

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**AND**  
**INDEPENDENT AUDITOR'S REPORTS**

**YEAR ENDED**

**DECEMBER 31, 2013**

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**AND**  
**INDEPENDENT AUDITOR'S REPORTS**

**Year Ended December 31, 2013**

**Table of Contents**

**Part I**

	<b><u>Pages</u></b>
Independent Auditor's Report	1-4
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	5-6
<b><u>Financial Statements</u></b>	<b><u>Exhibit</u></b>
<b><u>Current Fund</u></b>	
Comparative Balance Sheet - Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	A-1
Statement of Revenues - Regulatory Basis	A-2
Statement of Expenditures - Regulatory Basis	A-3
<b><u>Trust Fund</u></b>	
Comparative Balance Sheet - Regulatory Basis	B
<b><u>General Capital Fund</u></b>	
Comparative Balance Sheet - Regulatory Basis	C
Comparative Statement of Fund Balance - Regulatory Basis	C-1
<b><u>Water/Sewer Utility Fund</u></b>	
Comparative Balance Sheet - Regulatory Basis	D
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	D-1
Comparative Statement of Fund Balance - Regulatory Basis	D-2
Statement of Revenues - Regulatory Basis	D-3
Statement of Expenditures - Regulatory Basis	D-4

**BOROUGH OF SEASIDE HEIGHTS**  
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**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**AND**  
**INDEPENDENT AUDITOR'S REPORTS**

**Year Ended December 31, 2013**

**Table of Contents**

**Part I**  
**(Continued)**

<b><u>Financial Statements</u></b>	<b><u>Exhibit</u></b>
<b><u>Electric Utility Fund</u></b>	
Comparative Balance Sheet - Regulatory Basis	E
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	E-1
Statement of Revenues - Regulatory Basis	E-2
Statement of Expenditures - Regulatory Basis	E-3
<b><u>General Fixed Assets Account Group</u></b>	
Comparative Balance Sheet - Regulatory Basis	F
<b><u>Notes to Financial Statements</u></b>	<b><u>Pages</u></b> 7-27

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**AND**  
**INDEPENDENT AUDITOR'S REPORTS**

**Year Ended December 31, 2013**

**Table of Contents**

**Part II**

<b><u>Supplementary Schedules</u></b>	<b><u>Schedule</u></b>
<b><u>Current Fund</u></b>	
Schedule of Cash	1-A
Schedule of Taxes Receivable and Analysis of Property Tax Levy	2-A
Schedule of Tax Title Liens Receivable	3-A
Schedule of Revenue Accounts Receivable	4-A
Schedule of Appropriation Reserves	5-A
Schedule of Special District Taxes Payable	6-A
Schedule of County Taxes Payable	7-A
Schedule of Local District School Tax Payable	8-A
Schedule of Regional High School Tax Payable/(Prepaid)	9-A
Schedule of Grants Receivable - Federal and State Grant Fund	10-A
Schedule of Appropriated Reserves - Federal and State Grant Fund	11-A
Schedule of Unappropriated Reserves - Federal and State Grant Fund	12-A
<b><u>Trust Fund</u></b>	
Schedule of Cash	1-B
Schedule of Due to State of New Jersey - Animal Control Fund	2-B
Schedule of Miscellaneous Reserves - Other Trust Fund	3-B
Schedule of Reserve for Animal Control Fund Expenditures	4-B
Schedule of Length of Service Award Program Fund Investments	5-B
Schedule of Reserve for Length of Service Award Program Fund	6-B

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**AND**  
**INDEPENDENT AUDITOR'S REPORTS**

**Year Ended December 31, 2013**

**Table of Contents**

**Part II**  
**(Continued)**

<b><u>Supplementary Schedules</u></b>	<b><u>Schedule</u></b>
<b><u>General Capital Fund</u></b>	
Schedule of Cash	1-C
Schedule of Analysis of General Capital Fund Cash	2-C
Schedule of Deferred Charges to Future Taxation - Funded	3-C
Schedule of Deferred Charges to Future Taxation - Unfunded	4-C
Schedule of General Serial Bonds	5-C
Schedule of Bond Anticipation Notes	6-C
Schedule of Green Acres Loan Payable	7-C
Schedule of Improvement Authorizations	8-C
Schedule of Capital Improvement Fund	9-C
Schedule of Bond and Notes Authorized but not Issued	10-C
<b><u>Water/Sewer Utility Fund</u></b>	
Schedule of Cash	1-D
Schedule of Analysis of Water/Sewer Utility Capital Fund Cash	2-D
Schedule of Consumer Accounts Receivable	3-D
Schedule of Fixed Capital	4-D
Schedule of Fixed Capital Authorized and Uncompleted	5-D
Schedule of Appropriation Reserves	6-D
Schedule of Accrued Interest Payable	7-D
Schedule of Serial Bonds	8-D
Schedule of Bond Anticipation Notes	9-D
Schedule of Loans Payable	10-D
Schedule of Maturity - Loan Payable	11-D
Schedule of Maturity - Loan Payable	12-D
Schedule of Maturity - Loan Payable	13-D
Schedule of Capital Improvement Fund	14-D
Schedule of Reserve for Amortization	15-D
Schedule of Deferred Reserve for Amortization	16-D
Schedule of Improvement Authorizations	17-D

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**AND**  
**INDEPENDENT AUDITOR'S REPORTS**

**Year Ended December 31, 2013**

**Table of Contents**

**Part II**  
**(Continued)**

<b><u>Supplementary Schedules</u></b>	<b><u>Schedule</u></b>
<b><u>Electric Utility Fund</u></b>	
Schedule of Cash	1-E
Schedule of Analysis of Electric Utility Capital Fund Cash	2-E
Schedule of Consumer Accounts Receivable	3-E
Schedule of Fixed Capital	4-E
Schedule of Fixed Capital Authorized and Uncompleted	5-E
Schedule of Appropriation Reserves	6-E
Schedule of Improvement Authorizations	7-E
Schedule of Bond Anticipation Notes	8-E
Schedule of Capital Improvement Fund	9-E
Schedule of Reserve for Amortization	10-E
Schedule of Deferred Reserve for Amortization	11-E
Schedule of Bonds and Notes Authorized But Not Issued	12-E
<b><u>General Fixed Assets Account Group</u></b>	
Schedule of Investment in General Fixed Assets	1-F
<b><u>Part III</u></b>	
<b><u>Comments</u></b>	<b><u>Pages</u></b> 28-35

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**AND**  
**INDEPENDENT AUDITOR'S REPORTS**

**Year Ended December 31, 2013**

**Part IV**

<b><u>Single Audit Section</u></b>	<b><u>Page(s)</u></b>
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Federal OMB Circular A-133	36-37
Schedule of Expenditures of Federal Awards	38
Notes to Schedule of Expenditures of Federal Awards	39
Schedule of Findings and Questioned Costs	40-41

**Part V**

<b><u>Comments and Recommendations</u></b>	<b><u>Pages</u></b> 42-45
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**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS**

**FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2013**

# *Oliwa & Company*

Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and  
Members of the Borough Council  
Borough of Seaside Heights  
County of Ocean  
Seaside Heights, New Jersey

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and the account group of the Borough of Seaside Heights, County of Ocean, State of New Jersey (the "Borough") as of December 31, 2013, the related statements of operations and change in fund balance - regulatory basis for the years then ended, the related statements of fund balance - regulatory basis for the year then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements listed as financial statement exhibits 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 financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. Except as described in the Basis for Disclaimer of Opinion and Basis for Qualified Opinion paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure 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.

### **Auditor's Responsibility (continued)**

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, the Borough prepares its financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 described in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2013, or changes in its financial position for the years then ended.

### **Basis for Disclaimer of Opinion on the General Fixed Assets Account Group**

The Borough did not record additions and dispositions occurring in 2013 to the general fixed assets accounts and did not provide us with audit evidence to support the amounts recorded in the General Fixed Assets Account Group - Regulatory Basis as of December 31, 2013 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The amounts by which these departures from required financial reporting provisions would affect general fixed assets and investment in general fixed assets has not been determined.

### **Disclaimer of Opinion on the General Fixed Assets Account Group**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion on the General Fixed Assets Account Group paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements of the general fixed assets account group.

### **Basis for Qualified Opinion on the Trust Fund**

The financial statements of the Length of Service Award Program (“LOSAP”) Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements as part of our audit of the Borough’s financial statements. The LOSAP Fund financial activities are included in the Borough’s Trust Fund, and represent 28.24% of the assets and liabilities and reserves of the Borough’s Trust Fund as of December 31, 2013.

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

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion on the Trust Fund paragraph, the financial statements referred to above present fairly, in all material respects, the balance sheet - regulatory basis of the Trust Fund of the Borough as of December 31, 2013 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### **Unmodified Opinions on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheet - regulatory basis of the Current Fund, General Capital Fund, Water/Sewer Utility Fund, and the Electric Utility Fund of the Borough as of December 31, 2013, the statement of operations and change in fund balance - regulatory basis for the year then ended, the statement of fund balance - regulatory basis for the year then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis of the individual funds for the year ended December 31, 2013 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### **Other Matters**

The Borough’s financial statements - regulatory basis as of December 31, 2012, and for the year then ended, were audited by other auditors whose report, dated April 21, 2014, expressed a qualified opinion on those financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey and an adverse opinion as to the conformity of the financial statements with accounting principles generally accepted in the United States of America, due to the differences between those principles and the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Our audit was conducted for the purpose of forming opinions on the financial statements, which collectively comprise the Borough’s financial statements. The supplementary schedules and comments section listed in the table of contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements.

### **Other Matters (continued)**

The supplementary schedules, comments section and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, except for the LOSAP Fund and General Fixed Assets Account Group supplementary schedules, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole, based on the accounting principles and practices of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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

In accordance with Government Auditing Standards, we have also issued our report dated November 28, 2014 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough's internal control over financial reporting and compliance.



Robert S. Oliwa  
Certified Public Accountant  
Registered Municipal Accountant #414

*Oliwa & Company*

Freehold, New Jersey  
November 28, 2014

# *Oliwa & Company*

Certified Public Accountants

**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**

To the Honorable Mayor and Members  
of the Borough Council  
Borough of Seaside Heights  
County of Ocean  
Seaside Heights, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the regulatory basis financial statements of the Borough of Seaside Heights, County of Ocean, State of New Jersey (the "Borough") as of and for the year ended December 31, 2013, and the related notes to the regulatory basis financial statements, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated November 28, 2014. We expressed an adverse opinion on the conformity of the Borough's regulatory basis financial statements with accounting principles generally accepted in the United States of America, due to the differences between those principles and the financial reporting provisions of the Division. We expressed unmodified opinions on the regulatory basis financial statements of the Current Fund, General Capital Fund, Water/Sewer Utility Fund, and Electric Utility Fund as to conformity with the financial reporting provisions of the Division, a disclaimer of opinion on the regulatory basis financial statements of the General Fixed Assets Account Group as to conformity with the financial reporting provisions of the Division and, since the Length of Service Award Program Fund was not audited, a qualified opinion on the Trust Fund.

## **Internal Control over Financial Reporting**

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

## **Internal Control over Financial Reporting (continued)**

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness (Finding #2013-001). This finding has also been reported to the management of the Borough in the accompanying comments and recommendations section.

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.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough's regulatory basis financial statements 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 internal control and compliance matters that we have reported to the management of the Borough in the accompanying comments and recommendations section.

## **Borough's Response to Findings**

The Borough's response to the finding in our audit is described in the accompanying schedule of findings and questioned costs and comments and recommendations section. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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



Robert S. Oliwa  
Certified Public Accountant  
Registered Municipal Accountant #414

*Oliwa & Company*

Freehold, New Jersey  
November 28, 2014

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2013 and 2012**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents:			
Cash	1-A	\$2,034,417.68	\$12,543,169.17
Change Funds		3,100.00	3,100.00
		<u>2,037,517.68</u>	<u>12,546,269.17</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	2-A	769.28	128.44
Tax Title Liens Receivable	3-A		60,754.46
Revenue Accounts Receivable	4-A	38,905.37	48,592.72
Prepaid Regional High School Tax	9-A	75,128.90	
Due from Animal Control Fund		373.00	496.20
Due from Other Trust Fund			20,000.00
Due from General Capital Fund		17,987.97	
Due from Federal and State Grant Fund		592,383.22	
	A	<u>725,547.74</u>	<u>129,971.82</u>
Deferred Charges:			
Emergency Authorizations			595,000.00
Special Emergency Authorization (40A:4-55)		3,280,000.00	14,100,000.00
Overexpenditure of Appropriations		50,370.49	35,850.90
Expenditure without Appropriation		29,916.39	
Cash Deficit		726,978.02	
		<u>4,087,264.90</u>	<u>14,730,850.90</u>
		<u>6,850,330.32</u>	<u>27,407,091.89</u>
Federal and State Grant Fund:			
Due from Current Fund			49,918.05
Grants Receivable	10-A	2,787,472.96	119,812.43
		<u>2,787,472.96</u>	<u>169,730.48</u>
		<u>\$9,637,803.28</u>	<u>\$27,576,822.37</u>

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2013 and 2012**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Appropriation Reserves	A-3,5-A	\$294,143.69	\$13,442,724.43
Reserve for Encumbrances	A-3,5-A	109,089.88	889,143.20
Special Emergency Notes Payable		3,099,645.00	11,100,000.00
Prepaid Taxes		143,052.03	122,395.39
Special Improvement District Taxes Payable	6-A	10,208.83	10,015.61
County Taxes Payable	7-A		12,897.10
Payroll Deductions Payable		725.81	159.66
DCA Fees Payable		3,193.00	
Marriage License Fees Payable		125.00	
Tax Overpayments		25,396.76	1,402.77
Due to State of New Jersey (PL 1971, Ch.20)		775.55	2,448.15
Reserve for Hurricane Sandy		161,411.32	
Due to Federal and State Grant Fund			49,918.05
Due to Electric Operating Fund		480,000.00	
Due to Water/Sewer Operating Fund		21,000.00	
Due to Other Trust Fund		130,000.00	
Reserve for Record of Evidence		3,998.30	3,998.30
Reserve for Revaluation of Property		37,263.84	37,263.84
		<u>4,520,029.01</u>	<u>25,672,366.50</u>
Reserve for Receivables and Other Assets	A	725,547.74	129,971.82
Fund Balance	A-1	1,604,753.57	1,604,753.57
		<u>6,850,330.32</u>	<u>27,407,091.89</u>
Federal and State Grant Fund:			
Due to Current Fund		592,383.22	
Encumbrances Payable	11-A	1,776,450.00	131,896.98
Appropriated Reserves	11-A	403,816.91	26,163.00
Unappropriated Reserves	12-A	14,822.83	11,670.50
		<u>2,787,472.96</u>	<u>169,730.48</u>
		<u>\$9,637,803.28</u>	<u>\$27,576,822.37</u>

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2013 and 2012**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b><u>Revenue and Other Income Realized</u></b>			
Miscellaneous Revenue Anticipated	A-2	\$11,418,273.48	\$7,448,773.31
Receipts from Current Taxes	A-2	11,361,707.59	12,725,844.42
Non-Budget Revenues	A-2	847,411.95	266,381.50
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	5-A	225,637.97	83,899.09
Prior Year Interfunds Returned		20,496.20	19,136.87
Receipt of Prior Year Cancelled Grant			69,570.55
Grants Appropriated Cancelled			21,696.49
Statutory Excess in Dog License Fund		373.00	
Total Revenue		<u>23,873,900.19</u>	<u>20,635,302.23</u>
<b><u>Expenditures</u></b>			
Budget Appropriations Within CAPS:			
Operations:			
Salaries and Wages	A-3	6,411,396.45	6,435,000.00
Other Expenses	A-3	3,488,000.00	17,273,360.00
Deferred Charges and Statutory Expenditures	A-3	1,335,246.94	1,443,864.37
Budget Appropriations Excluded from CAPS:			
Operations:			
Other Expenses	A-3	2,570,485.33	123,581.24
Capital Improvements	A-3	225,000.00	170,000.00
Municipal Debt Service	A-3	1,513,542.12	1,047,318.28
Deferred Charges	A-3	1,355,000.00	
Special District Taxes	6-A	175,693.22	176,323.14
County Taxes	7-A	2,569,627.99	2,738,924.37
Local District School Tax	8-A	2,416,774.02	2,738,718.48
Regional High School Tax	9-A	1,886,066.80	2,370,473.97
Prior Year Senior Citizens and Veterans Disallowed		500.00	1,000.00
Prior Year Tax Appeals			95,024.86
Interfunds Advanced		610,744.19	20,496.20
Prepaid Regional School Tax		75,128.90	
Refunds		18,042.74	
Expenditure without Appropriation		29,916.39	
State and Federal Grants Receivable Cancelled			3,595.51
Total Expenditures		<u>24,681,165.09</u>	<u>34,637,680.42</u>

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2013 and 2012**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Deficit in Revenue		\$807,264.90	\$14,002,378.19
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Years:		<u>80,286.88</u>	<u>14,730,850.90</u>
Statutory Excess to Fund Balance			728,472.71
Deficit in Operations to be Raised in Budget of Succeeding Year		<u><u>\$726,978.02</u></u>	
Fund Balance January 1	A	<u>\$1,604,753.57</u>	<u>876,280.86</u>
Fund Balance December 31	A	<u><u>\$1,604,753.57</u></u>	<u><u>\$1,604,753.57</u></u>

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87		
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	4-A	\$90,000.00		\$88,650.00	(\$1,350.00)
Other	4-A	90,000.00		136,687.86	46,687.86
Fees and Permits	4-A	340,000.00		214,790.00	(125,210.00)
Municipal Court Fines and Costs	4-A	1,000,000.00		1,041,045.33	41,045.33
Interest and Costs on Taxes	4-A	40,000.00		65,913.19	25,913.19
Parking Meters	4-A	1,050,000.00		973,749.44	(76,250.56)
Anticipated Utility Operating Surplus		439,000.00			(439,000.00)
Beach Fees	4-A	1,200,000.00		1,317,971.00	117,971.00
Rentals	4-A	350,000.00		74,717.80	(275,282.20)
Ocean Cable TV	4-A	15,000.00		14,503.00	(497.00)
Energy Receipts Tax	4-A	160,582.00		158,991.53	(1,590.47)
Uniform Construction Code Fees	4-A	125,000.00		328,769.00	203,769.00
Recycling Tonnage Grant	10-A	9,419.19		9,419.19	
Clean Communities Program	10-A	9,646.43		9,646.43	
Body Armor Fund	10-A	2,251.31		2,251.31	
NJDOT Trust Fund - Fremont - Kearny	10-A	225,000.00		225,000.00	
COPS in Shops - Summer Shore Initiative	10-A	1,200.00		1,200.00	

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Miscellaneous Revenues (continued):					
CDBG - Fire Related Debris Removal	10-A		\$2,500,000.00	\$2,500,000.00	
NJ Department of Emergency Management	10-A		8,968.40	8,968.40	
Community Disaster Loan Proceeds	4-A	\$3,201,000.00		3,201,000.00	
FEMA Reimbursement Receivable - Special Emergency Note	4-A	820,000.00		820,000.00	
FEMA Reimbursement Receivable - Interest on Special Emergency Note	4-A	225,000.00		225,000.00	
	A-1	<u>9,393,098.93</u>	<u>2,508,968.40</u>	<u>11,418,273.48</u>	<u>(\$483,793.85)</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2,2-A	<u>5,028,698.15</u>		<u>5,002,054.53</u>	<u>(26,643.62)</u>
Budget Totals		<u>14,421,797.08</u>	<u>2,508,968.40</u>	<u>16,420,328.01</u>	<u>(\$510,437.47)</u>
Non-Budget Revenues	A-1,A-2			<u>847,411.95</u>	
		<u>\$14,421,797.08</u>	<u>\$2,508,968.40</u>	<u>\$17,267,739.96</u>	
	<u>Ref.</u>	<u>A-3</u>	<u>A-3</u>		

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
<b><u>Analysis of Realized Revenues</u></b>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,3-A	\$11,361,707.59
Allocated to School, County and Special District Taxes		<u>6,422,433.21</u>
Balance for Support of Municipal Budget Appropriations		4,939,274.38
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>62,780.15</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$5,002,054.53</u></u>

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

**Analysis of Non-Budget Revenues**

Insurance Reimbursements	\$615,331.61
Delinquent Tax Collections	106,619.49
Scrap Metal	33,127.45
State of New Jersey Miscellaneous	20,540.51
Hurricane Sandy Donations	15,167.95
Bus Service Reimbursements	15,000.00
Costs of Tax Sale	8,131.74
Recycling	7,773.77
Police Application Fees	7,310.00
Fire Permit Fees	4,368.00
State of New Jersey Motor Vehicle Fines	4,016.19
Planning Board Fees	3,250.00
Miscellaneous	2,124.49
Event Application Fees	1,050.00
Interest on Investments	985.64
Tax Title Lien Collections	630.80
Police Reports	462.20
Location Shoot Fees	325.00
Restitution	304.66
Senior Citizens and Veterans Administrative Fee	303.42
Returned Check Fees	295.00
Radius Search	210.00
Copies	84.03
	<u>\$847,411.95</u>

**Ref.**      A-1,A-2,1-A

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
<u>Operations Within "CAPS"</u>						
<b>GENERAL GOVERNMENT</b>						
General Administration:						
Salaries and Wages	\$150,000.00	\$110,000.00	\$104,330.28	\$5,669.72		
Other Expenses	140,000.00	160,000.00	148,682.28	11,317.72		
Mayor and Council:						
Salaries and Wages	30,000.00	30,000.00	29,337.75	662.25		
Other Expenses	1,000.00	1,000.00	595.00	405.00		
Municipal Clerk:						
Salaries and Wages	75,000.00	75,000.00	70,133.09	4,866.91		
Other Expenses	25,000.00	25,000.00	23,995.40	1,004.60		
Financial Administration (Treasury):						
Salaries and Wages	105,000.00	105,000.00	102,338.09	2,661.91		
Other Expenses	20,000.00	20,000.00	19,463.32	536.68		
Audit Services:						
Other Expenses	25,000.00	25,000.00	22,000.00	3,000.00		
Revenue Administration (Tax Collection):						
Salaries and Wages	40,000.00	40,000.00	37,499.80	2,500.20		
Other Expenses	20,000.00	20,000.00	9,586.93	10,413.07		
Tax Assessment Administration:						
Salaries and Wages	25,000.00	25,000.00	23,380.53	1,619.47		
Other Expenses	20,000.00	7,000.00	4,978.14	2,021.86		

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
<b><u>Operations Within "CAPS"</u></b>						
<b>GENERAL GOVERNMENT (continued)</b>						
<b>Legal Services (Legal Department):</b>						
Salaries and Wages	\$84,000.00	\$84,000.00	\$84,000.00			
Other Expenses	136,000.00	136,000.00	136,000.00			
<b>Engineering Services:</b>						
Other Expenses	5,000.00	5,000.00	4,872.50	\$127.50		
<b>Redevelopment Agency:</b>						
Salaries and Wages	6,000.00	6,000.00	6,000.00			
Other Expenses	15,000.00	15,000.00	7,654.50	7,345.50		
<b>LAND USE ADMINISTRATION</b>						
<b>Planning Board:</b>						
Salaries and Wages	6,000.00	6,000.00	6,000.00			
Other Expenses	34,000.00	24,000.00	14,280.17	9,719.83		
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>						
<b>Uniform Construction Code Official:</b>						
Salaries and Wages	55,000.00	56,500.00	55,340.96	1,159.04		
Other Expenses	15,000.00	15,000.00	11,510.67	3,489.33		
<b>Other Code Enforcement Functions:</b>						
Salaries and Wages	175,000.00	197,000.00	195,692.47	1,307.53		
Other Expenses	15,000.00	15,000.00	7,712.62	7,287.38		

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
<b><u>Operations Within "CAPS"</u></b>						
<b>INSURANCE</b>						
Unemployment	\$185,000.00	\$185,000.00	\$185,000.00			
General Liability	225,000.00	225,000.00	208,053.51	\$16,946.49		
Worker's Compensation	260,000.00	260,000.00	260,000.00			
Employee Group Health	1,196,000.00	1,196,000.00	1,173,548.19	22,451.81		
<b>PUBLIC SAFETY</b>						
<b>Police Department:</b>						
Salaries and Wages	3,500,000.00	3,721,500.00	3,722,896.45			\$1,396.45
Other Expenses	250,000.00	250,000.00	249,429.10	570.90		
<b>Police Dispatch/911:</b>						
Salaries and Wages	325,000.00	315,000.00	308,474.90	6,525.10		
Other Expenses	5,000.00	5,000.00	2,042.71	2,957.29		
<b>Office of Emergency Management:</b>						
Salaries and Wages	20,000.00	10,000.00	7,556.39	2,443.61		
Other Expenses	5,000.00	5,000.00	4,309.17	690.83		
Aid to Volunteer Fire Companies	60,000.00	60,000.00	60,000.00			
Aid to Volunteer Ambulance Companies	60,000.00	60,000.00	60,000.00			
<b>Municipal Prosecutor's Office:</b>						
Salaries and Wages	70,000.00	70,000.00	67,074.45	2,925.55		

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
<b><u>Operations Within "CAPS"</u></b>						
<b>MUNICIPAL COURT</b>						
Salaries and Wages	\$370,000.00	\$370,000.00	\$358,513.19	\$11,486.81		
Other Expenses	35,000.00	35,000.00	27,949.96	7,050.04		
<b>PUBLIC DEFENDER</b>						
Other Expenses	20,000.00	20,000.00	16,666.70	3,333.30		
<b>PUBLIC WORKS</b>						
<b>Streets and Road Maintenance:</b>						
Salaries and Wages	92,000.00	102,000.00	97,908.70	4,091.30		
Other Expenses	15,000.00	20,000.00	14,799.95	5,200.05		
<b>Other Public Works Functions:</b>						
Salaries and Wages	14,000.00	14,000.00	8,097.41	5,902.59		
Other Expenses	2,000.00	2,000.00		2,000.00		
<b>Solid Waste Collection:</b>						
Salaries and Wages	260,000.00	260,000.00	247,227.50	12,772.50		
Other Expenses	15,000.00	15,000.00	15,000.00			
<b>Building and Grounds:</b>						
Salaries and Wages	150,000.00	150,000.00	144,726.09	5,273.91		
Other Expenses	50,000.00	55,000.00	53,681.45	1,318.55		
<b>Vehicle Maintenance (Including Police Vehicles):</b>						
Salaries and Wages	46,000.00	46,000.00	39,420.90	6,579.10		
Other Expenses	114,000.00	119,000.00	117,542.43	1,457.57		

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<b>Appropriated</b>		<b>Expended</b>		<b>Unexpended Balance Cancelled</b>	<b>Over- expended</b>
	<b>Budget</b>	<b>Budget after Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>		
<b><u>Operations Within "CAPS"</u></b>						
<b>HEALTH AND HUMAN SERVICES</b>						
<b>Public Health Services (Board of Health):</b>						
Salaries and Wages	\$2,000.00	\$2,000.00	\$2,000.00			
Other Expenses	1,000.00	1,000.00		\$1,000.00		
<b>Animal Control Services:</b>						
Other Expenses	5,000.00	5,000.00	1,421.82	3,578.18		
<b>Welfare/Administration of Public Assistance:</b>						
Other Expenses	1,000.00	1,000.00		1,000.00		
<b>Contributions to Seniors:</b>						
Other Expenses	4,000.00	4,000.00	536.16	3,463.84		
<b>PARKS AND RECREATION</b>						
<b>Maintenance of Parks:</b>						
Other Expenses	4,000.00	4,000.00		4,000.00		
<b>Beach and Boardwalk Operations:</b>						
Salaries and Wages	750,000.00	615,000.00	608,044.72	6,955.28		
Other Expenses	50,000.00	50,000.00	48,331.13	1,668.87		

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
<u>Operations Within "CAPS"</u>						
UNCLASSIFIED						
Telephone (excluding equipment acquisition)	\$60,000.00	\$48,000.00	\$44,771.08	\$3,228.92		
Gas (Natural or Propane)	5,000.00	5,000.00	1,126.68	3,873.32		
Gasoline	165,000.00	210,000.00	190,011.52	19,988.48		
Landfill/Solid Waste Disposal Costs	230,000.00	180,000.00	180,000.00			
<b>Total Operations Within "CAPS"</b>	<b>9,843,000.00</b>	<b>9,898,000.00</b>	<b>9,651,546.76</b>	<b>247,849.69</b>		<b>\$1,396.45</b>
Detail:						
Salaries and Wages	6,350,000.00	6,410,000.00	6,325,993.67	85,402.78		1,396.45
Other Expenses	3,493,000.00	3,488,000.00	3,325,553.09	162,446.91		
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Emergency Authorizations:						
Uniform Construction Code Officials						
Salaries and Wages	20,000.00	20,000.00	20,000.00			
General Administration	40,000.00	40,000.00	40,000.00			
Overexpenditure of Appropriations	37,000.00	37,000.00	35,850.90		\$1,149.10	

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
<u>Operations Within "CAPS"</u>						
Contribution to:						
Public Employees' Retirement System	\$225,000.00	\$225,000.00	\$214,477.00	\$10,523.00		
Social Security System (O.A.S.I.)	500,000.00	445,000.00	450,896.04			\$5,896.04
Police and Firemen's Retirement System of NJ	553,500.00	553,500.00	553,295.00	205.00		
Defined Contribution Retirement Program	10,000.00	10,000.00	9,434.00	566.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,385,500.00	1,330,500.00	1,323,952.94	11,294.00	\$1,149.10	5,896.04
Total General Appropriations For Municipal Purposes Within "CAPS"	11,228,500.00	11,228,500.00	10,975,499.70	259,143.69	1,149.10	7,292.49
<u>Operations Excluded from "CAPS"</u>						
LOSAP	35,000.00	35,000.00		35,000.00		
Employee Group Health	4,000.00	4,000.00	4,000.00			
	39,000.00	39,000.00	4,000.00	35,000.00		

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
<u>Operations Excluded from "CAPS"</u>						
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Recycling Tonnage Grant	\$9,419.19	\$9,419.19	\$9,419.19			
Body Armor Replacement Fund	2,251.31	2,251.31	2,251.31			
Clean Communities Grant	9,646.43	9,646.43	9,646.43			
COPS in Shops - Summer Shore Initiative	1,200.00	1,200.00	1,200.00			
CDBG - Fire Related Debris Removal (40A:4-87, \$2,500,000.00+)		2,500,000.00	2,500,000.00			
NJ Department of Emergency Management (40A:4-87, \$8,968.40+)		8,968.40	8,968.40			
<b>Total Public and Private Program Offset by Revenues</b>	<b>22,516.93</b>	<b>2,531,485.33</b>	<b>2,531,485.33</b>			
<b>Total Operations Excluded from "CAPS"</b>	<b>61,516.93</b>	<b>2,570,485.33</b>	<b>2,535,485.33</b>	<b>\$35,000.00</b>		
Detail:						
Other Expenses	61,516.93	2,570,485.33	2,535,485.33	35,000.00		
<u>Capital Improvements Excluded from "CAPS"</u>						
Boulevard - Fremont - Kearny	225,000.00	225,000.00	225,000.00			
<b>Total Capital Improvements Excluded from "CAPS"</b>	<b>225,000.00</b>	<b>225,000.00</b>	<b>225,000.00</b>			

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<b>Appropriated</b>		<b>Expended</b>		<b>Unexpended Balance Cancelled</b>	<b>Over- expended</b>
	<b>Budget</b>	<b>Budget after Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>		
<b><u>Municipal Debt Service Excluded from "CAPS"</u></b>						
Payment of Bond Principal	\$500,000.00	\$500,000.00	\$500,000.00			
Payment of Bond Anticipation Notes and Capital Notes	387,000.00	387,000.00	430,078.00			\$43,078.00
Interest on Bonds	182,000.00	182,000.00	176,730.01		\$5,269.99	
Interest on Notes	385,000.00	385,000.00	372,144.71		12,855.29	
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	35,000.00	35,000.00	34,589.40		410.60	
<b>Total Municipal Debt Service Excluded from "CAPS"</b>	<b>1,489,000.00</b>	<b>1,489,000.00</b>	<b>1,513,542.12</b>		<b>18,535.88</b>	<b>43,078.00</b>
<b><u>Deferred Charges Excluded from "CAPS"</u></b>						
Special Emergency Authorizations						
5 Years (N.J.S.A. 40A:4-55)	820,000.00	820,000.00	820,000.00			
Emergency Authorizations:						
Hurricane Sandy	357,000.00	357,000.00	357,000.00			
Police - Other Expenses	30,000.00	30,000.00	30,000.00			
Social Security (O.A.S.I)	38,000.00	38,000.00	38,000.00			
Police - Salaries and Wages	110,000.00	110,000.00	110,000.00			
<b>Total Deferred Charges - Municipal - Excluded from "CAPS"</b>	<b>1,355,000.00</b>	<b>1,355,000.00</b>	<b>1,355,000.00</b>			

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>	<u>Over-</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>	<u>expended</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$3,130,516.93	\$5,639,485.33	\$5,629,027.45	\$35,000.00	\$18,535.88	\$43,078.00
Subtotal General Appropriations	14,359,016.93	16,867,985.33	16,604,527.15	294,143.69	19,684.98	50,370.49
Reserve for Uncollected Taxes	62,780.15	62,780.15	62,780.15			
Total General Appropriations	<u>\$14,421,797.08</u>	<u>\$16,930,765.48</u>	<u>\$16,667,307.30</u>	<u>\$294,143.69</u>	<u>\$19,684.98</u>	<u>\$50,370.49</u>
<u>Ref.</u>	A-2		A-1	A,A-1		
Budget	A-3	\$14,421,797.08				
Appropriation by 40A:4-87	A-2	2,508,968.40				
		<u>\$16,930,765.48</u>				
		<u>Ref.</u>				
Reserve for Uncollected Taxes		A-2	\$62,780.15			
Cash Disbursed		1-A	12,288,101.04			
Due to Federal and State Grant Fund			2,756,485.33			
Deferred Charge - Special Emergency Authorization (40A:4-55)			820,000.00			
Deferred Charge - Emergency Authorizations (40A:4-47)			595,000.00			
Deferred Charge - Overexpenditure of Appropriations			35,850.90			
Encumbrances Payable		A	109,089.88			
			<u>\$16,667,307.30</u>			

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2013 and 2012**

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Animal Control Trust Fund:			
Cash and Cash Equivalents	1-B	<u>\$1,446.60</u>	<u>\$1,590.40</u>
Other Trust Fund:			
Cash and Cash Equivalents	1-B	604,982.27	483,685.72
Due from Current Fund		<u>130,000.00</u>	
		<u>734,982.27</u>	<u>483,685.72</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Investments	5-B	<u>289,852.67</u>	<u>263,310.06</u>
		<u>\$1,026,281.54</u>	<u>\$748,586.18</u>
<b><u>Liabilities and Reserves</u></b>			
Animal Control Fund:			
Due to State of New Jersey	2-B	\$1.20	\$2.40
Due to Current Fund		373.00	496.20
Reserve for Animal Control Fund Expenditures	4-B	<u>1,072.40</u>	<u>1,091.80</u>
		<u>1,446.60</u>	<u>1,590.40</u>
Other Trust Fund:			
Due to Current Fund			20,000.00
Miscellaneous Reserves	3-B	730,884.22	451,057.49
Encumbrances Payable	3-B	<u>4,098.05</u>	<u>12,628.23</u>
		<u>734,982.27</u>	<u>483,685.72</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Reserve for Length of Service Award Program Fund	6-B	<u>289,852.67</u>	<u>263,310.06</u>
		<u>\$1,026,281.54</u>	<u>\$748,586.18</u>

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2013 and 2012**

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Cash and Cash Equivalents	1-C	\$1,964,469.98	\$4,205,171.77
Deferred Charges to Future Taxation:			
Funded	3-C	3,419,541.19	3,948,603.12
Unfunded	4-C	12,001,999.97	9,949,006.00
		<u>\$17,386,011.14</u>	<u>\$18,102,780.89</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
General Serial Bonds	5-C	\$3,165,000.00	\$3,665,000.00
Bond Anticipation Notes	6-C	11,984,012.00	9,949,006.00
Green Acres Loan Payable	7-C	254,541.19	283,603.12
Contracts Payable	8-C	761,800.06	103,272.05
Improvement Authorizations:			
Funded	8-C	39,037.52	196,552.52
Unfunded	8-C	1,016,700.74	3,785,392.63
Capital Improvement Fund	9-C	92.19	92.19
Due to Current Fund		17,987.97	
Fund Balance	C-1	146,839.47	119,862.38
		<u>\$17,386,011.14</u>	<u>\$18,102,780.89</u>

There were bonds and notes authorized but not issued of \$17,987.97 on December 31, 2013 and there were no bonds and notes authorized but not issued on December 31, 2012 (Schedule 10-C).

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**COMPARATIVE STATEMENT OF FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2013 and 2012**

	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Balance, January 1	C	\$119,862.38	\$34,964.57
Increased by:			
Premium on the Sale of Notes	1-C	<u>26,977.09</u>	<u>84,897.81</u>
Balance, December 31	C	<u>\$146,839.47</u>	<u>\$119,862.38</u>

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2013 and 2012**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b><u>Assets</u></b>			
Operating Fund:			
Cash and Cash Equivalents:			
Cash	1-D	\$310,695.87	\$1,722,291.32
Change Fund		100.00	100.00
Due from Electric Operating Fund		297.00	
Due from Current Fund		21,000.00	
Due from Water/Sewer Capital Fund		60,000.00	60,000.00
		<u>392,092.87</u>	<u>1,782,391.32</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	3-D	66,821.95	107,544.08
Deferred Charges:			
Operating Deficit		391,489.33	297,279.03
Emergency Authorization			85,000.00
		<u>391,489.33</u>	<u>382,279.03</u>
Total Operating Fund		<u>850,404.15</u>	<u>2,272,214.43</u>
Capital Fund:			
Cash and Cash Equivalents	1-D	545,271.41	803,754.11
Grant Receivable		47,077.00	47,077.00
Fixed Capital	4-D	15,232,605.83	15,232,605.83
Fixed Capital Authorized and Uncompleted	5-D	1,000,000.00	1,000,000.00
Total Capital Fund		<u>16,824,954.24</u>	<u>17,083,436.94</u>
		<u>\$17,675,358.39</u>	<u>\$19,355,651.37</u>

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2013 and 2012**

<b><u>Liabilities, Reserves and Fund Balance</u></b>	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Operating Fund:</b>			
<b>Liabilities:</b>			
Appropriation Reserves	D-4,6-D	\$217,476.30	\$44,282.56
Encumbrances Payable	D-4,6-D	31,936.70	291,461.06
Accrued Interest Payable	7-D	66,526.48	76,461.31
Special Emergency Notes Payable			1,000,000.00
Water/Sewer Overpayments		9,198.44	9,021.14
		<u>325,137.92</u>	<u>1,421,226.07</u>
Reserve for Receivables	D	66,821.95	107,544.08
Fund Balance	D-1	458,444.28	743,444.28
<b>Total Operating Fund</b>		<u><u>850,404.15</u></u>	<u><u>2,272,214.43</u></u>
<b>Capital Fund:</b>			
Serial Bonds	8-D	1,220,000.00	1,455,000.00
Bond Anticipation Notes	9-D	1,451,050.00	1,487,850.00
Loans Payable	10-D	4,164,618.86	4,227,299.60
<b>Improvement Authorizations:</b>			
Unfunded	17-D	11,788.24	137,713.94
Capital Improvement Fund	14-D	93,108.53	93,108.53
Contracts Payable	17-D	46,243.00	118,800.00
Reserve for Amortization	15-D	9,392,936.97	9,058,456.23
Reserve to Pay Notes		375,937.42	435,937.42
Deferred Reserve for Amortization	16-D	4,000.00	4,000.00
Due to Water/Sewer Operating Fund		60,000.00	60,000.00
Fund Balance	D-2	5,271.22	5,271.22
<b>Total Capital Fund</b>		<u><u>16,824,954.24</u></u>	<u><u>17,083,436.94</u></u>
		<u><u>\$17,675,358.39</u></u>	<u><u>\$19,355,651.37</u></u>

There were no bonds and notes authorized but not issued on December 31, 2013 and 2012.

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2013 and 2012**

	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$285,000.00	\$261,000.00
Water/Sewer Rents	D-3	1,846,213.94	2,278,399.59
Miscellaneous Revenue	D-3	23,296.43	38,269.67
Community Disaster Loan	D-3	674,000.00	
FEMA Reimbursement	D-3	21,000.00	
Reserve to Pay Notes	D-3	60,000.00	60,000.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	6-D	35,166.18	6,245.56
<b>Total Revenue</b>		<b><u>2,944,676.55</u></b>	<b><u>2,643,914.82</u></b>
Expenditures:			
Operating	D-4	2,233,000.00	2,324,000.00
Debt Service	D-4	620,886.85	602,193.85
Deferred Charges and Statutory Expenditures	D-4	185,000.00	100,000.00
Deficit in Operations in Prior Years	D-4	297,279.03	
<b>Total Expenditures</b>		<b><u>3,336,165.88</u></b>	<b><u>3,026,193.85</u></b>
<b>Deficit in Revenue</b>		<b>391,489.33</b>	<b>382,279.03</b>
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			<u>85,000.00</u>
<b>Operating Deficit to be Raised in Budget of Succeeding Year</b>		<b><u>\$391,489.33</u></b>	<b><u>\$297,279.03</u></b>
<b>Fund Balance January 1</b>	<b>D</b>	<b>\$743,444.28</b>	<b>\$1,020,026.46</b>
Decreased by:			
Utilized as Anticipated Revenue	D-1,D-3	285,000.00	261,000.00
Accrued Interest Adjustment			15,582.18
		<u>285,000.00</u>	<u>276,582.18</u>
<b>Fund Balance December 31</b>	<b>D</b>	<b><u>\$458,444.28</u></b>	<b><u>\$743,444.28</u></b>

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY CAPITAL FUND**  
**COMPARATIVE STATEMENT OF FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2013 and 2012**

	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Balance, January 1	D	\$5,271.22	\$5,271.22
Increased/Decreased by:		-	-
Balance, December 31	D	<u>\$5,271.22</u>	<u>\$5,271.22</u>

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY OPERATING FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	D-1	\$285,000.00	\$285,000.00	
Water/Sewer Rents	D-1,3-D	2,277,280.00	1,846,213.94	(\$431,066.06)
Miscellaneous Revenue	D-1,1-D	36,000.00	23,296.43	(12,703.57)
Community Disaster Loan	D-1,1-D	674,000.00	674,000.00	
FEMA Reimbursement	D-1,1-D	21,000.00	21,000.00	
Reserve to Pay Notes	D-1,1-D	60,000.00	60,000.00	
	D-4	<u>\$3,353,280.00</u>	<u>\$2,909,510.37</u>	<u>(\$443,769.63)</u>
 <b><u>Analysis of Miscellaneous Revenue</u></b>				
Interest Earned on Delinquent Accounts			\$23,295.14	
Interest Earned on Deposits			1.29	
	D-3		<u>\$23,296.43</u>	

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$500,000.00	\$500,000.00	\$497,378.16	\$2,621.84	
Other Expenses	1,223,000.00	1,239,000.00	1,230,038.58	8,961.42	
Employee Group Insurance	250,000.00	250,000.00	138,007.15	111,992.85	
Other Insurance	250,000.00	244,000.00	153,036.71	90,963.29	
Total Operating	<u>2,223,000.00</u>	<u>2,233,000.00</u>	<u>2,018,460.60</u>	<u>214,539.40</u>	
Debt Service:					
Payment of Bond Principal	235,000.00	235,000.00	235,000.00		
Payment of Bond Anticipation and Capital Notes	37,000.00	37,000.00	36,800.00		\$200.00
Interest on Bonds	60,000.00	60,000.00	57,754.36		2,245.64
Interest on Notes	55,000.00	55,000.00	42,023.72		12,976.28
U.S.D.A. Principal	63,000.00	63,000.00	62,680.74		319.26
U.S.D.A. Interest	188,000.00	188,000.00	186,628.03		1,371.97
Total Debt Service	<u>638,000.00</u>	<u>638,000.00</u>	<u>620,886.85</u>		<u>17,113.15</u>
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Emergency Authorizations					
Hurricane Sandy	85,000.00	85,000.00	85,000.00		
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	50,000.00	50,000.00	50,000.00		
Social Security System (O.A.S.I.)	50,000.00	40,000.00	37,063.10	2,936.90	
Unemployment Compensation Insurance	10,000.00	10,000.00	10,000.00		
Total Statutory Expenditures	<u>110,000.00</u>	<u>100,000.00</u>	<u>97,063.10</u>	<u>2,936.90</u>	

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Deficit in Operations in Prior Years	\$297,280.00	\$297,280.00	\$297,279.03		\$0.97
	<u>\$3,353,280.00</u>	<u>\$3,353,280.00</u>	<u>\$3,118,689.58</u>	<u>\$217,476.30</u>	<u>\$17,114.12</u>
<b><u>Ref.</u></b>	D-3		D-1	D,D-1	
Cash Disbursements			\$2,418,067.74		
Encumbrances Payable			31,936.70		
Interest on Bonds, Notes and Loans			286,406.11		
Deferred Charge - Emergency Authorization			85,000.00		
Deficit in Operations in Prior Years			297,279.03		
			<u>\$3,118,689.58</u>		

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2013 and 2012**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b><u>Assets</u></b>			
Operating Fund:			
Cash and Cash Equivalents:			
Cash	1-E	\$759,239.39	\$3,702,543.91
Change Fund		200.00	200.00
Due from Current Fund		480,000.00	
		<u>1,239,439.39</u>	<u>3,702,743.91</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	3-E	187,485.09	92,395.01
Deferred Charges:			
Emergency Authorization			35,000.00
Operating Deficit	E-1	408,647.49	658,802.00
		<u>408,647.49</u>	<u>693,802.00</u>
Total Operating Fund		<u>1,835,571.97</u>	<u>4,488,940.92</u>
Capital Fund:			
Cash and Cash Equivalents	1-E	601,823.87	1,730,378.05
Fixed Capital	4-E	3,912,824.15	1,659,259.15
Fixed Capital Authorized and Uncompleted	5-E	5,600,000.00	6,425,000.00
Total Capital Fund		<u>10,114,648.02</u>	<u>9,814,637.20</u>
		<u>\$11,950,219.99</u>	<u>\$14,303,578.12</u>

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2013 and 2012**

<b><u>Liabilities, Reserves and Fund Balance</u></b>	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Operating Fund:</b>			
<b>Liabilities:</b>			
Appropriation Reserves	E-3,6-E	\$529,483.17	\$713,648.32
Encumbrances Payable	E-3,6-E	60,351.92	161,928.93
Special Emergency Notes Payable			2,000,000.00
Consumer Deposits		6,318.80	6,318.80
Due to Water/Sewer Operating Fund		297.00	
Electric Overpayments		34,178.11	22,191.98
		<u>630,629.00</u>	<u>2,904,088.03</u>
Reserve for Receivables	E	187,485.09	92,395.01
Fund Balance	E-1	<u>1,017,457.88</u>	<u>1,492,457.88</u>
Total Operating Fund		<u>1,835,571.97</u>	<u>4,488,940.92</u>
<b>Capital Fund:</b>			
<b>Improvement Authorizations:</b>			
Funded	7-E		39,430.00
Unfunded	7-E	560,388.87	1,431,943.05
Bond Anticipation Notes	8-E	5,600,000.00	5,600,000.00
Capital Improvement Fund	9-E	41,435.00	2,005.00
Contracts Payable	7-E		1,017,000.00
Reserve for Amortization	10-E	3,912,824.15	1,659,259.15
Deferred Reserve for Amortization	11-E		65,000.00
Total Capital Fund		<u>10,114,648.02</u>	<u>9,814,637.20</u>
		<u>\$11,950,219.99</u>	<u>\$14,303,578.12</u>

There were no bonds and notes authorized but not issued on December 31, 2013 and there were bonds and notes authorized but not issued of \$760,000.00 on December 31, 2012 (Schedule 12-E).

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2013 and 2012**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	E-2	\$475,000.00	
Electric Rents	E-2	3,986,796.15	\$5,549,472.78
FEMA Reimbursement Receivable	E-2	41,000.00	
Miscellaneous Revenue	E-2	36,583.68	72,782.75
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	6-E	736,152.43	151,942.47
Total Revenues		<u>5,275,532.26</u>	<u>5,774,198.00</u>
Expenditures:			
Operating	E-3	4,730,000.00	5,063,000.00
Debt Service	E-3	150,377.75	
Deferred Charges and Statutory Expenditures	E-3	145,000.00	105,000.00
Deficit in Operations in Prior Years	E-3	658,802.00	
Surplus (General Budget)			1,300,000.00
Total Expenditures		<u>5,684,179.75</u>	<u>6,468,000.00</u>
Deficit in Revenue		408,647.49	693,802.00
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			<u>35,000.00</u>
Operating Deficit to be Raised in the Budget of Succeeding Year	E	<u>\$408,647.49</u>	<u>\$658,802.00</u>
Fund Balance, January 1	E	\$1,492,457.88	\$1,492,457.88
Decreased by:			
Utilized as Anticipated Revenue	E-1	<u>475,000.00</u>	
Fund Balance, December 31	E	<u>\$1,017,457.88</u>	<u>\$1,492,457.88</u>

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY OPERATING FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	E-1	\$475,000.00	\$475,000.00	
Electric Rents	E-1,3-E	5,546,802.00	3,986,796.15	(\$1,560,005.85)
FEMA Reimbursement Receivable	E-1,1-E	41,000.00	41,000.00	
Miscellaneous Revenue	E-1,1-E	70,000.00	36,583.68	33,416.32
	E-3	<u>\$6,132,802.00</u>	<u>\$4,539,379.83</u>	<u>(\$1,526,589.53)</u>
 <u>Analysis of Miscellaneous Revenue</u>				
Interest Earned on Delinquent Accounts			\$36,405.91	
Miscellaneous			175.00	
Interest on Investments and Deposits			2.77	
	E-2		<u>\$36,583.68</u>	

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$575,000.00	\$575,000.00	\$560,388.40	\$14,611.60	
Other Expenses	3,600,000.00	3,600,000.00	3,103,236.84	496,763.16	
Employee Group Insurance	280,000.00	280,000.00	269,898.23	10,101.77	
Other Insurance	275,000.00	275,000.00	275,000.00		
Total Operating	<u>4,730,000.00</u>	<u>4,730,000.00</u>	<u>4,208,523.47</u>	<u>521,476.53</u>	
Debt Service:					
Interest on Notes	<u>160,000.00</u>	<u>160,000.00</u>	<u>150,377.75</u>		<u>\$9,622.25</u>
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Emergency Authorizations					
Hurricane Sandy	35,000.00	35,000.00	35,000.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	50,000.00	50,000.00	50,000.00		
Social Security System (O.A.S.I.)	50,000.00	50,000.00	41,993.36	8,006.64	
Unemployment Compensation Insurance	10,000.00	10,000.00	10,000.00		
Total Deferred Charges and Statutory Expenditures	<u>145,000.00</u>	<u>145,000.00</u>	<u>136,993.36</u>	<u>8,006.64</u>	
Deficit in Operations in Prior Years	<u>658,802.00</u>	<u>658,802.00</u>	<u>658,802.00</u>		
Surplus (Fund Balance) - General Budget	<u>439,000.00</u>	<u>439,000.00</u>			<u>439,000.00</u>
	<u><u>\$6,132,802.00</u></u>	<u><u>\$6,132,802.00</u></u>	<u><u>\$5,154,696.58</u></u>	<u><u>\$529,483.17</u></u>	<u><u>\$448,622.25</u></u>
<b>Ref.</b>	E-2		E-1	E,E-1	

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2013**

	<b><u>Ref</u></b>	<b><u>Paid or</u></b>
Cash Disbursements	1-E	\$4,400,542.66
Encumbrances Payable	E	60,351.92
Deferred Charge - Emergency Authorization		35,000.00
Deficit in Operations in Prior Years		658,802.00
		<u>\$5,154,696.58</u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2013 and 2012**

	<b><u>Ref.</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b><u>Assets</u></b>			
General Fixed Assets:			
Land		\$13,493,200.00	\$13,493,200.00
Buildings		2,277,459.00	2,277,459.00
Equipment		4,934,025.58	4,934,025.58
		<u>\$20,704,684.58</u>	<u>\$20,704,684.58</u>
<b><u>Liabilities and Reserves</u></b>			
Investment in General Fixed Assets	1-F	<u>\$20,704,684.58</u>	<u>\$20,704,684.58</u>

See Accompanying Notes

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2013**

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

**A. Reporting Entity**

The financial statements of the Borough of Seaside Heights, County of Ocean, New Jersey (the "Borough"), include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the Board of Education, first aid squad or volunteer fire department, which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") established criteria to be used to determine if component units should be included in the financial statements of the oversight entity. These criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements. The Borough had no component units during 2013.

**B. Descriptions of Funds**

The GASB is the recognized standard setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America. The GASB codification establishes certain fund types to be used by general purpose 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 accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

**Current Fund** – used to record revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

**Animal Control Fund** – used to record animal license revenues and expenditures.

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

**B. Descriptions of Funds (continued)**

**Other Trust Fund** – used to record assets held by the Borough in a trustee capacity or as an agent for individuals and other governmental agencies.

**Length of Service Award Program Fund** – used to record Borough contributions, changes in market value and administrative charges for program-eligible volunteers.

**General Capital Fund** – used to record resources, including federal and state grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

**Water/Sewer Utility Operating and Capital Funds** – used to record the operations and acquisition of capital facilities of the Borough’s water utility. Bonds and notes payable of the Utility Fund are recorded in the Utility Capital Fund.

**Electric Utility Operating and Capital Funds** – used to record the operations and acquisition of capital facilities of the Borough’s electric utility. Bonds and notes payable of the Utility Fund are recorded in the Utility Capital Fund.

**General Fixed Assets Account Group** – used to record fixed assets utilized in general government operations.

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. The more significant differences are as follows:

**Property Taxes and Other Revenues** – Property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough’s Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

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

**Grant Revenues** – Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough’s budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

**Expenditures** – Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled 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 at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

**Appropriation Reserves** – Until lapsed at the close of the succeeding year, appropriation reserves are available 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.

**Deferred Charges** – The regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as “paid or charged” exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

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

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

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

**Property Acquired for Taxes** – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at its market value.

**Sale of Municipal Assets** – Cash proceeds from the sale of Borough owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period when the terms of the sales contract become legally enforceable.

**Interfunds** – Advances in the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

**Inventories of Supplies** – The costs of inventories of supplies for all funds are recorded as expenditures at the time of purchase. The costs of inventories are not included on the various balance sheets.

**General Fixed Assets** – In accordance with N.J.A.C. 5:30-5.6, issued by the Local Finance Board, Department of Community Affairs, State of New Jersey, which differs in certain respects from GAAP, the Borough is required to develop a fixed assets accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are required to be 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.

For fixed assets acquired through December 31, 1985, valuation is required at historical cost or estimated historical cost if actual historical cost is not available. For assets acquired beginning on January 1, 1986, the required basis for valuation is historical cost. Depreciation is not required. GAAP requires fixed assets to be valued at cost and be depreciated.

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

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

**Utility Fixed Assets** – Property and equipment purchased by the Utility Funds are recorded in the capital accounts at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital funds represent charges to operations for the costs of acquisitions of property, equipment and improvements.

Property and equipment of the Utility Funds are not depreciated. Principal payments for Utility debt are recorded as expenditures in the Utility Statement of Operations.

**D. Financial Statements**

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

**E. 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. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the Division in accordance with applicable statutes.

**F. Reclassification**

Certain prior period amounts have been reclassified to conform to the current year financial statements presentation.

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

Cash and cash equivalents include cash on hand, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

**Deposits**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (“FDIC”), or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The Governmental Unit Deposit Protection Act (“GUDPA”) requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits. GUDPA requires that the market value of the collateral must equal five percent of the average daily balance of public funds; or if the public funds deposited exceed seventy five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy five percent. All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that in the event of a bank failure, the Borough’s deposits may not be returned to it. Although the Borough does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2013 and 2012 the Borough’s bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Uninsured and Uncollateralized	\$807,536.27	\$492,534.38
Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	<u>6,384,250.13</u>	<u>26,055,313.33</u>
	<u>\$7,191,786.40</u>	<u>\$26,547,847.71</u>

In addition, as of December 31, 2013 and 2012, the Borough had \$23,464.68 and \$23,451.45, respectively, on deposit in the New Jersey Cash Management Fund (the “Fund”). These deposits are subject to custodial credit risk as described in this section. The operations of this Fund are governed by the provisions of the State Investment Council Regulations for the purpose of determining authorized investments for the Fund.

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments**

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Borough may use available funds for the purchase of the following types of securities, which, if suitable for registry, may be registered in the name of the Borough:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Local government investment pools, subject to certain requirements.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P. L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a GUDPA bank;
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

b. Any investment instruments in which the security is not physically held by the Borough shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.

c. Investments are further regulated and restricted in accordance with N. J. S. 40A:5-15.1.

**Custodial Credit Risk**

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Borough does not have a formal investment policy for custodial credit risk for investments. Length of Service Award Program Fund investments were exposed to custodial credit risk and are invested at the discretion of each individual participant and not the Borough. The fair value and book value of the Borough's Length of Service Award Program Fund investments at December 31, 2013 and 2012 were \$289,852.67 and \$263,310.06, respectively.

**Credit Risk**

State law limits investments as described in prior sections of this note to the financial statements. As of December 31, 2013 and 2012 no such investments were held by the Borough.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough does not have a formal investment policy for interest rate risk.

**NOTE 3. TAXES COLLECTED IN ADVANCE**

Taxes collected in advance and set forth as cash liabilities in the financial statements are as follows:

	<u>Balance December 31,</u>	
	<u>2013</u>	<u>2012</u>
Prepaid Taxes	\$143,052.03	\$122,395.39

**NOTE 4. DEBT**

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes (the “notes”) are issued to temporarily finance 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. All notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. No notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

**A. Long-Term Debt**

The Borough’s long-term debt is summarized as follows:

<u>General Capital Bonds and Loan</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>
<u>Purpose</u>				
General Improvements	12/1/03	\$4,420,000.00	3.625% - 3.80%	\$1,520,000.00
General Obligation Refunding Bonds Pension Series 2004	6/1/04	2,800,000.00	6.25%	1,645,000.00
Green Acres Loan	1/26/02	556,250.00	2.00%	254,541.19
				<u>\$3,419,541.19</u>

**NOTE 4. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

<u>Water/Sewer Utility Bonds and Loans</u>				
<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>
Various Improvements	9/15/93	\$2,579,000.00	5.10%	\$130,000.00
Improvements to Water and Sewer System	12/1/03	1,990,000.00	3.625% - 4.375%	1,090,000.00
Water/Sewer Improvement Loan	12/6/07	1,654,000.00	4.50%	1,551,184.00
Water/Sewer Improvement Loan	12/5/98	1,000,000.00	4.50%	807,167.62
Water/Sewer Improvement Loan	2/11/05	1,997,750.00	4.375%	1,806,267.24
				\$5,384,618.86

Long-term debt service requirements are as follows:

<u>General Capital</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$554,646.07	\$159,167.08	\$713,813.15
2015	575,241.96	134,896.19	710,138.15
2016	600,849.82	109,348.33	710,198.15
2017	631,469.90	82,415.75	713,885.65
2018	242,102.45	53,736.95	295,839.40
2019-2023	815,230.99	72,755.95	887,986.94
	\$3,419,541.19	\$612,320.25	\$4,031,861.44

**NOTE 4. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$300,499.40	\$234,473.51	\$534,972.91
2015	173,445.31	221,091.79	394,537.10
2016	181,523.34	214,128.80	395,652.14
2017	184,739.59	206,787.38	391,526.97
2018	188,101.32	199,246.27	387,347.59
2019-2023	996,458.12	873,233.98	1,869,692.10
2024-2028	556,295.10	693,353.53	1,249,648.63
2029-2033	693,160.17	556,487.26	1,249,647.43
2034-2038	862,340.76	385,939.75	1,248,280.51
2039-2043	776,067.64	202,880.67	978,948.31
2044-2047	471,988.11	39,845.28	511,833.39
	<u>\$5,384,618.86</u>	<u>\$3,827,468.22</u>	<u>\$9,212,087.08</u>

Long-term debt transactions for the years ended December 31, 2013 and 2012 are summarized as follows:

	<u>Balance</u>	<u>Deductions</u>	<u>Balance</u>
	<u>Dec. 31, 2012</u>		<u>Dec. 31, 2013</u>
General Capital Fund	\$3,948,603.12	\$529,061.93	\$3,419,541.19
Water/Sewer Utility Capital Fund	5,682,299.60	297,680.74	5,384,618.86
	<u>\$9,630,902.72</u>	<u>\$826,742.67</u>	<u>\$8,804,160.05</u>

	<u>Balance</u>	<u>Deductions</u>	<u>Balance</u>
	<u>Dec. 31, 2011</u>		<u>Dec. 31, 2012</u>
General Capital Fund	\$4,457,092.41	\$508,489.29	\$3,948,603.12
Water/Sewer Utility Capital Fund	5,977,283.17	294,983.57	5,682,299.60
	<u>\$10,434,375.58</u>	<u>\$803,472.86</u>	<u>\$9,630,902.72</u>

**NOTE 4. DEBT (CONTINUED)**

**B. Short-Term Debt**

At December 31, 2013 and 2012 the Borough's outstanding bond anticipation notes were as follows:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>
General Capital Fund	2/1/13	1/31/14	1.50%	\$3,960,316.00
General Capital Fund	8/2/13	8/1/14	1.03%	5,558,612.00
General Capital Fund	12/19/13	8/1/14	1.00%	2,465,084.00
				<u>\$11,984,012.00</u>
Water/Sewer Utility Capital Fund	2/1/13	1/31/14	1.50%	\$1,451,050.00
Electric Utility Capital Fund	2/1/13	1/31/14	1.50%	5,600,000.00
	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>
General Capital Fund	2/3/12	2/1/13	2.00%	\$4,267,144.00
General Capital Fund	8/3/12	8/2/13	1.25%	3,302,862.00
General Capital Fund	10/5/12	10/4/13	1.25%	2,379,000.00
				<u>\$9,949,006.00</u>
Water/Sewer Utility Capital Fund	2/3/12	2/1/13	2.00%	1,487,850.00
Electric Utility Capital Fund	2/3/12	2/1/13	2.00%	5,600,000.00

**Special Emergency Notes**

At December 31, 2013 and 2012 the Borough's outstanding special emergency notes were as follows:

<u>Purpose/Fund</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>
Hurricane Sandy/ Current Fund	12/19/13	12/18/14	1.00%	<u>\$3,099,645.00</u>
<u>Purpose/Fund</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>
Hurricane Sandy/ Current Fund	12/28/12	12/19/13	2.00%	\$11,100,000.00
Water/Sewer Utility Operating Fund	12/28/12	12/19/13	2.00%	1,000,000.00
Electric Utility Operating Fund	12/28/12	12/19/13	2.00%	2,000,000.00
				<u>\$14,100,000.00</u>

**NOTE 4. DEBT (CONTINUED)**

**B. Short-Term Debt (continued)**

Short-term debt transactions for the years ended December 31, 2013 and 2012 are summarized as follows:

	Balance Dec. 31, 2012	Additions	Deductions	Balance Dec. 31, 2013
Current Fund	\$11,100,000.00	\$3,099,645.00	\$11,100,000.00	\$3,099,645.00
General Capital Fund	9,949,006.00	11,984,012.00	9,949,006.00	11,984,012.00
Water/Sewer Utility -				
Operating Fund	1,000,000.00		1,000,000.00	
Capital Fund	1,487,850.00	1,451,050.00	1,487,850.00	1,451,050.00
Electric Utility -				
Operating Fund	2,000,000.00		2,000,000.00	
Capital Fund	5,600,000.00	5,600,000.00	5,600,000.00	5,600,000.00
	<u>\$31,136,856.00</u>	<u>\$22,134,707.00</u>	<u>\$31,136,856.00</u>	<u>\$22,134,707.00</u>
	Balance Dec. 31, 2011	Additions	Deductions	Balance Dec. 31, 2012
Current Fund		\$11,100,000.00		\$11,100,000.00
General Capital Fund	\$5,705,484.00	9,949,006.00	\$5,705,484.00	9,949,006.00
Water/Sewer Utility -				
Operating Fund		1,000,000.00		1,000,000.00
Capital Fund	524,650.00	1,487,850.00	524,650.00	1,487,850.00
Electric Utility -				
Operating Fund		2,000,000.00		2,000,000.00
Capital Fund		5,600,000.00		5,600,000.00
	<u>\$6,230,134.00</u>	<u>\$31,136,856.00</u>	<u>\$6,230,134.00</u>	<u>\$31,136,856.00</u>

**C. Bonds and Notes Authorized but Unissued**

At December 31, 2013 and 2012, the Borough had authorized but not issued bonds and notes as follows:

	Balance Dec. 31, 2013	Balance Dec. 31, 2012
General Capital Fund	\$17,987.97	-
Electric Utility Capital Fund	-	\$760,000.00

**NOTE 5. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED**

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost 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 non-funding of the authorized cost of capital projects. In accordance with New Jersey Statutes the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

**NOTE 6. ACCRUED UNPAID SICK AND VACATION BENEFITS - UNAUDITED**

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Borough's liability related to unused sick and vacation pay. The Borough permits its employees to accumulate unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current costs of such unpaid compensation at December 31, 2013 and 2012 were \$966,990.61 and \$918,080.39, respectively. In accordance with accounting principles and practices prescribed by the Division, this amount is not reported as an expenditure or liability in the accompanying financial statements.

**NOTE 7. FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2013 and 2012, which were appropriated and included as anticipated revenue in budgets for the years ending December 31, 2014 and 2013 were as follows:

For the year ended December 31, 2014,

Current Fund	\$534,317.90
Water/Sewer Utility Operating Fund	66,000.00

For the year ended December 31, 2013,

Water/Sewer Utility Operating Fund	\$285,000.00
Electric Utility Operating Fund	475,000.00

**NOTE 8. ASSESSMENT AND COLLECTION OF PROPERTY TAXES**

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, Local School District and County, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Borough tax collector on or before May 13. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

The Borough is responsible for remitting one hundred percent of school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the Borough and not the school districts or county.

**NOTE 9. UNEMPLOYMENT COMPENSATION INSURANCE**

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Borough has elected to fund a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserve for unemployment compensation insurance at December 31, 2013 and 2012 was \$57,163.82 and \$19,113.62 respectively.

**NOTE 10. FIXED ASSETS - UNAUDITED**

Fixed assets at December 31, 2013 and 2012 were as follows:

	Balance Dec. 31, 2012	Additions	Dispositions	Balance Dec. 31, 2013
Land	\$13,493,200.00			\$13,493,200.00
Buildings	2,277,459.00			2,277,459.00
Equipment	4,934,025.58			4,934,025.58
	<u>\$20,704,684.58</u>	<u>-</u>	<u>-</u>	<u>\$20,704,684.58</u>

  

	Balance Dec. 31, 2011	Additions	Dispositions	Balance Dec. 31, 2012
Land	\$13,493,200.00			\$13,493,200.00
Buildings	2,277,459.00			2,277,459.00
Equipment	4,989,025.58		\$55,000.00	4,934,025.58
	<u>\$20,759,684.58</u>	<u>-</u>	<u>\$55,000.00</u>	<u>\$20,704,684.58</u>

In 2012 the Borough was impacted by Hurricane Sandy. The accompanying flooding caused significant damage to certain of the Borough's buildings and equipment. The Borough expects to receive insurance proceeds and Federal Emergency Management Agency funds to recover most of the costs associated with the repair and replacement of assets damaged by the storm. The Borough's fixed assets inventory has not been adjusted for additions and dispositions occurring in 2013. The carrying amount of the Borough's impaired buildings and equipment that are idle as of December 31, 2013 and 2012 has not been determined.

**NOTE 11. SCHOOL TAXES**

Regulations provide for deferral of not more than fifty percent of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough raises its share of local school taxes on a school year basis and has elected to defer these taxes at December 31, 2013 and 2012 as follows:

	Local District School Tax		Regional High School Tax	
	2013	2012	2013	2012
Balance of Tax	\$1,013,693.50	\$1,403,080.52	\$749,733.60	\$1,061,204.30
Deferred	1,013,693.50	1,403,080.52	824,862.50	1,061,204.30
Tax Payable/(Prepaid)	<u>\$0.00</u>	<u>\$0.00</u>	<u>(\$75,128.90)</u>	<u>\$0.00</u>

**NOTE 12. PENSION PLANS**

**Description of Systems**

The Borough contributes to the Public Employees' Retirement System ("PERS"), and the Police and Firemen's Retirement System ("PFRS"), cost-sharing multiple employer defined benefit pension plans administered by the Division of Pensions and Benefits in the Department of the Treasury, State of New Jersey. The plans provide retirement, death, disability benefits and medical benefits to certain qualifying members and beneficiaries. PERS was established on January 1, 1955 under the provisions of N.J.S.A. 43:15A. PFRS was established on July 1, 1944, under the provisions of N.J.S.A. 43:16A. PERS and PFRS issue publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits.

**Funding Policy**

PERS employee contributions were 6.64% of base wages through June 30, 2013. Effective July 1, 2013 PERS employee contributions were 6.78% of base wages. PERS prosecutor employee contributions were 10.00% of base wages. PFRS employee contributions were 10.00% of base wages. The Division of Pensions actuarially determines employer's contributions annually. Contributions to the plans for the past three years were as follows:

<u>PERS</u>		<u>PFRS</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2013	\$314,477.00	2013	\$553,295.00
2012	246,817.00	2012	223,186.00
2011	223,368.00	2011	223,072.00

All contributions by the Borough were equal to the required contributions for each of the three years.

**Defined Contribution Retirement Program**

The Defined Contribution Retirement Program ("DCRP") is a cost-sharing multiple employer defined contribution pension fund which was established in 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. DCRP provides eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Employee contributions to DCRP are five and one-half percent (5.50%) of base wages. Member contributions are matched by a three percent (3.00%) employer contribution.

**NOTE 13. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts, theft and damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Borough is a member of the Ocean County Municipal Joint Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation, and is sustained through member premiums. In addition, the Fund participates in the Municipal Excess Liability Joint Insurance Fund that has a contract for excess liability insurance for property.

**NOTE 14. LENGTH OF SERVICE AWARD PLAN PROGRAM**

The Borough has established a Length of Service Award Program to ensure retention of members of the Borough's volunteer fire department. The Plan has been established under the laws of the State of New Jersey with the intent that it meets the requirements of a length of service award plan under Section 457(e)(11) of the Internal Revenue Code.

Annual Contribution - The annual contribution to be made by the Borough for each active volunteer member that meets certain eligibility criteria ranges from \$100.00 to \$1,150.00, increased by a cost of living adjustment in each year.

Appropriations - Appropriations for the purpose of funding the Borough's Length of Service Award Program are included as a separate line item in the Borough's budget.

**NOTE 15. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

At December 31, 2013 and 2012 the following deferred charges are reflected on the balance sheets of the current fund, water/sewer utility operating fund and the electric utility operating fund:

	Balance Dec. 31, 2013	Balance Dec. 31, 2012
Current Fund:		
Special Emergency Authorization	\$3,280,000.00	\$14,100,000.00
Emergency Authorization	-	595,000.00
Overexpenditure of Appropriations	50,370.49	35,850.90
Cash Deficit	726,978.02	-
Expenditure without Appropriation	29,916.39	-
Water/Sewer Utility Operating Fund:		
Operating Deficit	391,489.33	297,279.03
Emergency Authorization	-	85,000.00
Electric Utility Operating Fund:		
Operating Deficit	408,647.49	658,802.00
Emergency Authorization	-	35,000.00

The 2014 budget appropriations to fund the deferred charges at December 31, 2013 were not less than required by statute.

## **NOTE 16. DEFERRED COMPENSATION**

The Borough has adopted a Deferred Compensation Plan (the “Plan”) in accordance with Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the statutes of the State of New Jersey.

The Plan enables the Borough’s employees to voluntarily authorize a portion of their salary to be withheld and invested in certain investments permitted under applicable regulations.

## **NOTE 17. POSTEMPLOYMENT RETIREMENT HEALTH BENEFITS**

In addition to the pension benefits described in Note 12, the Borough provides postemployment retirement health benefits for employees who retire after 25 years of service. Benefits consist of full medical coverage and costs are reported as they are paid. In addition, the Borough is required to reimburse employees for the cost of their Medicare premiums.

### **Plan Description**

The Borough contributes to the State Health Benefits Program (“SHBP”), a cost sharing, multiple-employer defined benefit postemployment 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 employees of the State of New Jersey, retirees, and their dependents. Rules governing the operation and administration of the SHBP are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964.

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. The financial report of the SHBP may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

### **Funding Policy**

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

Contributions to pay health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough’s postemployment retirement health benefits contributions to the SHBP for the year ended December 31, 2013 was \$427,078.59, and in 2012 and 2011 were approximately \$382,000.00 in each year. The Borough’s contributions in 2013, 2012 and 2011 equaled the required contributions for each year.

**NOTE 18. INTERFUND BALANCES**

The balances of interfund receivables and payables at December 31, 2013 and 2012 are presented below:

	December 31, 2013	December 31, 2012
<b><u>Receivables</u></b>		
Federal and State Grant Fund	-	\$49,918.05
Other Trust Fund	\$130,000.00	-
Current Fund	610,744.19	20,496.20
Water/Sewer Utility Operating Fund	81,297.00	60,000.00
Electric Utility Operating Fund	480,000.00	-
	<u>\$1,302,041.19</u>	<u>\$130,414.25</u>
<b><u>Payables</u></b>		
Current Fund	\$631,000.00	\$49,918.05
Animal Control Fund	373.00	496.20
Water/Sewer Utility Capital Fund	60,000.00	60,000.00
Electric Utility Operating Fund	297.00	-
Other Trust Fund	-	20,000.00
General Capital Fund	17,987.97	-
Federal and State Grant Fund	592,383.22	-
	<u>\$1,302,041.19</u>	<u>\$130,414.25</u>

All balances resulted from the time lag between the dates that reimbursable expenditures occurred, revenues/receipts were collected and when payments were made between funds.

**NOTE 19. COMMUNITY DISASTER LOANS OUTSTANDING**

On May 15, 2013 the Borough approved a resolution authorizing the execution of a promissory note for a Community Disaster Loan (the "Loan") in the amount of \$3,875,590.00 with the United States Department of Homeland Security, Federal Emergency Management Agency. Loan proceeds of \$3,201,000.00 were utilized as an item of revenue in the Borough's 2013 current fund budget, and loan proceeds of \$674,000.00 were utilized as an item of revenue in the Borough's 2013 water/sewer utility operating fund budget.

As of December 31, 2013, the Loan principal balance and related accrued interest were \$3,875,000.00 and \$11,368.05, respectively. The full principal amount of the Loan and all accumulated accrued interest is due on May 30, 2018, and the interest rate on the loan is 1.00% per annum. The term of the loan is five years, but may be extended. When applicable, the Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the Borough in the three fiscal years following the financial year of the disaster are insufficient to meet the operating budget because of disaster related revenue losses and un-reimbursed disaster related operating expenses.

## **NOTE 20. CONTINGENT LIABILITIES**

### **Grant Financial Assistance**

The Borough receives certain financial assistance in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. The Borough's administration anticipates that no material liabilities will result from such audits.

### **Legal Proceedings**

The Borough is party to certain legal proceedings, the resolution and impact of which, individually or in the aggregate, in the opinion of the Borough's administration, are not likely to have a material adverse impact on the Borough's financial position or adversely affect the Borough's ability to levy, collect, and enforce the collection of taxes or other revenue for the repayment of its bonds or other obligations.

### **Tax Appeals**

There were various tax appeal cases pending against the Borough requesting a reduction of assessed valuation. The Borough intends to vigorously defend its assessments in each case. Under accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize liability, if any, until a case has been adjudicated.

**NOTE 21.    SUBSEQUENT EVENTS**

On May 9, 2014 the Borough issued general obligation refunding bonds of \$2,675,000.00 and pension refunding bonds of \$1,565,000.00. The general obligation refunding bonds consisted of \$1,552,000.00 of general improvement refunding bonds and \$1,123,000.00 of water/sewer utility refunding bonds.

On May 21, 2014 the Borough adopted an ordinance to authorize the issuance of bonds and notes of \$950,000.00 for various improvements.

On August 1, 2014 the Borough issued \$8,850,446.00 of bond anticipation notes due on January 30, 2015, at an interest rate of 0.75% per annum. The bond anticipation notes, along with \$123,250.00 of funds provided for in the Borough's 2014 budget, were issued to refund outstanding bond anticipation notes of \$8,023,696.00 maturing on August 1, 2014 and to temporarily finance the cost of various improvements in and by the Borough of \$950,000.00.

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART II**

**SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2013**

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2013**

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$12,543,169.17
Increased by:			
Non-Budget Revenue	A-2	847,411.95	
State of New Jersey (PL 1971, Ch. 20)		13,577.40	
Taxes Receivable		11,223,562.20	
Revenue Accounts Receivable	4-A	8,661,788.15	
Grants Receivable	10-A	77,154.30	
Prepaid Taxes		143,052.03	
Tax Overpayments		25,389.29	
Unappropriated Reserves	12-A	14,822.83	
Interfunds		633,508.23	
Reserve for Training Fees		17,640.00	
Reserve for Marriage Licenses		125.00	
Payroll Deductions Payable		566.15	
Special Emergency Notes Payable		<u>3,099,645.00</u>	
			<u>24,758,242.53</u>
			37,301,411.70
Decreased by:			
Budget Appropriations	A-3	12,288,101.04	
Appropriation Reserves	5-A	3,944,818.34	
Appropriated Reserves	11-A	734,278.40	
Special Improvement District Tax	6-A	175,500.00	
County Taxes Payable	7-A	2,582,525.09	
Local District School Tax	8-A	2,416,774.02	
Regional High School Tax	9-A	1,961,195.70	
Expenditure without Appropriation		29,916.39	
Reserve for Training Fees		14,447.00	
Refund of Tax Overpayments		1,395.30	
Refunds		18,042.74	
Special Emergency Notes Payable		<u>11,100,000.00</u>	
			<u>35,266,994.02</u>
Balance, December 31, 2013	A		<u><u>\$2,034,417.68</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**  
**Year Ended December 31, 2013**

Year	Balance	2013 Levy	Added Taxes	Collections		Senior Citizens and Veterans Deductions	Canceled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2012			2012	2013				Dec. 31, 2013
2012	\$128.44		\$502.36		\$630.80				
2013		\$11,451,131.36		\$122,395.39	11,223,562.20	\$15,750.00	\$42,789.46	\$45,865.03	\$769.28
	\$128.44	\$11,451,131.36	\$502.36	\$122,395.39	\$11,224,193.00	\$15,750.00	\$42,789.46	\$45,865.03	\$769.28
<b>Ref.</b>	A							3-A	A

**Analysis of 2013 Property Tax Levy**

Tax Yield:

General Purpose Tax		\$11,275,438.14
Special District Taxes		175,693.22
		<u>\$11,451,131.36</u>

**Ref.**

Tax Levy:

Local District School Tax	8-A		\$2,027,387.00
Regional High School Tax	9-A		1,649,725.00
County Taxes:			
County Tax	7-A	\$2,153,732.74	
County Library Tax	7-A	247,159.51	
County Health Tax	7-A	89,367.40	
County Open Space Preservation Tax	7-A	<u>79,368.34</u>	
			2,569,627.99
Special Improvement District Taxes	6-A		175,693.22
Local Tax for Municipal Purposes	A-2		<u>5,028,698.15</u>
			<u>\$11,451,131.36</u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF TAX TITLE LIENS RECEIVABLE**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$60,754.46
Increased by:		
Transfers from Taxes Receivable	2-A	<u>45,865.03</u>
		<u>106,619.49</u>
Decreased by:		
Collection		<u>106,619.49</u>
Balance, December 31, 2013	A	<u><u>\$0.00</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	<u>Balance Dec. 31, 2012</u>	<u>Accrued in 2013</u>	<u>Realized/ Collected</u>	<u>Balance Dec. 31, 2013</u>
Alcoholic Beverage Licenses	A-2		\$88,650.00	\$88,650.00	
Other Licenses	A-2		136,687.86	136,687.86	
Fees and Permits	A-2		214,790.00	214,790.00	
Municipal Court Fines and Costs	A-2	\$48,592.72	1,031,357.98	1,041,045.33	\$38,905.37
Interest and Costs on Taxes	A-2		65,913.19	65,913.19	
Parking Meters	A-2		973,749.44	973,749.44	
Beach Fees	A-2		1,317,971.00	1,317,971.00	
Rentals	A-2		74,717.80	74,717.80	
Ocean Cable TV	A-2		14,503.00	14,503.00	
Energy Receipts Tax	A-2		158,991.53	158,991.53	
Uniform Construction Code Fees	A-2		328,769.00	328,769.00	
Community Disaster Loan Proceeds	A-2		3,201,000.00	3,201,000.00	
FEMA Reimbursement Receivable - Special Emergency Note	A-2		820,000.00	820,000.00	
FEMA Reimbursement Receivable- Interest on Special Emergency Note	A-2		225,000.00	225,000.00	
		<u>\$48,592.72</u>	<u>\$8,652,100.80</u>	<u>\$8,661,788.15</u>	<u>\$38,905.37</u>
	<u>Ref.</u>	A		1-A	A

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2013**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2012</u></b>	<b><u>Transfer from</u></b> <b><u>Encumbrances</u></b> <b><u>Payable</u></b>	<b><u>Balance</u></b> <b><u>after</u></b> <b><u>Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Cancelled</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
<b>General Administration:</b>						
Salaries and Wages	\$74.34		\$74.34			\$74.34
Other Expenses	13,323,002.12	\$609,707.13	13,932,709.25	\$3,931,755.76	\$10,000,000.00	953.49
<b>Mayor and Council:</b>						
Salaries and Wages	361.82		361.82			361.82
Other Expenses	81.77		81.77	62.00		19.77
<b>Municipal Clerk:</b>						
Salaries and Wages	452.76		452.76			452.76
Other Expenses	831.07	233.76	1,064.83	680.83		384.00
<b>Financial Administration (Treasury):</b>						
Salaries and Wages	301.71		301.71			301.71
Other Expenses	869.79	2,118.06	2,987.85	2,974.85		13.00
<b>Revenue Administration (Tax Collection):</b>						
Salaries and Wages	149.52		149.52			149.52
Other Expenses		9,720.88	9,720.88	9,720.88		
<b>Tax Assessment Administration:</b>						
Salaries and Wages	960.00		960.00			960.00
Other Expenses	311.84		311.84	190.00		121.84
<b>Legal Services (Legal Department):</b>						
Other Expenses	909.44	11,561.25	12,470.69	11,961.25		509.44
<b>Engineering Services:</b>						
Other Expenses	1,125.00		1,125.00			1,125.00
<b>Redevelopment Agency:</b>						
Other Expenses	2,684.75	48.00	2,732.75	48.00		2,684.75
<b>Planning Board:</b>						
Other Expenses	3,514.49	648.00	4,162.49	673.00		3,489.49
<b>Uniform Construction Code Enforcement:</b>						
Salaries and Wages	3,255.53		3,255.53	2,537.49		718.04
Other Expenses	163.11	2,437.64	2,600.75	1,882.61		718.14

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2013**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2012</u></b>	<b><u>Transfer from</u></b> <b><u>Encumbrances</u></b> <b><u>Payable</u></b>	<b><u>Balance</u></b> <b><u>after</u></b> <b><u>Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Cancelled</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
<b>Other Code Enforcement Functions:</b>						
Salaries and Wages	\$5,462.51		\$5,462.51	\$5,462.51		
Other Expenses	741.93	\$591.70	1,333.63	464.31		\$869.32
<b>Police Department:</b>						
Salaries and Wages	972.68		972.68			972.68
Other Expenses	1,037.53	36,252.88	37,290.41	36,308.26		982.15
<b>Police Dispatch/911:</b>						
Salaries and Wages	997.44		997.44			997.44
Other Expenses	1,959.88		1,959.88			1,959.88
<b>Office of Emergency Management:</b>						
Salaries and Wages	689.76		689.76			689.76
Other Expenses		246.97	246.97	246.97		
<b>Municipal Court:</b>						
Salaries and Wages	429.92		429.92			429.92
Other Expenses	56.93		56.93			56.93
<b>Streets and Road Maintenance:</b>						
Salaries and Wages	156.73		156.73			156.73
<b>Other Public Works Functions:</b>						
Salaries and Wages	282.00		282.00			282.00
<b>Solid Waste Collection:</b>						
Salaries and Wages	489.98		489.98			489.98
Other Expenses	775.16		775.16			775.16
<b>Buildings and Grounds:</b>						
Salaries and Wages	133.53		133.53			133.53
Other Expenses	2,379.14	3,806.31	6,185.45	2,281.89		3,903.56
<b>Vehicle Maintenance</b>						
<b>(Including Police Vehicles):</b>						
Salaries and Wages	492.58		492.58			492.58
Other Expenses	2,512.34	9,303.53	11,815.87	7,607.06		4,208.81

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2013**

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Transfer from</u> <u>Encumbrances</u> <u>Payable</u>	<u>Balance</u> <u>after</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Cancelled</u>	<u>Balance</u> <u>Lapsed</u>
Public Health Services (Board of Health):						
Other Expenses	\$1,000.00		\$1,000.00			\$1,000.00
Animal Control Services:						
Other Expenses	107.20		107.20			107.20
Welfare/Administration of Public Assistance:						
Other Expenses	1,000.00		1,000.00			1,000.00
Maintenance of Parks:						
Other Expenses	796.16		796.16			796.16
Beach and Boardwalk Operations:						
Salaries and Wages	756.03		756.03			756.03
Other Expenses	3,311.68	\$5,938.32	9,250.00	\$5,806.55		3,443.45
Insurance:						
General Liability Insurance	2,749.77	40,000.00	42,749.77	40,000.00		2,749.77
Employee Group Health Insurance	16,067.07		16,067.07			16,067.07
Telephone	7,970.18	4,781.62	12,751.80	11,482.55		1,269.25
Gas (Natural or Propane)	183.26		183.26	52.74		130.52
Gasoline	14,063.07	19,850.17	33,913.24	33,913.24		
Social Security (O.A.S.I.)	116.91		116.91	116.91		
Police and Firemen's Retirement System of New Jersey	526.00		526.00			526.00
Employee Retirement Incentive	458.00		458.00			458.00
New Jersey Transportation Trust Fund		131,896.98	131,896.98			131,896.98
LOSAP	35,000.00		35,000.00			35,000.00
	<u>\$13,442,724.43</u>	<u>\$889,143.20</u>	<u>\$14,331,867.63</u>	<u>\$4,106,229.66</u>	<u>\$10,000,000.00</u>	<u>\$225,637.97</u>

<u>Ref.</u>	A	A	<u>Ref.</u>	
			1-A	\$3,944,818.34
			A	<u>161,411.32</u>
				<u>\$4,106,229.66</u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF SPECIAL IMPROVEMENT DISTRICT TAXES PAYABLE**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$10,015.61
Increased by:		
2013 Tax Levy	A-1,2-A	<u>175,693.22</u> 185,708.83
Decreased by:		
Payments	1-A	<u>175,500.00</u>
Balance, December 31, 2013	A	<u><u>\$10,208.83</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF COUNTY TAXES PAYABLE**  
**Year Ended December 31, 2013**

	<b><u>Ref.</u></b>		
Balance, December 31, 2012	A		\$12,897.10
Increased by:			
County Tax	2-A	\$2,153,732.74	
County Library Tax	2-A	247,159.51	
County Health Tax	2-A	89,367.40	
County Open Space Preservation Tax	2-A	<u>79,368.34</u>	
	A-1		<u>2,569,627.99</u>
			<u>2,582,525.09</u>
Decreased by:			
Payments	1-A		<u>2,582,525.09</u>
Balance, December 31, 2013	A		<u><u>\$0.00</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE**  
**Year Ended December 31, 2013**

	<b><u>Ref.</u></b>	
Balance, December 31, 2012:		
School Tax Deferred		\$1,403,080.52
Increased by:		
Levy - School Year July 1, 2013 to June 30, 2014	2-A	<u>2,027,387.00</u>
		3,430,467.52
Decreased by:		
Payments	1-A	<u>2,416,774.02</u>
Balance, December 31, 2013:		
School Tax Deferred		<u><u>\$1,013,693.50</u></u>
<b><u>2013 Liability for Local District School Tax</u></b>		
Amount Charged to 2013 Operations	A-1	<u><u>\$2,416,774.02</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE/(PREPAID)**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance, December 31, 2012:		
School Tax Deferred		\$1,061,204.30
Increased by:		
Levy - School Year July 1, 2013 to June 30, 2014	2-A	1,649,725.00
		<u>2,710,929.30</u>
Decreased by:		
Payments	1-A	1,961,195.70
		<u>1,961,195.70</u>
Balance, December 31, 2013:		
School Tax Payable/(Prepaid)	A	(\$75,128.90)
School Tax Deferred		824,862.50
		<u>824,862.50</u>
		<u><u>\$749,733.60</u></u>
 <b><u>2013 Liability for Regional High School Tax</u></b>		
Tax Paid	9-A	\$1,961,195.70
Less: School Tax Prepaid, December 31, 2013	9-A	(75,128.90)
		<u>(75,128.90)</u>
Amount Charged to 2013 Operations	A-1	<u><u>\$1,886,066.80</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF GRANTS RECEIVABLE**  
**Year Ended December 31, 2013**

<u>Grant</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>2013</u> <u>Anticipated</u> <u>Revenue</u>	<u>Received</u>	<u>Transferred</u> <u>from</u> <u>Unappropriated</u> <u>Reserves</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
COPS in Shops - Summer Shore Initiative	A-2	\$500.00	\$1,200.00	\$1,200.00		\$500.00
Ocean County Recycling Mini Grant		987.43				987.43
Ocean County Recycling Mini Grant - 2009		883.00				883.00
NJ DOT - Boulevard		43,750.00		43,750.00		
966 Stewart Grant - 2011		192.00				192.00
Homeland Security - 2011		31,000.00		22,557.87		8,442.13
NJ DOT - Boulevard Beautification		42,500.00				42,500.00
CDBG - Fire Related Debris Removal	A-2		2,500,000.00			2,500,000.00
NJ Department of Emergency Management	A-2		8,968.40			8,968.40
Body Armor Replacement Fund	A-2		2,251.31		\$2,251.31	
Recycling Tonnage Grant	A-2		9,419.19		9,419.19	
NJDOT Trust Fund - Fremont - Kearny	A-2		225,000.00			225,000.00
Clean Communities Program	A-2		9,646.43	9,646.43		
		<u>\$119,812.43</u>	<u>\$2,756,485.33</u>	<u>\$77,154.30</u>	<u>\$11,670.50</u>	<u>\$2,787,472.96</u>
<u>Ref.</u>		A		1-A	12-A	A

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES**  
**Year Ended December 31, 2013**

<u>Grant</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Budget Appropriations</u>		<u>Encumbrances Payable</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Balance Dec. 31, 2013</u>
		<u>Budget</u>	<u>Appropriation by 40A:4-87</u>				
Alcohol Education and Rehabilitation Fund	\$141.09						\$141.09
Homeland Security	8,442.13						8,442.13
Recycling Tonnage Grant	10,614.32	\$9,419.19			\$1,120.05		18,913.46
Body Armor Replacement Fund	1,863.32	2,251.31			810.00		3,304.63
Municipal Alcohol Education and Rehabilitation Program	4,101.19				1,800.00		2,301.19
Clean Communities Grant	1,000.95	9,646.43			1,000.95		9,646.43
NJ DOT - Boulevard Beautification				\$131,896.98	131,896.98		
CDBG - Fire Related Debris Removal			\$2,500,000.00		596,450.42	\$1,769,000.00	134,549.58
NJ Department of Emergency Management			8,968.40			7,450.00	1,518.40
NJ DOT - Fremont - Kearny		225,000.00					225,000.00
COPS in Shops - Summer Shore Initiative		1,200.00			1,200.00		
	<u>\$26,163.00</u>	<u>\$247,516.93</u>	<u>\$2,508,968.40</u>	<u>\$131,896.98</u>	<u>\$734,278.40</u>	<u>\$1,776,450.00</u>	<u>\$403,816.91</u>
<u>Ref.</u>	A			A	1-A	A	A

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF UNAPPROPRIATED RESERVES**  
**Year Ended December 31, 2013**

<u>Grant</u>	<u>Balance Dec. 31, 2012</u>	<u>Received</u>	<u>Appropriated</u>	<u>Balance Dec. 31, 2013</u>
Recycling Tonnage Grant	\$9,419.19	\$9,234.93	\$9,419.19	\$9,234.93
Body Armor Fund	2,251.31	3,582.46	2,251.31	3,582.46
Alcohol Education and Rehabilitation Fund	2,005.44	2,005.44	2,005.44	2,005.44
	<u>\$11,670.50</u>	<u>\$14,822.83</u>	<u>\$11,670.50</u>	<u>\$14,822.83</u>
<u>Ref.</u>	A	1-A	10-A	A

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2013**

	<b><u>Ref.</u></b>	<b><u>Animal Control Trust Fund</u></b>	<b><u>Other Trust Fund</u></b>
Balance, December 31, 2012	B	\$1,590.40	\$483,685.72
Increased by Receipts:			
State Dog License Fees	2-B	\$77.40	
Miscellaneous Reserves	3-B		\$3,855,798.13
Dog License Fees	4-B	<u>353.60</u>	
		431.00	<u>3,855,798.13</u>
		2,021.40	<u>4,339,483.85</u>
Decreased by Disbursements:			
State Dog License Fees	2-B	78.60	
Miscellaneous Reserves	3-B		3,571,873.35
Encumbrances Payable			12,628.23
Due to Current Fund		<u>496.20</u>	<u>150,000.00</u>
		574.80	<u>3,734,501.58</u>
Balance, December 31, 2013	B	<u><u>\$1,446.60</u></u>	<u><u>\$604,982.27</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ANIMAL CONTROL FUND**  
**SCHEDULE OF DUE TO STATE OF NEW JERSEY**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$2.40
Increased by:		
Receipts	1-B	77.40
		<hr/> 79.80
Decreased by:		
Cash Disbursements	1-B	78.60
		<hr/> 78.60
Balance, December 31, 2013	B	<hr/> <hr/> \$1.20

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**OTHER TRUST FUND**  
**SCHEDULE OF MISCELLANEOUS RESERVES**  
**Year Ended December 31, 2013**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2012</u></b>	<b><u>Increased by</u></b>	<b><u>Decreased by</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2013</u></b>
Tourist Development	\$53,060.38	\$52,294.69	\$50,755.75	\$54,599.32
Developers Escrow Fund	15,258.86	23,218.68	26,212.87	12,264.67
Disposal of Forfeited Property	35,360.38	15,356.40	30,970.51	19,746.27
Parking Offenses Adjudication Act	27,874.53	4,002.00	6,650.26	25,226.27
Self Insurance	7,481.04	40,000.00	30,000.00	17,481.04
Off-Duty Police	121,917.48	129,153.75	116,870.42	134,200.81
Unemployment Compensation Insurance	19,113.62	225,148.73	187,098.53	57,163.82
Public Defender	4,951.00	13,123.50		18,074.50
Tax Title Lien Redemptions	166,040.20	2,953,500.38	2,767,713.06	351,827.52
Hurricane Sandy		400,000.00	359,700.00	40,300.00
	<b><u>\$451,057.49</u></b>	<b><u>\$3,855,798.13</u></b>	<b><u>\$3,575,971.40</u></b>	<b><u>\$730,884.22</u></b>
	<b><u>Ref.</u></b>	<b><u>B</u></b>		<b><u>B</u></b>
Cash Receipts	1-B	\$3,855,798.13		
Cash Disbursements	1-B		\$3,571,873.35	
Encumbrances Payable	B		4,098.05	
		<b><u>\$3,855,798.13</u></b>	<b><u>\$3,575,971.40</u></b>	

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ANIMAL CONTROL FUND**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$1,091.80
Increased by:		
Dog License Fees	1-B	<u>353.60</u>
		1,445.40
Decreased by:		
Expenditures under R.S. 4:19-15.11:		
Statutory Excess Due to Current Fund		<u>373.00</u>
Balance, December 31, 2013	B	<u><u>\$1,072.40</u></u>

License Fees Collected:

<u>Year</u>	<u>Amount</u>
2012	\$558.60
2011	<u>513.80</u>
	<u><u>\$1,072.40</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF LENGTH OF SERVICE AWARD**  
**PROGRAM FUND INVESTMENTS**  
**Year Ended December 31, 2013**

	<u>Ref.</u>		
Balance, December 31, 2012	B		\$263,310.06
Increased by:			
Change in Market Value	6-B		<u>45,889.26</u>
			309,199.32
Decreased by:			
Administrative Charges	6-B	\$775.00	
Distributions	6-B	<u>18,571.65</u>	
			<u>19,346.65</u>
Balance, December 31, 2013	B		<u><u>\$289,852.67</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD**  
**PROGRAM FUND**  
**Year Ended December 31, 2013**

	<u>Ref.</u>		
Balance, December 31, 2012	B		\$263,310.06
Increased by:			
Change in Market Value	5-B		<u>45,889.26</u>
			309,199.32
Decreased by:			
Administrative Charges	5-B	\$775.00	
Distributions	5-B	<u>18,571.65</u>	
			<u>19,346.65</u>
Balance, December 31, 2013	B		<u><u>\$289,852.67</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2013**

	<b><u>Ref.</u></b>		
Balance, December 31, 2012	C		\$4,205,171.77
Increased by Receipts:			
Bond Anticipation Notes	6-C	\$2,465,084.00	
Interfunds		17,719,006.00	
FEMA Reimbursements	10-C	5,286,928.03	
Premium on the Sale of Notes	C-1	<u>26,977.09</u>	
			<u>25,497,995.12</u>
			29,703,166.89
Decreased by Disbursements:			
Improvement Authorizations	8-C	10,037,678.88	
Interfunds		<u>17,701,018.03</u>	
			<u>27,738,696.91</u>
Balance, December 31, 2013	C		<u><u>\$1,964,469.98</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH**  
**December 31, 2013**

	<b>Balance</b> <b><u>Dec. 31, 2013</u></b>
Fund Balance	\$146,839.47
Capital Improvement Fund	92.19
Contracts Payable	761,800.06
Due to Current Fund	17,987.97

Improvement Authorizations:

Ordinance Number	Improvement Description	
02-06	Boulevard Improvement Phase III	3,169.30
04-04	Refunding of Certain Unfunded Pension Liabilities	39,037.52
08-21	Acquisition of Property	356,094.17
10-13	Various Improvements	420.00
10-14	Acquisition of Property	651,587.68
11-15	Multi Purpose	5,429.59
13-14	Various Capital Improvements	(17,987.97)
		<b>\$1,964,469.98</b>

**Ref.**                      C

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE**  
**TAXATION - FUNDED**  
**Year Ended December 31, 2013**

	<u>Ref.</u>		
Balance, December 31, 2012	C		\$3,948,603.12
Decreased by:			
Paid by Budget Appropriation:			
Serial Bonds	5-C	\$500,000.00	
Green Acres Loan Payable		29,061.93	
		529,061.93	
Balance, December 31, 2013	C		\$3,419,541.19

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**  
**Year Ended December 31, 2013**

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Bond Anticipation Notes Paid By Budget	FEMA Reimbursements	Balance Dec. 31, 2013	Analysis of Balance Dec. 31, 2013	
							Financed by Bond Anticipation Notes	Expenditures
02-06	Boulevard Improvement Phase III	\$203,600.00		\$203,600.00				
06-03	Various Improvements	262,862.00		37,500.00		\$225,362.00	\$225,362.00	
06-11	Acquisition of Fire Truck	620,000.00		38,750.00		581,250.00	581,250.00	
07-07	Various Improvements	480,000.00		30,000.00		450,000.00	450,000.00	
07-08	Acquisition of Property	1,279,000.00		17,000.00		1,262,000.00	1,262,000.00	
08-20	Various Improvements	765,000.00		45,000.00		720,000.00	720,000.00	
08-21	Acquisition of Property	1,018,544.00		13,228.00		1,005,316.00	1,005,316.00	
10-13	Various Improvements	855,000.00		45,000.00		810,000.00	810,000.00	
10-14	Acquisition of Property	3,040,000.00				3,040,000.00	3,040,000.00	
11-15	Multi Purpose	1,425,000.00				1,425,000.00	1,425,000.00	
13-14	Various Capital Improvements		\$7,770,000.00		\$5,286,928.03	2,483,071.97	2,465,084.00	\$17,987.97
		<u>\$9,949,006.00</u>	<u>\$7,770,000.00</u>	<u>\$430,078.00</u>	<u>\$5,286,928.03</u>	<u>\$12,001,999.97</u>	<u>\$11,984,012.00</u>	<u>\$17,987.97</u>
<u>Ref.</u>		C	8-C	6-C	10-C	C		

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
**Year Ended December 31, 2013**

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2012	Paid by 2013 Budget	Balance Dec. 31, 2013
			Outstanding Dec. 31, 2013 Date	Amount				
General Improvements	12/1/03	\$4,420,000.00	12/1/14	\$360,000.00	3.625%	\$1,865,000.00	\$345,000.00	\$1,520,000.00
			12/1/15	370,000.00	3.70%			
			12/1/16	385,000.00	3.75%			
			12/1/17	405,000.00	3.80%			
General Obligation Refunding Bonds Pension Series 2004	6/1/04	2,800,000.00	6/1/14	165,000.00	6.25%	1,800,000.00	155,000.00	1,645,000.00
			6/1/15	175,000.00	6.25%			
			6/1/16	185,000.00	6.25%			
			6/1/17	195,000.00	6.25%			
			6/1/18	210,000.00	6.25%			
			6/1/19	220,000.00	6.25%			
			6/1/20	240,000.00	6.25%			
			6/1/21	255,000.00	6.25%			
					<u>1,800,000.00</u>	<u>155,000.00</u>	<u>1,645,000.00</u>	
					<u>\$3,665,000.00</u>	<u>\$500,000.00</u>	<u>\$3,165,000.00</u>	
					<u>Ref.</u>	C	3-C	C



**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GREEN ACRES LOAN PAYABLE**  
**December 31, 2013**

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	\$29,646.07	2.00%	\$4,943.33	\$34,589.40
2015	30,241.96	2.00%	4,347.44	34,589.40
2016	30,849.82	2.00%	3,739.58	34,589.40
2017	31,469.90	2.00%	3,119.50	34,589.40
2018	32,102.45	2.00%	2,486.95	34,589.40
2019	32,747.70	2.00%	1,841.70	34,589.40
2020	33,405.94	2.00%	1,183.46	34,589.40
2021	34,077.35	2.00%	512.04	34,589.39
	<u>\$254,541.19</u>		<u>\$22,174.00</u>	<u>\$276,715.19</u>
<b><u>Ref.</u></b>	C			

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**Year Ended December 31, 2013**

Ordinance Number	Improvement Authorizations	Balance Dec. 31, 2012		Transfer from Contracts Payable	2013 Authorizations	Expended	Transfer to Contracts Payable	Balance Dec. 31, 2013	
		Funded	Unfunded					Funded	Unfunded
02-06	Boulevard Improvement Phase III		\$2,362.30	\$35,515.80		\$6,817.61	\$27,891.19		\$3,169.30
04-04	Refunding of Certain Unfunded Pension Liabilities	\$39,037.52						\$39,037.52	
08-21	Acquisition of Property		383,491.71			25,725.54	1,672.00		356,094.17
10-13	Various Improvements		332.03	12,770.00		12,682.03			420.00
10-14	Acquisition of Property	157,515.00	3,040,000.00			1,835,987.64	709,939.68		651,587.68
11-15	Multi Purpose		359,206.59	54,986.25		386,466.06	22,297.19		5,429.59
13-14	Various Capital Improvements				\$7,770,000.00	7,770,000.00			
		<u>\$196,552.52</u>	<u>\$3,785,392.63</u>	<u>\$103,272.05</u>	<u>\$7,770,000.00</u>	<u>\$10,037,678.88</u>	<u>\$761,800.06</u>	<u>\$39,037.52</u>	<u>\$1,016,700.74</u>
<u>Ref.</u>		C	C	C	10-C	1-C	C	C	C

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**Year Ended December 31, 2013**

	<b><u>Ref.</u></b>	
Balance, December 31, 2013 and 2012	C	<u><u>\$92.19</u></u>

**TOWNSHIP OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**Year Ended December 31, 2013**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2012</u></b>	<b><u>2013 Authorizations</u></b>	<b><u>FEMA Reimbursements</u></b>	<b><u>Bond Anticipation Notes Issued</u></b>	<b><u>Balance Dec. 31, 2013</u></b>
13-14	Various Capital Improvements	<u>\$0.00</u>	<u>\$7,770,000.00</u>	<u>\$5,286,928.03</u>	<u>\$2,465,084.00</u>	<u>\$17,987.97</u>
	<b><u>Ref.</u></b> (Footnote C)		8-C	1-C,4-C	6-C	(Footnote C)

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2013**

	<b><u>Ref.</u></b>	<b><u>Operating</u></b>	<b><u>Capital</u></b>
Balance, December 31, 2012	D	\$1,722,291.32	\$803,754.11
Increased by Receipts:			
Miscellaneous Revenue	D-3	\$23,296.43	
Community Disaster Loan	D-3	674,000.00	
FEMA Reimbursement	D-3	21,000.00	
Reserve to Pay Notes	D-3	60,000.00	
Consumer Accounts Receivable	3-D	1,837,192.80	
Sewer Rent Overpayments		9,198.44	
		<u>2,624,687.67</u>	
		4,346,978.99	<u>803,754.11</u>
Decreased by Disbursements:			
Appropriations	D-4	2,418,067.74	
Special Emergency Notes Payable		1,000,000.00	
Appropriation Reserves	6-D	300,577.44	
Accrued Interest Payable	7-D	296,340.94	
Reserve to Pay Notes			\$60,000.00
Interfunds		21,297.00	
Improvement Authorizations	16-D		198,482.70
		<u>4,036,283.12</u>	<u>258,482.70</u>
Balance, December 31, 2013	D	<u><u>\$310,695.87</u></u>	<u><u>\$545,271.41</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF ANALYSIS OF WATER/SEWER UTILITY CAPITAL FUND CASH**  
**December 31, 2013**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2013</u></b>
Capital Improvement Fund	\$93,108.53
Fund Balance	5,271.22
Due to Water/Sewer Operating Fund	60,000.00
Contracts Payable	46,243.00
Grants Receivable	(47,077.00)
Reserve to Pay Notes	375,937.42

Improvement Authorizations:

<u>Ordinance Number</u>	<u>Improvement Description</u>	
11-09	Various Improvements	11,788.24
		<b>\$545,271.41</b>

**Ref.**      D

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**  
**Year Ended December 31, 2013**

	<u>Ref.</u>		
Balance, December 31, 2012	D		\$107,544.08
Increased by:			
Sewer Rents Levied			<u>1,805,491.81</u>
			1,913,035.89
Decreased by:			
Collections	1-D	\$1,837,192.80	
Overpayments Applied		<u>9,021.14</u>	
	D-3		<u>1,846,213.94</u>
Balance, December 31, 2013	D		<u><u>\$66,821.95</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL**  
**Year Ended December 31, 2013**

Balance, December 31, 2013 and 2012 \$15,232,605.83

**Ref.**

D

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**  
**Year Ended December 31, 2013**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Ordinance Date</u></b>	<b><u>Ordinance Amount</u></b>	<b><u>Balance Dec. 31, 2013 and 2012</u></b>
11-08	Various Improvements	6/15/11	\$1,000,000.00	<u>\$1,000,000.00</u>
			<b><u>Ref.</u></b>	D

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2013**

		<b><u>Balance</u></b> <b><u>Dec. 31, 2012</u></b>	<b><u>Balance After</u></b> <b><u>Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
Operating:					
Salaries and Wages		\$787.35	\$787.35		\$787.35
Other Expenses		333,454.40	333,454.40	\$300,577.44	32,876.96
Ocean County Utilities Authority		657.22	657.22		657.22
Statutory Expenditures:					
Social Security System (O.A.S.I.)		844.65	844.65		844.65
		<u>\$335,743.62</u>	<u>\$335,743.62</u>	<u>\$300,577.44</u>	<u>\$35,166.18</u>
	<b><u>Ref.</u></b>			1-D	D-1
Appropriation Reserves	D	\$44,282.56			
Encumbrances Payable	D	291,461.06			
		<u>\$335,743.62</u>			

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF ACCRUED INTEREST PAYABLE**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$76,461.31
Increased by:		
Budget Appropriations	D-4	286,406.11
		<u>362,867.42</u>
Decreased by:		
Interest Paid	1-D	296,340.94
		<u>296,340.94</u>
Balance, December 31, 2013	D	<u><u>\$66,526.48</u></u>

**Analysis of Accrued Interest Payable - December 31, 2013**

Principal Outstanding Dec. 31, 2013	Interest Rate	From	To	Period	Amount
<b>Serial Bonds:</b>					
\$130,000.00	5.10%	09/15/13	12/31/13	107 Days	\$1,943.59
105,000.00	3.625%	12/01/13	12/31/13	30 Days	312.84
105,000.00	3.70%	12/01/13	12/31/13	30 Days	319.32
110,000.00	3.75%	12/01/13	12/31/13	30 Days	339.04
110,000.00	3.80%	12/01/13	12/31/13	30 Days	343.56
220,000.00	4.00%	12/01/13	12/31/13	30 Days	723.29
110,000.00	4.10%	12/01/13	12/31/13	30 Days	370.68
110,000.00	4.20%	12/01/13	12/31/13	30 Days	379.73
110,000.00	4.25%	12/01/13	12/31/13	30 Days	384.25
110,000.00	4.375%	12/01/13	12/31/13	30 Days	395.55
<u>1,220,000.00</u>					<u>5,511.85</u>
<b>Bond Anticipation Notes:</b>					
1,451,050.00	1.50%	2/1/13	12/31/13	334 Days	19,917.15
<b>U.S.D.A. Rural Economic Development Loans:</b>					
1,806,267.24	4.375%	8/11/13	12/31/13	142 Days	30,743.66
807,167.62	4.50%	11/05/13	12/31/13	56 Days	5,572.77
1,551,184.00	4.50%	12/06/13	12/31/13	25 Days	4,781.05
<u>4,164,618.86</u>					<u>41,097.48</u>
<u>\$6,835,668.86</u>					<u><u>\$66,526.48</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF SERIAL BONDS**  
**Year Ended December 31, 2013**

<b>Purpose</b>	<b>Date of Issue</b>	<b>Original Issue</b>	<b>Maturities of Bonds</b>		<b>Interest Rate</b>	<b>Balance Dec. 31, 2012</b>	<b>Paid by 2013 Budget</b>	<b>Balance Dec. 31, 2013</b>
			<b>Outstanding Dec. 31, 2013 Date</b>	<b>Amount</b>				
Various Improvements	9/15/93	\$2,579,000.00	9/15/14	\$130,000.00	5.10%	\$260,000.00	\$130,000.00	\$130,000.00
Improvements to Water and Sewer System	12/1/03	1,990,000.00	12/1/14	105,000.00	3.625%			
			12/1/15	105,000.00	3.70%			
			12/1/16	110,000.00	3.75%			
			12/1/17	110,000.00	3.80%			
			12/1/18	110,000.00	4.00%			
			12/1/19	110,000.00	4.00%			
			12/1/20	110,000.00	4.10%			
			12/1/21	110,000.00	4.20%			
			12/1/22	110,000.00	4.25%			
			12/1/23	110,000.00	4.375%			
						<u>1,195,000.00</u>	<u>105,000.00</u>	<u>1,090,000.00</u>
						<u>\$1,455,000.00</u>	<u>\$235,000.00</u>	<u>\$1,220,000.00</u>
					<b><u>Ref.</u></b>	D	15-D	D



**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF LOANS PAYABLE**  
**Year Ended December 31, 2013**

<u>Purpose</u>	<u>Original Issue Date</u>	<u>Original Issue Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Paid by 2013 Budget</u>	<u>Balance Dec. 31, 2013</u>	<u>Ref.</u>
Water/Sewer Improvements	12/6/07	\$1,654,000.00	4.50%	\$1,570,281.00	\$19,097.00	\$1,551,184.00	11-D
Water/Sewer Improvements	11/5/98	1,000,000.00	4.50%	824,401.28	17,233.66	807,167.62	12-D
Water/Sewer Improvements	2/11/05	1,997,750.00	4.375%	<u>1,832,617.32</u>	<u>26,350.08</u>	<u>1,806,267.24</u>	13-D
				<u>\$4,227,299.60</u>	<u>\$62,680.74</u>	<u>\$4,164,618.86</u>	
			<u>Ref.</u>	D	15-D	D	

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF MATURITY - LOAN PAYABLE**

**United States Department of Agriculture**  
**Rural Economic Development Loan**  
**December 31, 2013**

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	\$19,966.00	4.50%	\$69,581.16	\$89,547.16
2015	20,875.00	4.50%	68,672.60	89,547.60
2016	21,825.00	4.50%	67,722.64	89,547.64
2017	22,818.00	4.50%	66,729.47	89,547.47
2018	23,857.00	4.50%	65,691.09	89,548.09
2019	24,942.00	4.50%	64,605.47	89,547.47
2020	26,078.00	4.50%	63,470.44	89,548.44
2021	27,264.00	4.50%	62,283.74	89,547.74
2022	28,505.00	4.50%	61,043.05	89,548.05
2023	29,802.00	4.50%	59,745.90	89,547.90
2024	31,158.00	4.50%	58,389.71	89,547.71
2025	32,576.00	4.50%	56,971.83	89,547.83
2026	34,059.00	4.50%	55,489.42	89,548.42
2027	35,608.00	4.50%	53,939.53	89,547.53
2028	37,228.00	4.50%	52,319.14	89,547.14
2029	38,923.00	4.50%	50,625.03	89,548.03
2030	40,694.00	4.50%	48,853.78	89,547.78
2031	42,545.00	4.50%	47,001.97	89,546.97
2032	44,481.00	4.50%	45,065.91	89,546.91
2033	46,506.00	4.50%	43,041.74	89,547.74
2034	48,623.00	4.50%	40,925.42	89,548.42
2035	50,835.00	4.50%	38,712.76	89,547.76
2036	53,148.00	4.50%	36,399.47	89,547.47
2037	55,566.00	4.50%	33,980.90	89,546.90
2038	58,095.00	4.50%	31,452.31	89,547.31
2039	60,739.00	4.50%	28,808.60	89,547.60
2040	63,503.00	4.50%	26,044.61	89,547.61
2041	66,393.00	4.50%	23,154.83	89,547.83
2042	69,414.00	4.50%	20,133.52	89,547.52
2043	72,573.00	4.50%	16,974.75	89,547.75
2044	75,876.00	4.50%	13,672.23	89,548.23
2045	79,328.00	4.50%	10,219.40	89,547.40
2046	82,938.00	4.50%	6,609.48	89,547.48
2047	84,443.00	4.50%	2,835.28	87,278.28
	<u>\$1,551,184.00</u>		<u>\$1,491,167.18</u>	<u>\$3,042,351.18</u>

Ref.

10-D

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF MATURITY - LOAN PAYABLE**

**United States Department of Agriculture**  
**Rural Economic Development Loan**  
**December 31, 2013**

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	\$18,017.90	4.50%	\$36,122.10	\$54,140.00
2015	18,837.83	4.50%	35,302.17	54,140.00
2016	19,695.07	4.50%	34,444.93	54,140.00
2017	20,591.32	4.50%	33,548.68	54,140.00
2018	21,528.36	4.50%	32,611.64	54,140.00
2019	22,508.02	4.50%	31,631.98	54,140.00
2020	23,532.28	4.50%	30,607.72	54,140.00
2021	24,603.15	4.50%	29,536.85	54,140.00
2022	25,722.74	4.50%	28,417.26	54,140.00
2023	26,893.29	4.50%	27,246.71	54,140.00
2024	28,117.10	4.50%	26,022.90	54,140.00
2025	29,396.61	4.50%	24,743.39	54,140.00
2026	30,734.34	4.50%	23,405.66	54,140.00
2027	32,132.94	4.50%	22,007.06	54,140.00
2028	33,595.19	4.50%	20,544.81	54,140.00
2029	35,123.98	4.50%	19,016.02	54,140.00
2030	36,722.35	4.50%	17,417.65	54,140.00
2031	38,393.44	4.50%	15,746.56	54,140.00
2032	40,140.58	4.50%	13,999.42	54,140.00
2033	41,967.22	4.50%	12,172.78	54,140.00
2034	43,877.00	4.50%	10,263.00	54,140.00
2035	45,873.68	4.50%	8,266.32	54,140.00
2036	47,961.22	4.50%	6,178.78	54,140.00
2037	50,143.75	4.50%	3,996.25	54,140.00
2038	51,058.26	4.50%	1,714.39	52,772.65
	<u>\$807,167.62</u>		<u>\$544,965.03</u>	<u>\$1,352,132.65</u>

**Ref.** 10-D

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF MATURITY - LOAN PAYABLE**

**United States Department of Agriculture**  
**Rural Economic Development Loan**  
**December 31, 2013**

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	\$27,515.50	4.375%	\$78,726.50	\$106,242.00
2015	28,732.48	4.375%	77,509.52	106,242.00
2016	30,003.27	4.375%	76,238.73	106,242.00
2017	31,330.27	4.375%	74,911.73	106,242.00
2018	32,715.96	4.375%	73,526.04	106,242.00
2019	34,162.94	4.375%	72,079.06	106,242.00
2020	35,673.92	4.375%	70,568.08	106,242.00
2021	37,251.71	4.375%	68,990.29	106,242.00
2022	38,899.30	4.375%	67,342.70	106,242.00
2023	40,619.77	4.375%	65,622.23	106,242.00
2024	42,416.31	4.375%	63,825.69	106,242.00
2025	44,292.33	4.375%	61,949.67	106,242.00
2026	46,251.31	4.375%	59,990.69	106,242.00
2027	48,296.93	4.375%	57,945.07	106,242.00
2028	50,433.04	4.375%	55,808.96	106,242.00
2029	52,663.62	4.375%	53,578.38	106,242.00
2030	54,992.85	4.375%	51,249.15	106,242.00
2031	57,425.11	4.375%	48,816.89	106,242.00
2032	59,964.93	4.375%	46,277.07	106,242.00
2033	62,617.09	4.375%	43,624.91	106,242.00
2034	65,386.55	4.375%	40,855.45	106,242.00
2035	68,278.50	4.375%	37,963.50	106,242.00
2036	71,298.35	4.375%	34,943.65	106,242.00
2037	74,451.78	4.375%	31,790.22	106,242.00
2038	77,744.67	4.375%	28,497.33	106,242.00
2039	81,183.20	4.375%	25,058.80	106,242.00
2040	84,773.82	4.375%	21,468.18	106,242.00
2041	88,523.23	4.375%	17,718.77	106,242.00
2042	92,438.49	4.375%	13,803.51	106,242.00
2043	96,526.90	4.375%	9,715.10	106,242.00
2044	100,796.15	4.375%	5,445.85	106,242.00
2045	48,606.96	4.375%	1,063.04	49,670.00
	<u>\$1,806,267.24</u>		<u>\$1,536,904.76</u>	<u>\$3,343,172.00</u>

Ref.

10-D

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance, December 31, 2013 and 2012	D	<u>\$93,108.53</u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR AMORTIZATION**  
**Year Ended December 31, 2013**

	<u>Ref.</u>		
Balance, December 31, 2012	D		\$9,058,456.23
Increased by:			
Bonds Paid by Operating Budget	8-D	\$235,000.00	
Notes Paid by Operating Budget	9-D	36,800.00	
Loans Paid by Operating Budget	10-D	<u>62,680.74</u>	
			<u>334,480.74</u>
Balance, December 31, 2013	D		<u><u>\$9,392,936.97</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**  
**Year Ended December 31, 2013**

Balance, December 31, 2013 and 2012	<u>Ref.</u> D	<u>\$4,000.00</u>
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**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**WATER/SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**Year Ended December 31, 2013**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Ordinance Date</u></b>	<b><u>Ordinance Amount</u></b>	<b><u>Balance Dec. 31, 2012 Unfunded</u></b>	<b><u>Transferred from Contracts Payable</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Balance Dec. 31, 2013 Unfunded</u></b>
11-08	Various Improvements	6/15/11	\$1,000,000.00	<u>\$137,713.94</u>	<u>\$118,800.00</u>	<u>\$244,725.70</u>	<u>\$11,788.24</u>
			<b><u>Ref.</u></b>	D			D
					<b><u>Ref.</u></b>		
			Cash Disbursements		1-D	\$198,482.70	
			Contracts Payable		D	46,243.00	
						<u>\$244,725.70</u>	

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2013**

	<b><u>Ref.</u></b>	<b><u>Operating</u></b>	<b><u>Capital</u></b>
Balance, December 31, 2012	E	\$3,702,543.91	\$1,730,378.05
Increased by Receipts:			
Miscellaneous Revenue	E-2	\$36,583.68	
Consumer Accounts Receivable	3-E	3,977,893.88	
FEMA Reimbursement Receivable	E-2,7-E	41,000.00	\$2,230,000.00
Interfund		297.00	
Electric Rent Overpayments		34,178.11	
		<u>4,089,952.67</u>	<u>2,230,000.00</u>
		7,792,496.58	3,960,378.05
Decreased by Disbursements:			
Appropriations	E-3	4,400,542.66	
Appropriation Reserves	6-E	139,424.82	
Special Emergency Notes Payable		2,000,000.00	
Refund of Electric Rent Overpayments		13,289.71	
Interfund		480,000.00	
Improvement Authorizations	7-E	3,358,554.18	
		<u>7,033,257.19</u>	<u>3,358,554.18</u>
Balance, December 31, 2013	E	<u><u>\$759,239.39</u></u>	<u><u>\$601,823.87</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**SCHEDULE OF ANALYSIS OF ELECTRIC UTILITY CAPITAL FUND CASH**  
**December 31, 2013**

	<b>Balance Dec. 31, 2013</b>
Capital Improvement Fund	<u>\$41,435.00</u>
Improvement Authorizations:	
<u>Ordinance Number</u>	<u>Improvement Description</u>
11-09	Various Improvements
11-11	Electric Generation Project
	20,331.60
	<u>540,057.27</u>
	<u><u>\$601,823.87</u></u>
<b><u>Ref.</u></b>	<b>E</b>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY OPERATING FUND**  
**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**  
**Year Ended December 31, 2013**

	<u>Ref.</u>		
Balance, December 31, 2012	E		\$92,395.01
Increased by:			
Electric Rents Levied			<u>4,081,886.23</u>
			4,174,281.24
Decreased by:			
Collections	1-E	\$3,977,893.88	
Overpayments Applied		<u>8,902.27</u>	
	E-2		<u>3,986,796.15</u>
Balance, December 31, 2013	E		<u><u>\$187,485.09</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL**  
**Year Ended December 31, 2013**

	<b>Balance</b>	<b>Additions</b>	<b>Balance</b>
	<b>Dec. 31, 2012</b>	<b>By Ordinance</b>	<b>Dec. 31, 2013</b>
Structures and Improvements	\$5,194.28	\$2,230,570.00	\$2,235,764.28
Station Equipment	29,926.45	22,995.00	52,921.45
Poles, Towers and Fixtures	411,145.00		411,145.00
Overhead Conductors and Devices	37,650.18		37,650.18
Line Transformer	214,502.50		214,502.50
Meters	15,381.48		15,381.48
Street Lighting and Signal System	125,248.88		125,248.88
Transportation Equipment Vehicles	277,627.00		277,627.00
Communication Equipment	8,755.36		8,755.36
Miscellaneous Equipment	77,395.45		77,395.45
Computer	110,405.76		110,405.76
Aerial Lift Truck	165,211.75		165,211.75
Utility Garage	180,815.06		180,815.06
	<u>\$1,659,259.15</u>	<u>\$2,253,565.00</u>	<u>\$3,912,824.15</u>
<b><u>Ref.</u></b>	E	5-E	E

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**  
**Year Ended December 31, 2013**

Ord. Number	Improvement Description	Ordinance		Balance Dec. 31, 2012	2013 Authorizations		Costs to Fixed Capital	Adjustments	Authorization Cancelled	Balance Dec. 31, 2013
		Date	Amount		Deferred Reserve Amortization					
05-13	Replacement of Switch Gear Relays	6/1/05	\$25,000.00	\$25,000.00			\$22,995.00	\$2,005.00		
10-15	Acquisition of Real Property	7/21/10	800,000.00	800,000.00			570.00		\$799,430.00	
11-09	Various Improvements	6/15/11	600,000.00	600,000.00						\$600,000.00
11-11	Electric Generation Project	9/21/11	5,000,000.00	5,000,000.00						5,000,000.00
13-15	Repairs/Reconstruction of Electric Utility	8/7/13	2,230,000.00		\$2,230,000.00		2,230,000.00			
				<u>\$6,425,000.00</u>	<u>\$2,230,000.00</u>		<u>\$2,253,565.00</u>	<u>\$2,005.00</u>	<u>\$799,430.00</u>	<u>\$5,600,000.00</u>
		<u>Ref.</u>		E	7-E		4-E	11-E	7-E	E

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY OPERATING FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2013**

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$887.19	\$887.19		\$887.19
Other Expenses	873,917.01	873,917.01	\$139,424.82	734,492.19
Group Insurance	95.80	95.80		95.80
Statutory Expenditures:				
Social Security System (O.A.S.I.)	677.25	677.25		677.25
	<u>\$875,577.25</u>	<u>\$875,577.25</u>	<u>\$139,424.82</u>	<u>\$736,152.43</u>
		<u>Ref.</u>	1-E	E-1
Appropriation Reserves	E \$713,648.32			
Encumbrances Payable	E 161,928.93			
	<u>\$875,577.25</u>			

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**Year Ended December 31, 2013**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2012		Transferred from Contracts Payable	2013 Authorizations	Paid or Charged	Authorizations Cancelled	Balance
				Funded	Unfunded					Dec. 31, 2013 Unfunded
10-15	Acquisition of Real Property	7/21/10	\$800,000.00	\$39,430.00	\$760,000.00				\$799,430.00	
11-09	Various Improvements	6/15/11	600,000.00		21,572.80			\$1,241.20		\$20,331.60
11-11	Electric Generation Project	9/21/11	5,000,000.00		650,370.25	\$1,017,000.00		1,127,312.98		540,057.27
13-15	Repairs/Reconstruction of Electric Utility	8/7/13	2,230,000.00				\$2,230,000.00	2,230,000.00		
				<u>\$39,430.00</u>	<u>\$1,431,943.05</u>	<u>\$1,017,000.00</u>	<u>\$2,230,000.00</u>	<u>\$3,358,554.18</u>	<u>\$799,430.00</u>	<u>\$560,388.87</u>
		<u>Ref.</u>		E	E	E	5-E,11-E	1-E	5-E	E
			<u>Description</u>			<u>Ref.</u>				
			FEMA Reimbursement Receivable			1-E	<u>\$2,230,000.00</u>			

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES**  
**Year Ended December 31, 2013**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Authorization</u></b>	<b><u>Date of Issue of Original Note</u></b>	<b><u>Date of Issue</u></b>	<b><u>Date of Maturity</u></b>	<b><u>Interest Rate</u></b>	<b><u>Balance Dec. 31, 2012</u></b>	<b><u>Increased</u></b>	<b><u>Decreased</u></b>	<b><u>Balance Dec. 31, 2013</u></b>
11-09	Various Improvements	2/3/12	2/3/12	2/1/13	2.00%	\$600,000.00		\$600,000.00	
11-11	Electric Generation Project	2/3/12	2/3/12	2/1/13	2.00%	5,000,000.00		5,000,000.00	
11-09	Various Improvements	2/3/12	2/1/13	1/31/14	1.50%		\$600,000.00		\$600,000.00
11-11	Electric Generation Project	2/3/12	2/1/13	1/31/14	1.50%		5,000,000.00		5,000,000.00
						<u>\$5,600,000.00</u>	<u>\$5,600,000.00</u>	<u>\$5,600,000.00</u>	<u>\$5,600,000.00</u>
					<b><u>Ref.</u></b>	E			E

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**Year Ended December 31, 2013**

	<b><u>Ref.</u></b>	
Balance, December 31, 2012	E	\$2,005.00
Increased by:		
Funded Improvement Authorization		
Cancelled	11-E	<u>39,430.00</u>
Balance, December 31, 2013	E	<u><u>\$41,435.00</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR AMORTIZATION**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$1,659,259.15
Increased by:		
Transfer from Deferred Reserve for Amortization	11-E	<u>2,253,565.00</u>
Balance, December 31, 2013	E	<u><u>\$3,912,824.15</u></u>

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**  
**Year Ended December 31, 2013**

<b>Ord. Number</b>	<b>Purpose</b>	<b>Ord. Date</b>	<b>Balance Dec. 31, 2012</b>	<b>Fixed Capital Authorized</b>	<b>To Reserve for Amortization Fixed Capital</b>	<b>Adjustments</b>	<b>Authorization Cancelled To Capital Improvement Fund</b>	<b>Balance Dec. 31, 2013</b>
05-13	Replacement of Switch Gear Relays	6/1/05	\$25,000.00		\$22,995.00	\$2,005.00		
10-15	Acquisition of Real Property	7/21/10	40,000.00		570.00		\$39,430.00	
13-15	Repairs/Reconstruction of Electric Utility	8/7/13		\$2,230,000.00	2,230,000.00			
			<u>\$65,000.00</u>	<u>\$2,230,000.00</u>	<u>\$2,253,565.00</u>	<u>\$2,005.00</u>	<u>\$39,430.00</u>	<u>\$0.00</u>
		<b><u>Ref.</u></b>	E	5-E	10-E	5-E	9-E	E

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**ELECTRIC UTILITY CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**Year Ended December 31, 2013**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2012</u></b>	<b><u>Authorization Cancelled</u></b>	<b><u>Balance Dec. 31, 2013</u></b>
10-15	Acquisition of Real Property	<u>\$760,000.00</u>	<u>\$760,000.00</u>	<u>\$0.00</u>
	<b><u>Ref.</u></b>	(Footnote E)		(Footnote E)

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS**  
**Year Ended December 31, 2013**

	<b>Balance</b>			<b>Balance</b>
	<b>Dec. 31, 2012</b>	<b>Additions</b>	<b>Dispositions</b>	<b>Dec. 31, 2013</b>
General Fixed Assets:				
Land	\$13,493,200.00			\$13,493,200.00
Buildings	2,277,459.00			2,277,459.00
Equipment	4,934,025.58			4,934,025.58
	<u>\$20,704,684.58</u>	<u>-</u>	<u>-</u>	<u>\$20,704,684.58</u>
<b><u>Ref.</u></b>	F			F

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART III**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2013**

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2013**

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

N.J.S. 40A:11-4 states “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 the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory limit within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the municipal attorney’s opinion should be sought before a commitment is made.

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

Various Construction Projects

Purchase of a Street Sweeper, a Beach Rake, Lighting Equipment for the Boardwalk and a Public Address System for the Boardwalk

Construction of a Seawall on the East Side of the Boardwalk

Electrician Services

Purchase of a Garbage Can Emptying Machine and a Skid Steer

Services of Electricians, Helpers and/or Vehicles

Four Wheel Drive Tractor

Repair and Reconstruction of a Section of the Boardwalk with Ramps and Railings

Purchase of a New Scuba Truck

The minutes indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for “Professional Services” per N.J.S. 40A:11-5.

Our audit of expenditures did not reveal any individual payments in excess of the statutory limit for the performance of any work or the furnishing of any goods or services 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.

**Purchases, Contracts or Agreements not Required to be Advertised by N.J.S. 40A:11-6.1**

N.J.S. 40A:11-6.1 states, “For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered.”

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

N.J.S. 54:4-67 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.

On January 2, 2013 the governing body adopted the following resolution authorizing interest to be charged for nonpayment of taxes or assessments:

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

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00; and

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

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Seaside Heights, County of Ocean, State of New Jersey as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date, subject to any abatement or discount for the late payment of taxes as provided by law; and, if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31<sup>st</sup> of the tax year, an additional penalty of 6% shall be charged against the delinquency. Taxes are due quarterly on the first day of February, May, August, and November.
2. Effective January 1 2013, there will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order or credit card.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date, as set forth in paragraph one of this resolution.
4. That the Tax Collector is hereby directed and authorized to conduct a tax sale no earlier than December of 2013 for unpaid taxes or other municipal liens or charges, or parts thereof, that are in arrears for the 2013 fiscal year
5. This resolution shall be published in its entirety once in an official newspaper of the Borough of Seaside Heights.
6. A certified copy of this resolution shall be provided by the Municipal Clerk to the Tax Collector, Borough Attorney and Borough Auditor for the Borough of Seaside Heights.

Based upon our audit of the tax collector's records, interest on delinquent taxes was charged in accordance with the foregoing resolution.

**Delinquent Taxes and Tax Title Liens**

The Borough's last tax and utility lien sale was held on December 18, 2013 and was complete.

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

2013	0
2012	6
2011	1

**COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31**

<u>Year</u>	<u>Current Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2013	\$1,604,753.57	\$534,317.90
2012	1,604,753.57	
2011	876,280.86	
2010	590,398.79	65,000.00
2009	130,705.17	

<u>Year</u>	<u>Water/Sewer Utility Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2013	\$458,444.28	\$66,000.00
2012	743,444.28	285,000.00
2011	1,020,026.46	261,000.00
2010	1,187,937.80	326,000.00
2009	49,583.31	

<u>Year</u>	<u>Electric Utility Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2013	\$1,017,457.88	
2012	1,492,457.88	\$475,000.00
2011	1,492,457.88	
2010	1,260,797.70	
2009	788,377.31	

**COMPARISON OF UTILITY LEVIES**

**Water/Sewer Utility Fund**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2013	\$1,805,491.81	\$1,846,213.94
2012	2,185,419.66	2,278,399.59
2011	2,766,068.69	2,626,681.67

**Electric Utility Fund**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2013	\$4,081,886.23	\$3,986,796.15
2012	5,422,835.07	5,549,472.78
2011	6,401,865.91	6,465,689.90

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION AND APPORTIONMENT (EXCLUDING SPECIAL IMPROVEMENT DISTRICT)**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Municipal	\$0.813	\$0.571	\$0.544
County	0.417	0.325	0.326
Local District School	0.328	0.333	0.312
Regional High School	0.267	0.270	0.289
Total tax rate	<u>\$1.825</u>	<u>\$1.499</u>	<u>\$1.471</u>

**ASSESSED VALUATIONS**

2013	\$618,105,923.00
2012	843,276,901.00
2011	855,544,996.00

**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 levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2013	\$11,451,131.36	\$11,361,707.59	99.22%
2012	12,881,752.18	12,725,844.42	98.79%
2011	12,688,238.79	12,687,940.20	99.99%

**DELINQUENT TAXES AND TAX TITLE LIENS**

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens at December 31, in relation to the tax levies of the last three years.

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Delinquent taxes	\$769.28	\$128.44	\$298.59
Tax title liens		60,754.46	
Total delinquent	<u>\$769.28</u>	<u>\$60,882.90</u>	<u>\$298.59</u>
% of tax levy	0.007%	0.473%	0.002%

**SUMMARY OF MUNICIPAL DEBT**

<b><u>Issued</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
General	\$15,403,553.19	\$13,897,609.12	\$10,162,576.00
Water/Sewer Utility	6,835,668.86	7,170,149.60	6,501,933.00
Electric Utility	5,600,000.00	5,600,000.00	
Total Issued	<u>27,839,222.05</u>	<u>26,667,758.72</u>	<u>16,664,509.00</u>
Less:			
Pension Refunding Bonds	<u>1,645,000.00</u>	<u>1,800,000.00</u>	<u>1,950,000.00</u>
Net Debt Issued	<u>26,194,222.05</u>	<u>24,867,758.72</u>	<u>14,714,509.00</u>
<b><u>Authorized but not Issued</u></b>			
General	17,987.97		4,465,000.00
Water/Sewer Utility			1,000,000.00
Electric Utility		<u>760,000.00</u>	<u>6,360,000.00</u>
Total Authorized but not Issued	<u>17,987.97</u>	<u>760,000.00</u>	<u>11,825,000.00</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u><u>\$26,212,210.02</u></u>	<u><u>\$25,627,758.72</u></u>	<u><u>\$26,539,509.00</u></u>

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 2.471%.

	<b><u>Gross Debt</u></b>	<b><u>Deductions</u></b>	<b><u>Net Debt</u></b>
Regional School Debt	\$542,643.61	\$542,643.61	
General Debt	15,421,541.16	1,645,000.00	\$13,776,541.16
Water/Sewer Utility Debt	6,835,668.86	5,948,139.26	887,529.60
Electric Utility Debt	5,600,000.00	2,592,445.00	3,007,555.00
	<u>\$28,399,853.63</u>	<u>\$10,728,227.87</u>	<u>\$17,671,625.76</u>

Net Debt \$17,671,625.76 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$715,175,071.00 equals 2.471%.

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

3½% of Equalized Valuation Basis	\$25,031,127.49
Net Debt	<u>17,671,625.76</u>
Remaining Borrowing Power	<u><u>\$7,359,501.73</u></u>

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

Cash Receipts from Fees, Rents or Charges for Year		\$2,909,510.37
Deductions:		
Operating and Maintenance Cost	\$2,333,000.00	
Debt Service	<u>620,886.85</u>	
Total Deductions		<u>2,953,886.85</u>
Deficit in Revenue		<u><u>(\$44,376.48)</u></u>

**CALCULATION OF "SELF-LIQUIDATING PURPOSE" ELECTRIC UTILITY PER  
N.J.S. 40A:2-45**

Cash Receipts from Fees, Rents or Charges for Year		\$4,539,379.83
Deductions:		
Operating and Maintenance Cost	\$4,840,000.00	
Debt Service	<u>150,377.75</u>	
Total Deductions		<u>4,990,377.75</u>
Deficit in Revenue		<u><u>(\$450,997.92)</u></u>

The Chief Financial Officer should file a revised annual debt statement.

## **OFFICIALS IN OFFICE AND SURETY BONDS**

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

<b><u>Name</u></b>	<b><u>Title</u></b>
William Akers	Mayor
Richard Tompkins	President of Council
Harry Smith	Councilman
Anthony Vaz	Councilman
Arline Ottoson	Councilwoman
Victoria Graichen	Councilwoman
Agnes S. Polhemus	Councilwoman
Christine Sierfeld	Tax Collector, Utility Collector
Barbara J. Risley	Chief Financial Officer
Diane B. Stabley	Borough Clerk
James Liqouri	Magistrate
Mary Jane Carrozza	Court Administrator
Patti Genander	Deputy Court Administrator
George Gilmore	Attorney
Jacqueline Wohleben	Deputy Court Administrator
John Camera	Borough Administrator

Borough employees are covered by a public employee dishonesty bond in the amount of \$50,000.00 by the Ocean County Municipal Joint Insurance Fund. In addition, Borough employees are covered by a public employee dishonesty and faithful performance bond in the amount of \$950,000.00 by the Municipal Excess Liability Joint Insurance Fund.

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART IV**

**SINGLE AUDIT SECTION**

**YEAR ENDED DECEMBER 31, 2013**

# *Oliwa & Company*

Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY FEDERAL OMB CIRCULAR A-133**

To the Honorable Mayor and  
Members of the Borough Council  
Borough of Seaside Heights  
County of Ocean  
Seaside Heights, New Jersey

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

We have audited the Borough of Seaside Heights, County of Ocean, State of New Jersey (the "Borough") compliance with the types of compliance requirements described in OMB Circular A-133 Compliance Supplement that could have a direct and material effect on the Borough's major federal programs for the year ended December 31, 2013. The Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

## **Management's Responsibility**

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

## **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Borough's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

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

## Report on Internal Control over Compliance

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

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

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

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



Robert S. Oliwa  
Certified Public Accountant  
Registered Municipal Accountant #414

*Oliwa & Company*

Freehold, New Jersey  
November 28, 2014

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Grant Period	Grant Award Amount	(Memo Only) Cash Received	Federal Expenditures	(Memo Only) Cumulative Expenditures
United States Department of Homeland Security Passed-Through State of New Jersey Department of Law and Public Safety, Division of State Police Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	066-1200 100-A92-13	2013 to completion	\$14,899,140.63	\$8,623,928.03	\$14,899,140.63	\$14,899,140.63
Direct Program Community Disaster Loan	97.030	-	2013	3,875,000.00	3,875,000.00	3,875,000.00	3,875,000.00
Total United States Department of Homeland Security					<u>12,498,928.03</u>	<u>18,774,140.63</u>	<u>18,774,140.63</u>
United States Department of Housing and Urban Development Passed-Through State of New Jersey Economic Development Authority Hurricane Sandy Community Development Block Grant Disaster Recovery	14.269	N/A	10/7/2013- 1/31/2014	2,500,000.00	-	2,365,450.42	2,365,450.42
Total United States Department of Housing and Urban Development					<u>-</u>	<u>2,365,450.42</u>	<u>2,365,450.42</u>
United States Department of Transportation Passed-Through State of New Jersey Department of Law and Public Safety Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	066-1400 100-017-13	2013	1,200.00	1,200.00	1,200.00	1,200.00
Total United States Department of Transportation Total Federal Awards					<u>1,200.00</u>	<u>1,200.00</u>	<u>1,200.00</u>
					<u>\$12,500,128.03</u>	<u>\$21,140,791.05</u>	<u>\$21,140,791.05</u>

N/A - not available

The accompanying notes are an integral part of this schedule.

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED DECEMBER 31, 2013**

**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") presents the federal grant activity of the Borough of Seaside Heights (the "Borough"). The Borough is defined in Note 1(A) to the Borough's financial statements. The information in the Schedule is presented in accordance with the requirements of Federal OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and other information requested by the State of New Jersey, as a pass-through grantor. Because the Schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position, changes in financial position or cash flows of the Borough.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Except for expenditures for Disaster Grants – Public Assistance (Presidentially Declared Disasters), expenditures on the Schedule are recorded on the basis of accounting as described in Note 1 to the Borough's regulatory basis financial statements. Expenditures for Disaster Grants – Public Assistance (Presidentially Declared Disasters) are recorded on the Schedule based upon Project Worksheets approved by the United States Department of Homeland Security, Federal Emergency Management Agency in 2013.

**NOTE 3: CONTINGENCY**

Grants received by the Borough are subject to audit and adjustment by the grantor agency. As a result, costs previously reimbursed could be disallowed and require repayment to the grantor agency.

**NOTE 4: OUTSTANDING LOAN**

On May 15, 2013 the Borough approved a resolution authorizing the execution of a promissory note for a Community Disaster Loan (the "Loan") in the amount of \$3,875,590.00 with the United States Department of Homeland Security, Federal Emergency Management Agency. Loan proceeds totaling \$3,875,000.00 were utilized as items of revenue in the Borough's 2013 budget. As of December 31, 2013, the Loan principal balance and related accrued interest were \$3,875,000.00 and \$11,368.05, respectively. The full principal amount of the Loan and all accumulated accrued interest is due on May 30, 2018, and the interest rate on the loan is 1.00% per annum. The term of the loan is five years, but may be extended. When applicable, the Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the Borough in the three fiscal years following the financial year of the disaster are insufficient to meet the operating budget because of disaster related revenue losses and un-reimbursed disaster related operating expenses.

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statement Section**

- A) Type of auditor's report issued:  
 Generally Accepted Accounting Principles  
 Regulatory Basis:
- |  |  |
|--|--|
|  | Adverse  |
|  | Unmodified - Current Fund, General<br>Capital Fund, Water/Sewer Utility Fund,<br>Electric Utility Fund |
|  | Modified - Trust Fund, General Fixed<br>Assets Account Group   |
- B) Internal control over financial reporting :
- |   |               |     |                          |    |
|---|---------------|-----|--------------------------|----|
| 1. Material weakness(es) identified?  | <u>  X  </u>  | Yes | <u>      </u>            | No |
| 2. Were significant deficiencies identified that were not considered to be material weaknesses? | <u>      </u> | Yes | <u>  None Reported  </u> |    |
- C) Noncompliance material to the financial statements noted?
- |  |               |     |              |    |
|--|---------------|-----|--------------|----|
|  | <u>      </u> | Yes | <u>  X  </u> | No |
|--|---------------|-----|--------------|----|

**Federal Awards Section**

- D) Dollar threshold used to determine Type A and B programs   \$634,224.00
- E) Auditee qualified as low-risk auditee?
- |  |               |     |              |    |
|--|---------------|-----|--------------|----|
|  | <u>      </u> | Yes | <u>  X  </u> | No |
|--|---------------|-----|--------------|----|
- F) Type of auditor's report on compliance for major programs   Unmodified
- G) Internal control over compliance:
- |   |               |     |                          |    |
|---|---------------|-----|--------------------------|----|
| 1. Material weakness(es) identified?  | <u>      </u> | Yes | <u>  X  </u>             | No |
| 2. Were significant deficiencies identified that were not considered to be material weaknesses? | <u>      </u> | Yes | <u>  None Reported  </u> |    |
- H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 Section 510(a)?
- |  |               |     |              |    |
|--|---------------|-----|--------------|----|
|  | <u>      </u> | Yes | <u>  X  </u> | No |
|--|---------------|-----|--------------|----|

I) Identification of major programs:

CFDA Number(s)	Name of Federal Program
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
97.030	Community Disaster Loan
14.269	Hurricane Sandy Community Development Block Grant Disaster Recovery

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding #2013-001** Material weakness related to the maintenance of a fixed assets ledger.

**Criteria**

The Borough is required to develop a fixed assets accounting system in accordance with N.J.A.C. 5:30-5.6.

**Condition**

The Borough has not maintained a fixed assets accounting system in accordance with N.J.A.C. 5:30-5.6, and fixed asset additions and dispositions were not recorded in 2013.

**Cause**

Failure to maintain a fixed assets ledger in accordance with prescribed requirements.

**Effect**

The Borough's general fixed assets account group as of December 31, 2013 does not accurately reflect fixed asset account balances in accordance with N.J.A.C. 5:30-5.6.

**Recommendation**

It is recommended that the Borough's fixed assets accounting system be maintained in accordance with N.J.A.C. 5:30-5.6.

**View of Responsible Officials and Planned Corrective Action**

Borough officials agree with the finding and will develop and maintain a fixed assets accounting and reporting system in accordance with N.J.A.C. 5:30-5.6.

**SECTION III - FINDINGS AND QUESTIONED COSTS**

No findings or questioned costs were identified.

**SECTION IV - STATUS OF PRIOR YEAR FINDINGS**

Not applicable

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART V**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2013**

**BOROUGH OF SEASIDE HEIGHTS**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2013**

**Finding #2013-001\***

We consider the following deficiency in internal control over financial reporting to be a material weakness.

**Criteria**

In accordance with N.J.A.C. 5:30-5.6, as issued by the Local Finance Board, Department of Community Affairs, State of New Jersey, the Borough is required to develop a fixed assets accounting and reporting system.

**Condition**

The Borough has not maintained a fixed assets accounting and reporting system in accordance with N.J.A.C. 5:30-5.6, and fixed asset additions and dispositions have not been recorded in 2013.

**Effect**

The Borough's general fixed assets account group as of December 31, 2013 does not accurately reflect fixed asset account balances in accordance with N.J.A.C. 5:30-5.6.

**Recommendation**

It is recommended that the Borough's fixed assets be maintained in accordance with N.J.A.C. 5:30-5.6.

**Response**

The Borough will develop and maintain a fixed assets accounting and reporting system in accordance with N.J.A.C. 5:30-5.6.

\*a similar finding appeared in the predecessor auditor's 2012 report.

**Other Internal Control and Compliance Matters**

**#2013-002**

**Comment**

We noted that there were interfund balances at year end.

**Recommendation**

We recommend that, where practicable, the Borough liquidate interfund balances prior to year end.

**#2013-003**

**Comment**

We noted that there were overexpenditures of appropriations.

**Recommendation**

We recommend that overexpenditures of appropriations be avoided.

**#2013-004**

**Comment**

We noted that there were expenditures without appropriations.

**Recommendation**

We recommend that expenditures without appropriations be avoided.

**#2013-005**

**Comment**

We noted that the Borough does not have a cash management plan.

**Recommendation**

We recommend that the Borough adopt a cash management plan in accordance with the provisions of N.J.S. 40A:5-14.

**#2013-006**

**Comment**

We noted that the Borough's police, construction code, and code enforcement departments did not remit revenue collections to the finance office within forty-eight hours of receipt.

**Recommendation**

We recommend that the all revenue collections be remitted to the finance office within forty-eight hours of receipt in accordance with N.J.S. 40A:5-15.

**#2013-007**

**Comment**

We noted that the Borough did not file State of New Jersey monthly dog license reports on a timely basis.

**Recommendation**

We recommend that the Borough file State of New Jersey monthly dog license reports on a timely basis.

**#2013-008**

**Comment**

We noted that a resolution was not adopted by the Borough relative to the changes in the named custodians of the petty cash funds.

**Recommendation**

We recommend that a resolution relative to the change in the named custodians of the Borough's petty cash funds be adopted by the governing body and filed with the Division of Local Government Services for approval.

**#2013-009**

**Comment**

We noted that the Borough did not comply with secondary market disclosure requirements on a timely basis.

**Recommendation**

We recommend that the Borough comply with secondary market disclosure requirements on a timely basis.

**#2013-010**

**Comment**

We noted that the Borough has inactive accounts on the balance sheets of the various funds.

**Recommendation**

We recommend that the Borough analyze all inactive balance sheet accounts for possible disposition.

**#2013-011**

**Comment**

We noted that the Borough has not developed an updated analysis of the fixed capital account in the water/sewer utility capital fund and electric utility capital fund.

**Recommendation**

We recommend that the Borough develop an updated analysis of the fixed capital account in the water/sewer utility capital fund and electric utility capital fund.

**#2013-012\***

**Comment**

We noted that parking meter credit card receipts are not being reconciled.

**Recommendation**

We recommend that the Borough reconcile parking meter credit card receipts to bank deposits and to the general ledger.

\*a similar recommendation appeared in the predecessor auditor's 2012 report.