NJ DEP - HDSR Grant - Former Municipal Complex	A-2	-	14,735.00	14,735.00	-
NJ DEP - HDSR Grant - General Cable Property	A-2	-	79,752.00	79,752.00	-
NJ Body Armor Replacement	A-2	-	14,199.81	14,199.81	-
Middlesex County Title V Delinquency	A-2	-	32,020.00	32,020.00	-
Middlesex County 2014 Arts Grant	A-2	-	1,195.00	1,195.00	-
Uniform Fire Safety Act	A-2	-	58,914.54	58,914.54	-
UAW In Lieu of Tax Payables	A-2	-	109,111.00	109,111.00	-
King Plaza in Lieu of Tax Payments	A-2	-	225,000.00	225,000.00	-
Reserve for Debt Service	A-2	-	75,682.41	75,682.41	-
		<u>101,948.28</u>	<u>14,237,456.39</u>	<u>14,208,452.08</u>	<u>130,952.59</u>
		A	A-2		A
Receipts			A-4	12,732,594.08	
CMPTRA Applied Against Debt			A-10	<u>1,475,858.00</u>	
				<u>14,208,452.08</u>	

City of Perth Amboy, NJ

Current Fund

Statement of Due to State of New Jersey -

CMPTRA Revenue Receivable

Balance December 31, 2012	A	266,228.00
Increased by:		
CMPTRA Applied Against Debt	A-9	<u>1,475,858.00</u>
Decreased by:		
CMPTRA Received	A-4	<u>266,228.00</u>
Balance December 31, 2013	A	<u><u>1,475,858.00</u></u>

City of Perth Amboy

Current Fund

Statement of 2012 Appropriation Reserves

Year Ended December 31, 2013

	<u>Balance 12/31/2012</u>	<u>After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<b>GENERAL GOVERNMENT:</b>				
<b>Business Administrator:</b>				
Salaries and Wages	20,475.48	20,475.48	-	20,475.48
Other Expenses	1,690.92	18,315.92	16,725.00	1,590.92
<b>Office of the Mayor:</b>				
Salaries and Wages	409.14	409.14	-	409.14
Other Expenses	4,401.39	6,396.25	1,341.86	5,054.39
<b>Municipal Council:</b>				
Salaries and Wages				
Other Expenses	1,021.62	1,250.00	26.13	1,223.87
<b>Municipal Clerk:</b>				
Salaries and Wages	2,740.40	2,740.40	-	2,740.40
Other Expenses	9,231.10	21,769.14	11,371.49	10,397.65
<b>Financial Administration:</b>				
Salaries and Wages	1,130.84	1,130.84	-	1,130.84
Other Expenses	4,682.32	13,039.82	7,156.79	5,883.03
<b>Audit Service:</b>				
Other Expenses	7,000.00	65,000.00	58,000.00	7,000.00
<b>Revenue Administration:</b>				
Salaries and Wages	5,077.23	5,077.23	-	5,077.23
Other Expenses	7,197.27	15,056.95	7,859.68	7,197.27
<b>Tax Assessment Administration:</b>				
Salaries and Wages	3,179.77	3,179.77	-	3,179.77
Other Expenses - Revaluation	39,265.78	93,141.93	69,819.80	23,322.13
<b>Elections:</b>				
Other Expenses	4,771.32	4,771.32	-	4,771.32
<b>Legal Services:</b>				
Salaries and Wages	1,626.20	1,626.20	-	1,626.20
Other Expenses	47,295.84	1,056,087.79	1,056,087.79	-
<b>Consultant Fees:</b>				
Other Expenses	64,023.00	64,423.00	4,900.00	59,523.00
<b>Civic Activities:</b>				
Other Expenses	41.88	21,255.31	21,239.00	16.31
<b>Economic Development:</b>				
Salaries and Wages	53,615.07	53,615.07	-	53,615.07
Other Expenses	3,527.91	3,527.91	(102.00)	3,629.91
<b>Engineering Services:</b>				
Salaries and Wages				
Other Expenses	12,000.00	18,029.00	7,129.50	10,899.50
<b>Centralized Office Supplies:</b>				
Other Expenses	38,201.10	58,064.26	16,984.44	41,079.82
<b>Historic Preservation Commission:</b>				
Other Expenses	5,960.00	6,800.00	2,340.00	4,460.00
<b>Aid to Hospitals &amp; Organizations:</b>				
Other Expenses				
Kiddie Keep Well	875.00	875.00	-	875.00
Cerebral Palsy	1,250.00	1,250.00	-	1,250.00
<b>Land Use Administration:</b>				
<b>Planning Board:</b>				
Salaries and Wages	715.96	715.96	-	715.96
Other Expenses	3,342.04	13,645.54	10,303.50	3,342.04
<b>Zoning Board of Adjustment:</b>				
Salaries and Wages	506.04	506.04	-	506.04
Other Expenses	4,250.00	4,250.00	-	4,250.00

**City of Perth Amboy**

**Current Fund**

**Statement of 2012 Appropriation Reserves**

**Year Ended December 31, 2013**

**PUBLIC SAFETY FUNCTIONS:**

**Police Department:**

Salaries and Wages	28,322.57	28,322.57	23,322.57	5,000.00
Other Expenses	57,920.87	205,899.71	173,719.94	32,179.77

**Police Dispatch / 911**

Salaries and Wages	17,032.68	17,032.68	32.03	17,000.65
Other Expenses		2,400.00	2,400.00	-

**Office of Emergency Management:**

Other Expenses	24,016.76	29,957.26	5,890.50	24,066.76
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**Fire Department:**

Salaries and Wages	3,625.29	3,625.29	3,625.29	-
Other Expenses	14,642.76	68,041.49	42,282.93	25,758.56

**School Patrol:**

Salaries and Wages	28,796.92	28,796.92	-	28,796.92
Other Expenses	273.50	1,956.00	1,682.50	273.50

**Traffic Maintenance:**

Salaries and Wages	378.52	378.52	-	378.52
Other Expenses	20,800.88	33,025.50	17,867.12	15,158.38

**PUBLIC WORKS FUNCTIONS:**

**Office of Department Director:**

Salaries and Wages	3,573.22	3,573.12	1,640.00	1,933.12
Other Expenses	1,191.00	1,361.00	(30.00)	1,391.00

**Street and Road Maintenance:**

Salaries and Wages	26,652.47	26,652.47	1,405.94	25,246.53
Other Expenses	41,685.26	137,862.28	36,095.06	101,767.22

**Equipment and Maintenance:**

Salaries and Wages	5,057.36	5,057.36	286.34	4,771.02
Other Expenses	25,513.40	43,488.66	12,517.04	30,971.62

**Solid Waste:**

Salaries and Wages	9,659.32	9,659.32	637.21	9,022.11
Other Expenses	267,754.26	466,801.12	384,246.64	82,554.48

**Condo Municipal Services Agreement:**

Other Expenses	95,200.29	95,200.29	43,795.06	51,405.23
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**Parks Department:**

Salaries and Wages	5,702.75	5,702.75	423.41	5,279.34
Other Expenses	289.77	91,787.70	80,205.08	11,582.62

**Buildings and Grounds:**

Salaries and Wages	4,219.88	4,219.88	467.84	3,752.04
Other Expenses	67,696.16	256,231.58	159,494.29	96,737.29

**HEALTH AND WELFARE FUNCTIONS:**

**Public Health Services:**

Salaries and Wages	887.31	887.31	-	887.31
Other Expenses	3,254.47	3,629.47	275.00	3,354.47

**Office of Public Information:**

Salaries and Wages	5,089.88	5,089.88	-	5,089.88
Other Expenses	8,567.89	8,839.51	774.49	8,065.02

**Animal Control:**

Salaries and Wages	987.05	987.05	560.73	426.32
Other Expenses	375.18	4,532.03	3,997.85	534.18

**Welfare Department:**

Salaries and Wages	376.46	376.46	-	376.46
Other Expenses	1,558.04	2,248.54	690.50	1,558.04

**Office of Aging:**

Salaries and Wages	2,000.00	2,000.00	-	2,000.00
Other Expenses	1,427.57	4,051.74	3,041.19	1,010.55

**City of Perth Amboy**

**Current Fund**

**Statement of 2012 Appropriation Reserves**

**Year Ended December 31, 2013**

**PARKS AND RECREATION FUNCTIONS:**

**Recreation Services and Programs:**

Salaries and Wages	-	1,100.00	1,090.27	9.73
Other Expenses	19,985.89	32,007.27	12,622.86	19,384.41

**Code Enforcement:**

Salaries and Wages	3,125.53	3,125.53	-	3,125.53
Other Expenses	2,383.22	2,578.56	-	2,578.56

**Uniform Fire Safety Act:**

Other Expenses	1,825.42	3,836.26	2,454.51	1,381.75
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**Municipal Court:**

Salaries and Wages	5,675.15	3,675.15	1,349.86	2,325.29
Other Expenses	13.04	4,818.85	4,095.51	723.34

**Public Defender:**

Salaries and Wages	1,178.88	1,178.88	-	1,178.88
Other Expenses	1,600.00	1,600.00	-	1,600.00

**UNCLASSIFIED:**

Utilities	641,623.43	776,260.69	316,826.16	459,434.53
Computer Data Processing				
Salaries and Wages	1,419.23	1,419.23	-	1,419.23
Other Expenses	25,185.96	58,185.96	38,040.00	20,145.96

**CONTINGENT**

	10,000.00	10,000.00	-	10,000.00
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**STATUTORY EXPENDITURES:**

	118,684.33	118,684.33	5,693.98	112,990.35
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	<u>1,956,734.44</u>	<u>4,194,571.44</u>	<u>2,674,702.68</u>	<u>1,519,868.76</u>
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A-1

	<u>Ref.</u>			
Appropriation Reserves	A	1,956,734.44		
Reserve for Encumbrances	A-12	<u>2,237,837.00</u>		
		<u>4,194,571.44</u>	2,674,702.68	
Accounts Payable	A-14		1,313,281.88	
Cash Disbursements (Net of Reimb.)	A-4		<u>1,361,420.80</u>	
			<u>2,674,702.68</u>	

City of Perth Amboy, N.J.

Current Fund

Statement of Reserve for Encumbrances

	<u>Ref.</u>	
Balance December 31, 2012	A	2,237,837.00
Increased by:		
2013 Appropriations Encumbered	A-3	<u>1,102,168.63</u>
		3,340,005.63
Decreased by:		
Transferred to Approp. Reserves	A-11	<u>2,237,837.00</u>
Balance December 31, 2013	A	<u><u>1,102,168.63</u></u>

City of Perth Amboy, N.J.

Current Fund

Schedule of Reserve for Maintenance of Free Public Library with State Aid

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 13,405.97
Increased by:		
Receipts	A-4	<u>11,131.00</u>
Decreased by:		
Disbursements	A-4	<u>9,614.09</u>
Balance, December 31, 2013	A	<u><u>\$ 14,922.88</u></u>

City of Perth Amboy, N.J.

Current Fund

Schedule of Accounts Payable

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 1,068,242.67
Increased by:		
Transfers	A-11	<u>1,313,281.88</u>
		2,381,524.55
Decreased by:		
Disbursements	A-4	<u>1,068,242.67</u>
Balance December 31, 2013	A	<u><u>1,313,281.88</u></u>

City of Perth Amboy, N.J.

Current Fund

Schedule of Prepaid Taxes

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 208,233.16
Increased by:		
Collection of 2014 Taxes	A-4	<u>1,206,330.15</u>
		1,414,563.31
Decreased by:		
FY 2013 Taxes Applied	A-6	<u>208,233.16</u>
Balance, December 31, 2013	A	<u><u>\$ 1,206,330.15</u></u>

City of Perth Amboy, N.J.

Current Fund

Statement of Tax Overpayments

	<u>Ref.</u>	
Balance December 31, 2012	A	1,836.86
Increased by:		
Budget Appropriations	A-3	58,595.39
		<hr/> 60,432.25
Decreased by :		
Refund of Overpayments	A-4	60,106.32
		<hr/> 325.93
Balance December 31, 2013	A	<hr/> <hr/> 325.93

City of Perth Amboy, N.J.

Current Fund

Due To Federal and State Grant Fund

	<u>Ref.</u>		
Balance December 31, 2012	A		-
Increased by :			
Grants Receivable - Cancelled	A-1		<u>423,822.32</u>
			423,822.32
Decreased by :			
Grants Receivable - Cancelled	A-1	415,309.65	
Paid to Federal and State Grant Fund	A-4	<u>8,512.67</u>	
			<u>423,822.32</u>
Balance December 31, 2013	A		<u><u>-</u></u>

**City of Perth Amboy, N.J.**

**Current Fund**

**Due To Water and Wastewater Fund**

	<u>Ref.</u>	
Balance December 31, 2012	A	-
Increased by:		
Transfers - Water and Wastewater Fund	A-4	<u>2,680,590.22</u>
Decreased by:		
Transfers - Water and Wastewater Fund	A-4	<u>2,680,590.22</u>
Balance December 31, 2013	A	<u><u>-</u></u>

City of Perth Amboy, N.J.

Current Fund

Reserve for Library

	<u>Ref.</u>	
Balance December 31, 2012	A	116,223.17
Increased by:		
Appropriations	A-3	30,718.97
Increased by:		
Disbursements	A-4	<u>116,223.17</u>
Balance December 31, 2013	A	<u><u>30,718.97</u></u>

City of Perth Amboy, N.J.

Current Fund

Reserve for Payroll - Unsettled Contracts

	<u>Ref.</u>	
Balance December 31, 2012	A	<u>47,582.43</u>
Decreased by:		
Cancellation of Appropriation	A-1	<u>47,582.43</u>
Balance December 31, 2013	A	<u>-</u>

**City of Perth Amboy, N.J.**

**Current Fund**

**Reserve for Garden State Prevention Fund**

	<u>Ref.</u>	
Balance December 31, 2012	A	<u>12.68</u>
Balance December 31, 2013	A	<u>12.68</u>

City of Perth Amboy, N.J.

Current Fund

Reserve for Tax Appeals Pending

	<u>Ref.</u>	
Balance December 31, 2012	A	5,152,066.27
Decreased by:		
Disbursements	A-4	<u>458,766.47</u>
Balance December 31, 2013	A	<u><u>4,693,299.80</u></u>

City of Perth Amboy, N.J.

Current Fund

Statement of Local District School Tax

	<u>Ref.</u>	
Balance December 31, 2012		-
Increased by:		
Levy - School Year - (January 1, 2011 to December 31, 2011)	A-1, A-6	<u>23,956,568.00</u>
		23,956,568.00
Decreased by :		
Payments	A-4	<u>23,956,568.00</u>
Balance December 31, 2013		<u><u>-</u></u>

City of Perth Amboy, N.J.

Current Fund

Statement of County Taxes

Ref.

Balance December 31, 2012			-
Increased by:			
General County Levy		10,806,923.25	
County Open Space Preservation		913,151.39	
Due To County for Added and Omitted Taxes		<u>27,742.29</u>	
	A-1, A-6		<u>11,747,816.93</u>
			11,747,816.93
Decreased by :			
Payments	A-4		<u>11,747,816.93</u>
Balance December 31, 2013			<u><u>-</u></u>

City of Perth Amboy, N.J.

Current Fund

Statement of Special District Taxes

Ref.

Balance December 31, 2012		-
Increased by:		
Special Improvement District Levy	A-1, A-6	<u>232,130.00</u>
		232,130.00
Decreased by :		
Budget Appropriations	A-4	<u>232,130.00</u>
Balance December 31, 2013		<u><u>-</u></u>

City of Perth Amboy, N.J.

Federal and State Grant Fund

Schedule of Cash

	<u>Ref.</u>		
Balance December 31, 2012	A		823,060.19
Increased by:			
Grants Received - Appropriated	A-27	1,506,761.76	
Grant Expenditures Paid In Current Fund	A-28	8,512.67	
Unappropriated Receipts	A-31	<u>41,633.00</u>	
			<u>1,556,907.43</u>
			2,379,967.62
Decreased by :			
Disbursements	A-29		<u>1,683,608.27</u>
Balance December 31, 2013	A		<u><u>696,359.35</u></u>

## City of Perth Amboy, N.J.

## Federal and State Grant Fund

## Schedule of State and Federal Grants Receivable

	Balance Dec. 31, 2012	2013 Revenue	Received	Canceled	Balance Dec. 31, 2013
NJDOT - Bikeway System Phase II	32,000.00		25,508.85	6,491.15	-
Stormwater Outfall Improvements	10,310.00				10,310.00
Recycling Tonnage Grant	-	52,528.41	52,528.41		-
MCIA Recycling Program	-	42,407.00	42,407.00		-
HDSR - Sayre Avenue	53,000.00			53,000.00	-
HDSR - 500 Mechanic Street III	13,327.00			13,327.00	-
HDSR - 1050 State Street	334,505.00			334,505.00	-
Municipal Court Alcohol and Rehabilitation	-	1,108.27	1,108.27		-
SNJ Body Armor Grant	-	14,199.81	14,199.81		-
Emergency Management Grant	-	5,000.00	5,000.00		-
Pedestrian Safety Grant	-	15,000.00	13,500.00	1,500.00	-
UEZ - Business Marketing Plan	-	25,000.00	25,000.00		-
Middlesex County - Arts Grant	394.00	1,195.00	1,289.00		300.00
Middlesex County - Title V Grant	49,068.01	32,020.00	52,833.68		28,254.33
Middlesex County - Library Window Replacement	100,000.00		100,000.00		-
Office on Aging - Transportation Grant	1,243.00	5,000.00	5,012.00		1,231.00
Safe Housing 2007	2,277.00	5,000.00	3,608.00		3,669.00
Handicapped Recreation CY 2010	6,080.00	18,801.00	6,391.00		18,490.00
Juvenile Justice Assistance Grant	77,122.00		57,085.00		20,037.00
Station House Enhancement	3,856.83			3,856.83	-
Neighborhood Stabilization Program (JRF)	153,500.00		153,500.00		-
HDSR - Gilleland Property	128,968.00				128,968.00
HDSR - Former Municipal Complex	25,298.00	14,735.00	22,701.00		17,332.00
SN DEP - HDSR - Projects	-				-
NJDEP / HDSR Management Grant	68,712.00	79,752.00	68,688.96		79,775.04
Municipal Alliance 2010	239.04			239.04	-
Municipal Alliance 2011	18,202.25	42,081.00	37,622.55	2,573.50	20,087.20
US Dept. of HUD Neighborhood Initiative	272,250.00		272,250.00		-
US Dept. of Energy Mun. Complex Solar Project	200,000.00				200,000.00
MCPO Community Concerns Grant	5,155.12		4,126.26		1,028.86
Clean Communities Grant	-	59,462.04	59,462.04		-
Clean Communities Grant	3,000.00				3,000.00
SNJ Historic Trust - Surveyor General Office	110,449.75		14,114.55		96,335.20
Port Authority - Purchase of Vehicle	662,500.00				662,500.00
Defibrillator Grant Provident Bank	-	5,000.00	5,000.00		-
NJDOT - Safe Streets to School	63,720.87		56,244.82	7,476.05	-
NJDOT - Trust - Davidson Avenue	-	379,744.00			379,744.00
NJDOT - Trust - Mechanic Street	-				-
NJDOT - Trust - Center / Commerce Street	180,222.00		80,087.93		100,134.07
NJDOT - Trust - Wilson, Goodwin & Grace Streets	294,017.00		229,032.63		64,984.37
NJDOT - Trust - Road Projects	191,600.00				191,600.00
NJDOT - Trust - Wayfinding Signage Program	400,000.00		98,460.00		301,540.00
JRF Summer Employment Program	853.76			853.75	0.01
	<u>3,461,870.63</u>	<u>798,033.53</u>	<u>1,506,761.76</u>	<u>423,822.32</u>	<u>2,329,320.08</u>
	A	A-29	A-26	A-28	A

City of Perth Amboy, N.J.

Federal and State Grant Fund

Due From Current Fund

	<u>Ref.</u>		
Balance December 31, 2012	A		-
Increased by :			
Grants Receivable - Cancelled	A-27	<u>423,822.32</u>	
			423,822.32
Decreased by :			
Grants Expenditures - Cancelled	A-29	415,309.65	
Grant Expenditures - Paid in Current Fund	A-26	<u>8,512.67</u>	
			<u>423,822.32</u>
Balance December 31, 2013	A		<u><u>(0.00)</u></u>

City of Perth Amboy, N.J.

Federal and State Grant Fund

Statement of Appropriated Reserves for Federal and State Grant Expenditures

Grant	Balance Dec. 31, 2012	Transfers From Budget Appropriations	Adjustments	Expended	Canceled	Balance Dec. 31, 2013
NJDOT - Myrtle Street	-					-
NJDOT - Bikeway System Phase II	6,491.15				6,491.15	0.00
NJDOT - Washington Street Reconstruction	-					-
HDSR - Sobel Brothers	2,267.00		4,534.00	6,801.00		-
Stormwater Outfall	26,238.00					26,238.00
Recycling Tonnage Grant	107,807.99	52,528.41				160,336.40
Recycling - County of Middlesex	-	42,407.00		42,407.00		-
HDSR - Sayre Avenue	2,515.28		32,100.00	34,615.28		-
HDSR - Rector Street	323.59			323.59		-
HDSR - 441 High Street	14,844.61			14,844.61		-
HDSR - 358 Rector Street	1,066.39			1,066.39		-
HDSR - Broad & Rector Streets	160.00			160.00		-
HDSR - Mechanic Street	3,977.58			3,977.58		-
HDSR -	3,561.77			3,561.77		-
HDSR - 411 High Street Additional	10,915.85			10,915.85		-
HDSR - 500 Mechanic Street III	786.52			786.52		-
HDSR - 1050 State Street	16,799.96		329,415.69	346,215.65		-
Municipal Court Alcohol Education	30,638.17	1,108.27		10,834.00	4,942.94	15,969.50
Drunk Driving Enforcement Fund	29,902.50			6,912.60		22,989.90
Body Armor Replacement	20,270.53	14,199.81		19,726.85	7,026.80	7,716.69
Safe and Secure Communities	-					-

City of Perth Amboy, N.J.

Federal and State Grant Fund

Statement of Appropriated Reserves for Federal and State Grant Expenditures

Grant	Balance Dec. 31, 2012	Transfers From Budget Appropriations	Adjustments	Expended	Canceled	Balance Dec. 31, 2013
Emergency Management Grant	22,009.76	5,000.00				27,009.76
HDSR - 500 Mechanic Street	19,750.00		24,469.81	44,219.81		-
HDSR - General Cable	8,485.00		9,405.75	17,890.75		-
Pedestrian Safety Enforcement & Education	-	15,000.00		13,500.00	1,500.00	-
NPS - Ferry Slip / Train Station	-					-
Design of New High School	-					-
UEZ - Revolving Loan Program (03-062)	-					-
WalMart Foundation - Fire	-					-
WalMart Foundation - Police	-					-
D & M Gates Library Grant	168,423.59		134,744.37	42,849.19	173,399.28	86,919.49
Underground Storage Tanks	-					-
Marina Dock Expansion Donation	16,196.74		206,300.00	206,300.00	4,500.00	11,696.74
UEZ - Wayfinding Signage	-	25,000.00		5,991.00	4,840.00	14,169.00
UEZ -Business Marketing Plan	31,200.15		15,284.10		15,284.10	31,200.15
UEZ - Gateway (11-025)	687.85	1,195.00		1,127.18		755.67
Middlesex County Arts Grant	34,399.99	32,020.00	9,114.51	42,782.01		32,752.49
Middlesex County Title V Grant	-		100,000.00	100,000.00		-
MC - Library Window Replacement	14,001.04		47,899.49	54,024.62	7,574.87	301.04
Library Restoration Project	-	5,000.00		5,000.00		-
Office of Aging - Transportation	5,495.00	5,000.00		3,000.00	1,500.00	5,995.00
Safe Housing 2009						

City of Perth Amboy, N.J.

Federal and State Grant Fund

Statement of Appropriated Reserves for Federal and State Grant Expenditures

Grant	Balance Dec. 31, 2012	Transfers From Budget Appropriations	Adjustments	Expended	Canceled	Balance Dec. 31, 2013
Handicapped Recreation 2006	2,966.62	18,801.00		4,000.00		17,767.62
Enhanced 911	18,242.25			1,240.72		17,001.53
Juvenile Justice Assistance 2006	20,037.00			20,037.00		0.00
Station House Enhancement	3,400.21				3,400.21	-
Neighborhood Stabilization (JRF)	153,500.00			153,500.00		-
HDSR - Gilleland Property	28,290.18		78,680.12	18,193.45	60,486.67	28,290.18
HDSR - Former Muni. Complex	-	14,735.00	23,498.00	4,762.00	24,011.00	9,460.00
HDSR - General Cable III	-	79,752.00	44,544.79	109,169.25		15,127.54
HDSR - DPW Landfill	-			(483,694.80)	400,832.00	82,862.80
UEZ - Admin (SFY 2012)	(0.00)					(0.00)
Municipal Alliance 2010	3,189.89		2,085.07	5,035.92	239.04	-
Municipal Alliance 2011	23,435.60	42,081.00	4,104.19	31,778.66	5,131.51	32,710.62
US Dept. of HUD Neigh. Initiative	272,250.00			254,106.64		18,143.36
USDOE Mun. Complex Solar Project	183,000.00		12,750.00	16,500.00	59,300.00	119,950.00
MCPO Community Concerns Grant	4,901.59		646.19	1,446.72		4,101.06
Clean Communities 2009	-					-

City of Perth Amboy, N.J.

Federal and State Grant Fund

Statement of Appropriated Reserves for Federal and State Grant Expenditures

Grant	Balance Dec. 31, 2012	Transfers From Budget Appropriations	Adjustments	Expended	Canceled	Balance Dec. 31, 2013
Clean Communities 2010	139,876.22	59,462.04	110.00	86,361.09	2,430.11	110,657.06
USDOE Energy Assistance Grant	741.26			493.84		247.42
SNJ History Trust Surv. Gen's Office	108,810.00		800.00	23.40	800.00	108,786.60
Port Authority - Port Security Vessel	62,650.00		599,850.00		662,500.00	-
NJDOT - Trust Davidson Avenue	-	379,744.00		2,455.38	32,544.62	344,744.00
NJDOT - Safe Streets to School	-		1,522.91	1,522.91		-
NJDOT - Broad Street	-					-
NJDOT - Mechanic Street	-					-
NJDOT - Commerce / Center Street	48,977.09					48,977.09
NJDOT - Wilson, Goodwin and Grace Streets	-		294,017.00	294,017.00		-
NJDOT Trust - Road Projects	177,640.16		13,959.84	13,959.84		177,640.16
NJDOT - Wayfinding Signage Program	290,600.00		109,400.00	104,666.00	17,134.00	278,200.00
NJ State Library - Healthy Lifestyle Grant	-					-
JRF Summer Employment Program	273.75				273.75	-
Port Authority Donation - Public Safety Equipment	-					-
Rudyk Park Improvements - Harbortown	13,989.88		4,200.00	4,200.00		13,989.88
Defibrillator Grant Provident Bank	(0.00)	5,000.00			5,000.00	-
Comcast Cable TV Access	25,507.27					25,507.27
	<u>2,181,494.98</u>	<u>798,033.53</u>	<u>2,103,435.83</u>	<u>1,683,608.27</u>	<u>1,501,142.05</u>	<u>1,898,214.02</u>
	A	A-27	A-30	A-26		A

Encumbrances	A-30				1,085,832.40	
Cancellations	A-28				415,309.65	
					<u>1,501,142.05</u>	

City of Perth Amboy, N.J.

Federal and State Grant Fund

Reserve for Encumbrances

	<u>Ref.</u>		
Balance December 31, 2012	A		2,103,435.83
Increased by:			
Current SFY Encumbrances	A-29	<u>1,085,832.40</u>	<u>1,085,832.40</u>
			3,189,268.23
Decreased by :			
Prior SFY Encumbrances	A-29	<u>2,103,435.83</u>	<u>2,103,435.83</u>
Balance December 31, 2013	A		<u><u>1,085,832.40</u></u>

City of Perth Amboy, N.J.

Federal and State Grant Fund

Schedule of Unappropriated Reserves for Federal and State Grants

	Balance Dec. 31, 2012	Received	Balance Dec. 31, 2013
Middlesex County Recycling Subsidy	-	41,633.00	41,633.00
	<u>          </u>	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>	<u>          </u>
	A	A-26	A

## City of Perth Amboy, N.J.

## Statement of Trust Cash Collector - Treasurer

## Trust Fund

	<u>Ref.</u>	<u>Animal Control</u>	<u>Other Trust</u>
Balance - December 31, 2012	B	17,410.36	10,074,400.23
Increased by Receipts:			
Animal Control and Other Fees	B-2	18,568.80	
Due to State of N.J.	B-3	1,792.20	
Reserve for N.J. Unemployment	B-5		244,939.92
Miscellaneous Reserves	B-6		2,785,292.31
Reserve for Self Insurance	B-7		10,920.36
Office of Community Development			
Block Grant	B-8		702,751.39
Reserve for Payroll Deductions	B-9		30,648,895.44
Fund Balance - Other Trust	B-10		40,802.77
		<u>20,361.00</u>	<u>34,433,602.19</u>
		<u>37,771.36</u>	<u>44,508,002.42</u>
Decreased by Disbursements:			
Due to Current Fund	B-4	10,488.23	
Reserve for N.J. Unemployment	B-5		150,970.48
Miscellaneous Reserves	B-6		2,575,151.44
Reserve for Self Insurance	B-7		323,211.13
Office Community Development			
Block Grant	B-8		703,596.89
Reserve for Payroll Deductions	B-9		30,657,007.36
		<u>10,488.23</u>	<u>34,409,937.30</u>
Balance - December 31, 2013	B	<u>27,283.13</u>	<u>10,098,065.12</u>

City of Perth Amboy, N.J.

Statement of Reserve for Animal Control Fund Expenditures

Trust Fund

	<u>Ref.</u>	
Balance - December 31, 2012	B	17,367.76
Increased by:		
Animal Control Fees Collected		3,369.80
Replacement Tags		2.00
Adoptions, Donations, Miscellaneous		<u>15,197.00</u>
	B-1	<u>18,568.80</u>
		35,936.56
Decreased by:		
Due to Current Fund	B-4	<u>8,715.83</u>
Balance - December 31, 2013	B	<u><u>27,220.73</u></u>

License Fees Collected

<u>Year</u>	
2012	11,450.60
2013	<u>18,568.80</u>
	<u><u>30,019.40</u></u>

City of Perth Amboy, N.J.

Statement of Due to State Department of Health

Trust Fund

	<u>Ref.</u>	
Balance - December 31, 2012	B	42.60
Increased by:		
Receipts - State Share of Dog Licenses Fees	B-1	<u>1,792.20</u>
		1,834.80
Decreased by:		
Due to Current Fund	B-4	<u>1,772.40</u>
Balance - December 31, 2013	B	<u><u>62.40</u></u>

Schedule of Amount Due to Current Fund - Animal Control Fund

Trust Fund

	<u>Ref.</u>		
Balance - December 31, 2012	B		
Increased by:			
Reserve for Animal Control Expenditures	B-2	8,715.83	
Due to State of New Jersey	B-3	<u>1,772.40</u>	
			<u>10,488.23</u>
Decreased by:			10,488.23
Interfunds Returned	B-1		<u>10,488.23</u>
Balance - Decemeber 31, 2013	B		<u><u>        </u></u>

City of Perth Amboy, N.J.

Schedule of Reserve for Unemployment Insurance

Trust Fund

	<u>Ref.</u>	
Balance - December 31, 2012	B	230,996.05
Increased by:		
Budget Appropriations		220,000.00
Employee Contributions		24,805.43
Interest		134.49
	B-1	<u>244,939.92</u>
		475,935.97
Decreased by:		
Cash Disbursements	B-1	<u>150,970.48</u>
		<u>150,970.48</u>
Balance - December 31, 2013	B	<u><u>324,965.49</u></u>

## City of Perth Amboy, N.J.

## Statement of Miscellaneous Reserves

## Trust Fund

	Balance Dec. 31, 2012	Increases	Decreases	Balance Dec. 31, 2013
<b>Reserve For:</b>				
Street Opening Deposits	193,100.00	13,250.00	2,000.00	204,350.00
Demolition Bonds	41,200.00	7,500.00	2,500.00	46,200.00
Housing Surcharge Fees	4,320.04	49,038.00	35,256.00	18,102.04
Acquisition of Liquor Licenses	115,672.00	11,000.00		126,672.00
Department of Health -				
Marriage Licenses	2,150.00	10,175.00	10,275.00	2,050.00
Performance Bonds	11,713.40		11,713.40	
Street Obstruction Fine	25.00		25.00	
Parking Offenses Act	134,413.07	15,039.50	2,482.78	146,969.79
UDAG	75,851.91	16,736.83		92,588.74
Forfeited Funds	127,719.65	55,520.63	67,572.81	115,667.47
Forfeited Funds PAPD - Federal	71.23	7,479.37		7,550.60
Recycling	43,318.55	98,301.99	65,873.86	75,746.68
Police off-Duty	85,763.24	883,818.74	812,214.52	157,367.46
Performance Bond Escrow	1,027,504.24	263,011.59	186,499.02	1,104,016.81
Engineer Inspection	534,248.21	109,500.73	56,492.35	587,256.59
Planning and Zoning	724,849.67	143,931.90	135,037.74	733,743.83
Construction Code Trust	69,595.98	166,163.00	221,718.40	14,040.58
Home Trust Account	225,472.82	442,943.35	512,712.35	155,703.82
Older Americans	1,647.01			1,647.01
Municipal Alliance Program	31,374.60	30,351.79	47,923.54	13,802.85
Recreation Contributions	122,173.50	240,336.41	218,721.25	143,788.66
Fallen Firefighters	1,500.00		1,500.00	
Public Defender Trust	14,172.00	20,639.50	14,172.00	20,639.50
Tax Title Liens - Third Party	82.79		82.79	
Fir Prevention Bureau	25,879.70	3,350.00	27,132.08	2,097.62
Veterans Memorial Trust	3,447.50		3,000.00	447.50
UEZ Revolving Loan Program	119,754.21			119,754.21
UEZ Revolving Loan Program II	11,136.83			11,136.83
UEZ Projects	1,019,491.81		25,000.00	994,491.81
Gang and Drug Abuse Prevention	1,689.50		1,689.50	
Accumulated Leave Comp.	649,789.25	174,863.77	63,171.78	761,481.24
Cranbury RCA	51,671.41	29.01		51,700.42
Housing Loan Repayments	15,488.12	5,331.20	9,579.00	11,240.32
Burial Permits	5.00	75.00	65.00	15.00
Snow Removal	250,000.00			250,000.00
Restoration Bonds	2,000.00	5,000.00	5,036.27	1,963.73
Street & Road Inspections	9,550.00	6,250.00	7,050.00	8,750.00
HDSR General Cable III	23,000.00	5,655.00	28,655.00	
<b>Total</b>	<u>5,770,842.24</u>	<u>2,785,292.31</u>	<u>2,575,151.44</u>	<u>5,980,983.11</u>
	B	B-1	B-1	B

City of Perth Amboy, N.J.

Statement of Reserve for Self Insurance

Trust Fund

	<u>Ref.</u>	
Balance - December 31, 2012	B	3,789,871.63
Increased by:		
Interest	B-1	<u>10,920.36</u> <u>10,920.36</u>
		3,800,791.99
Decreased by:		
Disbursements	B-1	<u>323,211.13</u>
Balance - December 31, 2013	B	<u><u>3,477,580.86</u></u>

City of Perth Amboy, N.J.

Statement of Reserve for Community Development Block Grant

Trust Fund

	<u>Ref.</u>	
Balance - December 31, 2012	B	2,966.79
Increased by:		
Receipts	B-1	<u>702,751.39</u> 705,718.18
Decreased by:		
Disbursements	B-1	<u>703,596.89</u>
Balance - December 31, 2013	B	<u><u>2,121.29</u></u>

**Exhibit B-9**

**Statement of Reserve for Payroll Deductions**

**Trust Fund**

	<u>Ref.</u>	
Balance - December 31, 2012	B	279,723.52
Increased by:		
Payroll Deductions	B-1	<u>30,648,895.44</u>
		30,928,618.96
Decreased by:		
Disbursements	B-1	<u>30,657,007.36</u>
Balance - December 31, 2013	B	<u><u>271,611.60</u></u>

**Exhibit B-10**

**City of Perth Amboy, N.J.**

**Fund Balance - Other Trust**

**Trust Fund**

	<u>Ref.</u>	
Balance - December 31, 2012	B	
Increased by:		
Receipts	B-1	<u>40,802.77</u>
Balance - December 31, 2013	B	<u><u>40,802.77</u></u>

City of Perth Amboy, N.J.

Statement of Changes in General Capital Fund Balance - Regulatory Basis

General Capital Fund

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	C	1,168,061.07
Decreased by:		
Appropriated to Finance Improvement Authorization	C-11	1,124,831.80
Accounts Receivable Cancelled		<hr/>
		<hr/> 1,124,831.80
Balance - December 31, 2013	C	<hr/> <hr/> 43,229.27

City of Perth Amboy, N.J.

Statement of General Capital Cash Collector - Treasurer

General Capital Fund

Year Ended December 31, 2013

	<u>Ref.</u>		
Balance - December 31, 2012	C		12,077,168.21
Increased by Receipts:			
Cash Firefighter Assistance	C-4	240,000.00	
Transfer from Current Fund	C-20	<u>402,359.53</u>	
			<u>642,359.53</u>
			12,719,527.74
Decreased by Disbursements:			
Transfer to Current Fund	C-20	<u>7,201,530.39</u>	
			<u>7,201,530.39</u>
Balance - December 31, 2011	C		<u><u>5,517,997.35</u></u>

**Exhibit C-3**

**City of Perth Amboy, N.J.**

**Analysis of Cash**

**General Capital Fund**

	<u>Ref.</u>	<u>Balance</u> <u>December 31, 2013</u>
Capital Fund Balance	C-1	\$ 43,229.27
Grants Receivable	C-4	(13,000,953.30)
Encumbrances Payable	C-12	8,070,186.08
Capital Improvement Fund	C-13	25,694.84
Reserve for Grants Receivable	C-14	4,690,000.00
Reserve for Public Safety Complex	C-16	977,912.00
Reserve for Library	C-17	5,268.12
Reserve for Debt Service	C-18	140,153.91
Reserve for Bond Anticipation Notes		446,549.00

<u>Ordinance</u> <u>Number</u>	<u>Improvement Authrizations</u>	
1006-99	Shoreline Imp. Project	345,373.94
1244-04	Rte. 440/ High St. Connector Road Project	1,601,696.32
1565-11	Various Capital Improvements	201,081.03
1581-11	Construction of Brighton Avenue Center	83,757.62
1630-12	PA Public Library Renovations	35,184.57
1631-12	Various Capital Improvements	832,483.20
1582-11	Waterfront Improvements	292,167.62
1690-13	Various Capital Improvements	298,054.32
1692-13	Waterfront Recovery Improvements	430,158.81
		<hr/>
Balance - December 31, 2013		\$ <u>5,517,997.35</u>
		C

City of Perth Amboy, N.J.

Statement of Grant Receivables

General Capital Fund

Ord. No.		Balance Dec. 31, 2012	Grants Awarded	Decreased by Receipts	Balance Dec. 31, 2013
1006-99	Middlesex County	710,209.31		497,280.60	212,928.71
1035-00	Westminister (Reserve)	4,690,000.00			4,690,000.00
1565-11	MC Treasurer	100,000.00			100,000.00
1581-11	Chubb Insurance	99,841.57		99,841.57 c	
1581-11	CDBG Trust	4,532.00		4,532.00 c	
1582-11	Chubb Insurance	766,450.30			766,450.30
1631-12	Federal Emergency Management	240,000.00		240,000.00	
1649-12	NJDEP Grant Waterfront	1,700,000.00			1,700,000.00
1656-12	Middlesex County Open Space		414,232.00	414,232.00	
1692-13	F.E.M.A.		5,575,000.00	558,425.71	5,016,574.29
1692-13	USDA-Natural Resources Conservat.		115,000.00		115,000.00
1692-13	Redevelopment Waterfront Access.		400,000.00		400,000.00
		<u>8,311,033.18</u>	<u>6,504,232.00</u>	<u>1,814,311.88</u>	<u>13,000,953.30</u>
		C	C-11		C
	Accounts Receivable Cancelled		C-11	104,373.57	
	Cash		C-2	240,000.00	
	Received in Current Fund		C-20	<u>1,469,938.31</u>	
				<u>1,814,311.88</u>	

City of Perth Amboy, N.J.

Statement of Deferred Charges to Future Taxation - Funded

General Capital Fund

Year Ended December 31, 2013

	<u>Ref.</u>		
Balance - December 31, 2012	C		107,066,250.72
Increased by:			
Issuance of Loans	C-9		<u>251,260.13</u>
			107,317,510.85
Decreased by:			
2013 Budget Appropriations to Pay Bonds	C-7	4,096,257.13	
2013 Budget Appropriations to MCIA	C-8	119,684.71	
Green Trrust Loan Principal Payment	C-9	<u>273,731.40</u>	
			<u>4,489,673.24</u>
Balance - December 31, 2013	C		<u><u>102,827,837.61</u></u>



City of Perth Amboy, N.J.

Statement of General Serial Bonds

General Capital Fund

Purpose	Date of Issue	Amount of Original Issue	Date	Amount	Interest Rate	Balance	Balance	Redeemed	Balance Dec. 31, 2013
						Dec. 31, 2012	Dec. 31, 2012		
Pension Refunding Bonds	09-01-03	2,035,000.00				30,000.00	30,000.00	30,000.00	-
General Improvement	05-31-07	41,720,500.00	07-01-14	738,603.92	5.00%				
			07-01-15	782,051.21	5.00%				
			07-01-16	868,945.79	5.00%				
			07-01-17	947,940.86	5.00%				
			07-01-18	947,940.86	5.00%				
			07-01-19	1,026,935.94	5.00%				
			07-01-20	1,263,921.15	5.00%				
			07-01-21	1,382,413.76	5.00%				
			07-01-22	1,974,876.80	5.00%				
			07-01-23	1,342,916.22	5.00%				
			07-01-24	1,382,413.76	5.00%				
			07-01-25	1,433,760.56	5.00%				
			07-01-26	1,520,655.14	5.00%				
			07-01-27	1,615,449.22	5.00%				
			07-01-28	987,438.40	5.00%				
			07-01-29	1,026,935.94	5.00%				
			07-01-30	1,066,433.47	5.00%				
			07-01-31	3,515,280.70	5.00%				
			07-01-32	3,673,270.85	5.00%				
			07-01-33	2,369,852.16	5.00%				
			07-01-34	2,475,748.24	5.00%				
			07-01-35	2,685,832.45	5.00%				
			07-01-36	2,843,822.59	5.00%				
			07-01-37	3,159,802.88	5.00%				
						41,720,500.00	687,257.13	41,033,242.87	

City of Perth Amboy, N.J.

Statement of General Serial Bonds

General Capital Fund

Purpose	Date of Issue	Amount of Original Issue	Date	Amount	Interest Rate	Balance Dec. 31, 2012	Redeemed	Balance Dec. 31, 2013
General Improvement (Taxable)	05-31-07	5,172,000.00	07-01-14	625,000.00	5.30%	3,672,000.00	250,000.00	3,422,000.00
			07-01-15	730,000.00	5.30%			
			07-01-16	765,000.00	5.30%			
			07-01-17	805,000.00	5.30%			
			07-01-18	250,000.00	5.30%			
			07-01-19	247,000.00	5.30%			
General Improvement Refunding Bonds	6/15/2011	5,865,000.00	02-01-14	515,000.00	4.000%	5,355,000.00	520,000.00	4,835,000.00
			02-01-15	515,000.00	4.000%			
			02-01-16	515,000.00	4.000%			
			02-01-17	510,000.00	2.500%			
			02-01-18	500,000.00	3.000%			
			02-01-19	590,000.00	3.250%			
			02-01-20	585,000.00	3.500%			
			02-01-21	580,000.00	3.750%			
			02-01-22	525,000.00	4.000%			

City of Perth Amboy, N.J.

Statement of General Serial Bonds

General Capital Fund

Purpose	Date of Issue	Amount of Original Issue	Date	Amount	Interest Rate	Balance Dec. 31, 2012	Redeemed	Balance Dec. 31, 2013
General Improvement Refunding Bonds	6/15/2011	7,870,000.00	02-01-14	790,000.00	4.000%			
			02-01-15	790,000.00	4.000%			
			02-01-16	785,000.00	4.000%			
			02-01-17	785,000.00	2.500%			
			02-01-18	785,000.00	3.000%			
			02-01-19	785,000.00	3.250%			
			02-01-20	785,000.00	3.500%			
			02-01-21	785,000.00	3.750%	7,080,000.00	790,000.00	6,290,000.00
General Improvement Bonds	5/24/2012	37,090,000.00	03-15-14	1,515,000.00	2.000%			
			03-15-15	1,540,000.00	2.000%			
			03-15-16	1,570,000.00	2.500%			
			03-15-17	1,605,000.00	3.000%			
			03-15-18	1,640,000.00	3.000%			
			03-15-19	1,695,000.00	3.000%			
			03-15-20	1,745,000.00	4.000%			
			03-15-21	1,790,000.00	4.000%			
			03-15-22	1,865,000.00	4.000%			
			03-15-23	1,940,000.00	4.000%			
			03-15-24	2,015,000.00	5.000%			
			03-15-25	2,090,000.00	5.000%			
			03-15-26	2,180,000.00	3.125%			
			03-15-27	2,270,000.00	3.125%			
			03-15-28	2,365,000.00	3.250%			
			03-15-29	2,475,000.00	3.375%			
			03-15-30	2,585,000.00	3.500%			
			03-15-31	2,700,000.00	3.500%	37,090,000.00	1,505,000.00	35,585,000.00

City of Perth Amboy, N.J.

Statement of General Serial Bonds

General Capital Fund

Purpose	Date of Issue	Amount of Original Issue	Date	Amount	Interest Rate	Balance Dec. 31, 2012	Redeemed	Balance Dec. 31, 2013
General Improvement Bonds	7/18/2012	10,039,000.00	01-15-14	315,000.00	4.000%			
			01-15-15	320,000.00	5.000%			
			01-15-16	360,000.00	5.000%			
			01-15-17	370,000.00	5.000%			
			01-15-18	435,000.00	4.000%			
			01-15-19	445,000.00	3.000%			
			01-15-20	460,000.00	2.000%			
			01-15-21	475,000.00	2.250%			
			01-15-22	490,000.00	2.500%			
			01-15-23	530,000.00	2.750%			
			01-15-24	545,000.00	2.750%			
			01-15-25	560,000.00	3.000%			
			01-15-26	575,000.00	3.000%			
			01-15-27	575,000.00	3.000%			
			01-15-28	575,000.00	3.000%			
			01-15-29	575,000.00	3.000%			
			01-15-30	575,000.00	3.100%			
			01-15-31	315,000.00	3.250%			
			01-15-32	605,000.00	3.250%			
			01-15-33	625,000.00	3.250%			
						10,039,000.00	314,000.00	9,725,000.00
						<u>104,986,500.00</u>	<u>4,096,257.13</u>	<u>100,890,242.87</u>
						C	C-5	C

**City of Perth Amboy, N.J.**

**Capital Lease Payable**

**General Capital Fund**

	<u>Ref.</u>	
Balance - December 31, 2012	C	256,785.56
Decreased by:		
Payment-Current Fund	C-5	<u>119,684.71</u>
Balance - December 31, 2013	C	<u><u>137,100.85</u></u>

City of Perth Amboy, N.J.  
Green Trust Loan Program  
General Capital Fund

Ordinance Number	Purpose	Date	Amount	Schedule of Maturities	Interest Rate	Balance Dec. 31, 2012	Increased	Decrease	Balance Dec. 31, 2013
	Rehabilitation of Neil J. Lucey Center Park	03-29-01	97,500.00	2006-2021 Principal and Interest Semi-Annually \$3,031.43	2.00%	47,175.89	-	5,144.94	42,030.95
	Marina Expansion	11-11-01	2,579,936.04	2006-2015 Principal and Interest Semi-Annually \$99,967.66	2.00%	579,360.11	-	189,289.84	390,070.27
	Waterfront Park Pier Project	08-08-06	362,500.00	2007-2026 Principal and Interest Semi-Annually \$11,270.70	2.00%	265,533.40	-	17,316.89	248,216.51
	Patten Center Park	10-24-07	350,000.00	2009-2027 Principal and Interest Semi-Annually \$11,116.52	2.00%	278,644.41	-	16,743.46	261,900.95
	Bayview Park	12-15-11	493,168.61	2012-2027 Principal and Interest Semi-Annually \$19,109.35	2.00%	478,990.94	-	28,782.08	450,208.86
	Bayview Park	12-15-11	192,695.75	2011-2027 Principal and Interest Semi-Annually \$6,713.52	2.00%	173,260.41	-	10,011.63	163,248.78
	Willow Pond	03-25-13	251,260.13	2013-2032 Principal and Interest Semi-Annually \$12,885.12	0%		251,260.13	6,442.56	244,817.57
						<u>1,822,965.16</u>	<u>251,260.13</u>	<u>273,731.40</u>	<u>1,800,493.89</u>
						C	C-5	C-5	C
						C-18 Reserve for Debt Service		6,016.18	
						C-20 Transfer Current Fund		426.38	
								<u>6,442.56</u>	

City of Perth Amboy, N.J.

Statement of Bond Anticipation Notes - General Capital

General Capital Fund

Ordinance Number	Improvement Description	Issuance Date of Orig. Note	Issuance Date	Maturity Date	Interest Rate	Balance Dec. 31, 2012	Decreased By	Balance Dec. 31, 2013
1006-99	Shoreline Improvement Project	03/11/03	03/04/11	03/02/12	1.98%	1,100,000.00	1,100,000.00	
1035-00	Public Safety Complex	03/11/03	03/04/11	03/02/12	1.98%	1,117,058.00		1,117,058.00
1244-04	Rte. 440/High St. Connector Road Project	01/26/05	03/04/11	03/02/12	1.98%	988,142.00	256,500.00	731,642.00
1313-05	City Wide Fuel Depot	01/05/06	03/04/11	03/02/12	1.98%			
1410-08	Improvements to Willow Pond	03/06/08	03/04/11	03/02/12	1.98%	837,930.00	391,381.00	446,549.00
1413-08	Funding of Self Insurance Emergency Approp.	04/10/08	03/04/11	03/02/12	3.25%			
1438-08	Public Safety Complex	03/05/09	03/04/11	03/02/12	1.98%	3,572,942.00	59,375.00	3,513,567.00
1508-10	Vehicle Purchase	03/05/10	03/04/11	03/02/12	1.98%	38,000.00	38,000.00	
						<u>7,654,072.00</u>	<u>1,845,256.00</u>	<u>5,808,816.00</u>
						C	C-6	C
						Paid by Budget	348,923.15	
						Prior Year Excess of BAN'S	1,496,332.85	
							<u>1,845,256.00</u>	
						BAN'S	5,362,267.26	
						Current Year Excess Proceeds	446,548.74	
							<u>5,808,816.00</u>	

City of Perth Amboy, N.J.  
Statement of Improvement Authorizations - General Capital  
General Capital Fund

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2012		Canceled by Resolution	Encumbrances Payables	Paid or Charged	Balance Dec. 31, 2013	
				Funded	Unfunded				Funded	Unfunded
1006-99/1194-03	Shoreline Improvement	10/27/99	9,800,000.00	407,736.41			(711,104.91)	773,467.38	345,373.94	
1244-04/1367-07	Rte. 440/ High St. Connector Road Project	05/12/04	15,600,000.00	2,177,194.16				575,497.84	1,601,696.32	
1291-05	Bayview Park/ Animal Shelter	06/08/05	1,600,000.00							
1357-06	Public Safety Complex	09/13/06	20,000,000.00	938.61		1,774.61	(836.00)	427,209.23	201,081.03	
1565-11	Various Capital Improvements	06/08/11	3,931,000.00	185,721.99			(442,568.27)	485,378.19	83,757.62	
1581-11	Construction of the Brighton Ave. Center	09/14/11	1,039,959.61	235,561.47		104,373.57	(2,311,542.10)	2,172,478.62	292,167.62	
1582-11	Improvements to Waterfront	03/27/13	2,020,341.29	149,146.88			(595,273.31)	1,109,235.62	35,184.57	
1630-12	P/A Public Library Renovations	05/16/12	4,399,530.00	2,106,736.36			(870,038.14)	2,144,291.30	832,483.20	
1631-12	Various Capital Improvements	07/22/13	3,850,000.00				215,227.78	86,717.90	298,054.32	3,250,000.00
1690-13	Various Capital Improvements	07/23/13	1,710,000.00				6,322,981.00	46,860.19	430,158.81	10,300,000.00
1692-13	Waterfront Recovery Improvements									
				5,263,035.88		106,148.18	1,583,130.14	7,821,136.27	4,119,957.43	13,550,000.00
				C		C-4, C-18	C-12	C	C	C
				C-4	6,504,232.00					
				C-1	1,124,831.80					
				C-6	13,550,000.00					
				C-13	350,000.00					
				C-17	118,585.20					
				C-19	153,104.14					
				C-20	116,583.00					
					21,917,336.14					
				Charged Disbursements			C-20	3,992.26		
								7,817,144.01		
								7,821,136.27		

City of Perth Amboy, N.J.

Statement of Reserve For Encumbrances

General Capital Fund

	<u>Ref.</u>	
Balance - December 31, 2012	C	6,487,055.94
Increased by:		
2013 Contracts Payable	C-11	<u>1,583,130.14</u>
Decreased by:		
Contracts Cancelled	C-11	<u>                    </u>
Balance - December 31, 2013	C, C-3	<u><u>8,070,186.08</u></u>

Statement of Capital Improvement Fund

General Capital Fund

	<u>Ref.</u>	
Balance - December 31, 2012	C	125,694.84
Increased by:		
2013 Budget Appropriation	C-20	<u>250,000.00</u>
		375,694.84
Decreased by:		
Appropriated to Finance Improvement Authotizations	C-11	<u>350,000.00</u>
Balance - December 31, 2013	C, C-3	<u><u>25,694.84</u></u>

**Exhibit C-14**

**City of Perth Amboy, N.J.**

**Reserve for Grants Receivable**

**General Capital Fund**

	<u>Ref.</u>	
Balance - December 31, 2012	C	<u>4,690,000.00</u>
Balance - December 31, 2013	C, C-3	<u>4,690,000.00</u>

**Exhibit C-15**

Exhibit intentionally blank

**Exhibit C-16****City of Perth Amboy, N.J.****Reserve for Public Safety Complex****General Capital Fund**

	<u>Ref.</u>	
Balance - December 31, 2012	C	923,370.00
Increased by:		
Insurance check	C-20	600,000.00
Decreased by:		
Transfer to Current Fund	C-20	<u>545,458.00</u>
Balance - December 31, 2013	C, C-3	<u><u>977,912.00</u></u>

**Exhibit C-17****Reserve for Library****General Capital Fund**

	<u>Ref.</u>		
Balance - December 31, 2012	C		8,978.56
Increased by:			
Cancell Salaries and Wages	C-20	109,606.64	
Receipts	C-20	460.00	
Transfer Appropriation reserves	C-20	<u>4,808.12</u>	
			114,874.76
Decreased by:			
Ordinance 1667-13	C-11		<u>118,585.20</u>
Balance - December 31, 2013			<u><u>5,268.12</u></u>

City of Perth Amboy, N.J.

Reserve for Debt Service

General Capital Fund

	<u>Ref.</u>		
Balance - December 31, 2012	C		75,682.41
Increased by:			
State of NJ - Willow Pond	C-20	502,520.26	
Cancell Public Saftey Comple	C-11	1,774.61	
Receipts from BID	C-20	3,750.00	
MCIA Closeout	C-20	84,673.96	
Transfer - Current Fund			
			592,718.83
			668,401.24
Decreased by:			
Excess Funding of Bond Anticipation Notes	C-6	446,548.74	
Prior Year Debt Service Reserve - 2013 Budget Revenue	C-20	75,682.41	
Principal on Green Trust Loan- Willow Pond	C-9	6,016.18	
			528,247.33
Balance - December 31, 2013	C		140,153.91

City of Perth Amboy, N.J.

Reserve for Storm Damage Costs

General Capital Fund

	<u>Ref.</u>		
Balance - December 31, 2012	C		149,989.58
Decreased by:			
Transfer from Current Fund	C-20		
FEMA	C-20	3,114.56	
		<u>3,114.56</u>	<u>3,114.56</u>
			153,104.14
Decreased by:			
Ordinance 1698-13	C-11		<u>153,104.14</u>
Balance - December 31, 2013	C		<u><u>                    </u></u>

City of Perth Amboy, N.J.

Due To / From Current Fund

General Capital Fund

Ref.

Balance - December 31, 2012

-

Increased by:

Budget Revenue-Res. For Debt Service	C-18	75,682.41
Prior Year Excess of BAN'S	C-10	1,496,332.85
Public Satety Complex	C-16	545,458.00
Transfers-Current fund	C-2	402,359.53
Expenditures	C-11	<u>7,817,144.01</u>

10,336,976.80

Decreased by:

Transfers - Current Fund	C-2	7,201,530.39
Grants	C-4	1,469,938.31
Cancelled - Improv. Authorizations	C-11	106,148.18
Green Trust Loan Payment	C-9	426.38
Transfers - 2013 Budget Appropriation	C-13	250,000.00
Reserve for Library	C-17	114,874.76
Insurance Check	C-16	600,000.00
BID Check	C-18	3,750.00
State of NJ- Willow Pond	C-18	502,520.26
MCIA Closeout	C-18	84,673.96
FEMA Payments, Storm Damage	C-19	<u>3,114.56</u>

10,336,976.80

Balance - December 31, 2013

=====

City of Perth Amboy, N.J.

Statement of Bonds and Notes Authorized But Not Issued

General Capital Fund

Date of Ordinance or Number		Balance	2013	Bonds	Balance
		<u>Dec. 31, 2012</u>	<u>Authorizations</u>	<u>Anticipation Notes Issued</u>	<u>Dec. 31, 2013</u>
1690-13	Chevron Refund	-	3,250,000.00	-	3,250,000.00
1692-13	Various Capital Improvements	-	10,300,000.00	-	10,300,000.00
		<u>-</u>	<u>13,550,000.00</u>	<u>-</u>	<u>13,550,000.00</u>
					<u>C</u>

City of Perth Amboy, N.J.

Statement of Water and Wastewater Utility Cash - Treasurer

	Ref.	Operating	Capital
<b>Balance - December 31, 2012</b>	D	6,763,007.42	11,792,046.22
<b>Increased by Receipts:</b>			
Rents	D-6	19,087,160.17	
Miscellaneous Income	D-3	356,926.15	
Miscellaneous Revenue Not Anticipated	D-1	3,669.50	
Reserve for Debt Service	D-11, D-25	1,464,613.12	516,599.83
Loans Receivable	D-15		958,400.00
Reserve for Capital Improvements	D-26		618,095.71
Interfund:			
Due From USA/ PA	D-13	38,907.29	
		<u>20,951,276.23</u>	<u>2,093,095.54</u>
		27,714,283.65	13,885,141.76
<b>Decreased by Disbursements:</b>			
Accounts Payable	D-9, D-23	23,872.71	1,800,182.54
Refund of Prior Year Revenue	D-1	11,526.00	
Appropriation Payable	D-4	16,263,900.79	
Appropriation Reserves	D-8	452.04	
Accrued Interest on Bonds	D-10	427,526.95	
Reserve for Debt Service	D-11, D-25	790,725.04	1,538,274.49
Interfund:			
Due to USA/ PA	D-13	40,047.58	
Reserve for Capital Improvements	D-26		1,185,286.96
		<u>17,558,051.11</u>	<u>4,523,743.99</u>
<b>Balance - December 31, 2013</b>	D	<u>10,156,232.54</u>	<u>9,361,397.77</u>
Cash		10,155,732.54	4,690,348.94
Change Fund		500.00	4,671,048.83
Investments		<u>10,156,232.54</u>	<u>9,361,397.77</u>

City of Perth Amboy, N.J.

Statement of Water and Wastewater Receivable

Water and Wastewater Utility Operating Fund

	<u>Ref.</u>		
Balance - December 31, 2012	D		\$ 1,763,026.35
Increased by:			
Billings			<u>18,929,622.84</u>
			20,692,649.19
Decreased by:			
Transferred to Liens	D-7	601.86	
Receipts from Operations	D-3	<u>19,087,160.17</u>	
			<u>19,087,762.03</u>
Balance - December 31, 2013	D		<u><u>\$ 1,604,887.16</u></u>

City of Perth Amboy, N.J.

Statement of Water and Wastewater Liens

Water and Wastewater Utility Operating Fund

	<u>Ref.</u>	
Balance - December 31, 2012	D	\$ 5,134.64
Increased By:		
Water and Wastewater Liens	D-6	<u>601.86</u>
Decreased By:		
Lien Redemption		<u>4,060.79</u>
Balance - December 31, 2013	D	<u><u>\$ 1,675.71</u></u>

City of Perth Amboy, N.J.

Statement of 2012 Appropriation Reserves

Water and Wastewater Utility Operating Fund

	<u>Balance Dec. 31, 2012</u>	<u>Balance After Transfers</u>	<u>Paid Or Charged</u>	<u>Balance Lapsed</u>
<b>Operating:</b>				
USA Inc. Fixed Service Fee	<u>22,938.73</u>	<u>22,938.73</u>	<u>452.04</u>	<u>22,486.69</u>
	<u>22,938.73</u>	<u>22,938.73</u>	<u>452.04</u>	<u>22,486.69</u>
	D	D	D-5	D-1

City of Perth Amboy, N.J.

Statement of Accounts Payable

Water and Wastewater Utility Operating Fund

	<u>Ref.</u>	
Balance - December 31, 2012	D	23,872.71
Increased by:		
Charges to 2013 Budget	D-4	<u>6,068.00</u>
Decreased by:		
Disbursements	D-5	<u>23,872.71</u>
Balance - December 31, 2013	D	<u><u>6,068.00</u></u>

City of Perth Amboy, N.J.

Statement of Accrued Interest on Bonds and Notes

Water and Wastewater Utility Operating Fund

	<u>Ref.</u>	
Balance - December 31, 2012	D	427,526.95
Increased by:		
Charged to 2013 Appropriations	D-4	420,908.75
		<u>848,435.70</u>
Decreased by:		
Disbursements	D-5	427,526.95
		<u>427,526.95</u>
Balance - December 31, 2013	D	<u><u>420,908.75</u></u>

City of Perth Amboy, N.J.

Statement of Reserve for Debt Service

Water and Wastewater Utility Operating Fund

	<u>Ref.</u>		
Balance - December 31, 2012	D		50,076.02
Increased by:			
Interest on Investments	D-5	119.93	
Refinancing Series A	D-5	<u>1,464,493.19</u>	
			<u>1,464,613.12</u>
			1,514,689.14
Decreased by:			
Disbursements	D-5		<u>790,725.04</u>
Balance - December 31, 2013	D		<u><u>723,964.10</u></u>

City of Perth Amboy, N.J.

Statement of Reserve for Future Trustee Funds

Water and Wastewater Utility Operating Fund

	Ref.	
Balance - December 31, 2012	D	<u>631,185.88</u>
Balance - December 31, 2013	D	<u>631,185.88</u>

City of Perth Amboy, N.J.

Statement of Due to USA/PA

Water and Wastewater Utility Operating Fund

	<u>Ref.</u>	
Balance - December 31, 2012	D	2,532.26
Increased by:		
Receipts	D-5	<u>38,907.29</u>
		41,439.55
Decreased by:		
Disbursements	D-5	<u>40,047.58</u>
Balance - December 31, 2013	D	<u><u>1,391.97</u></u>

City of Perth Amboy, N.J.

Analysis of Water Utility Capital Cash

Water and Wastewater Utility Capital Fund

	Balance	Receipts		Disbursements	Transfers		Balance
	Dec. 31, 2011	Miscellaneous			From	To	Dec. 31, 2012
Capital Outlay	2,379.00						2,379.00
Fund Balance	7,707.98					780,379.94	743,087.92
Accounts Payable	2,169,913.40		1,800,182.54			898,581.73	898,581.73
Loans Receivable	(127,508.00)	958,400.00			2,386,038.00		(1,555,146.00)
Reserve for Capital Improvements	1,137,101.85	618,095.71	1,185,286.96				569,910.60
Reserve for Debt Service	6,707,593.66	516,599.83	1,538,274.49		752,949.94		4,932,969.06
Improvement Authorizations:							
Ordinance Date or Number:							
1466-09 Various Capital Improvements	220,072.19				104,247.90		115,824.29
1507-10 Improvements to Florida Grove Road Reservoir II	97,567.66				467,298.52	369,730.86	-
1566-11 Various Capital Improvements	1,541,540.54	-			283,850.65		1,257,689.89
1633-12 Various Capital Improvements	35,677.94	-			-		35,677.94
1691-13 Various Capital Improvements	-	-			43,184.66	2,403,608.00	2,360,423.34
	<u>11,792,046.22</u>	<u>2,093,095.54</u>	<u>4,523,743.99</u>		<u>4,452,300.53</u>	<u>4,452,300.53</u>	<u>9,361,397.77</u>
	D	D-5	D-5		D	D	D

City of Perth Amboy, N.J.

Statement of Loan Receivable

Water and Wastewater Utility Capital Fund

	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
New Jersey Environmental Infrastructure Trust	\$ 63,754.00	\$	\$ 63,754.00	\$ -
New Jersey Department of Environmental Protection	63,754.00		63,754.00	-
New Jersey Department of Environmental Protection	-	1,882,288.00	715,929.00	1,166,359.00
New Jersey Environmental Infrastructure Trust	-	627,430.00	238,643.00	388,787.00
	<u>\$ 127,508.00</u>	<u>\$ 2,509,718.00</u>	<u>1,082,080.00</u>	<u>\$ 1,555,146.00</u>
	D			D
	D-2	27,430.00		
	D-21	<u>2,482,288.00</u>		
		<u>2,509,718.00</u>		
Deobligated		D-21	123,680.00	
Receipts		D-5	<u>958,400.00</u>	
			<u>1,082,080.00</u>	

City of Perth Amboy, N.J.

Statement of Fixed Capital

Water and Wastewater Utility Capital Fund

	Balance Dec. 31, 2013	Additions	Balance Dec. 31, 2012
Water Division	\$ 27,708,556.06	\$	\$ 27,708,556.06
Wastewater Division	22,131,550.91		22,131,550.91
Various Improvements to Water System	2,786,142.00		2,786,142.00
Various Improvements to Water and Wastewater System	83,907,909.95		83,907,909.95
Improvement to Florida Grove Road Reservoir	2,285,000.00		2,285,000.00
Improvement to Florida Grove Road Reservoir II	-	1,574,985.63	1,574,985.63
	<u>\$ 138,819,158.92</u>	<u>\$ 1,574,985.63</u>	<u>\$ 140,394,144.55</u>
	D	D-17	D

City of Perth Amboy, N.J.

Statement of Fixed Capital Authorized and Uncompleted

Water and Wastewater Utility Capital Fund

	Balance Dec. 31, 2012	Additions	Deletions	Balance Dec. 31, 2013
Various Capital Improvements Water and Wastewater	1,675,000.00	-	-	1,675,000.00
Various Capital Improvements Water and Wastewater	2,100,000.00	-	2,100,000.00	-
Various Capital Improvements Water and Wastewater	3,453,800.00	-	-	3,453,800.00
Various Capital Improvements Water and Wastewater	2,727,050.00	-	-	2,727,050.00
Various Capital Improvements Water and Wastewater	-	3,465,000.00		3,465,000.00
	<u>\$ 9,955,850.00</u>	<u>\$ 3,465,000.00</u>	<u>2,100,000.00</u>	<u>\$ 11,320,850.00</u>
	D	D-22		D
		D-16	1,574,985.63	
		D-22	<u>525,014.37</u>	
			<u>2,100,000.00</u>	

City of Perth Amboy, N.J.

Statement of Water and Waste Serial Bonds

Water and Waste Water Utility Capital Fund

Description	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Paid by Budget	Balance Dec. 31, 2013
			Date	Amount Dec. 31, 2013			
<b>Water Division:</b>							
Water Utility Refunding Bonds	07/15/93	5,345,000.00	9/1/13	285,000.00	5.30%	285,000.00	-
Water Utility Refunding Bonds	03/01/12	17,320,000.00	9/1/13	60,000.00	2.00%		
			9/1/20	10,000.00	2.00%		
			9/1/21	10,000.00	2.38%		
			9/1/22	10,000.00	2.50%		
			9/1/23	10,000.00	3.00%		
			9/1/24	10,000.00	3.00%		
			9/1/25	15,000.00	3.00%		
			9/1/26	470,000.00	3.25%		
			9/1/27	5,075,000.00	5.00%		
			9/1/28	5,550,000.00	3.50%		
			9/1/29	6,100,000.00	3.63%		
						17,320,000.00	17,260,000.00
						<u>17,605,000.00</u>	<u>17,260,000.00</u>
						D	D
						D-27	D

City of Perth Amboy, N.J.

Statement of Water and Wastewater Revenue Bonds Payable

Water and Waste Water Utility Capital Fund

Description	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2012	Paid by Budget	Balance Dec. 31, 2013
			Date	Amount				
Series 1999B Capital Appreciation Bonds		24,469,076.20	9/1/15	1,925,278.40	CAB's	24,469,076.20		24,469,076.20
			9/1/16	2,517,607.90	CAB's			
			9/1/17	2,283,407.70	CAB's			
			9/1/18	2,076,126.00	CAB's			
			9/1/19	2,669,175.30	CAB's			
			9/1/20	2,360,048.30	CAB's			
			9/1/21	2,304,172.00	CAB's			
			9/1/22	2,105,508.60	CAB's			
			9/1/23	2,058,476.80	CAB's			
			9/1/24	1,880,244.00	CAB's			
			9/1/25	1,202,545.80	CAB's			
			9/1/26	1,086,485.40	CAB's			

City of Perth Amboy, N.J.

Statement of Water and Wastewater Revenue Bonds Payable

Water and Waste Water Utility Capital Fund

Description	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Paid by Budget	Balance Dec. 31, 2012	Balance Dec. 31, 2013
			Date	Amount				
MCIA Utility System Revenue Bonds: Series 2004 Revenue Bonds		15,933,833.75	10/01/13	126,437.20		126,437.20	15,609,411.35	15,482,974.15
			10/01/14	136,502.50				
			10/01/15	147,012.60				
			10/01/16	138,968.60				
			10/01/17	133,230.10				
			10/01/18	127,672.65				
			10/01/20	573,868.65				
			10/01/21	609,705.80				
			10/01/22	742,595.40				
			10/01/23	766,840.45				
			10/01/24	909,845.60				
			10/01/25	1,328,910.50				
			10/01/26	1,498,526.20				
			10/01/27	1,052,527.80				
		10/01/28	944,978.80					
		10/01/29	996,419.60					
		10/01/30	1,248,047.90					
		10/01/31	1,147,908.30					
		10/01/32	1,051,545.60					
		10/01/33	968,629.40					
		10/01/34	959,237.70					

City of Perth Amboy, N.J.

Statement of Water and Wastewater Revenue Bonds Payable

Water and Waste Water Utility Capital Fund

Description	Date of Issue	Original Issue	Date	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2012	Paid by Budget	Balance Dec. 31, 2013
				Dec. 31, 2013	Amount				
MCIA Utility System Revenue Bonds: Series 2010 Refunding Bonds		20,445,000.00	09/01/13	4,330,000.00			11,425,000.00	4,330,000.00	7,095,000.00
			09/01/14	5,330,000.00					
			09/01/15	1,765,000.00					
							<u>51,503,487.55</u>	<u>4,456,437.20</u>	<u>47,047,050.35</u>
							D	D-27	D

City of Perth Amboy, N.J.

Statement of Notes Payable

Water and Wastewater Capital Fund

Ordinance Date or Number	Improvement Description	Date	Balance Jun. 30, 2012	Notes Paid	Balance Dec. 31, 2013
1466-09	Various Capital Improvements	03/02/12	1,172,500.00	167,500.00	1,005,000.00
1566-11	Various Capital Improvements	03/02/12	3,300,000.00		3,300,000.00
			<u>4,472,500.00</u>	<u>167,500.00</u>	<u>4,305,000.00</u>
			D	D-27	D

City of Perth Amboy, N.J.

Statement of Water and Wastewater Loans Payable

Water and Wastewater Utility Capital Fund

Description	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2012	Issued	Paid by Budget	Balance Dec. 31, 2013
			Date	Amount					
NJ Environmental Infrastructure Trust 2003A Trust Loan	11/06/03	770,000.00	08-01-14	40,000.00	5.00%	525,000.00		40,000.00	485,000.00
			08-01-15	40,000.00	4.00%				
			08-01-16	45,000.00	4.00%				
			08-01-17	45,000.00	4.20%				
			08-01-18	45,000.00	4.25%				
			08-01-19/20	50,000.00	5.00%				
			08-01-21	55,000.00	4.50%				
			08-01-22	55,000.00	4.75%				
			08-01-23	60,000.00	4.75%				
							1,170,702.83	110,234.32	1,060,468.51
		11-15-03	2,016,142.00	02-01-14	19,025.47	0.00%			
				08-01-14	87,771.55	0.00%			
				02-01-15	17,306.82	0.00%			
			08-01-15	86,052.90	0.00%				
			02-01-16	15,931.90	0.00%				
			08-01-16	93,271.24	0.00%				
			02-01-17	14,385.11	0.00%				
			08-01-17	91,724.45	0.00%				
			02-01-18	12,760.99	0.00%				
			08-01-18	90,100.32	0.00%				
			02-01-19	11,117.52	0.00%				
			08-01-19	97,050.12	0.00%				
			02-01-20	8,969.21	0.00%				
			08-01-20	94,901.81	0.00%				
			02-01-21	6,820.89	0.00%				
			08-01-21	101,346.75	0.00%				
			02-01-22	4,694.06	0.00%				
			08-01-22	99,219.92	0.00%				
			02-01-23	2,449.07	0.00%				
			08-01-23	105,568.41	0.00%				

City of Perth Amboy, N.J.  
Statement of Water and Wastewater Loans Payable  
Water and Wastewater Utility Capital Fund

Description	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2012	Issued	Paid by Budget	Balance Dec. 31, 2013
			Date	Amount					
NJ Environmental Infrastructure Trust 2007A Trust Loan	11-08-07	1,170,000.00	08-01-14	50,000.00	3.60%	1,000,000.00		50,000.00	950,000.00
			08-01-15	50,000.00	5.00%				
			08-01-16/17	55,000.00	5.00%				
			08-01-18	60,000.00	5.00%				
			08-01-19/20	65,000.00	4.00%				
			08-01-21/22	70,000.00	5.00%				
			08-01-23	75,000.00	4.25%				
			08-01-24/25	80,000.00	4.50%				
			08-01-26	85,000.00	4.50%				
			08-01-27	90,000.00	4.25%				

City of Perth Amboy, N.J.  
Statement of Water and Wastewater Loans Payable  
Water and Wastewater Utility Capital Fund

Description	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance Dec. 31, 2012	Issued	Paid by Budget	Balance Dec. 31, 2013
			Date	Amount	Outstanding Dec. 31, 2013					
NJ Environmental Infrastructure Trust 2007A Trust Loan	11-08-07	1,115,000.00	02-01-14	13,593.16	0.00%	882,525.62		59,876.26	822,649.36	
			08-01-14	45,177.64	0.00%					
			02-01-15	13,024.64	0.00%					
			08-01-15	44,609.12	0.00%					
			02-01-16	12,235.03	0.00%					
			08-01-16	46,977.96	0.00%					
			02-01-17	11,366.46	0.00%					
			08-01-17	46,109.39	0.00%					
			02-01-18	10,497.89	0.00%					
			08-01-18	48,399.26	0.00%					
			02-01-19	9,550.35	0.00%					
			08-01-19	50,610.17	0.00%					
			02-01-20	8,729.16	0.00%					
			08-01-20	49,788.98	0.00%					
			02-01-21	7,907.96	0.00%					
			08-01-21	52,126.23	0.00%					
			02-01-22	6,802.50	0.00%					
			08-01-22	51,020.77	0.00%					
			02-01-23	5,697.05	0.00%					
			08-01-23	53,073.78	0.00%					
			02-01-24	4,690.29	0.00%					
			08-01-24	55,225.46	0.00%					
			02-01-25	3,553.25	0.00%					
			08-01-25	54,088.41	0.00%					
			02-01-26	2,416.21	0.00%					
			08-01-26	56,109.82	0.00%					
			02-01-27	1,208.10	0.00%					
			08-01-27	58,060.34	0.00%					

City of Perth Amboy, N.J.  
Statement of Water and Wastewater Loans Payable  
Water and Wastewater Utility Capital Fund

Description	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2012	Issued	Paid by Budget	Balance Dec. 31, 2013
			Date	Amount					
NJ Environmental Infrastructure Trust 2010A Trust Loan	12-02-10	795,000.00	08-01-14		5.00%	770,000.00		61,840.00	708,160.00
			08-01-15	23,160.00	5.00%				
			08-01-16	30,000.00	5.00%				
			08-01-17	35,000.00	5.00%				
			08-01-18	35,000.00	5.00%				
			08-01-19	35,000.00	5.00%				
			08-01-20	40,000.00	5.00%				
			08-01-21	40,000.00	5.00%				
			08-01-22	45,000.00	5.00%				
			08-01-23	45,000.00	5.00%				
			08-01-24	45,000.00	5.00%				
			08-01-25	50,000.00	5.00%				
			08-01-26	50,000.00	5.00%				
			08-01-27	55,000.00	5.00%				
			08-01-28	55,000.00	5.00%				
			08-01-29	60,000.00	5.00%				
			08-01-30	65,000.00	5.00%				

City of Perth Amboy, N.J.  
Statement of Water and Wastewater Loans Payable  
Water and Wastewater Utility Capital Fund

Description	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2012	Issued	Paid by Budget	Balance Dec. 31, 2013
			Date	Amount					
NJ Environmental Infrastructure Trust 2010A Trust Loan	12-02-10	850,488.00	02-01-14	14,415.05	0.00%	778,412.75		105,085.15	673,327.60
			08-01-14	28,830.10	0.00%				
			02-01-15	14,415.05	0.00%				
			08-01-15	28,830.10	0.00%				
			02-01-16	14,415.05	0.00%				
			08-01-16	28,830.10	0.00%				
			02-01-17	14,415.05	0.00%				
			08-01-17	28,830.10	0.00%				
			02-01-18	14,415.05	0.00%				
			08-01-18	28,830.10	0.00%				
			02-01-19	14,415.05	0.00%				
			08-01-19	28,830.10	0.00%				
			02-01-20	14,415.05	0.00%				
			08-01-20	28,830.10	0.00%				
			02-01-21	14,415.05	0.00%				
			08-01-21	28,830.10	0.00%				
			02-01-22	14,415.05	0.00%				
			08-01-22	28,830.10	0.00%				
			02-01-23	14,415.05	0.00%				
			08-01-23	28,830.10	0.00%				
			02-01-24	14,415.05	0.00%				
			08-01-24	28,830.10	0.00%				
			02-01-25	14,415.05	0.00%				
			08-01-25	28,830.10	0.00%				
			02-01-26	14,415.05	0.00%				
			08-01-26	28,830.10	0.00%				
			02-01-27	14,415.05	0.00%				
			08-01-27	28,830.10	0.00%				
			02-01-28	14,415.05	0.00%				
			08-01-28	28,830.10	0.00%				
			02-01-29	14,415.05	0.00%				
			08-01-29	10,235.30	0.00%				

NJ Environmental Infrastructure

**City of Perth Amboy, N.J.**  
**Statement of Water and Wastewater Loans Payable**  
**Water and Wastewater Utility Capital Fund**

Description	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2012	Issued	Paid by Budget	Balance Dec. 31, 2013
			Date	Amount					
Trust 2010A Trust Loan	05-28-13	600,000.00	08-01-14	20,000.00	3.00%		600,000.00	600,000.00	
			08-01-15	25,000.00	4.00%				
			08-01-16	25,000.00	4.00%				
			08-01-17	25,000.00	4.00%				
			08-01-18	25,000.00	4.00%				
			08-01-19	25,000.00	4.00%				
			08-01-20	30,000.00	4.00%				
			08-01-21	30,000.00	4.00%				
			08-01-22	30,000.00	4.00%				
			08-01-23	30,000.00	5.00%				
			08-01-24	35,000.00	5.00%				
			08-01-25	35,000.00	3.00%				
			08-01-26	35,000.00	3.00%				
			08-01-27	35,000.00	3.00%				
			08-01-28	35,000.00	3.00%				
			08-01-29	40,000.00	3.00%				
			08-01-30	40,000.00	3.00%				
			08-01-31	40,000.00	3.00%				
			08-01-32	40,000.00	3.00%				

NJ Environmental Infrastructure

City of Perth Amboy, N.J.  
Statement of Water and Wastewater Loans Payable  
Water and Wastewater Utility Capital Fund

Description	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2012	Issued	Paid by Budget	Balance Dec. 31, 2013
			Date	Amount					
Trust 2013A Trust Loan	05-28-13	1,882,288.00	02-01-14	31,903.18	0.00%				
			08-01-14	63,806.37	0.00%			63,806.37	1,818,481.63
			02-01-15	31,903.18	0.00%				
			08-01-15	63,806.37	0.00%				
			02-01-16	31,903.18	0.00%				
			08-01-16	63,806.37	0.00%				
			02-01-17	31,903.18	0.00%				
			08-01-17	63,806.37	0.00%				
			02-01-18	31,903.18	0.00%				
			08-01-18	63,806.37	0.00%				
			02-01-19	31,903.18	0.00%				
			08-01-19	63,806.37	0.00%				
			02-01-20	31,903.18	0.00%				
			08-01-20	63,806.37	0.00%				
			02-01-21	31,903.18	0.00%				
			08-01-21	63,806.37	0.00%				
			02-01-22	31,903.18	0.00%				
			08-01-22	63,806.37	0.00%				
			02-01-23	31,903.18	0.00%				
			08-01-23	63,806.37	0.00%				
			02-01-24	31,903.18	0.00%				
			08-01-24	63,806.37	0.00%				
			02-01-25	31,903.18	0.00%				
			08-01-25	63,806.37	0.00%				
			02-01-26	31,903.18	0.00%				
			08-01-26	63,806.37	0.00%				
			02-01-27	31,903.18	0.00%				
			08-01-27	63,806.37	0.00%				
			02-01-28	31,903.18	0.00%				
			08-01-28	63,806.37	0.00%				
			02-01-29	31,903.18	0.00%				
			08-01-29	63,806.37	0.00%				
			02-01-30	31,903.18	0.00%				
			08-01-30	63,806.37	0.00%				
			02-01-31	31,903.18	0.00%				
			08-01-31	63,806.37	0.00%				
			02-01-32	31,903.18	0.00%				
			08-01-32	63,806.55	0.00%				
						5,126,641.20			
						D			
						2,482,288.00			
						D-15			
						490,842.10			
						D			
						7,118,087.10			
						D			
						Portion Defeased			
						D-15			
						123,680.00			
						D-27			
						367,162.10			
						D			
						490,842.10			

City of Perth Amboy, N.J.

Statement of Improvement Authorizations

Water and Wastewater Utility Capital Fund

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2012		Authorized	Accounts Payable Cancelled	Paid or Charged	Balance Dec. 31, 2013	
				Funded	Unfunded				Funded	Unfunded
1466-09	Various Capital Improvements	06/10/09	1,675,000.00	220,072.19	-			104,247.90	115,824.29	-
1507-10	Improvement to Florida Grove Road Reservoir II	05/12/10	2,100,000.00	410,856.56	141,223.10		369,730.86	921,810.52	-	-
1566-11	Various Capital Improvements	07/02/11	3,453,800.00	1,541,540.54	-			283,850.65	1,257,689.89	-
1633-12	Various Capital Improvements	5/16/12	2,727,050.00	35,799.24	2,573,000.00			112,831.93	35,799.24	2,460,168.07
1691-13	Various Capital Improvements	7/31/13	3,465,000.00			3,465,000.00		855.10	44,144.90	3,420,000.00
				<u>2,208,268.53</u>	<u>2,714,223.10</u>	<u>3,465,000.00</u>	<u>369,730.86</u>	<u>1,423,596.10</u>	<u>1,453,458.32</u>	<u>5,880,168.07</u>
				D	D	D-17	D-23		D	D
								898,581.73		
								<u>525,014.37</u>		
								<u>1,423,596.10</u>		

City of Perth Amboy, N.J.

Statement of Accounts Payable

Water and Wastewater Utility Capital Fund

	<u>Ref.</u>		
Balance - December 31, 2012	D		2,169,913.40
Increased by:			
Charges to 2013 Budget	D-22		<u>898,581.73</u>
			3,068,495.13
Decreased by:			
Cancellations	D-22	369,730.86	
Disbursements	D-5	<u>1,800,182.54</u>	
			<u>2,169,913.40</u>
Balance - December 31, 2013	D		<u><u>898,581.73</u></u>

City of Perth Amboy, N.J.

Statement of Reserve for Amortization

Water and Wastewater Utility Capital Fund

	<u>Ref.</u>	
Balance - Dec. 31, 2012	D	<u>61,239,353.60</u>
Balance - Dec. 31, 2013	D	<u>61,239,353.60</u>

City of Perth Amboy, N.J.

Statement of Reserve for Debt Service

Water and Wastewater Utility Capital Fund

	<u>Ref.</u>		
Balance - December 31, 2012	D		6,707,593.66
Increased by:			
Receipts	D-5		516,599.83
Decreased by:			
Capital Fund Balance	D-2	752,949.94	
Disbursements	D-5	<u>1,538,274.49</u>	
			<u>2,291,224.43</u>
Balance - December 31, 2013	D		<u><u>4,932,969.06</u></u>

City of Perth Amboy, N.J.

Statement of Reserve for Capital Improvements

Water and Wastewater Utility Capital Fund

	<u>Ref.</u>	
Balance - December 31, 2012	D	1,137,101.85
Increased by:		
Receipts	D-5	618,095.71
		<u>1,755,197.56</u>
Decreased by:		
Disbursements	D-5	1,185,286.96
		<u>1,185,286.96</u>
Balance - December 31, 2013	D	<u>569,910.60</u>

City of Perth Amboy, N.J.

Statement of Reserve for Amortization

Water and Wastewater Utility Capital Fund

	Ref.		
Balance - December 31, 2012	D		5,800,393.27
Increased By:			
Capital Fund Balance	D-2	45,000.00	
Bond Payments	D-18	345,000.00	
MCIA Revenue Bond Payments	D-19	4,456,437.20	
Note Payments	D-20	167,500.00	
Loan Payments	D-21	<u>367,162.10</u>	
			<u>5,381,099.30</u>
Balance - December 31, 2013	D		<u><u>11,181,492.57</u></u>

City of Perth Amboy, N.J.

Statement of Capital Outlay

Water and Wastewater Utility Capital Fund

	Ref.	
Balance - December 31, 2012	D	<u>2,379.00</u>
Balance - December 31, 2013	D	<u>2,379.00</u>

City of Perth Amboy, N.J.

Statement of Due From Middlesex Water Company

Water and Wastewater Utility Operating Fund

	<u>Ref.</u>	
Balance - December 31, 2012	D	\$ -
Increased By:		
Deposits Due From Middlesex Water Company	D-3	<u>14,851.00</u>
Balance - December 31, 2013	D	<u><u>14,851.00</u></u>

City of Perth Amboy, N.J.

Statement of Bonds and Notes Authorized but Not Issued

Water and Wastewater Capital Fund

<u>Ordinance Date or Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>	<u>Authorized</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2013</u>
1633-12	Various Improvements	2,573,000.00		2,482,288.00	90,712.00
1633-12	Various Improvements		3,420,000.00		3,420,000.00
		<u>2,573,000.00</u>	<u>3,420,000.00</u>	<u>2,482,288.00</u>	<u>3,510,712.00</u>
		D	D-22	D-21	D

City of Perth Amboy, N.J.

Statement of Cash

Parking Utility Operating Fund

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - January 1, 2013		\$ 918,228.42	\$ 822,336.51
Increased			
Parking Fees	E-1	737,979.12	
Miscellaneous Revenues Not Anticipated	E-1	49,298.28	
Revenue due to King Plaza Collections LLC	E-10	<u>18,549.00</u>	
		<u>805,826.40</u>	
Decreased By:		<u>1,724,054.82</u>	<u>822,336.51</u>
2013 Disbursements	E-3,E-13	644,582.13	604,509.39
2012 Appropriations Paid from Appropriation Reserve	E-8	571,070.32	
Paid from King Plaza Reserve	E-10	<u>12,581.50</u>	
		<u>1,228,233.95</u>	<u>604,509.39</u>
Balance - December 31, 2013		<u>495,820.87</u>	<u>217,827.12</u>

**Exhibit E-5**

**City of Perth Amboy, N.J.**  
**Statement of Deferred Charges**  
**Parking Utility Operating Fund**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - January 1, 2013	E	136,050.00
Decreased by:		
Budget Appropriations	E-3	<u>136,050.00</u>
Balance - December 31, 2013	E	<u><u>0.00</u></u>

**Exhibit E-6**

**City of Perth Amboy, N.J.**

**Statement of December 31, 2013 Accounts Payable**

**Parking Utility Operating Fund**

	<u>Balance</u> <u>December 31, 2012</u>	<u>Encumbered</u>	<u>Balance</u> <u>December 31, 2013</u>
Accounts Payable	<u>-</u>	<u>2,209.65</u>	<u>2,209.65</u>
	<u>-</u>	<u>2,209.65</u>	<u>2,209.65</u>
	E	E-3	E

City of Perth Amboy, N.J.

Statement of Encumbrances Payable

Parking Utility Operating Fund

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - January 1, 2013	E	563,298.13
Increased by:		
Charged to 2013 Budget	E-3	<u>1,245.05</u>
		564,543.18
Decreased by:		
Cash Disbursements	E-8	<u>563,298.13</u>
Balance - December 31, 2013	E	<u><u>1,245.05</u></u>

City of Perth Amboy, N.J.

Statement of December 31, 2012 Appropriation Reserves

Parking Utility Operating Fund

	<u>Balance December 31, 2012</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<b>Operating:</b>				
Salaries and Wages	22,926.12	22,926.12	1,259.25	21,666.87
Other Expenses	<u>14,176.23</u>	<u>577,474.36</u>	<u>572,020.72</u>	<u>5,453.64</u>
	<u>37,102.35</u>	<u>600,400.48</u>	<u>573,279.97</u>	<u>27,120.51</u>
	E			E-1
Encumbrances	E-7	563,298.13		
Appropriation Reserves	E	<u>37,102.35</u>		
		<u>600,400.48</u>		
Disbursements		E-4	571,070.32	
Accounts Payable		E-6	<u>2,209.65</u>	
			<u>573,279.97</u>	

City of Perth Amboy, N.J.

Statement of Accrued Interest on Loans

Parking Utility Operating Fund

Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - January 1, 2013	E	0.00
Increased by:		
Accrued Interest on Loans	E-3	<u>13,406.25</u>
Balance - December 31, 2013	E	<u><u>13,406.25</u></u>

City of Perth Amboy, N.J.

Statement of December 31, 2013 Reserve for King Plaza

Parking Utility Operating Fund

	<u>Ref.</u>	
Balance - January 1, 2013	E	4,964.00
Increased by:		
Cash Receipts	E-4	<u>18,549.00</u>
		23,513.00
Decreased by:		
Cash Disbursements	E-4	<u>12,581.50</u>
		12,581.50
Balance - December 31, 2013	E	<u><u>10,931.50</u></u>

**City of Perth Amboy, N.J.**

**Analysis of Cash**

**Parking Utility Capital Fund**

	<u>Ordinance Number</u>		
Improvement Authorizations:			
Jefferson Street Parking Deck Improvements	1632-12	E	\$ <u>217,827.12</u>

City of Perth Amboy, N.J.

Fixed Capital Authorized and Uncompleted

Parking Utility Capital Fund

	<u>Balance Dec. 31, 2012</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2013</u>
Rehabilitation of Jefferson Street Parking Deck	<u>900,000.00</u>	<u>80,000.00</u>	<u>820,000.00</u>
	<u>900,000.00</u>	<u>80,000.00</u>	<u>820,000.00</u>
	E	E-14	E



City of Perth Amboy, N.J.  
 Statement of General Serial Bonds  
 Parking Utility Capital Fund  
 December 31, 2013

Purpose	Date of Issue	Amount of Original Issue	Date	Amount	Interest Rate	Balance Dec. 31, 2012	Redeemed	Balance Dec. 31, 2013
General Obligation Bonds	6/18/2012	900,000	07-15-14	85,000.00	4.000%	900,000.00	80,000.00	820,000.00
			07-15-15	85,000.00	5.000%			
			07-15-16	85,000.00	5.000%			
			07-15-17	85,000.00	5.000%			
			07-15-18	90,000.00	4.000%			
			07-15-19	95,000.00	3.000%			
			07-15-20	95,000.00	2.000%			
			07-15-21	100,000.00	2.250%			
			07-15-22	100,000.00	2.500%			
						900,000.00	80,000.00	820,000.00
						E	E-12	E

City of Perth Amboy, N.J.

Statement of Cash

Harborside Marina Utility Fund

	<u>Ref.</u>	<u>Operating</u>	
Balance - March 11, 2013			\$ 36,392.00
Increased			
Parking Fees	F-1, F-2	199,170.73	
Miscellaneous Revenues Not Anticipated	F-1	6,712.00	
Revenue due to Key Deposits	F-6	<u>14,410.00</u>	
			<u>220,292.73</u>
			256,684.73
Decreased By:			
2013 Disbursements	F-3	165,545.38	
Paid from Key Deposits Reserve	F-6	<u>5,925.00</u>	
			<u>171,470.38</u>
Balance - December 31, 2013			<u><u>85,214.35</u></u>

**City of Perth Amboy, N.J.**  
**Statement of Encumbrances Payable**  
**Harborside Marina Utility Fund**  
**Period Ended December 31, 2013**

	<u>Ref.</u>	
Balance - March 11, 2013		0.00
Increased by:		
Charged to 2013 Budget	F-3	<u>2,840.44</u>
Balance - December 31, 2013	F	<u><u>2,840.44</u></u>

City of Perth Amboy, N.J.

Statement of December 31, 2013 Reserve for Key Deposits

Harborside Marina Utility Fund

	<u>Ref.</u>	
Balance - March 11, 2013		0.00
Increased by:		
Cash Receipts	F-4	<u>14,410.00</u>
		14,410.00
Decreased by:		
Cash Disbursements	F-4	<u>5,925.00</u>
Balance - December 31, 2013	F	<u><u>8,485.00</u></u>

**CITY OF PERTH AMBOY**

**LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2013**

# Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and  
Members of the City Council  
City of Perth Amboy  
County of Middlesex, New Jersey

We have audited the financial statements-regulatory basis of the City of Perth Amboy in the County of Middlesex as of and for the year ended December 31, 2013, and have issued our report thereon dated May 19, 2014. Our report disclosed that, as described in Note 1 to the financial statements-regulatory basis, the City of Perth Amboy prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

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



Honorable Mayor and  
Members of the City Council  
Page 2.

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.

We did identify certain immaterial deficiencies in internal control that we have reported to management of the City of Perth Amboy in the accompanying comments and recommendations section of this report.

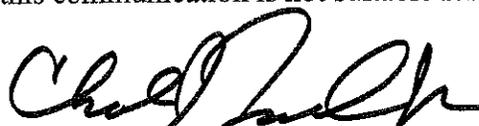
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Perth Amboy's financial statements-regulatory basis are free of 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*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the City of Perth Amboy in the accompanying comments and recommendations section of this report.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Perth Amboy'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 City of Perth Amboy's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles J. Ferraioli, Jr., C.P.A.  
Registered Municipal Accountant  
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

May 19, 2014



# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable Mayor and  
Members of the City Council  
City of Perth Amboy  
County of Middlesex, New Jersey

### **Report on Compliance for Each Major Federal and State Program**

We have audited the City of Perth Amboy in the County of Middlesex compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2013. The City of Perth Amboy's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Perth Amboy's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*"; and the provisions of the New Jersey State Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and



State Aid Payments." Those standards and OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the City of Perth Amboy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the City of Perth Amboy's compliance.

### **Opinion on Each Major Federal and State Program**

In our opinion, the City of Perth Amboy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2013.

### **Report on Internal Control Over Compliance**

Management of the City of Perth Amboy is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Perth Amboy's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal and state program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Perth Amboy's internal control over compliance.

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

Honorable Mayor and  
Members of the City Council  
Page 3.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.



Charles I. Ferraioli, Jr., C.P.A.  
Registered Municipal Accountant  
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

May 19, 2014



City of Perth Amboy, N.J.

Schedule of Expenditures of Federal Financial Assistance

For the Year Ended December 31, 2013

Federal Grantor / Pass-through Grantor/ Program Title/ Cluster Title	CEDA No.	State Agency Account Number	Grant Award	Grant Receipts	Grant Period		Grant Expenditures	Cumulative Grant Receipts
					From	To		
US Department of Agriculture:								
Pass-through NJ Department of Agriculture:								
Child Nutrition - Summer Program	10.559	3350-100-033	163,185.80 b	163,185.80	1/1/2013	12/31/2013	163,185.80	163,185.80
Child Nutrition - Sponsor Admin.	10.559	3350-100-034	14,161.83 b	14,161.83	1/1/2013	12/31/2013	14,161.83	14,161.83
US Department of Housing and Urban Development:								
Community Dev. Block Grant	14.218	n/a	708,128.89	707,283.39	1/1/2013	12/31/2013	708,128.89	708,128.89
Urban Development Action Grant	14.221	n/a	16,736.83	16,736.83	1/1/2013	12/31/2013	-	-
Home Investment Partnership Agreement								
	14.239	n/a	512,712.35	442,943.35	1/1/2013	12/31/2013	512,712.35	512,712.35
Neighborhood Initiative								
	14.251		272,250.00	272,250.00	1/1/2013	12/31/2013	254,106.64	254,106.64
US Department of Justice:								
Pass-through NJ Juvenile Justice Commission:								
Juvenile Justice Assistance Grant	16.804	1500-100-026	57,085.00	57,085.00	1/1/2013	12/31/2013	20,037.00	20,037.00
US Department of Transportation:								
Pass-through NJ Department of Transportation:								
Davidson Avenue	20.205	6320-480-XXXX	379,744.00	-	1/1/2013	12/31/2013	2,455.38	2,455.38
Bikeway System Phase II	20.205	6320-480-XXXX	32,000.00	25,508.85	1/1/2013	12/31/2013	-	25,508.85
Safe Streets to School	20.205	6320-480-XXXX	65,243.78	56,244.82	1/1/2013	12/31/2013	1,522.91	65,243.78
Trust - Center / Commerce Street	20.205	6320-480-XXXX	180,222.00	80,087.93	1/1/2013	12/31/2013	-	147,841.70
Trust - Wilson, Goodwin & Grace Street	20.205	6320-480-XXXX	294,017.00	229,032.63	1/1/2013	12/31/2013	294,017.00	294,017.00
Trust - Road Projects	20.205	6320-480-XXXX	191,600.00	-	1/1/2013	12/31/2013	13,959.84	27,919.68
Trust - Wayfinding Signage Program	20.205	6320-480-XXXX	400,000.00	98,460.00	1/1/2013	12/31/2013	104,666.00	214,066.00

City of Perth Amboy, N.J.

Schedule of Expenditures of Federal Financial Assistance

For the Year Ended December 31, 2013

Federal Grantor / Pass-through Grantor/ Program Title/ Cluster Title	CFDA No.	State Agency Account Number	Grant Award	Grant Receipts	Grant Period		Cumulative Grant Receipts
					From	To	
US Department of Environmental Protection:							
Pass-through the NJ Department of Environmental Protection:							
New Jersey Environmental Infrastructure Fund	66.458	4840-707-003	850,488.00	1,914.00	1/1/2012	12/31/2013	850,488.00
	66.458	4840-707-003	1,882,288.00	715,929.00	1/1/2013	12/31/2013	975,178.00
US Department of Energy:							
Mun. Complex Solar Project	81.087	n/a	200,000.00	-	1/1/2013	12/31/2013	33,500.00
Energy Assistance Grant	81.128	n/a	164,708.09	-	1/1/2013	12/31/2013	164,460.67
US Department of Health and Human Services:							
Safe Housing	93.044	n/a	5,000.00	3,608.00	1/1/2013	12/31/2013	3,000.00
US Department of Homeland Security							
Pass-through NJ Department of Law and Public Safety							
Disaster Grant - Hurricane Sandy	97.036	1200-100-A70	6,395,324.53	863,778.15	1/1/2013	12/31/2013	1,266,079.31
Disaster Grant - Snowstorm	97.036	1200-100-A70	257,779.38	3,114.56	1/1/2013	12/31/2013	17,779.38
Pass-through NJ Department of Law and Public Safety							
Non-Terrorism Grant	97.042	n/a	5,000.00	5,000.00	1/1/2013	12/31/2013	-
Total Federal Awards				<u>3,756,324.14</u>	<u>3,084,125.48</u>		<u>5,759,870.26</u>

City of Perth Amboy, N.J.

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2013

State Funding	State Agency Account Number	Grant Award	Grant Receipts	Grant Period		Grant Expenditures	Cumulative Grant Receipts
				From	To		
NJ Department of Environmental Protection and Energy: Recycling Tonnage Grant	4900-752-001	52,828.41	52,528.41	1/1/2013	12/31/2013	-	-
Clean Communities Grant	4900-765-004	128,467.36	59,462.04	1/1/2013	12/31/2013	86,361.09	128,467.36
New Jersey Environmental Infrastructure Fund	4840-707-003 4840-707-003	850,488.00 627,430.00	- 238,643.00	1/1/2013 1/1/2013	12/31/2013 12/31/2013	- 325,059.00	850,488.00 325,059.00
NJ Economic Development Authority: Hazardous Discharge Site Remediation Fund:							
Gilleland Property	P32902	128,968.00	-	1/1/2013	12/31/2013	18,193.45	127,964.36
Former Municipal Complex	P32391	47,999.00	22,701.00	1/1/2013	12/31/2013	4,762.00	27,463.00
DPW / Landfill	P31140	4,611.48	-	1/1/2013	12/31/2013	-	4,611.48
General Cable III	P32390	148,440.96	68,688.96	1/1/2013	12/31/2013	109,169.25	142,908.25
Sobel Brothers	P15696	1,684.00	-	1/1/2013	12/31/2013	1,684.00	1,684.00
NJ Department of Community Affairs Historic Trust - Surveyor General Office	8049-580-001	110,635.00	14,114.55	1/1/2013	12/31/2013	23.40	1,848.40
Neighborhood Stabilization Program	8020-100-017	153,500.00	153,500.00	1/1/2013	12/31/2013	153,500.00	153,500.00
Handicapped Recreation	8050-100-035	18,801.00	6,391.00	1/1/2013	12/31/2013	4,000.00	4,000.00
Urban Enterprise Zone: Wayfinding Storage Business Marketing Plan	2830-763-036 2830-763-036	206,300.00 25,000.00	- 25,000.00	1/1/2013 1/1/2013	12/31/2013 12/31/2013	206,300.00 5,991.00	206,300.00 5,991.00

City of Perth Amboy, N.J.

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2013

State Funding	State Agency Account Number	Grant Award	Grant Receipts	Grant Period		Grant Expenditures	Cumulative Grant Receipts
				From	To		
NJ Department of Law and Public Safety SNJ Body Armor Grant SNJ Body Armor Grant	1020-718-001	38,983.77	-	1/1/2013	12/31/2013	9,427.77	38,973.77
	1020-718-001	10,299.08	14,199.81	1/1/2013	12/31/2013	10,299.08	10,299.08
	6400-100-078	30,044.50	-	1/1/2013	12/31/2013	6,912.60	7,229.80
Pedestrian Safety Education Grant		13,500.00	13,500.00	1/1/2013	12/31/2013	13,500.00	13,500.00
NJ Department of Justice Municipal Court Alcohol / Rehabilitation Municipal Court Alcohol / Rehabilitation	9735-760-001	30,749.46	-	1/1/2012	12/31/2013	10,834.00	12,834.00
	9735-760-001	1,108.27	1,108.27	1/1/2013	12/31/2013	-	-
NJ Department of Treasury Enhanced 911	2034-100-050	30,675.65	-	1/1/2013	12/31/2013	1,240.72	13,674.12
<b>Total State Awards</b>			<u>669,837.04</u>	<u>866,409.00</u>	<u>874,419.00</u>	<u>967,257.36</u>	<u>2,076,795.62</u>

City of Perth Amboy, N.J.

Schedule of Expenditures of County / Other Financial Assistance

For the Year Ended December 31, 2013

County Grantor / Pass-through Grantor Program / Other Assistance	Pass-through Entity ID No.	Grant Award	Grant Receipts	Grant Period		Grant Expenditures	Cumulative Grant Receipts
				From	To		
<b>Middlesex County:</b>							
<b>County Awards:</b>							
Arts Grant	n/a	1,289.00	1,289.00	1/1/2013	12/31/2013	1,127.18	1,127.18
Title V Grant	n/a	69,395.00	52,833.68	1/1/2013	12/31/2013	42,782.01	53,041.21
Library Window Replacement	n/a	100,000.00	100,000.00	1/1/2013	12/31/2013	100,000.00	100,000.00
Library Restoration Project	n/a	463,591.87	-	1/1/2013	12/31/2013	54,024.62	463,591.87
Open Space	n/a	414,232.00	414,232.00	1/1/2013	12/31/2013	414,232.00	414,232.00
County Grant	n/a	710,209.31	497,280.60	1/1/2013	12/31/2013	497,280.60	497,280.60
<b>MC Improvement Authority:</b>							
Recycling Program	n/a	42,407.00	42,407.00	1/1/2013	12/31/2013	42,407.00	42,407.00
<b>Prosecutor's Office:</b>							
Community Concerns Grant	n/a	5,155.12	4,126.26	1/1/2013	12/31/2013	1,446.72	4,381.30
<b>Office of Aging:</b>							
Transportation Grant	n/a	5,012.00	5,012.00	1/1/2013	12/31/2013	5,000.00	5,000.00
<b>Municipal Alliance:</b>							
2010 Program	n/a	10,406.96	-	1/1/2013	12/31/2013	5,035.92	10,406.96
2011 Program	n/a	35,603.61	-	1/1/2013	12/31/2013	13,152.16	35,603.61
2012 Program	n/a	42,081.00	-	1/1/2013	12/31/2013	18,626.50	18,626.50
		42,081.00	37,622.55	1/1/2013	12/31/2013	-	-
<b>Other Awards:</b>							
Provident Bank - Defibrillator Grant	n/a	5,000.00	5,000.00	1/1/2013	12/31/2013	-	-
Chubb Insurance	n/a	99,841.57	99,841.57	1/1/2013	12/31/2013	99,841.57	99,841.57
Underground Storage Tanks	n/a	199,191.09	-	1/1/2013	12/31/2013	42,849.19	44,436.69
Rudyk Park Improvements - Harbortow	n/a	24,433.88	-	1/1/2013	12/31/2013	4,200.00	14,644.00
<b>Total County / Other Awards</b>			<u>1,259,644.66</u>	<u>701,675.00</u>	<u>707,863.00</u>	<u>1,342,005.47</u>	<u>1,804,620.49</u>

**CITY OF PERTH AMBOY  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2013**

**NOTE 1. GENERAL**

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the City of Perth Amboy, County of Middlesex. The City is defined in Note 1A to the City's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for counties by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the City's financial statements.

**NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the City's financial statements. Financial assistance awards are reported in the City's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Current/Grant Fund	\$710,758.61	\$642,198.36	\$330,651.30	\$1,683,608.27
Community Development/Trust Fund	1,393,656.87		0.00	1,393,656.87
General Capital Fund	4,532.00		1,011,354.17	1,015,886.17
Water/Wastewater Fund	<u>975,178.00</u>	<u>325,059.00</u>	<u>0.00</u>	<u>1,300,237.00</u>
	<u>\$3,084,125.48</u>	<u>\$967,257.36</u>	<u>\$1,342,005.47</u>	<u>\$5,393,388.31</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree, in all material respect, with the amounts reported in the related federal and state financial reports. However, we noted certain differences which are reported in the accompanying schedule of findings of noncompliance and questioned costs.

**NOTE 5. ADJUSTMENTS**

Amounts reported in the accompanying schedules were adjusted to report the financial assistance awards as described in Note 2 Basis of Accounting.

**CITY OF PERTH AMBOY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses?            yes   X   none

reported

2. Material weakness(es) identified?            yes   X   no

Noncompliance material to financial statements noted?            yes   X   no

**Federal Awards**

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee?   X   yes            no

Type of auditor's report issued on compliance for major programs: unmodified

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses?            yes   X   none

reported

2. Material weakness(es) identified?            yes   X   no

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?            yes   X   no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>20.205</u>	<u>Highway Planning &amp; Construction</u>
<u>66.458</u>	<u>Clean Water State Revolving Fund</u>

**CITY OF PERTH AMBOY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED DECEMBER 31, 2013  
 (continued)**

*Section I - Summary of Auditor's Results, (continued)*

**State Awards Section**

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes                        X   no

Type of auditors' report on compliance for major programs:

unmodified

Internal Control over compliance:

1. Significant deficiencies identified that are not considered to be material weaknesses?

\_\_\_\_\_ yes                        X   none reported

2. Material weakness(es) identified?

\_\_\_\_\_ yes                        X   no

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04, as amended?

\_\_\_\_\_ yes                        X   no

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

4840-707-003

Urban Enterprise Zone

2830-763-036

NJ Environmental Infrastructure Trust

**CITY OF PERTH AMBOY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013  
(continued)**

*Section II - Schedule of Financial Statement Findings*

None

**CITY OF PERTH AMBOY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013  
(continued)**

*Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs*

**None**

## CITY OF PERTH AMBOY

### GENERAL COMMENTS

#### **Contracts and Agreements Requiring Advertisement for Bid**

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500 or \$25,000 if there is a certified purchasing agent, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$26,000 or \$36,000 if there is a certified purchasing agent.

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

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

Construction at Brighton Ave Community Center  
Professional GASB 45 actuarial services for the retiree welfare  
Jefferson Street Parking Deck restoration and architectural enhancement  
Support services to the Waterfront Recovery & Redevelopment Advisory Committee  
Towing services

Heating and air conditioning units for library  
Maintenance of Web Control System for HVAC at Municipal Court and Recreation Areas of Public Safety Complex  
Preventive maintenance and service of elevators at Public Safety Complex  
Construction of Public Safety/Court Community Complex  
Automated refuse collection system cab and chassis

## CITY OF PERTH AMBOY

### GENERAL COMMENTS, (continued)

Office Supplies  
Software Maintenance  
Repairs and preventative maintenance of fire engine and fire aerial apparatus  
Specialty repair services  
Installation of solar photovoltaic project on roof of Harborside Marina building on Front St and construction of educational kiosk  
2013 Dodge Journey FWED 4WD SXT  
Engineering services and construction management services for capital improvement to State St Pumping Station  
HVAC preventative maintenance and repairs  
Pool service  
Construction management services for boiler at Public Safety Complex  
Storm damage assessment  
Washington Park drainage project

Sewer rehab project  
Paver brick repair at Harbor Walk and City Hall  
Fence installation and repairs at Veterans Youth League Complex and Sadowsski Waterfront  
Truck mounted regenerative air sweeper  
Library improvements  
Parks and public properties maintenance  
Emergency repairs at Second St. Pump Station  
Extend High St. 10' water main  
Summer Food Service Program  
Front St. Parking Lot  
Reconstruction of Brighton Ave Tennis Courts  
Software maintenance for police computer system  
Vehicle repairs  
Construction at Kearney Cottage  
Slope stabilization on Water St.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 40A:11-4.

Resolutions were adopted authorizing the awarding of contract or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

### **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.

**CITY OF PERTH AMBOY**

**GENERAL COMMENTS, (continued)**

The governing body on January 3, 2013 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, taxes are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year and installments become delinquent if not paid on or before these dates,

THEREFORE, BE IT RESOLVED that the Council authorizes an interest charge of 8% per annum, upon delinquent installments of taxes and assessments; and

BE IT FURTHER RESOLVED, that the Council authorizes an interest charge of 18% per annum upon delinquent installments of taxes in excess of \$1,500.00 and an additional penalty of 6% on delinquencies in excess of \$10,000.00 at the end of the calendar year and,

BE IT FURTHER RESOLVED, that the Council provides a grace period of 10 days, within which an installment of taxes or assessment may be received without an additional charge of interest; and

BE IT FURTHER RESOLVED, that any installment received after the expiration of the grace period shall bear interest from the due date,

BE IT FURTHER RESOLVED, that the rate of interest to be charged upon tax liens is hereby set at 18% per annum, and a copy of this resolution is to be filed with the Tax Collector - Treasurer and the Tax Assessor of the City of Perth Amboy.

**Delinquent Taxes and Tax Title Liens**

The last tax sale was held on December 27, 2013 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2013	39
2012	97
2011	389

**CITY OF PERTH AMBOY**

**GENERAL COMMENTS, (continued)**

**Verification of Delinquent Taxes and Other Charges**

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services.

The results of the test, which was made as of December 31, 2013, is not yet known, but a separate report will be rendered if any irregularities were developed.

In addition, analytical review procedures were utilized to ascertain the validity of the receivables.

**CITY OF PERTH AMBOY**

**OTHER COMMENTS**

**Police Department**

\*1. One receipt tested was not deposited within 48 hours.

**Recreation Department**

\*1. One receipt tested was not deposited within 48 hours.

**RECOMMENDATIONS**

**Police Department**

\*1. All receipts should be deposited within 48 hours.

**Recreation Department**

\*1. All receipts should be deposited within 48 hours.

**STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS**

A review was performed on all prior year recommendations and corrective action was taken on all, except for those recommendations denoted with an asterisk (“\*”).

The problems and weaknesses noted in our audit were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Respectfully submitted,



Charles J. Ferraioli, Jr., C.P.A.  
Registered Municipal Accountant  
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

May 19, 2014