

TOWN OF GUTTENBERG

**Financial Statements With
Supplementary Information**

December 31, 2014

(With Independent Auditors' Reports Thereon)

TOWN OF GUTTENBERG

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TOWN OF GUTTENBERG

PART II

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Town Council
Town of Guttenberg
County of Hudson, 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 Town of Guttenberg in the County of Hudson, as of December 31, 2014 and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town'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.



Honorable Mayor and
Members of the Town Council
Page 2.

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 Town of Guttenberg 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 Town of Guttenberg as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

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



Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Guttenberg's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents is 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2015 on our consideration of the Town of Guttenberg'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 Town of Guttenberg's internal control over financial reporting and compliance.


Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413


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

February 20, 2015



TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Current Fund:			
Cash	A-4	\$ 6,170,299	5,719,425
Grants Receivable:			
Community Development Block Grant - 68th St. Sec. 3			24,259
Due from State of New Jersey:			
Senior citizens' and veterans' deductions	A-8	20,877	17,597
		<u>6,191,176</u>	<u>5,761,281</u>
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-5	1,747,627	1,448,133
Tax Title Liens	A-20	6,101	5,676
Revenue accounts receivable	A-6	111,993	85,105
Prepaid Local School District Tax	A-9	111,687	128,000
Interfunds Receivable:			
Animal License Trust Fund	A-17	13	930
Community Development Trust Fund	A-17	705	24,853
Other Trust Fund	A-17		43
Escrow Trust Fund	A-17	9	9
Payroll Agency Account	A-17	45,663	11
Net Payroll Account	A-17	9,355	
General Capital Fund	A-17	34,063	103,273
		<u>2,067,216</u>	<u>1,796,033</u>
Deferred Charges:			
Special Emergency Authorizations	A-7	44,000	88,000
		<u>8,302,392</u>	<u>7,645,314</u>
State and Federal Grant Fund:			
Cash	A-4	111,548	89,028
Due from Current Fund	A-18	22,942	48,155
Grants receivable	A-22	20,818	29,061
		<u>155,308</u>	<u>166,244</u>
		<u>\$ 8,457,700</u>	<u>7,811,558</u>

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation reserves	A-3,A-12	\$ 1,584,589	1,403,517
Encumbrances payable	A-13	25,078	86,630
Tax overpayments	A-14	61,973	56,265
Prepaid taxes	A-15	218,714	173,225
County Added Taxes Payable	A-11	8,103	19
Reserve for Amount Due to the Hudson County			
Treasurer - Court Fines and Costs	A-16	6,764	6,764
Interfunds Payable:			
Other Trust Fund	A-17	651	
Federal and State Grant Fund	A-18	22,942	48,155
Reserve for:			
Pension Deferral	A-19	228,137	228,137
Revaluation	A-19	17,130	17,130
Library Contribution	A-19	20,554	20,554
State Library Aid	A-19	6,419	4,476
Tax Appeals	A-19	139,162	290,962
Police Retroactive Pay	A-19		90,383
Outside Liens	A-19		230,212
		<hr/>	<hr/>
		2,340,216	2,656,429
Reserve for receivables and other assets	A	2,067,216	1,796,033
Fund balance	A-1	3,894,960	3,192,852
		<hr/>	<hr/>
		8,302,392	7,645,314
State and Federal Grant Fund:			
Matching Funds for Grants		70,000	50,000
Due to State of New Jersey	A-21	3,841	
Appropriated reserves	A-23	64,632	99,068
Unappropriated reserves	A-24	16,835	17,176
		<hr/>	<hr/>
		155,308	166,244
		<hr/>	<hr/>
		\$ 8,457,700	7,811,558
		<hr/>	<hr/>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

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

Current Fund

Year Ended December 31, 2014 and 2013

	Dec. 31, <u>2014</u>	Dec. 31, <u>2013</u>
Revenue and other income realized:		
Fund balance utilized	\$ 1,231,000	1,300,000
Miscellaneous revenue anticipated	2,414,991	2,525,774
Receipts from delinquent taxes	1,216,766	1,280,622
Receipts from current taxes	26,653,377	26,426,541
Nonbudget revenues	301,322	214,724
Other credits to income:		
Unexpended balance of appropriation reserves	1,310,477	928,482
Liabilities Canceled	89,119	19,542
Prepaid School Tax Realized	128,000	158,501
Interfunds Returned	104,354	478,118
	<hr/>	<hr/>
Total revenue	33,449,406	33,332,304
	<hr/>	<hr/>
Expenditures:		
Budget and emergency appropriations:		
Operations:		
Salaries and wages	4,643,880	4,449,069
Other expenses	8,792,433	8,910,284
Deferred charges and statutory expenditures	875,411	848,841
Capital improvements	700,000	700,000
Municipal debt service	701,537	932,400
County taxes	4,765,919	4,913,014
Due county for added taxes	8,103	
Local district school taxes	10,830,212	10,472,152
Prepaid local district school taxes	111,687	128,000
Interfunds Advanced	75,584	104,901
Refunds	11,532	65,683
	<hr/>	<hr/>
Total expenditures	31,516,298	31,524,344
	<hr/>	<hr/>
Excess in Revenue	1,933,108	1,807,960

TOWN OF GUTTENBERG

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

Current Fund

Year Ended December 31, 2014 and 2013

	Dec. 31, <u>2014</u>	Dec. 31, <u>2013</u>
Statutory excess to fund balance	1,933,108	1,807,960
Fund balance - January 1,	<u>3,192,852</u>	<u>2,684,892</u>
	5,125,960	4,492,852
Decreased by utilization as anticipated revenue	<u>1,231,000</u>	<u>1,300,000</u>
Fund balance - December 31,	\$ <u><u>3,894,960</u></u>	\$ <u><u>3,192,852</u></u>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus anticipated	\$ 1,231,000	1,231,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	25,000	33,714	8,714
Other	65,000	157,797	92,797
Fees and permits:			
Construction	75,000	185,372	110,372
Other	80,000	187,158	107,158
Fines and costs municipal court	570,000	560,663	(9,337)
Parking meters	85,000	93,236	8,236
Interest and costs on taxes	160,000	235,157	75,157
Interest on investments and deposits	10,000	34,632	24,632
Consolidated Municipal Property Tax Relief Aid	205,625	205,625	
Energy Receipts Tax	553,150	553,150	
Public and Private Programs Offset by Revenues:			
Drunk Driving Enforcement Fund	1,792	1,792	
Municipal Alliance	9,655	9,655	
Clean Communities	13,695	13,695	
Body Armor Grant	3,126	3,126	
Summer Food	23,703	23,703	
Alcohol Education and Rehabilitation	1,536	1,536	
Distracted Driving	5,000	5,000	
Click it or Ticket	4,000	4,000	
Recycling Tonnage Grant	14,050	14,050	
PILOT Housing Authority	47,000		(47,000)
Cablevision	50,000	41,811	(8,189)
Verizon	25,000	50,119	25,119
Total miscellaneous revenues	<u>2,027,332</u>	<u>2,414,991</u>	<u>387,659</u>
Receipts from delinquent taxes	<u>1,285,000</u>	<u>1,216,766</u>	<u>(68,234)</u>
Amount to be raised by taxes for support of municipal budget	<u>12,630,390</u>	<u>12,499,143</u>	<u>(131,247)</u>
Budget total	<u>\$ 17,173,722</u>	<u>17,361,900</u>	<u>188,178</u>
Nonbudget revenue		<u>301,322</u>	
		<u>\$ 17,663,222</u>	

TOWN OF GUTTENBERG
Statement of Revenues-Regulatory Basis
Current Fund
Year Ended December 31, 2014

Analysis of Realized Revenue

Allocation of current tax collections;	
Revenue from collections	\$ <u>26,653,377</u>
Allocated to:	
Local district school tax	10,830,212
County taxes	<u>4,774,022</u>
	<u>15,604,234</u>
Balance for support of municipal	
budget appropriations	11,049,143
Reserve for uncollected taxes	<u>1,450,000</u>
	<u>\$ 12,499,143</u>
Receipts from:	
Delinquent tax collections	\$ <u>1,216,766</u>

Analysis of Miscellaneous Revenue Not Anticipated

Insurance Reimbursements	2,315
Recycling Refunds	42,745
Election Reimbursement	450
Close Out of Tax Collections Account	61,042
ADS Refunds - State Health Benefits	122,194
Bail Money	60
Pension Refunds	13,101
Police Off Duty Administrative Fee	14,575
Auction Proceeds	5,800
DMV Inspection Fines	1,764
Other	<u>37,276</u>
	<u>\$ 301,322</u>
Due from Federal and State Grant Fund	6,025
Cash	<u>295,297</u>
	<u>\$ 301,322</u>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG
Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2014

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operations-within "CAPS"					
Administrative and executive:					
Salaries and wages	\$ 270,000	270,000	258,747	11,253	
Other expenses	160,000	160,000	126,495	33,505	
Elections:					
Salaries and wages	2,200	2,200	2,100	100	
Other expenses	12,500	12,500	8,699	3,801	
Financial administration:					
Salaries and wages	175,000	175,000	165,738	9,262	
Other expenses	135,000	135,000	84,916	50,084	
Assessment of taxes:					
Salaries and wages	35,000	35,000	34,422	578	
Other expenses	29,000	29,000	14,126	14,874	
Municipal Court:					
Salaries and wages	150,000	150,000	144,993	5,007	
Other Expenses	20,000	20,000	10,822	9,178	
Collection of taxes:					
Salaries and wages	89,000	89,000	83,387	5,613	
Other expenses	13,250	13,250	3,587	9,663	
Legal services and costs:					
Salaries and wages	92,000	92,000	86,753	5,247	
Other expenses	150,000	150,000	124,160	25,840	
Public building and grounds:					
Other expenses	170,000	132,500	107,856	24,644	
Engineering:					
Other expenses	150,000	150,000	121,378	28,622	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2014

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and wages	15,000	15,000	12,870	2,130	
Other expenses	4,500	4,500	140	4,360	
Community Action Program:					
Other expenses	10,500	10,500	10,000	500	
Insurance:					
Insurance-Other	605,500	605,500	545,185	60,315	
Group Insurance for Employees	1,948,000	1,948,000	1,518,151	429,849	
Unemployment Insurance	15,000	15,000	15,000		
PUBLIC SAFETY:					
Police:					
Salaries and wages	2,686,680	2,686,680	2,577,717	108,963	
Other expenses	120,000	120,000	111,649	8,351	
Emergency management services:					
Other expenses	650	650	415	235	
Weehawken Volunteer Ambulance:					
Other expenses	45,000	45,000	30,355	14,645	
Fire Official/Inspector:					
Salaries and wages	85,000	85,000	77,836	7,164	
Other expenses	3,000	3,000	2,191	809	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2014

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Public Works:					
Street Cleaning:					
Salaries and wages	530,000	530,000	523,006	6,994	
Other expenses	130,000	145,000	139,745	5,255	
Recycling:					
Other expenses	105,000	105,000	98,987	6,013	
Solid Waste & Garbage Removal:					
Other expenses	770,000	770,000	654,384	115,616	
Snow Removal:					
Other expenses	85,000	100,000	94,115	5,885	
Health and Welfare:					
Public Health Services:					
Other expenses	23,000	23,000	13,248	9,752	
Recreation and Education:					
Recreation:					
Salaries and wages	150,000	150,000	142,354	7,646	
Other expenses	70,000	75,100	73,080	2,020	
Celebration of public event, anniversary or holiday - other expenses	57,000	57,000	38,487	18,513	
Senior Citizens Nutrition Program:					
Salaries and wages	14,000	14,000	13,975	25	
Other expenses	35,000	35,200	35,197	3	
Senior Citizens Transportation:					
Salaries and wages	75,000	75,000	29,831	45,169	
Other expenses	14,250	14,250	12,179	2,071	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2014

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Senior Recreation Program:					
Other expenses	10,000	10,000	5,468	4,532	
Uniform construction code official:					
Salaries and wages	195,000	195,000	150,995	44,005	
Other expenses	8,000	8,000	4,332	3,668	
License inspector:					
Salaries and wages	30,000	30,000	20,575	9,425	
Other expenses	2,500	2,500	425	2,075	
UNCLASSIFIED:					
Utilities:					
Electricity	85,000	85,000	70,841	14,159	
Street lighting	120,000	120,000	94,245	25,755	
Telephone	60,000	60,000	49,979	10,021	
Water	16,000	16,000	9,208	6,792	
Fire hydrant service	50,000	52,200	52,199	1	
Sewerage	22,000	22,000	18,319	3,681	
Gasoline	82,000	82,000	71,202	10,798	
Postage - all departments	30,000	30,000	23,235	6,765	
Technology	85,000	85,000	71,919	13,081	
Salary & Wage Adjustment	50,000	50,000		50,000	
Total Operations within "CAPS"	10,095,530	10,095,530	8,791,218	1,304,312	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2014

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Contingent	6,125	6,125		6,125	
Total Operations Including Contingent-within "CAPS"	10,101,655	10,101,655	8,791,218	1,310,437	
Detail:					
Salaries & Wages	4,643,880	4,643,880	4,325,299	318,581	
Other Expenses (Including Contingent)	5,457,775	5,457,775	4,465,919	991,856	
	10,101,655	10,101,655	8,791,218	1,310,437	
Deferred Charges and Statutory Expenditures-Municipal within "CAPS"					
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	215,000	215,000	196,946	18,054	
Public Employees Retirement system	155,862	155,862	140,613	15,249	
Police and Firemans Retirement System of N.J.	447,649	447,649	420,577	27,072	
Consolidated Police and Firemen's Pension Fund	12,000	12,000		12,000	
DCRP	900	900	113	787	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	831,411	831,411	758,249	73,162	

TOWN OF GUTTENBERG
Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2014

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total General Appropriations for Municipal Purposes within "CAPS"	10,933,066	10,933,066	9,549,467	1,383,599	
Operations-Excluded from "CAPS"					
Matching Funds for Grants	20,000	20,000	20,000		
Reserve for Tax Appeals	175,000	175,000	175,000		
911-Other Expenses	37,000	37,000	28,974	8,026	
Stormwater Management	40,000	40,000	27,878	12,122	
Health Insurance CAP Exception					
Library Service-North Bergen:					
Other expenses	174,500	174,500	173,983	517	
North Hudson Regional Communication:					
Other expenses	81,600	81,600	75,000	6,600	
North Hudson Regional Fire & Rescue:					
Other expenses	2,730,000	2,730,000	2,556,275	173,725	
Public and Private Programs Offset by Revenues					
State Recycling Grant	14,050	14,050	14,050		
Municipal Alliance	9,655	9,655	9,655		
Drunk Driving Enforcement Fund	1,792	1,792	1,792		
Summer Food	23,703	23,703	23,703		
Clean Communities	13,695	13,695	13,695		
Distracted Driving	5,000	5,000	5,000		
Click it or Ticket	4,000	4,000	4,000		
Body Armor Grant	3,126	3,126	3,126		
Alcohol Education Rehabilitation	1,536	1,536	1,536		
Total Operations-Excluded from "CAPS"	3,334,657	3,334,657	3,133,667	200,990	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2014

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Detail:					
Salaries and Wages	3,334,657	3,334,657	3,133,667	200,990	
Other Expenses	3,334,657	3,334,657	3,133,667	200,990	
Capital Improvements - Excluded from CAPS					
Capital Improvement Fund	700,000	700,000	700,000		
Total Capital Improvements - Excluded from CAPS	700,000	700,000	700,000		
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	520,000	520,000	520,000		
Payment of Bond Anticipation and Capital Notes	56,679	56,679	56,679		
Interest on Bonds	79,473	79,473	78,016		1,457
Interest on Notes	20,000	20,000	10,996		9,004
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	35,847	35,847	35,846		1
Total Municipal Debt Service-Excluded from "CAPS"	711,999	711,999	701,537		10,462
Deferred Charges- Municipal Excluded from "CAPS"					
Special Emergency Authorizations - 5 years (N.J.S. 40A:4-55)	44,000	44,000	44,000		
Total Deferred Charges-Municipal-Excluded from "CAPS"	44,000	44,000	44,000		

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2014

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,790,656	4,790,656	4,579,204	200,990	10,462
Subtotal General Appropriations	15,723,722	15,723,722	14,128,671	1,584,589	10,462
Reserve for Uncollected Taxes	1,450,000	1,450,000	1,450,000		
Total General Appropriations	\$ 17,173,722	17,173,722	15,578,671	1,584,589	10,462
Adopted Budget	17,114,341				
Added by N.J.S.A. 40A:4-87	59,381				
	\$ 17,173,722				

Analysis of Paid or Charged	
Deferred Charges	44,000
Reserve for Uncollected Taxes	1,450,000
Due to Federal and State Grant Fund	76,557
Due to Federal and State Grant Fund - Matching Funds	20,000
Reserve for Tax Appeals	50,849
Reserve for Encumbrances	25,078
Cash	13,912,187
	\$ 15,578,671

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Animal License Fund:			
Cash	B-1	\$ 5,869	4,588
Due from State of New Jersey	B-3		19
		<u>5,869</u>	<u>4,607</u>
Unemployment Compensation Trust Fund:			
Cash	B-1	<u>34,961</u>	<u>30,873</u>
		<u>34,961</u>	<u>30,873</u>
Community Development Block Grant Trust Fund:			
Cash	B-1	11,545	63,845
Grants receivable	B-4	<u>111,526</u>	<u>431,911</u>
		<u>123,071</u>	<u>495,756</u>
Other Trust Funds:			
Cash	B-1	1,029,207	652,665
Interfund Receivables:			
Due from Current Fund	B-7	<u>651</u>	
		<u>1,029,858</u>	<u>652,665</u>
		<u>\$ 1,193,759</u>	<u>1,183,901</u>

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2014 and 2013

<u>Liabilities and Reserves</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Animal License Fund:			
Reserve for Animal License Expenditures	B-2	5,847	3,677
Due to State of New Jersey	B-3	9	
Due to Current Fund	B-7	13	930
		<u>5,869</u>	<u>4,607</u>
Unemployment Compensation Trust Fund:			
Reserve for Expenditures	B-9	<u>34,961</u>	<u>30,873</u>
Community Development Block Grant Trust Fund:			
Reserve for Grant Expenditures	B-5	122,366	418,492
Due to General Capital Fund	B-7		52,411
Due to Current Fund	B-7	705	24,853
		<u>123,071</u>	<u>495,756</u>
Other Trust Funds:			
Due to State-Marriage Licenses	B-6	500	400
Due to State-Construction Fees	B-6	254	254
Interfunds Payable:			
Due to Current Fund - Escrow Trust	B-7	9	9
Due to Current Fund - Other Trust	B-7		43
Reserve for:			
Other Trust Deposits	B-8	<u>1,029,095</u>	<u>651,959</u>
		<u>1,029,858</u>	<u>652,665</u>
		<u>\$ 1,193,759</u>	<u>1,183,901</u>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Cash:			
Checking	C-2,C-3	\$ 2,505,616	2,596,128
Grants Receivable:			
Community Development Block Grant	C-6	111,526	347,589
State of New Jersey - Dept. of Transportation	C-7	105,000	68,019
State of New Jersey - Department of Environmental Protection, Green Acres Program	C-8	217,263	217,263
State of New Jersey - Educational Facilities Construction Financing	C-9	3,651,737	3,651,737
Deferred charges to future taxation:			
Funded	C-4	1,444,475	1,995,505
Unfunded	C-5	21,611,457	21,191,835
Due from Community Development Grant Fund	C-10		52,411
		<u>\$ 29,647,074</u>	<u>30,120,487</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-11	1,227,000	1,747,000
Green Acres Loans Payable	C-17	217,475	248,505
Bond Anticipation notes	C-18	1,178,821	1,235,500
Capital Improvement Fund	C-12	1,675,483	926,420
Due to Current Fund	C-13	34,063	103,273
Reserve for Payment of Notes	C-14	715,631	506,764
Reserve for Grants Receivable	C-15	3,825,763	3,677,256
Improvement authorizations:			
Funded	C-16	810,946	1,944,632
Unfunded	C-16	19,915,542	19,684,787
Fund Balance	C-1	46,350	46,350
		<u>\$ 29,647,074</u>	<u>30,120,487</u>

There were bonds and notes authorized but not issued at December 31, 2014 and December 31, 2013 of \$20,432,636 and \$19,956,335 respectively. See exhibit C-19.

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

Comparative Schedule of Fund Balance - Regulatory Basis

General Capital Fund

Year Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Balance - December 31, 2013	\$ <u>46,350</u>	<u>46,350</u>
Balance - December 31, 2014	\$ <u><u>46,350</u></u>	<u><u>46,350</u></u>

See Accompanying Notes to Financial Statements

TOWN OF GUTTENBERG
Comparative Balance Sheets-Regulatory Basis
Payroll Account
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Cash	\$ <u>57,018</u>	<u>116,008</u>
	\$ <u><u>57,018</u></u>	<u><u>116,008</u></u>
 <u>Liabilities</u>		
Due to Current Fund - Net Payroll	\$ 9,355	
Due to Current Fund - Payroll Agency	45,663	11
Net Payroll Payable	1,000	115,997
Withholdings Payable	<u>1,000</u>	<u> </u>
	\$ <u><u>57,018</u></u>	<u><u>116,008</u></u>

See accompanying notes to the financial statements.

TOWN OF GUTTENBERG

Statement of General Fixed Assets-Regulatory Basis

General Fixed Assets Account Group

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Land	\$ 1,357,400	1,357,400
Buildings	3,378,500	3,378,500
Vehicles and equipment	<u>1,699,640</u>	<u>1,692,708</u>
	<u>\$ 6,435,540</u>	<u>6,428,608</u>

See accompanying notes to financial statements.

**TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 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 Town of Guttenberg 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 Town accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

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

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.

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 Town do not include the Volunteer Fire Department or Housing Authority, which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

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

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

The Town 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 Town 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 Town 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 Town 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 Town 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.

Unemployment Trust Fund - This fund is used to account for all employee deductions and budget appropriations and subsequent payment of unemployment compensation bills from the State of New Jersey.

Community Development Block Grant - This fund is used to account for the award and receipt of grant monies and subsequent expenditure of grants awarded through the Department of Housing and Urban Development passed through the County of Hudson as required by the grant agreements.

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.

General Fixed Assets Account Group - To account for all fixed assets of the Town. The Town's infrastructure is not reported in the group.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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

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

Basis of Accounting

A modified accrual basis of accounting is followed by the Town of Guttenberg. 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 February 15, May 15, August 15 and November 15, to the County by the Town. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month in the current year taxes are levied, 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 Town. 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 Town's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 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)

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 Town'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. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Town and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

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

General Capital Fund
Trust Fund

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 2014, the Mayor and Council approved additional revenues and appropriations of \$59,381 in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were also approved by the governing body.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 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)

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.

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.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 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)

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 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 Town 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 Town may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Town raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, the Town of Guttenberg has developed a fixed assets accounting and reporting system.

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 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.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 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)

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.

Use of Estimates

The preparation of financial statements requires management of the Town 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.

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 Town'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. Recent Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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

C. Recent Accounting Pronouncements, (continued)

In January 2013, the Government Accounting Standards Board issued GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term “government combinations” includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement, which is effective for financial statements beginning after December 15, 2013, will not have any effect on the entity’s financial reporting.

In April of 2013, the Government Accounting Standards Board issued GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for reporting periods beginning after June 15, 2013 and will not have any impact on the entity’s financial disclosures.

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

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 Town 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.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 2. PENSION PLANS

Description of Systems:

Substantially all of the Town'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.

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.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

Description of Systems: (continued)

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

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 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.

**TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

NOTE 2. 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

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The Town of Guttenberg opted for this deferral in the amount of \$238,623.

**TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

NOTE 2. 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 Town's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Period Ended</u>	<u>PERS</u>	<u>PFRS</u>
Year Ended December 31, 2014	\$140,613	\$420,577
Year Ended December 31, 2013	142,357	439,098
Year Ended December 31, 2012	138,144	442,006

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.

**TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

NOTE 2. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive 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.

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 remain 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.

The Town's contribution to the DCRP for the years ended December 31, 2014, 2013 and 2012, were \$113.00, \$805.00 and \$77.00, respectively.

**TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

NOTE 3. LONG-TERM DEBT

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

	Balance December 31, <u>2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2014</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	<u>\$1,747,000</u>	\$ _____	<u>\$520,000</u>	<u>\$1,227,000</u>	<u>\$535,000</u>
Total Bonds Payable	<u>1,747,000</u>	_____	<u>520,000</u>	<u>1,227,000</u>	<u>535,000</u>
Other Liabilities:					
Deferred PERS/PFRS Pension					
Contribution	216,530	_____	13,100	203,430	14,425
Green Acres Loan Obligation Debt	<u>248,505</u>	_____	<u>31,030</u>	<u>217,475</u>	<u>31,654</u>
Total Other Liabilities	<u>465,035</u>	_____	<u>44,130</u>	<u>420,905</u>	<u>46,079</u>
	<u>\$2,212,035</u>	<u>\$ _____</u>	<u>\$564,130</u>	<u>\$1,647,905</u>	<u>\$581,079</u>

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Issued-general-bonds, loans and notes	\$2,623,296	\$3,231,005	\$4,274,924
Authorized but not issued-general-bonds and notes	<u>20,432,636</u>	<u>19,956,335</u>	<u>20,007,066</u>
	23,055,932	23,187,340	24,281,990
Less funds on hand to pay debt and other deductions	<u>715,631</u>	<u>891,764</u>	<u>1,180,935</u>
Net bonds and notes issued and authorized but not issued	<u>\$22,340,301</u>	<u>\$22,295,576</u>	<u>\$23,101,055</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.500%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General debt	\$23,055,932	\$715,631	\$22,340,301
School debt	<u>239,000</u>	<u>239,000</u>	<u>-0-</u>
	<u>\$23,294,932</u>	<u>\$954,631</u>	<u>\$22,340,301</u>

Net debt of \$22,340,301 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$893,715,168 equals 2.500%.

**TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

NOTE 3. LONG-TERM DEBT, (continued)

Borrowing Power Available Under N.J.S.A. 40A:2-6 as Amended

3 ½% of equalized valuation basis (municipal)	\$31,280,031
Net Debt	<u>22,340,301</u>
Remaining borrowing power	<u>\$8,939,730</u>

The Town's long-term debt consisted of the following at December 31, 2014:

Paid by Current Fund:

\$2,230,000 General obligation bonds - 3.60%-4.00%, issued February 1, 2013, due through February 1, 2016	\$397,000
\$3,437,000 General serial bonds - 6.85% general serial bonds issued April 1, 1991, due through April 1, 2016	525,000
\$755,000 Pension Refunding Bonds - Term Bond - 5.83% issued April 1, 1991, sinking fund redemptions due through April 1, 2017	<u>305,000</u>
	<u>\$1,227,000</u>

Aggregate General Capital Fund debt service requirements on general serial bonds are as follows:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2015	\$586,480	\$535,000	\$51,480
2016	598,967	577,000	21,967
2017	<u>118,352</u>	<u>115,000</u>	<u>3,352</u>
	<u>\$1,303,799</u>	<u>\$1,227,000</u>	<u>\$76,799</u>

General capital serial bonds are direct obligations of the Town for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Town.

**TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

NOTE 3. LONG-TERM DEBT, (continued)

At December 31, 2014, the Town had authorized but not issued debt as follows:

General Capital Fund	<u>\$20,432,636</u>
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NOTE 4. INTERGOVERNMENTAL LOAN PAYABLE

The Town has entered into a loan agreement with the State of New Jersey for the financing relating to the development of recreation facilities. Aggregate Green Acres Loan payment requirements is as follows:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2015	\$35,846	\$31,654	\$4,192
2016	35,847	32,291	3,556
2017	35,847	32,940	2,907
2018	35,846	33,601	2,245
2019	35,846	34,277	1,569
2020-2021	<u>53,769</u>	<u>52,712</u>	<u>1,057</u>
	<u>\$233,001</u>	<u>\$217,475</u>	<u>\$15,526</u>

NOTE 5. BOND ANTICIPATION NOTES

The Town 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 tenth anniversary of 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.

**TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

NOTE 5. BOND ANTICIPATION NOTES, (continued)

On December 31, 2014, the Town had \$1,178,821 outstanding General Capital Fund bond anticipation notes due on March 20, 2015 at an interest rate of 1.04%. The notes are expected to be renewed for another one year period upon maturity.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
PNC Bank	<u>\$1,235,500</u>	<u>1,178,821</u>	<u>\$1,235,500</u>	<u>\$1,178,821</u>

NOTE 6. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheet of the Current Fund:

	<u>Balance Dec. 31, 2014</u>	<u>2015 Budget Appropriation</u>	<u>Balance succeeding year's budget</u>
<u>Current Fund:</u>			
Special Emergency Authorization			
Revaluation of Real Property	<u>\$44,000</u>	<u>\$44,000</u>	<u>\$ -0-</u>

NOTE 7. FUND BALANCE APPROPRIATED

There was \$1,300,000 of fund balance appropriated as anticipated revenue in the 2015 Current Fund budget.

NOTE 8. ACCRUED SICK AND VACATION BENEFITS

The Town no longer permits employees to accrue unused sick and vacation pay; therefore, there is no liability for unpaid compensation at December 31, 2014. The balance of unpaid compensation at December 31, 2013 of \$74,490 was liquidated in 2014.

**TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

NOTE 9. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2014 and 2013, \$-0- of the Town's bank balance of \$10,337,756 and \$9,322,142, respectively, was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in any one issuer.

**TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

NOTE 10. FIXED ASSETS

The following is a summary of charges in the general fixed assets account group as of December 31, 2014.

	Balance December 31, <u>2013</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2014</u>
Land	\$1,357,400	\$	\$	\$1,357,400
Building	3,378,500			3,378,500
Equipment	<u>1,692,708</u>	<u>182,485</u>	<u>175,553</u>	<u>1,699,640</u>
	<u>\$6,428,608</u>	<u>\$182,485</u>	<u>\$175,553</u>	<u>\$6,435,540</u>

NOTE 11. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2014 consist of the following:

\$34,063	Due to the Current Fund from the General Capital Fund for interest earnings not turned over, grant receipts, and the unexpended balance of the budget appropriation for interest on notes.
705	Due to the Current Fund from the Community Development Trust Fund for prior and current year interest earnings.
651	Due from the Current Fund to the Other Trust Fund for deposits made in error, less interest earned.
22,942	Due to the Federal and State Grant Fund from the Current Fund for grant revenue collected less expenditures made and interest earned.
13	Due to the Current Fund from the Animal License Trust Fund for the current year statutory excess calculation and interest earnings.
45,663	Due to the Current Fund from the Payroll Agency Account for budget appropriations transferred in excess of that required and interest earned.
9	Due to the Current Fund from the Escrow Trust Fund for accumulated interest earnings due to the Town.
<u>9,355</u>	Due to the Current Fund from Net Payroll Account for the unallocated balance in the account.
<u>\$113,401</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

**TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

NOTE 12. OTHER POST RETIREMENT BENEFITS

In addition to the pension benefits described in Note 2, the Town currently provides lifetime medical benefits to employees who retire on a paid pension under the following conditions:

- ▶ After twenty-five years of continuous service with the Town, or
- ▶ After fifteen years of continuous service with the Town at age sixty-two or older; or
- ▶ On an accidental disability pension with not less than five years of continuous service with the Town in the case of firemen and policemen, or ten years in the case of employees in the Public Employees Retirement System

Coverage is also provided for family members per the employees union contracts and paid by the Town for the life of the retiree.

For Police and Fire personnel, upon the death of the retiree, the surviving spouse and dependent children under the age of twenty-three may elect to continue the coverage at the surviving spouse's own cost. This coverage ceases when any of the following occurs:

- ▶ Spouse dies.
- ▶ Spouse remarries.

For Police and Fire personnel, prescription drug benefits are provided and paid by the Town under the same circumstances except upon retiree's death, coverage would be provided for the surviving spouse only, and would be discontinued upon:

- ▶ Surviving spouse's remarriage.
- ▶ Surviving spouse obtaining coverage from another spouse.

Plan Description

The Town of Guttenberg contributes to the State Health Benefits Program (SHBP) a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 12. OTHER POST RETIREMENT BENEFITS, (continued)

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-july2011.pdf>.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Town of Guttenberg on a monthly basis. The rates charges by the system for the year ended December 31, 2014 were as follows:

The Town of Guttenberg's contributions to SHBP for post-retirement benefits for the year ended December 31, 2014 was \$481,876 and for December 31, 2013 was \$169,471, which equaled the required contribution for the year.

NOTE 13. CONTINGENT LIABILITIES

A. Grants

The Town received financial assistance from the State of New Jersey and the U.S. Government in the form of grants and revenue sharing entitlements. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. During 2014, the Town is subject to the requirements of the Single Audit Act Amendments of 1996 which mandated that all Federal grant revenues and expenditures be audited in conjunction with a municipal audit. In addition, substantially all State grants, entitlements and cost reimbursements are subject to financial and compliance audits by the grantors.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 13. CONTINGENT LIABILITIES, (continued)

B. Other Litigation

The Town is involved in several other claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Town.

NOTE 14. ECONOMIC DEPENDENCY

The Town receives a substantial amount of its support from Federal and State governments. A significant reduction in the level of support, if this were to occur, may cause an increase in the local tax rate, and could also have a detrimental effect on the level of service that the Town would be able to provide.

NOTE 15. NORTH HUDSON REGIONAL FIRE AND RESCUE

Second Amended and Restated Consolidated Municipal Services Agreement for the Formation of a Joint Meeting Pursuant to N.J.S.A. 40:48B-1 et seq., known as North Hudson Regional Fire and Rescue (the "Agreement")

Background of the Agreement

On December 30, 1998, the Town adopted a resolution approving it to enter into a joint contract with the municipalities of North Bergen, Union City, Weehawken and West New York (the "Other Municipalities"), in order to form a joint meeting pursuant to the Consolidated Municipal Services Act, N.J.S.A. 40:48B-1 et seq. (the "Act"). The entity created by the formation of this joint meeting is known as the North Hudson Regional Fire and Rescue (the "NHRFR"), which is a public body, corporate and politic, constituting a political subdivision of the State of New Jersey, having all powers and authorities permitted by the Act. The purpose of the NHRFR is to provide for the joint operation of fire protection, rescue and emergency services, and other related governmental services.

The NHRFR was in effect from October 1, 1998, as the Other Municipalities had already formed the Agreement before the Town entered on December 30, 1998. The term of the Agreement expires September 30, 2023, but may be subject to earlier termination pursuant to the Act. The operations of the NHRFR commenced on January 1, 1999. The NHRFR is governed by a five member management committee, consisting of one representative from each municipality, and this committee may appoint one or two executive director(s), and other such officers, employees and counsel as it deems necessary. A municipality's admission to or withdrawal from the NJFRF requires four votes from the management committee.

**TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

NOTE 15. NORTH HUDSON REGIONAL FIRE AND RESCUE, (continued)

Required Contributions by the Town

The Town adopted an ordinance on December 30, 1998, authorizing the sale, lease transfer, conveyance or other disposition of and improvement of real and personal property to the NHRFR, pursuant to New Jersey Statutes. The Town has agreed to convey two parcels of its real property, the value of which will be determined by a qualified appraiser. The Town had also agreed to convey four items of its personal property, which consist of vehicles with an aggregate minimum purchase price of \$341,000. The estimated proceeds of all property conveyed, real and personal, was approximately \$1,000,000.

The Town was required to contribute \$1,500,000 annually to the NHRFR. This annual contribution is subject to an increase based on the percentage of increase of the total fire and rescue related appropriations over the base year (SFY 1998) of the Other Municipalities. The Agreement also contains provisions for cost and budget balance allocations, and a growth value adjustment to be made in calendar year 2001, but these provisions do not pertain to the Town. As of December 31, 2014, the town budgeted \$2,730,000 and contributed \$2,556,275.

NOTE 16. 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:

	Balance December 31, <u>2014</u>	Balance December 31, <u>2013</u>
Prepaid Taxes	<u>\$218,714</u>	<u>\$173,225</u>
Cash Liability for Taxes Collected in Advance	<u>\$218,714</u>	<u>\$173,225</u>

NOTE 17. RISK MANAGEMENT

The Town of Guttenberg is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has obtained insurance coverage to guard against these events which will provide minimum exposure to the Town should they occur. During the year ended December 31, 2014, the Town did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 17. RISK MANAGEMENT, (continued)

The Town of Guttenberg is a member of the New Jersey Intergovernmental Insurance Fund (the "NJIF"). The NJIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage for member municipalities. The Town of Guttenberg pays an annual assessment to the NJIF and should it be determined that payments received by the NJIF are deficient, additional assessments may be levied.

The NJIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The NJIF provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members by participating in a state-wide joint purchase program.

Financial statements for the Funds are available at the office of the Funds' Executive Director, New Jersey Intergovernmental Insurance Fund.

The Town of Guttenberg continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 18. SUBSEQUENT EVENT

The Town has evaluated subsequent events through February 20, 2015, the date which the financial statements were available to be issued, and besides the item described below, no other items were noted for disclosure.

A contract in the amount of \$17,303,000 was awarded for the construction of the Guttenberg Recreational/Cultural Center and the renovation of the Anna L. Klein School and Guttenberg Board of Education outdoor undeveloped lots. The contract was awarded to Alna Construction Corporation on February 9, 2015 and is authorized in Improvement Authorization 2-2012.

SUPPLEMENTARY DATA

TOWN OF GUTTENBERG

Supplementary Data

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax rate	3.540	3.483	3.448 *
Apportionment of tax rate:			
Local school	1.358	1.307	1.289
County	0.599	0.615	0.606
Municipal	1.583	1.561	1.553

* - Revaluation

Assessed valuation:

Year ended Dec. 31, 2014	\$	800,475,800
Year ended Dec. 31, 2013		800,942,308
Year ended Dec. 31, 2012		801,044,532

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
Year ended Dec. 31, 2014	\$ 28,275,567	26,653,377	94.26%
Year ended Dec. 31, 2013	27,896,822	26,426,541	94.73%
Year ended Dec. 31, 2012	27,672,741	26,294,025	95.02%

TOWN OF GUTTENBERG

Supplementary Data

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	Amount of tax title <u>liens</u>	Amount of delinquent <u>taxes</u>	Total delinquent	Percentage of <u>tax levy</u>
Year ended Dec. 31, 2014	6,101	1,747,627	1,753,728	6.20%
Year ended Dec. 31, 2013	5,676	1,448,133	1,453,809	5.21%
Year ended Dec. 31, 2012	5,258	1,326,992	1,332,250	4.81%

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2014 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2014	\$ None
2013	None
2012	None

Comparative Schedule of Fund Balances

<u>Year</u>	Year <u>ended</u>	Utilized in budget of <u>succeeding year</u>
Current Fund:	Dec. 31, 2014	\$ 3,894,960
	Dec. 31, 2013	1,300,000
	Dec. 31, 2012	3,192,852
	Dec. 31, 2011	2,684,892
	Dec. 31, 2010	2,429,191
		2,450,773

TOWN OF GUTTENBERG

Supplementary Data

Official in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Name of corporate surety</u>
Gerald Drasheff	Mayor		
Alfonso Caso	Councilwoman		
Donna Florio	Councilwoman		
Monica Fundora	Councilwoman		
John D. Habermann	Councilman		
Efrain Velez	Councilman		
Charles P. Daglian	Town Attorney		
Michael Caliguiri	Town Administrator		
Vincent Buono	Chief Financial Officer	1,000,000	(A)
Nicholas Goldsack	Tax Collector/Treasurer	1,000,000	(A)
Alberto Cabrera	Town Clerk	1,000,000	(A)
Ann Setliff	Deputy Tax Collector	1,000,000	(A)
Alida Buczynski	Court Administrator (until 9/30/14)	1,000,000	(A)
Ashley Mazure	Court Administrator (10/1/14-Present)	1,000,000	(A)
Andres Portillo	Deputy Court Administrator	1,000,000	(A)
Maria Rodriguez	Violations Clerk	1,000,000	(A)

(A) Coverage provided through the New Jersey Intergovernmental Insurance Fund in a policy issued by the Fidelity and Deposit Company of Maryland. Coverage is provided up to \$1,000,000 per occurrence.

TOWN OF GUTTENBERG
Schedule of Expenditures of Federal Awards
Year ended December 31, 2014 and 2013

Current Fund:	Federal grantor	Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2013	Cash Received	Expenditures	Cancelled	Deferred Revenue/ Receivable/ at Dec. 31, 2014	(MEMO) Cumulative Expenditures
Department of Transportation		State and Community Highway Safety National Highway Traffic Safety Program Selective Enforcement Mgmt - Distracted Driving	20.600	2014	5,000		5,000	5,000		*	5,000
		National Priority Safety Programs National Highway Traffic Safety Program Occupant Protection Grant - Click it or Ticket	20.616	2014	4,000		4,000	4,000		*	4,000
Department of Agriculture		Summer Food Program	10.559	2014	23,703	5,887	8,729	8,543		186	8,543
		Summer Food Program	10.559	2013	22,429	5,887	7,349	13,236			22,429
						5,887	25,078	30,779		186	
		<i>Total Current Fund</i>				5,887	25,078	30,779		186	
Community Development Block Grant Trust Fund: Department of Housing and Urban Development (passed through County of Hudson):		Community Development Block Grant: 3-03E1-14 Community Center Improvements	14.218	2014-15	111,526					*	
		3-03K1-11 Polk Street & 68th St. Upgrades	14.218	2011-12	100,000	(24,259)	24,259			*	100,000
		<i>Total Trust Funds</i>				(24,259)	24,259			*	
General Capital Fund:		Community Development Block Grant Trust Fund: Department of Housing and Urban Development (passed through County of Hudson):								*	
		3-03L1-12 Imps. to 68th Street, Section 4, Ord. 17-2012	14.218	2012-13	100,000		47,589	47,589		*	100,000
		3-03K1-09 Various Street Imps. - Ord. 25-2013	14.218	2009-10	139,178	(100,000)	139,178	39,178		*	139,178
		3-03K1-10 Various Street Imps. - Ord. 25-2013	14.218	2010-11	100,000	(100,000)	100,000			*	100,000
		3-03K1-13 Various Street Imps. - Ord. 25-2013	14.218	2013-14	120,885	(100,000)	120,885	20,885		*	120,885
		<i>Total General Capital Fund</i>				(300,000)	407,652	107,652		*	
		<i>Total Federal Financial Assistance</i>			\$	(318,372)	456,989	138,431		186	

Note: This schedule was not subject to an audit in accordance with OMB Circular A-133.

A - Accounts Receivable of \$7,349, appropriated grant reserve of \$13,236.

TOWN OF GUTTENBERG
Schedule of Expenditures of State Awards and Other Financial Assistance
 Year ended December 31, 2014 and 2013

State grantor	Program	Grant number	Grant period	Award Amount	Balance Dec. 31, 2013	Cash Received	Budgetary Expenditures	Cancelled/Adjustment	Deferred Revenue/(Accounts Receivable) at Dec. 31, 2014	(MEMO) Cumulative Expenditures		
Federal and State Grant Fund, Department of Commerce & Economic Development	Urban Enterprise Zone Assistance Fund		2011	\$ 24,038	33				33	24,005		
					33				33			
	Department of Community Affairs	Emergency Management	0666-1200-100-726	2008-09	5,000	104		104			5,000	
						104		104				
		Department of Environmental Protection	Recycling Tonnage Grant	042-4900-752-001	2014	13,973		13,973			13,973	
			Recycling Tonnage Grant	042-4900-752-001	2013	14,050	14,050		6,599		7,451	6,599
			Recycling Tonnage Grant	042-4900-752-001	2012	14,599	3,641		3,641			14,599
			Clean Communities Program	042-4900-765-004	2012	12,442	10,664		10,664			12,442
			Clean Communities Program	042-4900-765-004	2011	12,628	4,127		4,127			12,628
			Clean Communities Program	042-4900-765-004	2005-06	7,530	(640)				(640)	7,530
Clean Communities Program	042-4900-765-004		2013	14,607	14,607		14,607			14,607		
Clean Communities Program	042-4900-765-004		2014	13,695	46,449	13,695	2,989		10,706	2,989		
					46,449	42,627		31,490				
Department of Law and Public Safety	Body Armor Grant	0666-1020-718-001	2014	2,862		2,862			2,862			
	Body Armor Grant	0666-1020-718-001	2013	3,126	3,126		2,394		732	2,394		
	Body Armor Grant	0666-1020-718-001	2012	2,425	2,425		2,425			2,425		
	Body Armor Grant	0666-1020-718-001	2011	2,374	137		137			2,374		
	Highway Safety		2006-07	1,945	509		119		390	1,555		
	Over the Limit Under Arrest	0666-1160-100-057	2009-10	3,784	3,784				3,784			
	DMV Fines		2011	1,100	1,100				1,100			
	DMV Fines		2010	700	700				700			
	DMV Fines		2008-09	879	866		385		481	398		
	Combating Underage Drinking	0666-1400-100-014	2009-10	4,000	4,000				4,000			
Department of Law and Public Safety	Drunk Driving Enforcement Fund	1110-448-031020-22	2014	1,792		1,792			1,792			
	Drunk Driving Enforcement Fund	1110-448-031020-22	2012	3,866	3,866				3,866			
	Drunk Driving Enforcement Fund	1110-448-031020-22	2008-09	2,703	2,025		1,095		930	2,493		
	Drunk Driving Enforcement Fund	1110-448-031020-22	2007-08	3,478	1,932		1,932			3,478		
	Drunk Driving Enforcement Fund	1110-448-031020-22	2008-09	900	58		58			58		
	Driving While Intoxicated		2008-09		24,528	4,654	8,545		20,637			
						4,654						
						24,528	8,545		20,637			
County of Hudson (1)	Municipal Alliance Grant Fund	100-982-2000-044	2013	12,050	(2,377)	10,549	8,172			12,050		
			Match	3,013	3,013		3,013			3,013		
			2014	9,655	636	10,549	12,410		(1,225)	1,225		
					636	12,410		(1,225)				

(continued next page)

TOWN OF GUTTENBERG
Schedule of Expenditures of State Awards and Other Financial Assistance
 Year ended December 31, 2014 and 2013

State grantor	Program	Grant number	Grant period	Award Amount	Balance Dec. 31, 2013	Cash Received	Budgetary Expenditures	Cancelled/ Adjustment	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2014	(MEMO) Cumulative Expenditures	
Administrative Offices of the Courts	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2014	1,536		1,536			1,536	*	
		098-9735-760-001	2013	950	950				950	*	
		098-9735-760-001	2012	1,619	1,619				1,619	*	
		098-9735-760-001	2011	971	971				971	*	
		098-9735-760-001	2009-10	1,960	1,961				1,961	*	
		098-9735-760-001	2008-09	1,160	341				341	819	
		098-9735-760-001	2007-08	1,552	1,552				1,552	*	
		098-9735-760-001	2005-06	884	884	286			598	286	
		098-9735-760-001	2004-05	681	681	681			681	681	
		098-9735-760-001	2002-03	1,358	1,358				1,358	1,358	
						<u>9,546</u>	<u>9,546</u>			<u>9,528</u>	
						<u>81,296</u>	<u>81,296</u>	<u>65,240</u>		<u>60,463</u>	
<i>Total State and Federal Grant Fund</i>											
General Capital Fund, Department of Transportation State Aid Highway Projects Highway Planning and Construction	Municipal Aid - 69th Street, Section 3 - Ord. 13-2014 Municipal Aid - 68th Street, Section 5 - Ord. 25-2013 Municipal Aid - 68th Street, Section 4 - Ord. 17-2012		2014	250,000	(42,500)	187,500	102,205		85,295	102,205	
			2013-14	170,000	(25,519)	21,367		4,152	(42,500)	170,000	
			2012-13	100,000	(68,019)	208,867	102,205	4,152	45,795	100,000	
Department of Environmental Protection	Green Acres Program - Waterfront Park Imp. - Ord. 18-2012 Green Acres Program - Waterfront Park Imp. - Ord. 6-2008		2012	62,263	(62,263)				(62,263)	62,263	
			2007-08	155,000	(155,000)				(155,000)	155,000	
Department of Education	Section 15 Educational Facilities Financing Act Grant Construction of Building & Imps. To the Anna L. Klein School for Community, Recreational and Educational Purposes		2012	3,651,737							
<i>Total State Financial Assistance</i>											
				<u>\$ 283,274</u>	<u>(203,986)</u>	<u>283,274</u>	<u>167,445</u>	<u>4,152</u>	<u>(114,005)</u>	*	

Note: This schedule was not subject to an audit in accordance with N.J. OMB 04-04.

(1) - Passed through the State of New Jersey

A - Accounts Receivable of \$4,490, appropriated reserve of \$4,523.

TOWN OF GUTTENBERG

Schedule of Cash - Collector/Treasurer

Current Fund

Year Ended December 31, 2014

	Regular <u>Fund</u>	Federal and State Grant <u>Fund</u>
Balance - December 31, 2013	\$ 5,719,425	89,028
Increased by receipts:		
Revenue accounts receivable	2,338,434	
Miscellaneous revenues not anticipated	295,297	
Taxes receivable	27,586,418	
Senior citizens and veterans deductions	20,970	
Prepaid Taxes	218,714	
Interfunds	104,971	
Due to Federal and State Grant Fund	9,000	
Tax Overpayments	183,352	
Various Reserves	762,202	
Grants Receivable		43,650
Due from Current Fund		54,555
Excess Grant Proceeds - Due to State		3,841
Unappropriated reserves		16,835
	<u>31,519,358</u>	<u>118,881</u>
	<u>37,238,783</u>	<u>207,909</u>
Decreased by disbursements:		
2014 budget appropriations	13,912,187	
2013 appropriation reserves	179,670	
Tax overpayment refunds	38,565	
Local district school tax	10,813,899	
County taxes	4,765,919	
County added taxes	19	
Due to Federal and State Grant Fund	48,155	
Various Reserves	1,247,213	
Refund of Prior Year Revenue	11,532	
Interfunds	51,325	
Due to Current Fund		342
Appropriated Reserves		96,019
	<u>31,068,484</u>	<u>96,361</u>
Balance, December 31, 2014	\$ <u>6,170,299</u>	<u>111,548</u>

TOWN OF GUTTENBERG

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2014

Year	Balance, Dec. 31, 2013	2014 Levy	Added 2014 Levy	2013	Collected 2014	Senior & Veteran's Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2014
TY2010 \$	2,124							2,124	4,400
2011	4,400							63	39,783
2012	39,846							1,316	183,681
2013	1,401,763				1,216,766				
	1,448,133				1,216,766			3,503	227,864
2014		28,227,993	47,574	173,225	26,455,902	24,250	425	102,002	1,519,763
	\$ 1,448,133	28,227,993	47,574	173,225	27,672,668	24,250	425	105,505	1,747,627

Overpayments Applied	86,250
Cash Receipts	27,586,418
	\$ 27,672,668

Analysis of 2014 Tax Levy

Tax yield:

General property tax	\$ 28,227,993
Added tax (R.S. 54:4-63.1 et seq.)	47,574
	\$ 28,275,567

Tax levy:

Local district school tax (abstract)	\$ 10,830,212
County tax (abstract)	4,765,919
Added taxes (R.S. 54:4-63.1 et seq.)	8,103
Local tax for municipal purpose (abstract)	12,630,390
Additional tax levies/(Deductions)	40,943
	\$ 28,275,567

TOWN OF GUTTENBERG
Schedule of Revenue Accounts Receivable
Current Fund
Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Accrued in 2014	<u>Collected</u>	Balance, Dec. 31, <u>2014</u>
Clerk:				
Licenses:				
Alcoholic beverages	\$	33,714	33,714	
Other		157,797	157,797	
Fees and permits		187,158	187,158	
Construction Code Official-fees and permits	40,895	144,477	185,372	
Municipal Court fines and costs	44,210	564,900	560,663	48,447
Parking meters		93,236	93,236	
Interest and cost on taxes		235,157	235,157	
Interest on investments		34,632	34,632	
Consolidated Municipal Property Tax Relief		205,625	205,625	
Energy Receipts Tax		553,150	553,150	
PILOT Housing Authority		63,546		63,546
Cablevision		41,811	41,811	
Verizon		50,119	50,119	
	<u>\$ 85,105</u>	<u>2,365,322</u>	<u>2,338,434</u>	<u>111,993</u>
			Cash <u>2,338,434</u>	
			\$ <u><u>2,338,434</u></u>	

TOWN OF GUTTENBERG

Schedule of Deferred Charges N.J.S.A. 40A:4-53, Special Emergency Authorizations

Current Fund

Year Ended December 31, 2014

<u>Purpose</u>	<u>Date</u>	<u>Amount Authorized</u>	<u>Not Less Than 1/5 of Amount Authorized</u>	<u>Balance, Dec. 31, 2013</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2014</u>
Revaluation of Real Property	Aug. 26, 2010	220,000	44,000	88,000	44,000	44,000
				\$ 88,000	44,000	44,000

TOWN OF GUTTENBERG

**Schedule of Due from State of New Jersey
Senior Citizens' and Veterans' Deductions**

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ 17,597
Increased by:	
Senior citizens' and veterans' deductions per tax billings	<u>24,250</u>
	41,847
Decreased by:	
Cash received	<u>20,970</u>
Balance - December 31, 2014	<u><u>\$ 20,877</u></u>

Schedule of (Prepaid) Local District School Taxes Payable

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ (128,000)
Increased by:	
2014 Levy	<u>10,830,212</u>
	10,702,212
Decreased by:	
Cash Disbursed	<u>10,813,899</u>
Balance - December 31, 2014 (Prepaid)	<u><u>\$ (111,687)</u></u>

TOWN OF GUTTENBERG
Schedule of County Taxes Payable
Current Fund
Year Ended December 31, 2014

Increased by:	
County Tax Levy	\$ <u>4,765,919</u>
Decreased by:	
Cash Disbursed	\$ <u><u>4,765,919</u></u>

**Schedule of Due County for Added
and Omitted Taxes**
Current Fund
Year Ended December 31, 2014

Balance - December 31, 2013	\$ 19
Increased by:	
2014 Added Levy	<u>8,103</u>
	8,122
Decreased by:	
Cash Disbursed	<u>19</u>
Balance - December 31, 2014	\$ <u><u>8,103</u></u>

TOWN OF GUTTENBERG, N.J.

Schedule of 2013 Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	\$ 16,290	16,290		16,290
Elections	17	17		17
Financial Administration	5,941	5,941		5,941
Collection of Taxes	5,707	5,707		5,707
Assessment of Taxes	26,768	26,768		26,768
Municipal Court	26,302	26,302		26,302
Legal Services	1,871	1,871		1,871
Planning Board	789	789		789
Police	51,012	51,012		51,012
Fire Inspector	9,261	9,261		9,261
Street Cleaning	42,140	42,140		42,140
Recreation	14,274	14,274		14,274
Senior Citizens Nutrition Program	7	7		7
Senior Citizens Transportation	3,175	3,175		3,175
Uniform Construction Code	10,075	10,075		10,075
License Inspector	19,271	19,271		19,271
Salary and Wage Adjustment	48,930	48,930		48,930
Total Salaries and Wages Within "CAPS"	281,830	281,830		281,830
Other Expenses Within "CAPS":				
Administrative and Executive	30,310	31,935	10,831	21,104
Elections	3,433	3,433		3,433
Financial Administration	51,390	52,178	23,001	29,177
Collection of Taxes	8,757	8,757		8,757
Assessment of Taxes	796	796		796
Municipal Court	10,877	11,235	359	10,876
Legal Services	18,482	27,807	20,402	7,405
Public Buildings and Grounds	49,925	55,152	16,637	38,515
Engineering	4,941	11,641	11,624	17
Planning Board	3,886	3,886		3,886
Community Action Programs	500	500		500
Group Insurance for Employees	255,057	255,058		255,058
Insurance - Other	20,111	20,111	3,120	16,991
Police	19,382	23,809	6,364	17,445
Emergency Management	375	375		375
Weehawken Volunteer Ambulance	11,915	12,545	12,545	
Fire Inspector	267	267		267
Street Cleaning	12,977	52,225	38,344	13,881
Recycling	20,257	20,257		20,257
Solid Waste & Garbage Removal	129,563	129,563	348	129,215
Snow Removal	74	7,708	7,708	
Public Health Services	528	528		528
Recreation	10,625	11,133	488	10,645

TOWN OF GUTTENBERG, N.J.

Schedule of 2013 Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, 2013	Balance after Transfers	Paid or Charged	Balance Lapsed
Celebration of Public Events	15,759	15,758	5,490	10,268
Senior Citizens Nutrition Program	5,223	5,223	3,573	1,650
Senior Citizens Transportation	2,794	2,794		2,794
Senior Recreation Program	4,558	4,558		4,558
Uniform Construction Code	3,755	3,755		3,755
License Inspector	1,793	2,218	425	1,793
Electricity	19,512	19,743		19,743
Street Lighting	43,177	43,177		43,177
Telephone	10,676	11,330	1,798	9,532
Water	7,862	7,862		7,862
Fire Hydrant Service	6,194	6,194	3,984	2,210
Sewerage	59	59		59
Gasoline	10,453	10,453		10,453
Postage - All Departments	7,902	7,902		7,902
Technology	3,799	12,650	12,629	21
Contingent	6,125	6,125		6,125
Total Other expenses Within "CAPS"	814,069	900,700	179,670	721,030
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.I.)	15,655	15,655		15,655
Consolidated Police & Firemen's Fund	1,203	1,203		1,203
Total Deferred Charges and Statutory Expenditures Within "CAPS"	16,858	16,858		16,858
Total Reserves Within "CAPS"	1,112,757	1,199,388	179,670	1,019,718
Other Expenses Excluded From "CAPS":				
911 - Other Taxes	6,823	6,823		6,823
Stormwater Management	6,975	6,975		6,975
Health Insurance CAP Exception	108,828	108,828		108,828
North Hudson Regional Communication:	6,600	6,600		6,600
North Hudson Regional Fire and Rescue	161,325	161,324		161,324
Maintenance of Free Public Library	209	209		209
Total Other Expenses Excluded from "CAPS"	290,760	290,759		290,759
Total Reserves Excluded from "CAPS"	290,760	290,759		290,759
Total Reserves	\$ 1,403,517	1,490,147	179,670	1,310,477
Appropriation reserves		1,403,517		
Encumbrances		86,630		
		\$ 1,490,147		
		Cash Disbursements	179,670	
			\$ 179,670	

TOWN OF GUTTENBERG

Schedule of Reserve for Encumbrances

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$	86,630
Increased by:		
2014 Encumbrances		<u>25,078</u>
		111,708
Decreased by:		
Transferred to appropriation reserves		<u>86,630</u>
Balance - December 31, 2014	\$	<u><u>25,078</u></u>

Schedule of Tax Overpayments

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$	56,265
Increased by:		
Cash Receipts		<u>183,352</u>
		239,617
Decreased by:		
Cash Disbursements	\$	38,565
Cancelled to Operations		52,829
Overpayments Applied		<u>86,250</u>
		<u>177,644</u>
Balance - December 31, 2014	\$	<u><u>61,973</u></u>

TOWN OF GUTTENBERG

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ 173,225
Increased by:	
2015 prepaid taxes collected	<u>218,714</u>
	391,939
Decreased by:	
Applied to 2014 Taxes	<u>173,225</u>
Balance - December 31, 2014	<u><u>\$ 218,714</u></u>

**Schedule of Amount Due to the Hudson County Treasurer -
Court Fines and Costs**

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>6,764</u>
Balance - December 31, 2014	<u><u>\$ 6,764</u></u>

TOWN OF GUTTENBERG

Schedule of Interfunds Due from/(to) Other Funds

Current Fund

Year Ended December 31, 2014

	Balance Dec. 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2014</u>
Trust Funds:				
Animal License Trust Fund	\$ 930	32	949	13
CDBG Trust Fund	24,853	111	24,259	705
Other Trust Fund	43	1,767	2,461	(651)
Escrow Trust Fund	9	9	9	9
General Capital Fund	103,273	42,323	111,533	34,063
Net Payroll Account		9,355		9,355
Payroll Agency Account	11	45,663	11	45,663
	<u>\$ 129,119</u>	<u>99,260</u>	<u>139,222</u>	<u>89,157</u>
Interfunds Returned - Cash Receipts			\$ 104,354	
Interfunds Advanced - Cash Disbursements		51,325		
Interfund liquidated with General Capital in error		24,259	24,259	
Unallocated Balances		12,697		
Cash Receipts			617	
Statutory Excess Calculation		11		
Interest Earned		10,968	9,992	
		<u>\$ 99,260</u>	<u>139,222</u>	

TOWN OF GUTTENBERG

Schedule of Due from/(to) Federal and State Grant Fund

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	(48,155)
Increased by:			
Interest earned on Investments	\$	342	
Matching Budget Appropriations		20,000	
Cash Receipts		<u>9,000</u>	
			<u>29,342</u>
			(77,497)
Decreased by:			
Cash Disbursements		48,155	
Deposit Errors		6,025	
Interest received from Grant Fund		<u>375</u>	
			<u>54,555</u>
Balance - December 31, 2014		\$	<u><u>(22,942)</u></u>

TOWN OF GUTTENBERG

Schedule of Various Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2014</u>
Reserve for:				
Pension Deferral	\$ 228,137			228,137
Revaluation	17,130			17,130
Library Contribution - North Bergen	20,554			20,554
State Library Aid	4,476	1,943		6,419
Tax Appeals	290,962	50,849	202,649	139,162
Police Retroactive Pay	90,383		90,383	
Outside Liens	<u>230,212</u>	<u>760,259</u>	<u>990,471</u>	
	<u>\$ 881,854</u>	<u>813,051</u>	<u>1,283,503</u>	<u>411,402</u>
		Cash Receipts 762,202		
		Cash Disbursements	1,247,213	
		Unallocated balance cancelled	36,290	
		Transfer from 2014 Budget Appropriations	50,849	
		<u>\$ 813,051</u>	<u>1,283,503</u>	

Exhibit A-20

TOWN OF GUTTENBERG

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$	5,676
Increased by:		
Transferred from taxes receivable		<u>425</u>
Balance - December 31, 2014	\$	<u><u>6,101</u></u>

Exhibit A-21

Schedule of Due to State of New Jersey

Federal and State Grant Fund

Year Ended December 31, 2014

Increased by:		
Excess grant proceeds received - 2014 Summer Food Program	\$	<u>3,841</u>
Balance - December 31, 2014	\$	<u><u>3,841</u></u>

TOWN OF GUTTENBERG
Schedule of Grants Receivable
Federal and State Grant Fund
Year Ended December 31, 2014

<u>Purpose</u>	Balance, Dec. 31, <u>2013</u>	2014 Budget Revenue <u>Realized</u>	<u>Received</u>	<u>Cancelled</u>	Balance, Dec. 31, <u>2014</u>
Clean Communities	\$ 640	13,695	13,695		640
Drunk Driving Enforcement Fund	3,033				3,033
Community Forestry Grant	3,000				3,000
Summer Food Program	1,871			(1,871)	
Urban Enterprise Zone - Remaining Balance	4,490				4,490
Municipal Alliance - 2013	10,549		10,549		
Summer Food Program	5,478			(5,478)	
Body Armor Grant		3,126	3,126		
Municipal Alliance - 2014		9,655			9,655
Summer Food Program		23,703	16,078	(7,625)	
Recycling Tonnage Grant		14,050	14,050		
Distracted Driving		5,000	5,000		
Click it or Ticket		4,000	4,000		
Drunk Driving Enforcement Fund		1,792	1,792		
Alcohol Education and Rehabilitation		1,536	1,536		
	<u>\$ 29,061</u>	<u>76,557</u>	<u>69,826</u>	<u>(14,974)</u>	<u>20,818</u>
			Cash receipts \$ 43,650		
			Due from Current Fund 9,000		
			Unappropriated Reserves <u>17,176</u>		
			<u>\$ 69,826</u>		

TOWN OF GUTTENBERG
Schedule of Appropriated Grant Reserves
Federal and State Grant Fund
Year Ended December 31, 2014

<u>Purpose</u>	Balance, Dec. 31, <u>2013</u>	Budget <u>Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	Balance, Dec. 31, <u>2014</u>
Alcohol Education and Rehabilitation Fund	\$ 587		587		
Alcohol Education and Rehabilitation Fund	884		286		598
Highway Safety Grant	509		119		390
Alcohol Education and Rehabilitation Fund	681		681		
Emergency Management Grant	104		104		
Drunk Driving Enforcement Fund	1,932		762		1,170
Drunk Driving Enforcement Fund	2,265		2,265		
DMV Fines	866		385		481
Driving While Intoxicated	58		58		
Alcohol Education Rehabilitation grant	341				341
Alcohol Education Rehabilitation grant	1,552				1,552
Drunk Driving Enforcement Fund	2,793				2,793
DMV Fines	700				700
Over the Limit Under Arrest	3,784				3,784
Alcohol Education and Rehabilitation Fund	1,961				1,961
Community Forestry Grant	3,000				3,000
Combating Underage Drinking	4,000				4,000
Recycling Tonnage Grant	3,641		3,641		
DMV Fines	1,100				1,100
Clean Communities Grant	14,791		14,791		
Urban Enterprise Zone - Remaining Funds	4,523				4,523
Alcohol Education and Rehabilitation	2,590				2,590
Municipal Alliance	8,172		8,172		
Municipal Alliance - Match	3,013		3,013		
Summer Food Program	13,236		13,236		
Clean Communities Grant	14,607		14,607		
Body Armor Grant	2,562		2,562		
Drunk Driving Enforcement Fund	3,866				3,866
Alcohol Education and Rehabilitation	950				950
Municipal Alliance		9,655	1,225		8,430
Summer Food Program		23,703	8,543	(14,974)	186
Clean Communities Grant		13,695	2,989		10,706
Body Armor Grant		3,126	2,394		732
Drunk Driving Enforcement Fund		1,792			1,792
Alcohol Education and Rehabilitation Grant		1,536			1,536
Recycling Tonnage Grant		14,050	6,599		7,451
Distracted Driving Grant		5,000	5,000		
Click it or Ticket		4,000	4,000		
	<u>\$ 99,068</u>	<u>76,557</u>	<u>96,019</u>	<u>(14,974)</u>	<u>64,632</u>
		Adopted Budget 17,176			
		Added by N.J.S.A. 40A:4-87 59,381			
		<u>\$ 76,557</u>			
		Cash Disbursements	<u>96,019</u>		

TOWN OF GUTTENBERG

Schedule of Unappropriated Grant Reserves

Federal and State Grant Fund

Year Ended December 31, 2014

<u>Purpose</u>	Balance, Dec. 31, <u>2013</u>	<u>Received</u>	Appropriated in 2014 <u>Budget</u>	Balance, Dec. 31, <u>2014</u>
Body Armor Replacement Fund	\$ 3,126	2,862	3,126	2,862
Recycling Tonnage Grants	<u>14,050</u>	<u>13,973</u>	<u>14,050</u>	<u>13,973</u>
	<u>\$ 17,176</u>	<u>16,835</u>	<u>17,176</u>	<u>16,835</u>
		Cash Receipts <u>16,835</u>		
		\$ <u>16,835</u>		

TOWN OF GUTTENBERG

Schedule of Cash - Treasurer

Trust Funds

Year Ended December 31, 2014

	Animal License <u>Fund</u>	Unemployment Compensation <u>Fund</u>	Community Development <u>Block Grant</u>	Other Trust <u>Funds</u>
Balance - December 31, 2013	\$ 4,588	30,873	63,845	652,665
Increased by:				
Grant proceeds received			431,911	
Employee payroll deductions		7,927		
Budget Appropriation		15,000		
Dog License Fees	2,481			
State Fees	309			2,225
Interest earned on investments	21	112	111	1,776
Miscellaneous Reserves				841,302
	<u>2,811</u>	<u>23,039</u>	<u>432,022</u>	<u>845,303</u>
	<u>7,399</u>	<u>53,912</u>	<u>495,867</u>	<u>1,497,968</u>
Decreased by:				
State Fees	281			2,125
Interfunds	949		484,322	2,470
Animal license expenditures	300			
Unemployment Claims payable		18,951		
Miscellaneous Reserves				464,166
	<u>1,530</u>	<u>18,951</u>	<u>484,322</u>	<u>468,761</u>
Balance - December 31, 2014	\$ <u>5,869</u>	<u>34,961</u>	<u>11,545</u>	<u>1,029,207</u>

TOWN OF GUTTENBERG

Schedule of Reserve for Expenditures

Animal License Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	3,677
Increased by:			
Dog license fees			<u>2,481</u>
			6,158
Decreased by:			
Statutory Excess	\$	11	
Reserve Expenditures		<u>300</u>	
			<u>311</u>
Balance - December 31, 2014		\$	<u><u>5,847</u></u>

Dog License Fees Collected

2012	2,440
2013	<u>3,407</u>

\$ 5,847

TOWN OF GUTTENBERG

**Schedule of Due to/(from) State of New Jersey-
Animal License Fees**

Animal License Trust Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ (19)
Increased by:	
2014 Fees Collected	<u>309</u>
	290
Decreased by:	
Paid to State Treasurer	<u>281</u>
Balance - December 31, 2014	<u><u>\$ 9</u></u>

TOWN OF GUTTENBERG

**Schedule of Community Development Block
Grants Receivable**

Community Development Block Grant Trust Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	431,911
Increased by:			
Grant Awarded			<u>111,526</u>
			543,437
Decreased by:			
Cash Receipts - Due to Current Fund	\$	24,259	
Cash Receipts - Due to General Capital Fund		<u>407,652</u>	
			<u>431,911</u>
Balance - December 31, 2014		\$	<u><u>111,526</u></u>
			<u>Analysis of Balance</u>
			<u>Community Center - 3-03E1-14</u>
			<u>111,526</u>
		\$	<u><u>111,526</u></u>

TOWN OF GUTTENBERG

**Schedule of Reserve for Community
Development Block Grants Expenditures**

Community Development Block Grant Trust Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ 418,492
Increased by:	
Grant Awarded	<u>111,526</u>
	530,018
Decreased by:	
Due to General Capital Fund	<u>407,652</u>
Balance - December 31, 2014	<u><u>\$ 122,366</u></u>

TOWN OF GUTTENBERG

Schedule of Amount Due to State of New Jersey

Other Trust Funds

Year Ended December 31, 2014

Balance - December 31, 2013	\$	654
Increased by:		
Cash Receipts		<u>2,225</u>
		2,879
Decreased by:		
Cash Disbursements		<u>2,125</u>
Balance - December 31, 2014	\$	<u><u>754</u></u>

Analysis of Balance

Marriage License Fees - 4th Quarter of 2012	(25)
Marriage License Fees - 4th Quarter of 2014	525
DCA Fees	<u>254</u>
	<u><u>\$ 754</u></u>

TOWN OF GUTTENBERG

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2014

	Balance Due from/(to) Dec. 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance, from/(to) Dec. 31, <u>2014</u>
Animal License Fund:				
Other Trust Fund	\$ (930)	32	949	(13)
Community Development Block Grant Fund:				
Current Fund	(24,853)	111	24,259	(705)
General Capital Fund	(52,411)	407,652	460,063	
Other Trust Fund:				
Escrow Trust - Current Fund	(9)	9	9	(9)
Current Fund	(43)	1,767	2,461	651
	<u>\$ (78,246)</u>	<u>409,571</u>	<u>487,741</u>	<u>(76)</u>

Cash Receipts	\$ 407,652	
Cash Disbursements		463,482
Paid to General Capital Fund in error		24,259
Interest on Investments	1,908	
Statutory Excess	11	
	<u>\$ 409,571</u>	<u>487,741</u>

TOWN OF GUTTENBERG

Schedule of Miscellaneous Reserves

Other Trust Funds

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2014</u>
Reserve for:				
Accumulated Leave	\$ 60,674		60,674	
Snow Removal	77,000	23,000		100,000
P.O.A.A.	823	9,978		10,801
Law Enforcement Trust	4,082	7	3,906	183
Recreation Trust	17,728	30,708	4,558	43,878
Annual Celebrations	3,875	3,725	4,000	3,600
Fire Prevention	13,012	3,874	13,647	3,239
Builders Escrow Deposits	15,412	25,192	14,598	26,006
Police Special Detail	32,823	101,370	56,122	78,071
Public Defender	25,880	2,709	8,760	19,829
Asset Forfeitures				
Justice	51,340	31,324	54,239	28,425
Treasury	16,299	35	8,226	8,108
Senior Citizens	3,511	6,280	4,536	5,255
Tax Sale Premiums	329,500	603,100	230,900	701,700
	<u>\$ 651,959</u>	<u>841,302</u>	<u>464,166</u>	<u>1,029,095</u>
		Cash Receipts 841,302		
		Cash Disbursements	464,166	
		<u>\$ 841,302</u>	<u>464,166</u>	

TOWN OF GUTTENBERG

**Schedule of Reserve for Unemployment
Compensation Insurance**

Unemployment Insurance Compensation Trust

Year Ended December 31, 2014

Balance - December 31, 2013		\$	30,873
Increased by:			
Employee payroll deductions	\$	7,927	
Interest earnings		112	
Budget Appropriation		<u>15,000</u>	
			<u>23,039</u>
			53,912
Decreased by:			
Payment of Unemployment Insurance claims			<u>18,951</u>
Balance - December 31, 2014		\$	<u><u>34,961</u></u>

TOWN OF GUTTENBERG

Schedule of Cash - Treasurer

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	2,596,128
Increased by receipts:			
Due from Community Development Trust Fund	\$	52,411	
Due to/(from) Current Fund		42,323	
Grant Receipts		616,519	
Budget Appropriation - Paydown on Notes		56,679	
Bond Anticipation Notes		1,178,821	
Capital Improvement Fund		700,000	
		<u>2,646,753</u>	
			5,242,881
Decreased by disbursements:			
Due to/(from) Current Fund		111,533	
Bond Anticipation Notes		1,235,500	
Improvement Authorizations		1,390,232	
		<u>2,737,265</u>	
Balance - December 31, 2014		\$	<u><u>2,505,616</u></u>

TOWN OF GUTTENBERG

Schedule of General Capital Fund Cash

General Capital Fund

Year Ended December 31, 2014

Capital Improvement Fund	\$	1,675,483
Reserve for Payment of Notes		715,631
Grant Receivable		(3,974,000)
Reserve for Grants Receivable		3,714,237
Due to Current Fund		34,063
Fund Balance		46,350

Improvement description

6-2008/18-2012/			
26-2013/16-2014	Improvements to Waterfront Park		(121,080)
03-2010	Improvements to 71st Street		(27,438)
08-2011	Various Capital Improvements		(210,263)
2-2012	Construction of Building and Imps. To the Anna L. Klein School for Community, Recreational and Educational Purposes		8,677
17-2012/3-2013	Improvements to 68th Street, Sec. 4		45,778
25-2013	Various Street Improvements		61,657
27-2013	Sewer Repairs - Broadway & 70th Street		678,233
13-2014	Improvements to 69th Street		(141,712)
			<u>\$ 2,505,616</u>

TOWN OF GUTTENBERG

**Schedule of Deferred Charges to Future
Taxation - Funded**

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	1,995,505
Decreased by:			
Budget appropriations:			
Green Acres Loan	\$	31,030	
Municipal Bonds		<u>520,000</u>	
			<u>551,030</u>
Balance - December 31, 2014		\$	<u><u>1,444,475</u></u>

TOWN OF GUTTENBERG

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2014

Ordinance number	Improvement description	Balance, Dec. 31, 2013	2014 Authorizations	Decreased by:	Balance, Dec. 31, 2014	Analysis of Balance - December 31, 2014		
						Funded by Bond Anticipation Notes	Expenditures	Unexpended improvement authorization
02-2005	Various Capital Improvements	\$ 357,712		30,000	327,712	327,712		
18-2006	Various Capital Improvements	291,054		11,959	279,095	279,095		
5-2008	Various Capital Improvements	308,514			308,514	308,514		
6-2008	Improvements to Waterfront Park	274,000		10,500	263,500	263,500		
13-2008	Refunding of Tax Appeals							
14-2008	Improvements to 71st Street	4,220		4,220				
03-2010	Improvements to 71st Street, Sec. 4	30,000		2,562	27,438		27,438	
08-2011	Various Capital Improvements	410,400		200,137	210,263		210,263	
2-2012	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreational and Educational purposes	19,366,666			19,366,666			19,366,666
17-2012	Improvements to 68th Street, Section 4	125,519			125,519		16,601	108,918
26-2013	Improvements to Waterfront Park	23,750			23,750		23,750	
13-2014	Improvements to 69th Street		470,000		470,000		141,712	328,288
16-2014	Improvements to Waterfront Park		209,000		209,000		97,330	111,670
		\$ 21,191,835	679,000	259,378	21,611,457	1,178,821	517,094	19,915,542

Budget Appropriation	56,679
Cancelled via Resolution	202,699
	<u>\$ 259,378</u>

Improvement Authorizations - Unfunded 19,915,542

TOWN OF GUTTENBERG
Schedule of Grants Receivable
Community Development Block Grant
General Capital Fund
Year Ended December 31, 2014

Balance - December 31, 2013	\$	347,589
Increased by:		
Grant Awards		171,589
		519,178
Decreased by:		
Cash Receipts		407,652
Balance - December 31, 2014	\$	111,526
<u>Analysis of Balance</u>		
		111,526
	Ord. 2-2012	111,526
	\$	111,526

TOWN OF GUTTENBERG
Schedule of Grants Receivable - State of New Jersey
Department of Transportation
General Capital Fund
Year Ended December 31, 2014

Balance - December 31, 2014		\$	68,019
Increased by:			
Grant Awards			250,000
			318,019
Decreased by:			
Cancelled	\$	4,152	
Cash Receipts		208,867	
			213,019
Balance - December 31, 2014		\$	105,000
	<u>Analysis of Balance</u>		
			42,500
			62,500
		\$	105,000

TOWN OF GUTTENBERG

**Schedule of Grants Receivable - State of New Jersey
Green Acres Program**

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>217,263</u>
Balance - December 31, 2014	\$ <u><u>217,263</u></u>
<u>Analysis of Balance</u>	
Ord. 6-2008/18-2012: Improvements to Waterfront Park	\$ <u><u>217,263</u></u>

**Schedule of Grants Receivable - State of New Jersey
Section 15 Educational Facilities Construction
Financing Act Grant - Ord. 2-2012**

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>3,651,737</u>
Balance - December 31, 2014	\$ <u><u>3,651,737</u></u>

TOWN OF GUTTENBERG

Schedule of Interfund Receivable - Community Development Trust Fund

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>52,411</u>
Decreased by:	
Cash received	\$ <u><u>52,411</u></u>

TOWN OF GUTTENBERG

Schedule of Serial Bonds

General Capital Fund

Year Ended December 31, 2014

Purpose	Date of issue	Original issue	Maturities of bonds outstanding		Interest rate	Balance, Dec. 31, 2013	Decreased	Balance, Dec. 31, 2014
			Date	Amount				
General Obligation Bonds	Apr. 1, 1991	3,437,000	April 1, 2015	200,000	6.85%	597,000	200,000	397,000
			April 1, 2016	197,000				
General Obligation Bonds	Feb. 1, 2003	2,230,000	Feb. 1, 2015	245,000	3.90%	765,000	240,000	525,000
			Feb. 1, 2016	280,000				
Pension Refunding Bonds	Apr. 1, 2005	755,000	April 1, 2015	90,000	5.83%	385,000	80,000	305,000
			April 1, 2016	100,000				
			April 1, 2017	115,000				
						\$ 1,747,000	520,000	1,227,000

TOWN OF GUTTENBERG

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	926,420
Increased by:			
Additional grant proceeds received in excess	\$		
of original appropriation in 25-2013		60,063	
Budget Appropriation		<u>700,000</u>	
			<u>760,063</u>
			1,686,483
Decreased by:			
Appropriated to Finance			
Improvement Authorizations			<u>11,000</u>
Balance - December 31, 2014		\$	<u><u>1,675,483</u></u>

Schedule of Interfund Payable/(Receivable) - Due to Current Fund

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	103,273
Increased by:			
Interest on Investments	\$	9,060	
Unexpended Budget Appropriation -			
Interest on Bond Anticipation Notes		9,004	
Grant Receipts due Current		<u>24,259</u>	
			<u>42,323</u>
			145,596
Decreased by:			
Cash Disbursements			<u>111,533</u>
Balance - December 31, 2014		\$	<u><u>34,063</u></u>

TOWN OF GUTTENBERG

Schedule of Reserve for Payment of Notes

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ 506,764
Increased by:	
Grant proceeds received	<u>208,867</u>
Balance - December 31, 2014	<u>\$ 715,631</u>
Reserve for payment of Notes	130,570
Ord. 17-2012	21,367
Ord. 13-2014	187,500
Ord. 15-2008	104,428
Ord. 6-2008/18-2012	<u>271,766</u>
	<u>\$ 715,631</u>

Schedule of Reserve for Grants Receivable

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ 3,677,256
Increased by:	
Grants Awarded not Appropriated	<u>361,526</u>
	4,038,782
Decreased by:	
Grant award cancellations	\$ 4,152
Grant receipts transferred to reserve for payment of notes	<u>208,867</u>
	<u>213,019</u>
Balance - December 31, 2014	<u>\$ 3,825,763</u>
Ord. 13-2014 - NJ Department of Transportation	62,500
Ord. 2-2012: Community Development Block Grant	111,526
Ord. 2-2012: Sec. 15 Educational Facilities Construction Financing Grant	<u>3,651,737</u>
	<u>\$ 3,825,763</u>

TOWN OF GUTTENBERG

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2014

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2013		Authorized	Expended	Canceled	Balance, Dec. 31, 2014	
				Funded	Unfunded				Funded	Unfunded
6-2008/18-2012/ 26-2013/16-2014	Improvements to Waterfront Park	Mar. 24, 2008 Oct. 22, 2012 Sept. 23, 2013 Nov. 24, 2014	450,000 \$ 167,787 25,000	6,503	6,503	220,000	114,833			111,670
03-2010 08-2011 2-2012	Improvements to 71st Street Various Capital Improvements Construction of Building and Improvements to the Anna L. Klein School for Community, Recreation and Educational Purposes	Mar. 1, 2010 Apr. 25, 2011	115,000 432,000	2,563 200,137			1	(2,562) (200,137)		
17-2012/3-2013	Imprs. to 68th Street, Section 4	May 29, 2012 Oct. 22, 2012 Feb. 25, 2013	20,335,000 250,000 120,000	968,334 62,379 108,918	19,366,666		959,657		8,677 62,379	19,366,666 108,918
25-2013 27-2013 13-2014	Various Street Improvements Sewer Repairs - Broadway & 70th Street Improvements to 69th Street	Sept. 23, 2013 Dec. 30, 2013 Oct. 14, 2014	850,000 744,680 470,000	169,239 744,680		470,000	107,582 66,447 141,712		61,657 678,233	328,288
			\$ 1,944,632	19,684,787	690,000	690,000	1,390,232	(202,699)	810,946	19,915,542

Capital Improvement Fund 11,000
 Deferred Charges Unfunded 679,000
 \$ 690,000

Cash Disbursed \$ 1,390,232

TOWN OF GUTTENBERG

Schedule of Green Acres Loans Payable

General Capital Fund

Year Ended December 31, 2014

Purpose	Date of issue	Original issue	Maturities of Loans Outstanding		Interest rate	Balance, Dec. 31, 2013	Decreased	Balance, Dec. 31, 2014
			Date	Amount				
Ball Field Project No. 0903-94-052	3/11/2005	475,200	1/11/2015	15,748	2.00%	248,505	31,030	217,475
			7/11/2015	15,906				
			1/11/2016	16,065				
			7/11/2016	16,226				
			1/11/2017	16,388				
			7/11/2017	16,552				
			1/11/2018	16,717				
			7/11/2018	16,884				
			1/11/2019	17,053				
			7/11/2019	17,224				
			1/11/2020	17,396				
		7/11/2020	17,570					
		1/11/2021	17,746					
						\$ 248,505	31,030	217,475

TOWN OF GUTTENBERG

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year Ended December 31, 2014

Ordinance number	Improvement description	Balance, Dec. 31, 2013	Authorized	Decreased by:	Balance, Dec. 31, 2014
03-2010	Improvements to 71st Street	\$ 30,000		2,562	27,438
08-2011	Various Capital Improvements	410,400		200,137	210,263
2-2012	Construction of Building and Imps. To the Anna L. Klein School for Community Recreational and Educational purposes	19,366,666			19,366,666
17-2012	Improvements to 68th Street, Sec. 4	125,519			125,519
26-2013	Amend 18-12/6-08: Waterfront Park Imps, Phase I	23,750			23,750
13-2014	Improvements to 69th St.		470,000		470,000
16-2014	Supplemental Approp: Waterfront Park, Phase I		209,000		209,000
		<u>\$ 19,956,335</u>	<u>679,000</u>	<u>202,699</u>	<u>20,432,636</u>
			Cancelled via resolution	<u>202,699</u>	

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

The Honorable Mayor and
Members of the Town Council
Town of Guttenberg
County of Hudson, New Jersey

We have audited, 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, the financial statements-regulatory basis of the Town of Guttenberg in the County of Hudson as of and for the year ended December 31, 2014 and the related notes to the financial statements, and have issued our report thereon dated February 20, 2015, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements-regulatory basis, we considered the Town of Guttenberg'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 Town of Guttenberg's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Guttenberg'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 Town 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 Town of Guttenberg in the accompany comments and recommendations section of this report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Guttenberg'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 Town of Guttenberg 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 Town of Guttenberg internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Guttenberg internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.



Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413



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

February 20, 2015



TOWN OF GUTTENBERG

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-3 states:

- a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, 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, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. 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 subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

- a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

TOWN OF GUTTENBERG

GENERAL COMMENTS, (continued)

Effective January 1, 2011, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the threshold may be up to \$36,000.

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

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

69th Street Improvements, Section 3
Video Inspection of Various Sewerlines

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

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

Collection of Interest on Delinquent Taxes and Assessments

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

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

WHEREAS, Chapter 75 of the Public Laws of 1991 of the State of New Jersey authorizes the governing body of each municipality by resolution to fix the rate of interest to be charged for nonpayment of taxes or assessments on or before the date when they would become delinquent, and

WHEREAS, the provisions of said statute provides that the rate of interest to be so charged may be fixed at a rate not to exceed 8% per annum on the first \$1,500 of delinquency, and a rate of 18% per annum on any amount in excess of \$1,500.

TOWN OF GUTTENBERG

GENERAL COMMENTS, (continued)

WHEREAS, the statute further provides that the governing body may provide that no interest shall be charged if payment is made within the tenth calendar day following the date which the same became payable, and

It appears from our test of the collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 17, 2014 and was not complete.

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 periods:

	<u>Number of Liens</u>
Year Ended December 31, 2014	3
Year Ended December 31, 2013	3
Year Ended December 31, 2012	3

TOWN OF GUTTENBERG

OTHER COMMENTS

FINANCE/TAX COLLECTOR

- 1.* Cash tax collections are not consistently being proved to the collections per the tax system on a monthly basis and are not in agreement at year end as required by the Division of Local Government Services, Requirements of Audit for Revenue and Receipts.
- 2.* There are various delinquent balances still on record for tax years 2011, 2012 and 2013, exclusive of those properties under bankruptcy proceedings, that need to be investigated for propriety and cancelled by resolution if necessary.
3. There are checks outstanding over one year old in the following accounts:
 - Current Fund Account
 - Escrow Trust Fund Account
 - Net Payroll Account

MUNICIPAL COURT

- 1.* A review of the Court's December 2014 ATS/ACS Monthly Management Report revealed that the court is behind in the processing of tickets and/or complaints in the following categories: Tickets eligible for dismissal, tickets eligible for DSUS, tickets assigned over 180 days, tickets issued not assigned and complaints eligible for warrants.
2. Bank reconciliation are not being performed on a monthly basis for both the Municipal Court General (Fines) and Bail Accounts.
3. The bail on account per ATS/ACS does not agree with the reconciled cash balance at 12/31/14.
4. Stale-dated checks are being carried on the bank reconciliations.

DEPARTMENTS

Police Department:

- 1.* An accurate cash receipt ledger detailing monies received is not being maintained.

Recreation Department:

1. A cash receipt ledger detailing monies received for programs is not being maintained.

TOWN OF GUTTENBERG

RECOMMENDATIONS

FINANCE/TAX COLLECTOR

- 1.* Monthly tax proofs to ensure cash collections are in agreement with those posted to the system.
- 2.* All delinquent taxes not under a bankruptcy proceeding be reviewed for proper disposition and possible inclusion in the current years' tax sale.
3. That stale dated checks be cancelled by resolution in the following accounts:
 - Current Fund Account
 - Escrow Trust Fund Account
 - Net Payroll Account

MUNICIPAL COURT

- 1.* Court personnel review the Monthly Management reports and take steps to reduce the significant number of tickets/cases outstanding.
2. That bank reconciliations be performed on a monthly basis for the Municipal Court General (Fines) Account and Bail Account.
3. Steps be taken to reconcile the bail on account per ACS/ATS to the reconciled cash balance on a monthly basis.
4. That stale dated checks in both the General (Fines) Account and the Bail Account be investigated and cancelled by resolution.

DEPARTMENTS

Police Department:

- 1.* An accurate cash receipts ledger detailing cash received on a daily basis be maintained.

Recreation Department:

1. A cash receipts ledger detailing monies received on a daily basis be maintained.

TOWN OF GUTTENBERG

Status of Prior Year Audit Findings/Recommendations

A review was performed on all prior year recommendations and corrective action was taken on all, with the exception of the comments preceded with an “*”.

Acknowledgment

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

Respectfully submitted,



Steven D. Wielkocz
Registered Municipal Accountant
No. CR00413



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

February 20, 2015