

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, 2014

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, 2014

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BOROUGH OF SEASIDE HEIGHTS
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STATE OF NEW JERSEY

PART I

INDEPENDENT AUDITOR'S REPORTS

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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 of the Borough of Seaside Heights, County of Ocean, State of New Jersey (the "Borough") as of December 31, 2014 and 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 years 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, 2014, and the related notes to the financial statements. We were engaged to audit the financial statements of the fixed assets account group. These financial statements 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 audits. Except as described in the Basis for Disclaimer of Opinion and Basis for Qualified Opinion paragraphs, we conducted our audits 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, 2014 and 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 2014 and 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, 2014 and 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 17.69% and 28.24% of the assets and liabilities and reserves of the Borough’s Trust Fund as of December 31, 2014 and 2013, respectively.

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 sheets - regulatory basis of the Trust Fund of the Borough as of December 31, 2014 and 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 sheets - 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, 2014 and 2013, the statements of operations and change in fund balance - regulatory basis for the years then ended, the statements of fund balance - regulatory basis for the years 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, 2014 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

Our audits were 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.

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 30, 2015 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 30, 2015

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, 2014, 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 30, 2015. 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 #2014-001). 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 30, 2015

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Cash and Cash Equivalents:			
Cash	1-A	\$1,124,598.47	\$2,034,417.68
Change Funds		3,100.00	3,100.00
		<u>1,127,698.47</u>	<u>2,037,517.68</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	2-A	44,421.99	769.28
Tax Title Liens Receivable	3-A	342.40	
Revenue Accounts Receivable	4-A	32,183.31	38,905.37
Prepaid Regional High School Tax	9-A	67,434.29	75,128.90
Delinquent Penalties Receivable		7,516.29	
Due from Animal Control Fund		975.20	373.00
Due from Water/Sewer Operating Fund		79,061.72	
Due from General Capital Fund		17,987.97	17,987.97
Due from Federal and State Grant Fund		2,337,720.05	592,383.22
	A	<u>2,587,643.22</u>	<u>725,547.74</u>
Deferred Charges:			
Special Emergency Authorization (40A:4-55)		2,460,000.00	3,280,000.00
Overexpenditure of Appropriations			50,370.49
Expenditure without Appropriation			29,916.39
Cash Deficit		887,273.15	726,978.02
		<u>3,347,273.15</u>	<u>4,087,264.90</u>
		<u>7,062,614.84</u>	<u>6,850,330.32</u>
Federal and State Grant Fund:			
Grants Receivable	10-A	2,961,104.54	2,787,472.96
		<u>\$10,023,719.38</u>	<u>\$9,637,803.28</u>

See Accompanying Notes

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3,5-A	\$275,062.61	\$294,143.69
Reserve for Encumbrances	A-3,5-A	182,664.85	109,089.88
Special Emergency Notes Payable		1,811,564.00	3,099,645.00
Prepaid Taxes		186,662.95	143,052.03
Special Improvement District Taxes Payable	6-A	11,134.16	10,208.83
County Taxes Payable	7-A	46,852.42	
Payroll Deductions Payable		1,887.70	725.81
DCA Fees Payable		12,344.00	3,193.00
Marriage License Fees Payable		75.00	125.00
Tax Overpayments		126,151.67	25,396.76
Due to State of New Jersey (PL 1971, Ch.20)		40.55	775.55
Reserve for Hurricane Sandy		99,633.96	161,411.32
Due to Electric Operating Fund		479,199.94	480,000.00
Due to Water/Sewer Operating Fund			21,000.00
Due to Other Trust Fund		130,000.00	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>3,404,535.95</u>	<u>4,520,029.01</u>
Reserve for Receivables and Other Assets	A	2,587,643.22	725,547.74
Fund Balance	A-1	1,070,435.67	1,604,753.57
		<u>7,062,614.84</u>	<u>6,850,330.32</u>
Federal and State Grant Fund:			
Due to Current Fund		2,337,720.05	592,383.22
Encumbrances Payable	11-A	146,859.00	1,776,450.00
Appropriated Reserves	11-A	465,979.42	403,816.91
Unappropriated Reserves	12-A	10,546.07	14,822.83
		<u>2,961,104.54</u>	<u>2,787,472.96</u>
		<u>\$10,023,719.38</u>	<u>\$9,637,803.28</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, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$534,317.90	
Miscellaneous Revenue Anticipated	A-2	9,789,160.40	\$11,418,273.48
Receipts from Current Taxes	A-2	12,497,576.65	11,361,707.59
Non-Budget Revenues	A-2	316,727.29	847,411.95
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	5-A	60,309.93	225,637.97
Prior Year Interfunds Returned		610,744.19	20,496.20
Canceled Reserve for Prepaid Regional School Taxes		7,694.61	
Statutory Excess in Dog License Fund		602.20	373.00
Total Revenue		<u>23,817,133.17</u>	<u>23,873,900.19</u>
<u>Expenditures</u>			
Budget Appropriations Within CAPS:			
Operations:			
Salaries and Wages	A-3	4,085,202.00	6,411,396.45
Other Expenses	A-3	3,693,798.00	3,488,000.00
Deferred Charges and Statutory Expenditures	A-3	1,367,274.78	1,335,246.94
Cash Deficit from Preceding Year	A-3	726,978.02	
Budget Appropriations Excluded from CAPS:			
Operations:			
Salaries and Wages	A-3	2,300,000.00	
Other Expenses	A-3	1,088,007.45	2,570,485.33
Capital Improvements	A-3	210,000.00	225,000.00
Municipal Debt Service	A-3	1,125,474.06	1,513,542.12
Deferred Charges	A-3	820,000.00	1,355,000.00
Special District Taxes	6-A	176,425.33	175,693.22
County Taxes	7-A	2,756,858.38	2,569,627.99
Local District School Tax	8-A	2,228,871.52	2,416,774.02
Regional High School Tax	9-A	1,649,725.00	1,886,066.80
Prior Year Senior Citizens and Veterans Disallowed			500.00
Interfunds Advanced		2,435,744.94	610,744.19
Prepaid Regional School Tax			75,128.90
Refunds		40,046.84	18,042.74
Expenditure without Appropriation			29,916.39
Total Expenditures		<u>24,704,406.32</u>	<u>24,681,165.09</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, 2014

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$534,317.90		\$534,317.90	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	4-A	88,000.00		85,900.00	(\$2,100.00)
Other	4-A	136,000.00		170,281.25	34,281.25
Fees and Permits	4-A	214,000.00		187,448.22	(26,551.78)
Municipal Court Fines and Costs	4-A	1,040,000.00		905,315.83	(134,684.17)
Interest and Costs on Taxes	4-A	65,000.00		74,748.93	9,748.93
Parking Meters	4-A	1,000,000.00		1,226,547.20	226,547.20
Anticipated Utility Operating Surplus	4-A	370,000.00		370,000.00	
Beach Fees	4-A	1,400,000.00		1,433,089.08	33,089.08
Rentals	4-A	200,000.00		376,487.00	176,487.00
Ocean Cable TV	4-A	14,000.00		10,177.00	(3,823.00)
Energy Receipts Tax	4-A	160,582.00		157,401.06	(3,180.94)
Uniform Construction Code Fees	4-A	250,000.00		250,179.00	179.00
Recycling Tonnage Grant	10-A	9,234.93		9,234.93	
Drunk Driving Enforcement Fund	10-A		\$81,351.17	81,351.17	
Clean Communities Program	10-A	9,044.45		9,044.45	
Body Armor Fund	10-A	3,582.46		3,582.46	
Municipal Alcohol Education and Rehabilitation Program	10-A	2,005.44		2,005.44	
COPS in Shops - Summer Shore Initiative	10-A	1,200.00		1,200.00	
NJDOT - Dupont Avenue	10-A	160,000.00		160,000.00	

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, 2014

	<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):					
Emergency Sand Dune Construction	10-A	\$113,730.00		\$113,730.00	
USDA - Rural Development	10-A		\$146,859.00	146,859.00	
Anticipated Insurance Recovery Proceeds	4-A	450,000.00		287,249.00	(\$162,751.00)
FEMA Reimbursement Receivable - Special Emergency Note	4-A	820,000.00		820,000.00	
FEMA Reimbursement Receivable - Interest on Special Emergency Note	4-A	31,000.00		31,000.00	
FEMA Reimbursement Receivable	4-A	350,000.00		351,329.38	1,329.38
CDBG Essential Services Grant	10-A	2,400,000.00		2,400,000.00	
General Capital Fund Surplus	4-A	125,000.00		125,000.00	
	A-1	<u>9,412,379.28</u>	<u>228,210.17</u>	<u>9,789,160.40</u>	<u>148,570.95</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2,2-A	<u>5,398,851.96</u>		<u>5,584,211.00</u>	<u>185,359.04</u>
Budget Totals		15,345,549.14	228,210.17	15,907,689.30	<u>\$333,929.99</u>
Non-Budget Revenues	A-1,A-2			316,727.29	
		<u>\$15,345,549.14</u>	<u>\$228,210.17</u>	<u>\$16,224,416.59</u>	
	<u>Ref.</u>	A-3	A-3		

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, 2014

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,2-A	\$12,497,576.65
Allocated to School, County and Special District Taxes		<u>7,013,364.71</u>
Balance for Support of Municipal Budget Appropriations		5,484,211.94
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>99,999.06</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$5,584,211.00</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, 2014

Analysis of Non-Budget Revenues

Insurance Reimbursements	\$177,119.06
Tax Sale Assignment	30,739.39
Electric Adventure Event Fees	20,000.00
School Resource Officer Reimbursements	18,900.00
Cancelled Foreclosure Premium	10,100.00
Bus Service Reimbursements	10,000.00
Scrap Metal	8,879.35
Planning Board Fees	6,950.00
Premium on the Sale of Notes	6,704.00
Recycling	6,194.67
Miscellaneous	5,355.73
Event Application Fees	3,425.00
Police Application Fees	3,170.00
State of New Jersey Motor Vehicle Fines	1,914.50
Recycling Cans	1,425.00
Uncashed Court Checks	1,095.00
Delinquent Tax Collections	769.28
Radius Search	700.00
Zoning - Fence Permits	525.00
Police Reports	500.00
Hurricane Sandy Donations	469.00
Location Shoot Fees	425.00
Bid Bonds	400.00
Senior Citizen/Veterans Administrative Fee	265.00
Returned Check Fees	220.00
Polling Reimbursement	200.00
Restitution	162.36
Copies	109.95
Tax Searches	10.00
	<u>\$316,727.29</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, 2014

	<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>	
<u>Operations Within "CAPS"</u>					
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$150,000.00	\$115,001.00	\$115,000.67	\$0.33	
Other Expenses	140,000.00	270,000.00	266,932.75	3,067.25	
Mayor and Council:					
Salaries and Wages	30,000.00	30,000.00	29,859.45	140.55	
Other Expenses	1,000.00	1,000.00	825.25	174.75	
Municipal Clerk:					
Salaries and Wages	75,000.00	73,000.00	72,891.17	108.83	
Other Expenses	25,000.00	25,050.00	25,047.34	2.66	
Financial Administration (Treasury):					
Salaries and Wages	105,000.00	100,000.00	99,794.92	205.08	
Other Expenses	20,000.00	20,000.00	19,920.54	79.46	
Audit Services:					
Other Expenses	25,000.00	26,500.00	18,600.00	7,900.00	
Revenue Administration (Tax Collection):					
Salaries and Wages	40,000.00	39,000.00	38,477.42	522.58	
Other Expenses	20,000.00	8,800.00	8,420.42	379.58	
Tax Assessment Administration:					
Salaries and Wages	25,000.00	22,300.00	21,999.90	300.10	
Other Expenses	20,000.00	10,000.00	8,333.08	1,666.92	

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, 2014

	<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>	
<u>Operations Within "CAPS"</u>					
GENERAL GOVERNMENT (continued)					
Legal Services (Legal Department):					
Salaries and Wages	\$84,000.00	\$84,001.00	\$84,000.00	\$1.00	
Other Expenses	150,000.00	165,000.00	161,906.01	3,093.99	
Engineering Services:					
Other Expenses	5,000.00	28,000.00	21,719.26	6,280.74	
Redevelopment Agency:					
Salaries and Wages	6,000.00	6,000.00	6,000.00		
Other Expenses	15,000.00	6,500.00	5,731.35	768.65	
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	6,000.00	6,000.00	6,000.00		
Other Expenses	34,000.00	21,000.00	18,358.59	2,641.41	
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Official:					
Salaries and Wages	55,000.00	53,000.00	52,769.12	230.88	
Other Expenses	30,000.00	25,000.00	24,765.22	234.78	
Other Code Enforcement Functions:					
Salaries and Wages	175,000.00	166,000.00	164,804.49	1,195.51	
Other Expenses	15,000.00	13,000.00	11,793.62	1,206.38	

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, 2014

	<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>	
<u>Operations Within "CAPS"</u>					
INSURANCE					
Unemployment	\$150,000.00	\$150,000.00	\$150,000.00		
General Liability	250,000.00	206,000.00	205,673.00	\$327.00	
Worker's Compensation	275,000.00	275,000.00	275,000.00		
Employee Group Health	1,248,000.00	1,284,100.00	1,247,765.81	36,334.19	
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	1,600,000.00	1,745,000.00	1,732,070.08	12,929.92	
Other Expenses	300,000.00	337,000.00	331,065.76	5,934.24	
Police Dispatch/911:					
Salaries and Wages	325,000.00	301,000.00	298,045.99	2,954.01	
Other Expenses	5,000.00	5,000.00	4,476.06	523.94	
Office of Emergency Management:					
Salaries and Wages	10,000.00	7,600.00	7,405.76	194.24	
Other Expenses	5,000.00	5,000.00	4,251.36	748.64	
Aid to Volunteer Fire Companies	60,000.00	60,000.00	60,000.00		
Aid to Volunteer Ambulance Companies	40,000.00	40,000.00	40,000.00		
Municipal Prosecutor's Office:					
Salaries and Wages	70,000.00	68,000.00	67,499.90	500.10	

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, 2014

	<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>	
<u>Operations Within "CAPS"</u>					
MUNICIPAL COURT					
Salaries and Wages	\$370,000.00	\$358,000.00	\$353,511.65	\$4,488.35	
Other Expenses	35,000.00	29,000.00	21,533.79	7,466.21	
PUBLIC DEFENDER					
Other Expenses	20,000.00	20,000.00	18,333.46	1,666.54	
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	42,000.00	57,000.00	56,606.20	393.80	
Other Expenses	15,000.00	25,000.00	14,989.23	10,010.77	
Other Public Works Functions:					
Salaries and Wages	14,000.00	11,500.00	11,345.75	154.25	
Other Expenses	2,000.00	2,000.00		2,000.00	
Solid Waste Collection:					
Salaries and Wages	110,000.00	55,000.00	51,274.97	3,725.03	
Other Expenses	15,000.00	15,000.00	10,166.51	4,833.49	
Building and Grounds:					
Salaries and Wages	150,000.00	141,000.00	140,075.64	924.36	
Other Expenses	50,000.00	55,000.00	51,124.83	3,875.17	
Vehicle Maintenance (Including Police Vehicles):					
Salaries and Wages	46,000.00	28,000.00	23,344.29	4,655.71	
Other Expenses	114,000.00	124,000.00	121,445.76	2,554.24	

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, 2014

	<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>	
<u>Operations Within "CAPS"</u>					
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health):					
Salaries and Wages	\$2,000.00	\$2,000.00	\$2,000.00		
Other Expenses	1,000.00	200.00		\$200.00	
Animal Control Services:					
Other Expenses	5,000.00	1,848.00	486.00	1,362.00	
Welfare/Administration of Public Assistance:					
Other Expenses	1,000.00	1,000.00		1,000.00	
Contributions to Seniors:					
Other Expenses	4,000.00	2,000.00	759.90	1,240.10	
PARKS AND RECREATION					
Maintenance of Parks:					
Other Expenses	4,000.00	4,000.00		4,000.00	
Beach and Boardwalk Operations:					
Salaries and Wages	750,000.00	616,800.00	613,544.61	3,255.39	
Other Expenses	50,000.00	47,800.00	41,746.33	6,053.67	

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, 2014

	<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>	
<u>Operations Within "CAPS"</u>					
UNCLASSIFIED					
Telephone (excluding equipment acquisition)	\$60,000.00	\$60,000.00	\$48,886.38	\$11,113.62	
Gas (Natural or Propane)	5,000.00	5,000.00	1,589.30	3,410.70	
Gasoline	175,000.00	190,000.00	174,892.62	15,107.38	
Landfill/Solid Waste Disposal Costs	130,000.00	130,000.00	100,000.00	30,000.00	
Total Operations Within "CAPS"	<u>7,759,000.00</u>	<u>7,779,000.00</u>	<u>7,564,861.51</u>	<u>214,138.49</u>	
Detail:					
Salaries and Wages	4,240,000.00	4,085,202.00	4,048,321.98	36,880.02	
Other Expenses	<u>3,519,000.00</u>	<u>3,693,798.00</u>	<u>3,516,539.53</u>	<u>177,258.47</u>	
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Emergency Authorizations:					
Expenditure without Appropriation	29,916.39	29,916.39	29,916.39		
Overexpenditure of Appropriations	50,370.49	50,370.49	50,370.49		
Prior Year Bills:					
Public Works - Toms River Animal Hospital, 2011	913.71	913.71	913.71		
Public Works - State of New Jersey, 2006	5,000.00	5,000.00	5,000.00		
Public Works - State of New Jersey, 2001	200.00	200.00	200.00		
Police Department - Galls, 2012	874.19	874.19	874.19		

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, 2014

	<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>	
<u>Operations Within "CAPS"</u>					
Contribution to:					
Public Employees' Retirement System	\$231,000.00	\$222,000.00	\$221,773.65	\$226.35	
Social Security System (O.A.S.I.)	500,000.00	480,000.00	456,555.93	23,444.07	
Police and Firemen's Retirement System of NJ	568,000.00	568,000.00	567,881.20	118.80	
Defined Contribution Retirement Program	10,000.00	10,000.00	9,419.00	581.00	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,396,274.78	1,367,274.78	1,342,904.56	24,370.22	
Cash Deficit of Preceding Year	726,978.02	726,978.02	726,978.02		
Total General Appropriations For Municipal Purposes Within "CAPS"	9,882,252.80	9,873,252.80	9,634,744.09	238,508.71	
<u>Operations Excluded from "CAPS"</u>					
LOSAP	35,000.00	35,000.00		35,000.00	
Employee Group Health	2,000.00	2,000.00	2,000.00		
Additional Hurricane Sandy Related Costs	575,000.00	584,000.00	582,446.10	1,553.90	
CDBG Essential Services Appropriations					
Police - Salaries and Wages	2,100,000.00	2,100,000.00	2,100,000.00		
Streets and Road Maintenance - Salaries and Wages	50,000.00	50,000.00	50,000.00		
Solid Waste Collection - Salaries and Wages	150,000.00	150,000.00	150,000.00		
Landfill Solid Waste Disposal Costs	100,000.00	100,000.00	100,000.00		
	3,012,000.00	3,021,000.00	2,984,446.10	36,553.90	

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, 2014

	<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>	
<u>Operations Excluded from "CAPS"</u>					
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Recycling Tonnage Grant	\$9,234.93	\$9,234.93	\$9,234.93		
Body Armor Replacement Fund	3,582.46	3,582.46	3,582.46		
Drunk Driving Enforcement Fund (40A:4-87, \$81,351.17+)		81,351.17	81,351.17		
Alcohol Education and Rehabilitation	2,005.44	2,005.44	2,005.44		
Clean Communities Grant	9,044.45	9,044.45	9,044.45		
COPS in Shops - Summer Shore Initiative	1,200.00	1,200.00	1,200.00		
USDA - Rural Development (40A:4-87, \$146,859.00+)		146,859.00	146,859.00		
Emergency Sand for Dune Construction	113,730.00	113,730.00	113,730.00		
Total Public and Private Program Offset by Revenues	138,797.28	367,007.45	367,007.45		
Total Operations Excluded from "CAPS"	3,150,797.28	3,388,007.45	3,351,453.55	\$36,553.90	
Detail:					
Salaries and Wages	2,300,000.00	2,300,000.00	2,300,000.00		
Other Expenses	850,797.28	1,088,007.45	1,051,453.55	36,553.90	
<u>Capital Improvements Excluded from "CAPS"</u>					
Capital Improvement Fund	50,000.00	50,000.00	50,000.00		
NJDOT - Dupont Avenue	160,000.00	160,000.00	160,000.00		
Total Capital Improvements Excluded from "CAPS"	210,000.00	210,000.00	210,000.00		

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, 2014

	<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>	
<u>Municipal Debt Service Excluded from "CAPS"</u>					
Payment of Bond Principal	\$602,000.00	\$602,000.00	\$602,000.00		
Payment of Bond Anticipation Notes and Capital Notes	286,500.00	286,500.00	286,352.00		\$148.00
Interest on Bonds	83,000.00	83,000.00	39,921.99		43,078.01
Interest on Notes	176,000.00	176,000.00	162,610.67		13,389.33
Green Trust Loan Program: Loan Repayments for Principal and Interest	35,000.00	35,000.00	34,589.40		410.60
Total Municipal Debt Service Excluded from "CAPS"	1,182,500.00	1,182,500.00	1,125,474.06		57,025.94
<u>Deferred Charges Excluded from "CAPS"</u>					
Special Emergency Authorizations 5 Years (N.J.S.A. 40A:4-55)	820,000.00	820,000.00	820,000.00		

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, 2014

	<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>	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$5,363,297.28	\$5,600,507.45	\$5,506,927.61	\$36,553.90	\$57,025.94
Subtotal General Appropriations	15,245,550.08	15,473,760.25	15,141,671.70	275,062.61	57,025.94
Reserve for Uncollected Taxes	99,999.06	99,999.06	99,999.06		
Total General Appropriations	<u>\$15,345,549.14</u>	<u>\$15,573,759.31</u>	<u>\$15,241,670.76</u>	<u>\$275,062.61</u>	<u>\$57,025.94</u>
	<u>Ref.</u>	A-2	A-1	A,A-1	
Budget	A-3	\$15,345,549.14			
Appropriation by 40A:4-87	A-2	228,210.17			
		<u>\$15,573,759.31</u>			
		<u>Ref.</u>			
Reserve for Uncollected Taxes		A-2	\$99,999.06		
Cash Disbursed		1-A	10,404,734.50		
Due to Federal and State Grant Fund			2,927,007.45		
Deferred Charge - Special Emergency Authorization (40A:4-55)			820,000.00		
Deferred Charge - Expenditure without Appropriation			29,916.39		
Deferred Charge - Overexpenditure of Appropriations			50,370.49		
Deferred Charge - Cash Deficit from Preceding Year			726,978.02		
Encumbrances Payable		A	182,664.85		
			<u>\$15,241,670.76</u>		

See Accompanying Notes

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Animal Control Trust Fund:			
Cash and Cash Equivalents	1-B	\$1,891.60	\$1,446.60
Other Trust Fund:			
Cash and Cash Equivalents	1-B	1,319,537.48	604,982.27
Due from Current Fund		<u>130,000.00</u>	<u>130,000.00</u>
		<u>1,449,537.48</u>	<u>734,982.27</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Investments	5-B	<u>312,022.06</u>	<u>289,852.67</u>
		<u>\$1,763,451.14</u>	<u>\$1,026,281.54</u>
 <u>Liabilities and Reserves</u>			
Animal Control Fund:			
Due to State of New Jersey	2-B	\$4.20	\$1.20
Due to Current Fund		975.20	373.00
Reserve for Animal Control Fund Expenditures	4-B	<u>912.20</u>	<u>1,072.40</u>
		<u>1,891.60</u>	<u>1,446.60</u>
Other Trust Fund:			
Miscellaneous Reserves	3-B	1,448,184.46	730,884.22
Encumbrances Payable	3-B	<u>1,353.02</u>	<u>4,098.05</u>
		<u>1,449,537.48</u>	<u>734,982.27</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Reserve for Length of Service Award Program Fund	6-B	<u>312,022.06</u>	<u>289,852.67</u>
		<u>\$1,763,451.14</u>	<u>\$1,026,281.54</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, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Cash and Cash Equivalents	1-C	\$1,538,048.20	\$1,964,469.98
Deferred Charges to Future Taxation:			
Funded	3-C	2,904,895.12	3,419,541.19
Unfunded	4-C	12,665,647.97	12,001,999.97
		<u>\$17,108,591.29</u>	<u>\$17,386,011.14</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	5-C	\$2,680,000.00	\$3,165,000.00
Bond Anticipation Notes	6-C	12,647,660.00	11,984,012.00
Green Acres Loan Payable	7-C	224,895.12	254,541.19
Contracts Payable	8-C	302,706.69	761,800.06
Improvement Authorizations:			
Funded	8-C	46,285.32	39,037.52
Unfunded	8-C	1,134,979.88	1,016,700.74
Capital Improvement Fund	9-C	92.19	92.19
Due to Current Fund		17,987.97	17,987.97
Reserve to Pay Bonds		14,169.65	
Fund Balance	C-1	39,814.47	146,839.47
		<u>\$17,108,591.29</u>	<u>\$17,386,011.14</u>

There were bonds and notes authorized but not issued of \$17,987.97 on December 31, 2014 and 2013. (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, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Balance, January 1	C	\$146,839.47	\$119,862.38
Increased by:			
Premium on the Sale of Notes	1-C	17,975.00	26,977.09
		<u>164,814.47</u>	<u>146,839.47</u>
Decreased by:			
Payment to Current Fund as Anticipated Revenue	1-C	125,000.00	
Balance, December 31	C	<u>\$39,814.47</u>	<u>\$146,839.47</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, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Cash	1-D	\$53,070.74	\$310,695.87
Change Fund		100.00	100.00
Grant Receivable		505,000.00	
Due from Electric Operating Fund		551.56	297.00
Due from Current Fund			21,000.00
Due from Water/Sewer Capital Fund		420,000.00	60,000.00
		<u>978,722.30</u>	<u>392,092.87</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	3-D	53,714.95	66,821.95
Deferred Charges:			
Operating Deficit		46,311.73	391,489.33
Total Operating Fund		<u>1,078,748.98</u>	<u>850,404.15</u>
Capital Fund:			
Cash and Cash Equivalents	1-D	501,964.17	545,271.41
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>16,781,647.00</u>	<u>16,824,954.24</u>
		<u>\$17,860,395.98</u>	<u>\$17,675,358.39</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, 2014 and 2013

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4,6-D	\$152,632.80	\$217,476.30
Encumbrances Payable	D-4,6-D	333,379.54	31,936.70
Accrued Interest Payable	7-D	54,692.68	66,526.48
Due to Current Fund		79,061.72	
Water/Sewer Overpayments		12,823.01	9,198.44
		<u>632,589.75</u>	<u>325,137.92</u>
Reserve for Receivables	D	53,714.95	66,821.95
Fund Balance	D-1	392,444.28	458,444.28
Total Operating Fund		<u>1,078,748.98</u>	<u>850,404.15</u>
Capital Fund:			
Serial Bonds	8-D	1,000,000.00	1,220,000.00
Bond Anticipation Notes	9-D	1,361,618.00	1,451,050.00
Loans Payable	10-D	4,099,119.46	4,164,618.86
Improvement Authorizations:			
Unfunded	17-D		11,788.24
Capital Improvement Fund	14-D	93,108.53	93,108.53
Contracts Payable	17-D	14,724.00	46,243.00
Reserve for Amortization	15-D	9,767,868.37	9,392,936.97
Reserve to Pay Notes		15,937.42	375,937.42
Deferred Reserve for Amortization	16-D	4,000.00	4,000.00
Due to Water/Sewer Operating Fund		420,000.00	60,000.00
Fund Balance	D-2	5,271.22	5,271.22
Total Capital Fund		<u>16,781,647.00</u>	<u>16,824,954.24</u>
		<u>\$17,860,395.98</u>	<u>\$17,675,358.39</u>

There were no bonds and notes authorized but not issued on December 31, 2014 and 2013.

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, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$66,000.00	\$285,000.00
Water/Sewer Rents	D-3	2,379,162.31	1,846,213.94
Miscellaneous Revenue	D-3	43,583.27	23,296.43
Anticipated Insurance Recovery Proceeds	D-3	6,000.00	
Community Disaster Loan			674,000.00
CDBG Essential Services Grant	D-3	505,000.00	
FEMA Reimbursement			21,000.00
Reserve to Pay Notes	D-3	360,000.00	60,000.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	6-D	32,264.32	35,166.18
Total Revenue		<u>3,392,009.90</u>	<u>2,944,676.55</u>
Expenditures:			
Operating	D-4	2,305,000.00	2,233,000.00
Debt Service	D-4	621,832.30	620,886.85
Deferred Charges and Statutory Expenditures	D-4	120,000.00	185,000.00
Deficit in Operations in Prior Years	D-4	391,484.22	297,279.03
Total Expenditures		<u>3,438,316.52</u>	<u>3,336,165.88</u>
Deficit in Revenue		<u>46,306.62</u>	<u>391,489.33</u>
Operating Deficit to be Raised in Budget of Succeeding Year		<u>\$46,306.62</u>	<u>\$391,489.33</u>
Fund Balance January 1	D	\$458,444.28	\$743,444.28
Decreased by:			
Utilized as Anticipated Revenue	D-1,D-3	<u>66,000.00</u>	<u>285,000.00</u>
Fund Balance December 31	D	<u>\$392,444.28</u>	<u>\$458,444.28</u>

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, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
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, 2014

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	D-1	\$66,000.00	\$66,000.00	
Water/Sewer Rents	D-1,3-D	2,002,984.22	2,379,162.31	\$376,178.09
Miscellaneous Revenue	D-1,1-D	23,000.00	43,583.27	20,583.27
Anticipated Insurance Recovery Proceeds	D-1,1-D	5,000.00	6,000.00	1,000.00
CDBG Essential Services Grant	D-1	505,000.00	505,000.00	
FEMA Reimbursement		500,000.00		(500,000.00)
Reserve to Pay Notes	D-1,1-D	360,000.00	360,000.00	
	D-4	<u>\$3,461,984.22</u>	<u>\$3,359,745.58</u>	<u>(\$102,238.64)</u>
 <u>Analysis of Miscellaneous Revenue</u>				
Interest Earned on Delinquent Accounts			\$43,582.03	
Interest Earned on Deposits			1.24	
	D-3		<u>\$43,583.27</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, 2014

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$530,000.00	\$555,000.00	\$540,689.02	\$14,310.98	
Other Expenses	1,225,000.00	1,200,000.00	1,113,277.96	86,722.04	
Employee Group Insurance	275,000.00	316,000.00	316,000.00		
Other Insurance	275,000.00	234,000.00	197,045.61	36,954.39	
Total Operating	<u>2,305,000.00</u>	<u>2,305,000.00</u>	<u>2,167,012.59</u>	<u>137,987.41</u>	
Debt Service:					
Payment of Bond Principal	253,000.00	253,000.00	253,000.00		
Payment of Bond Anticipation and Capital Notes	89,500.00	89,500.00	89,432.00		\$68.00
Interest on Bonds	30,000.00	30,000.00	15,816.24		14,183.76
Interest on Notes	22,000.00	22,000.00	14,308.33		7,691.67
U.S.D.A. Principal	66,000.00	66,000.00	65,499.40		500.60
U.S.D.A. Interest	185,000.00	185,000.00	183,776.33		1,223.67
Total Debt Service	<u>645,500.00</u>	<u>645,500.00</u>	<u>621,832.30</u>		<u>23,667.70</u>
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	55,000.00	55,000.00	55,000.00		
Social Security System (O.A.S.I.)	55,000.00	55,000.00	40,354.61	14,645.39	
Unemployment Compensation Insurance	10,000.00	10,000.00	10,000.00		
Total Statutory Expenditures	<u>120,000.00</u>	<u>120,000.00</u>	<u>105,354.61</u>	<u>14,645.39</u>	

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, 2014

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deficit in Operations in Prior Years	\$391,484.22	\$391,484.22	\$391,484.22		
	<u>\$3,461,984.22</u>	<u>\$3,461,984.22</u>	<u>\$3,285,683.72</u>	<u>\$152,632.80</u>	<u>\$23,667.70</u>
Ref.	D-3		D-1	D,D-1	
Cash Disbursements			1-D \$2,346,919.06		
Encumbrances Payable			D 333,379.54		
Interest on Bonds, Notes and Loans			7-D 213,900.90		
Deficit in Operations in Prior Years			391,484.22		
			<u>\$3,285,683.72</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, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Operating Fund:			
Cash and Cash Equivalents:			
Cash	1-E	\$2,846,756.36	\$759,239.39
Change Fund		200.00	200.00
Due from Current Fund		479,199.94	480,000.00
		<u>3,326,156.30</u>	<u>1,239,439.39</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	3-E	248,430.35	187,485.09
Deferred Charges:			
Operating Deficit	E-1		408,647.49
Total Operating Fund		<u>3,574,586.65</u>	<u>1,835,571.97</u>
Capital Fund:			
Cash and Cash Equivalents	1-E	598,325.87	601,823.87
Fixed Capital	4-E	3,912,824.15	3,912,824.15
Fixed Capital Authorized and Uncompleted	5-E	5,600,000.00	5,600,000.00
Total Capital Fund		<u>10,111,150.02</u>	<u>10,114,648.02</u>
		<u>\$13,685,736.67</u>	<u>\$11,950,219.99</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, 2014 and 2013

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-3,6-E	\$590,160.63	\$529,483.17
Encumbrances Payable	E-3,6-E	40,335.76	60,351.92
Accrued Interest Payable	11-E	50,470.74	
Consumer Deposits		6,318.80	6,318.80
Due to Water/Sewer Operating Fund		551.56	297.00
Electric Overpayments		22,008.08	34,178.11
		<u>709,845.57</u>	<u>630,629.00</u>
Reserve for Receivables	E	248,430.35	187,485.09
Fund Balance	E-1	2,616,310.73	1,017,457.88
Total Operating Fund		<u>3,574,586.65</u>	<u>1,835,571.97</u>
Capital Fund:			
Improvement Authorizations:			
Unfunded	7-E	556,890.87	560,388.87
Bond Anticipation Notes	8-E	5,515,581.00	5,600,000.00
Capital Improvement Fund	9-E	41,435.00	41,435.00
Reserve for Amortization	10-E	3,997,243.15	3,912,824.15
Total Capital Fund		<u>10,111,150.02</u>	<u>10,114,648.02</u>
		<u>\$13,685,736.67</u>	<u>\$11,950,219.99</u>

There were no bonds and notes authorized but not issued on December 31, 2014 and 2013.

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, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized:			
Fund Balance Utilized			\$475,000.00
Electric Rents	E-2	\$4,623,523.35	3,986,796.15
FEMA Reimbursement Receivable			41,000.00
Anticipated Insurance Recovery Proceeds	E-2	1,917,787.00	
Miscellaneous Revenue	E-2	43,671.60	36,583.68
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	6-E	548,408.13	736,152.43
Total Revenues		<u>7,133,390.08</u>	<u>5,275,532.26</u>
Expenditures:			
Operating	E-3	4,417,000.00	4,730,000.00
Debt Service	E-3	218,889.74	150,377.75
Deferred Charges and Statutory Expenditures	E-3	120,000.00	145,000.00
Deficit in Operations in Prior Years	E-3	408,647.49	658,802.00
Surplus (General Budget)	E-3	370,000.00	
Total Expenditures		<u>5,534,537.23</u>	<u>5,684,179.75</u>
Excess in Revenue		1,598,852.85	
Deficit in Revenue			<u>408,647.49</u>
Operating Deficit to be Raised in the Budget of Succeeding Year	E		<u>\$408,647.49</u>
Fund Balance, January 1	E	<u>1,017,457.88</u>	<u>\$1,492,457.88</u>
		2,616,310.73	1,492,457.88
Decreased by:			
Utilized as Anticipated Revenue			<u>475,000.00</u>
Fund Balance, December 31	E	<u>\$2,616,310.73</u>	<u>\$1,017,457.88</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, 2014

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Electric Rents	E-1,3-E	\$3,845,147.49	\$4,623,523.35	\$778,375.86
FEMA Reimbursement Receivable	E-1,1-E	250,000.00		(250,000.00)
Miscellaneous Revenue	E-1,1-E	36,000.00	43,671.60	7,671.60
Anticipated Insurance Recovery Proceeds	E-1,1-E	<u>1,430,000.00</u>	<u>1,917,787.00</u>	<u>487,787.00</u>
	E-3	<u>\$5,561,147.49</u>	<u>\$6,584,981.95</u>	<u>\$1,023,834.46</u>
 <u>Analysis of Miscellaneous Revenue</u>				
Interest Earned on Delinquent Accounts			\$43,668.75	
Interest on Investments and Deposits			<u>2.85</u>	
	E-2		<u>\$43,671.60</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, 2014

	<u>Ref</u>	<u>Paid or Charged</u>
Cash Disbursements	1-E	\$4,360,922.61
Encumbrances Payable	E	40,335.76
Interest on Notes	11-E	134,470.74
Deficit in Operations in Prior Years		408,647.49
		<u>\$4,944,376.60</u>

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
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>
<u>Liabilities and Reserves</u>			
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, 2014

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 2014.

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.

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, 2014 and 2013 the Borough’s bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Uninsured and Uncollateralized	\$908,707.99	\$807,536.27
Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	<u>7,782,969.52</u>	<u>6,384,250.13</u>
	<u>\$8,691,677.51</u>	<u>\$7,191,786.40</u>

In addition, as of December 31, 2014 and 2013, the Borough had \$23,478.12 and \$23,464.68, 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, 2014 and 2013 were \$312,022.06 and \$289,852.67, respectively.

Credit Risk

State law limits investments as described in prior sections of this note to the financial statements. As of December 31, 2014 and 2013 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>2014</u>	<u>2013</u>
Prepaid Taxes	\$186,662.95	\$143,052.03

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, 2014</u>
<u>Purpose</u>				
Refunding Bonds	4/30/14	\$1,552,000.00	1.50%-2.00%	\$1,165,000.00
General Obligation Refunding Bonds Pension Series 2014	4/30/14	1,565,000.00	0.90%-3.65%	1,515,000.00
Green Acres Loan	1/26/02	556,250.00	2.00%	224,895.12
				<u>\$2,904,895.12</u>

NOTE 4. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

Water/Sewer Utility Capital Bonds and Loans				
Purpose	Date of Issue	Original Issue	Interest Rate	Balance Dec. 31, 2014
Refunding Bonds	4/30/14	\$1,123,000.00	1.50%-3.00%	\$1,000,000.00
Water/Sewer Improvement Loan	12/6/07	1,654,000.00	4.50%	1,531,218.00
Water/Sewer Improvement Loan	11/5/98	1,000,000.00	4.50%	789,149.72
Water/Sewer Improvement Loan	2/11/05	1,997,750.00	4.375%	1,778,751.74
				<u>\$5,099,119.46</u>

Long-term debt service requirements are as follows:

General Capital			
Year	Principal	Interest	Total
2015	\$615,241.96	\$61,437.44	\$676,679.40
2016	620,849.82	50,974.58	671,824.40
2017	641,469.90	39,274.50	680,744.40
2018	247,102.45	27,853.20	274,955.65
2019	247,747.70	21,295.45	269,043.15
2020	263,405.94	13,613.46	277,019.40
2021	269,077.35	4,800.79	273,878.14
	<u>\$2,904,895.12</u>	<u>\$219,249.42</u>	<u>\$3,124,144.54</u>

NOTE 4. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

<u>Water/Sewer Utility Capital</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$183,445.31	\$203,259.29	\$386,704.60
2016	191,523.34	197,881.30	389,404.64
2017	189,739.59	192,264.88	382,004.47
2018	193,101.32	187,178.77	380,280.09
2019	191,612.96	181,654.01	373,266.97
2020-2024	891,536.57	812,100.77	1,703,637.34
2025-2029	581,314.29	668,334.66	1,249,648.95
2030-2034	724,336.12	525,311.70	1,249,647.82
2035-2039	846,376.41	347,763.28	1,194,139.69
2040-2044	810,817.59	168,131.35	978,948.94
2045-2047	295,315.96	20,727.20	316,043.16
	<u>\$5,099,119.46</u>	<u>\$3,504,607.21</u>	<u>\$8,603,726.67</u>

Long-term debt transactions for the years ended December 31, 2014 and 2013 are summarized as follows:

	Balance	Additions	Deductions	Balance
	Dec. 31, 2013			Dec. 31, 2014
General Capital Fund	\$3,419,541.19	\$3,117,000.00	\$3,631,646.07	\$2,904,895.12
Water/Sewer Utility Capital Fund	5,384,618.86	1,123,000.00	1,408,499.40	5,099,119.46
	<u>\$8,804,160.05</u>	<u>\$4,240,000.00</u>	<u>\$5,040,145.47</u>	<u>\$8,004,014.58</u>

	Balance	Additions	Deductions	Balance
	Dec. 31, 2012			Dec. 31, 2013
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>-</u>	<u>\$826,742.67</u>	<u>\$8,804,160.05</u>

NOTE 4. DEBT (CONTINUED)

B. Short-Term Debt

At December 31, 2014 and 2013 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, 2014</u>
General Capital Fund	8/1/14	1/30/15	0.75%	\$8,850,446.00
General Capital Fund	1/31/14	1/30/15	1.00%	3,797,214.00
				<u>\$12,647,660.00</u>
Water/Sewer Utility Capital Fund	1/31/14	1/30/15	1.00%	\$1,361,618.00
Electric Utility Capital Fund	1/31/14	1/30/15	1.00%	5,515,581.00
	<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

Special Emergency Notes

At December 31, 2014 and 2013 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, 2014</u>
Hurricane Sandy Current Fund	12/18/14	12/17/15	1.25%	<u>\$1,811,564.00</u>
<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>

NOTE 4. DEBT (CONTINUED)

B. Short-Term Debt (continued)

Short-term debt transactions for the years ended December 31, 2014 and 2013 are summarized as follows:

	<u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Dec. 31, 2014</u>
Current Fund	\$3,099,645.00	\$1,811,564.00	\$3,099,645.00	\$1,811,564.00
General Capital Fund	11,984,012.00	12,647,660.00	11,984,012.00	12,647,660.00
Water/Sewer Utility - Capital Fund	1,451,050.00	1,361,618.00	1,451,050.00	1,361,618.00
Electric Utility - Capital Fund	5,600,000.00	5,515,581.00	5,600,000.00	5,515,581.00
	<u>\$22,134,707.00</u>	<u>\$21,336,423.00</u>	<u>\$22,134,707.00</u>	<u>\$21,336,423.00</u>
	Balance			Balance
	<u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Dec. 31, 2013</u>
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>\$20,036,856.00</u>	<u>\$22,134,707.00</u>

C. Bonds and Notes Authorized but Unissued

At December 31, 2014 and 2013, the Borough had authorized but not issued bonds and notes as follows:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
General Capital Fund	\$17,987.97	\$17,987.97

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, 2014 and 2013 were \$927,711.21 and \$966,990.61, 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, 2014 and 2013, which were appropriated and included as anticipated revenue in budgets for the years ending December 31, 2015 and 2014 were as follows:

For the year ended December 31, 2015,

Water/Sewer Utility Operating Fund	\$343,156.69
General Capital Fund	39,000.00
Electric Utility Operating Fund	44,000.00

For the year ended December 31, 2014,

Current Fund	\$534,317.90
General Capital Fund	125,000.00
Water/Sewer Utility Operating Fund	66,000.00

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, 2014 and 2013 was \$134,671.55 and \$57,163.82 respectively.

NOTE 10. FIXED ASSETS - UNAUDITED

Fixed assets at December 31, 2014 and 2013 were as follows:

	Balance Dec. 31, 2013	Additions	Dispositions	Balance Dec. 31, 2014
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, 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>

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 2014 and 2013. The carrying amount of the Borough's impaired buildings and equipment that are idle as of December 31, 2014 and 2013 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, 2014 and 2013 as follows:

	Local District School Tax		Regional High School Tax	
	2014	2013	2014	2013
Balance of Tax	\$1,215,177.98	\$1,013,693.50	\$757,428.21	\$749,733.60
Deferred	1,215,177.98	1,013,693.50	824,862.50	824,862.50
Tax Payable/(Prepaid)	<u>\$0.00</u>	<u>\$0.00</u>	<u>(\$67,434.29)</u>	<u>(\$75,128.90)</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 6.78% of base wages through June 30, 2014. Effective July 1, 2014 PERS employee contributions were 6.92% 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>
2014	\$331,773.65	2014	\$567,881.20
2013	314,477.00	2013	553,295.00
2012	246,817.00	2012	223,186.00

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, 2014 and 2013 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, 2014	Balance Dec. 31, 2013
Current Fund:		
Special Emergency Authorization	\$2,460,000.00	\$3,280,000.00
Overexpenditure of Appropriations	-	50,370.49
Cash Deficit	887,273.15	726,978.02
Expenditure without Appropriation	-	29,916.39
Water/Sewer Utility Operating Fund:		
Operating Deficit	46,311.73	391,489.33
Electric Utility Operating Fund:		
Operating Deficit	-	408,647.49

The 2015 budget appropriations to fund the deferred charges at December 31, 2014 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 years ended December 31, 2014, 2013 and 2012 were \$439,055.90, \$427,078.59, and \$382,000.00, respectively. The Borough's contributions in 2014, 2013 and 2012 equaled the required contributions for each year.

NOTE 18. INTERFUND BALANCES

The balances of interfund receivables and payables at December 31, 2014 and 2013 are presented below:

	<u>December 31,</u> 2014	<u>December 31,</u> 2013
<u>Receivables</u>		
Other Trust Fund	\$130,000.00	\$130,000.00
Current Fund	2,435,744.94	610,744.19
Water/Sewer Utility Operating Fund	420,551.56	81,297.00
Electric Utility Operating Fund	479,199.94	480,000.00
	<u>\$3,465,496.44</u>	<u>\$1,302,041.19</u>
<u>Payables</u>		
Current Fund	\$609,199.94	\$631,000.00
Animal Control Fund	975.20	373.00
Water/Sewer Utility Operating Fund	79,061.72	-
Water/Sewer Utility Capital Fund	420,000.00	60,000.00
Electric Utility Operating Fund	551.56	297.00
General Capital Fund	17,987.97	17,987.97
Federal and State Grant Fund	2,337,720.05	592,383.22
	<u>\$3,465,496.44</u>	<u>\$1,302,041.19</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, 2014, the Loan principal balance and related accrued interest were \$3,875,000.00 and \$50,118.05, 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

On October 20, 2015, final judgments were issued by the Tax Court of New Jersey reducing the assessed valuation on certain property for tax years 2010 through 2015, with a stipulation that any overpaid taxes resulting from the settlements be refunded to the taxpayer by the Borough. The amount of the refund to be issued relative to the final judgments will be approximately \$495,000.00.

In addition, as of November 30, 2015, there were 61 tax appeal cases pending against the Borough in the Tax Court of New Jersey requesting reductions of assessed valuation for 2015 and prior years. The aggregate amount of assessed valuation under appeal in these cases totals approximately \$340,000,000.00. The Borough intends to vigorously defend its assessments in each of these tax appeal cases. In the opinion of the Borough's administration, the potential exposure relative to reductions in assessed valuation in all of the tax appeal cases pending should not exceed \$60,000,000.00, and the refunds of overpaid taxes to be issued by the Borough relative to the final judgments should not exceed \$1,200,000.00.

The Borough plans to issue debt to finance the aforementioned refund of overpaid taxes and any refunds of overpaid taxes that may result from the ultimate settlement of tax appeal cases currently pending against the Borough.

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 tax appeal case has been adjudicated.

NOTE 21. SUBSEQUENT EVENTS

On January 29, 2015 the Borough issued general obligation bonds of \$5,241,000.00. The general obligation bonds consisted of \$4,827,000.00 of general capital improvement bonds and \$414,000.00 of water/sewer utility bonds. The bonds were issued to currently refund a portion of outstanding bond anticipation notes of the Borough.

On January 29, 2015 the Borough issued \$14,047,752.00 of bond anticipation notes due on January 28, 2016, at an interest rate of 1.25% per annum. The bond anticipation notes were issued to refund certain outstanding bond anticipation notes of the Borough.

On April 21, 2015 the Borough issued a \$2,400,000.00 tax anticipation note due on October 20, 2015, at an interest rate of 1.00% per annum.

On September 16, 2015 the Borough adopted an ordinance to authorize the issuance of bonds and notes of \$1,229,062.00 for various improvements.

On November 4, 2015 the Borough introduced an ordinance to authorize the issuance of bonds and notes of \$1,425,000.00 for the acquisition of real property. A public hearing and a second reading for final adoption of the proposed ordinance is expected to take place on December 2, 2015.

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

PART II

SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2014

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH
Year Ended December 31, 2014

	<u>Ref.</u>	
Balance, December 31, 2013	A	\$2,034,417.68
Increased by:		
Non-Budget Revenue	A-2	\$316,727.29
State of New Jersey (PL 1971, Ch. 20)		13,515.00
Taxes Receivable		12,340,274.62
Revenue Accounts Receivable	4-A	6,862,152.95
Grants Receivable	10-A	2,738,553.04
Prepaid Taxes		186,662.95
Tax Overpayments		100,754.91
Unappropriated Reserves	12-A	10,546.07
Interfunds		627,560.91
Amount Due from Animal Control Fund		602.20
Reserve for Training Fees		14,916.00
Reserve for Marriage Licenses		450.00
Payroll Deductions Payable		1,161.89
Special Emergency Notes Payable		<u>1,811,564.00</u>
		<u>25,025,441.83</u>
		<u>27,059,859.51</u>
Decreased by:		
Budget Appropriations	A-3	10,404,734.50
Appropriation Reserves	5-A	342,923.64
Appropriated Reserves	11-A	4,494,435.94
Special Improvement District Tax	6-A	175,500.00
County Taxes Payable	7-A	2,710,005.96
Local District School Tax	8-A	2,228,871.52
Regional High School Tax	9-A	1,642,030.39
Interfunds		729,024.89
Reserve for Training Fees		5,765.00
Reserve for Hurricane Sandy		61,777.36
Reserve for Marriage Licenses		500.00
Refunds		40,046.84
Special Emergency Notes Payable		<u>3,099,645.00</u>
		<u>25,935,261.04</u>
Balance, December 31, 2014	A	<u><u>\$1,124,598.47</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, 2014

Year	Balance	2014 Levy	Collections		Senior Citizens and Veterans Deductions	Canceled	Transfer to Tax Title Liens	Balance
	Dec. 31, 2013		2013	2014				Dec. 31, 2014
2013	\$769.28			\$769.28				
2014		\$12,580,243.77	\$143,052.03	12,340,274.62	\$14,250.00	\$37,902.73	\$342.40	\$44,421.99
	\$769.28	\$12,580,243.77	\$143,052.03	\$12,341,043.90	\$14,250.00	\$37,902.73	\$342.40	\$44,421.99
Ref.	A						3-A	A

Analysis of 2014 Property Tax Levy

Tax Yield:

General Purpose Tax	\$12,194,390.58
Added Taxes (54:4-63.1 Et Seq.)	168,133.13
Omitted Taxes (54:4-63.12 Et Seq.)	41,294.73
Special District Taxes	176,425.33
	\$12,580,243.77

Ref.

Tax Levy:

Local District School Tax	8-A	\$2,430,356.00
Regional High School Tax	9-A	1,649,725.00
County Taxes:		
County Tax	7-A	\$2,283,601.37
County Library Tax	7-A	254,556.05
County Health Tax	7-A	91,555.96
County Open Space Preservation Tax	7-A	80,292.58
Due County for Added and Omitted Taxes	7-A	46,852.42
		2,756,858.38
Special Improvement District Taxes	6-A	176,425.33
Local Tax for Municipal Purposes	A-2	5,398,851.96
Add: Additional Tax Levied		168,027.10
Local Tax for Municipal Purposes Levied		5,566,879.06
		\$12,580,243.77

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
Year Ended December 31, 2014

	<u>Ref.</u>	
Balance, December 31, 2013	A	\$0.00
Increased by:		
Transfers from Taxes Receivable	2-A	<u>342.40</u>
Balance, December 31, 2014	A	<u><u>\$342.40</u></u>

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
Year Ended December 31, 2014

	<u>Ref.</u>	<u>Balance Dec. 31, 2013</u>	<u>Accrued in 2014</u>	<u>Realized/ Collected</u>	<u>Balance Dec. 31, 2014</u>
Alcoholic Beverage Licenses	A-2		\$85,900.00	\$85,900.00	
Other Licenses	A-2		170,281.25	170,281.25	
Fees and Permits	A-2		187,448.22	187,448.22	
Municipal Court Fines and Costs	A-2	\$38,905.37	898,593.77	905,315.83	\$32,183.31
Interest and Costs on Taxes	A-2		74,748.93	74,748.93	
Parking Meters	A-2		1,226,547.20	1,226,547.20	
Anticipated Utility Operating Surplus	A-2		370,000.00	370,000.00	
Beach Fees	A-2		1,433,089.08	1,433,089.08	
Rentals	A-2		376,487.00	376,487.00	
Ocean Cable TV	A-2		10,177.00	10,177.00	
Energy Receipts Tax	A-2		157,401.06	157,401.06	
Uniform Construction Code Fees	A-2		250,179.00	250,179.00	
Anticipated Insurance Recovery Proceeds	A-2		287,249.00	287,249.00	
FEMA Reimbursement Receivable - Special Emergency Note	A-2		820,000.00	820,000.00	
FEMA Reimbursement Receivable- Interest on Special Emergency Note	A-2		31,000.00	31,000.00	
FEMA Reimbursement Receivable	A-2		351,329.38	351,329.38	
General Capital Fund Surplus	A-2		125,000.00	125,000.00	
		<u>\$38,905.37</u>	<u>\$6,855,430.89</u>	<u>\$6,862,152.95</u>	<u>\$32,183.31</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, 2014

	<u>Balance</u> <u>Dec. 31, 2013</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>Balance</u> <u>Lapsed</u>
General Administration:					
Salaries and Wages	\$5,669.72		\$669.72		\$669.72
Other Expenses	11,317.72	\$62,975.47	234,293.19	\$217,733.67	16,559.52
Mayor and Council:					
Salaries and Wages	662.25		662.25		662.25
Other Expenses	405.00		405.00		405.00
Municipal Clerk:					
Salaries and Wages	4,866.91		366.91		366.91
Other Expenses	1,004.60	2,202.59	3,207.19	2,618.19	589.00
Financial Administration (Treasury):					
Salaries and Wages	2,661.91		2,661.91		2,661.91
Other Expenses	536.68	1,488.90	2,025.58	1,597.28	428.30
Audit Services:					
Other Expenses	3,000.00				
Revenue Administration (Tax Collection):					
Salaries and Wages	2,500.20		500.20		500.20
Other Expenses	10,413.07	5,450.64	10,863.71	10,560.42	303.29
Tax Assessment Administration:					
Salaries and Wages	1,619.47		119.47		119.47
Other Expenses	2,021.86	48.00	2,069.86	1,748.00	321.86
Legal Services:					
Other Expenses		9,416.23	14,416.23	13,613.73	802.50
Engineering Services:					
Other Expenses	127.50		2,127.50	1,672.50	455.00
Redevelopment Agency:					
Other Expenses	7,345.50		345.50		345.50
Planning Board:					
Other Expenses	9,719.83	600.00	1,319.83	950.00	369.83
Uniform Construction Code Enforcement:					
Salaries and Wages	1,159.04		1,159.04		1,159.04
Other Expenses	3,489.33	931.00	1,420.33	886.03	534.30
Other Code Enforcement Functions:					
Salaries and Wages	1,307.53		1,307.53		1,307.53
Other Expenses	7,287.38	85.64	373.02	325.70	47.32

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2014

	<u>Balance</u> <u>Dec. 31, 2013</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>Balance</u> <u>Lapsed</u>
Police Department:					
Other Expenses	\$570.90	\$1,580.64	\$9,651.54	\$9,651.54	
Police Dispatch/911:					
Salaries and Wages	6,525.10		3,525.10		\$3,525.10
Other Expenses	2,957.29	975.33	3,932.62	3,475.33	457.29
Office of Emergency Management:					
Salaries and Wages	2,443.61		443.61		443.61
Other Expenses	690.83	840.00	1,530.83	840.00	690.83
Municipal Prosecutor's Office:					
Salaries and Wages	2,925.55		425.55		425.55
Municipal Court:					
Salaries and Wages	11,486.81		1,486.81		1,486.81
Other Expenses	7,050.04	527.65	1,077.69	830.92	246.77
Public Defender:					
Other Expenses	3,333.30		3,333.30	3,333.30	
Streets and Road Maintenance:					
Salaries and Wages	4,091.30		1,591.30	1,402.89	188.41
Other Expenses	5,200.05	6,175.61	11,375.66	10,538.09	837.57
Other Public Works Functions:					
Salaries and Wages	5,902.59		402.59		402.59
Other Expenses	2,000.00				
Solid Waste Collection:					
Salaries and Wages	12,772.50		4,272.50	3,979.91	292.59
Other Expenses		124.31	124.31	124.31	
Buildings and Grounds:					
Salaries and Wages	5,273.91		773.91	656.91	117.00
Other Expenses	1,318.55	5,140.09	2,458.64	2,011.46	447.18
Vehicle Maintenance (Including Police Vehicles):					
Salaries and Wages	6,579.10		1,079.10	785.83	293.27
Other Expenses	1,457.57	4,708.18	6,165.75	3,607.22	2,558.53

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF SPECIAL IMPROVEMENT DISTRICT TAXES PAYABLE
Year Ended December 31, 2014

	<u>Ref.</u>	
Balance, December 31, 2013	A	\$10,208.83
Increased by:		
2014 Tax Levy	A-1,2-A	<u>176,425.33</u>
		186,634.16
Decreased by:		
Payments	1-A	<u>175,500.00</u>
Balance, December 31, 2014	A	<u><u>\$11,134.16</u></u>

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
Year Ended December 31, 2014

	<u>Ref.</u>		
Balance, December 31, 2013	A		\$0.00
Increased by:			
County Tax	2-A	\$2,283,601.37	
County Library Tax	2-A	254,556.05	
County Health Tax	2-A	91,555.96	
County Open Space Preservation Tax	2-A	80,292.58	
Due County for Added and Omitted Taxes	2-A	<u>46,852.42</u>	
	A-1		<u>2,756,858.38</u>
			<u>2,756,858.38</u>
Decreased by:			
Payments	1-A		<u>2,710,005.96</u>
Balance, December 31, 2014	A		<u><u>\$46,852.42</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, 2014

	<u>Ref.</u>	
Balance, December 31, 2013:		
School Tax Deferred		\$1,013,693.50
Increased by:		
Levy - School Year July 1, 2014 to June 30, 2015	2-A	2,430,356.00
		<u>3,444,049.50</u>
Decreased by:		
Payments	1-A	2,228,871.52
		<u>2,228,871.52</u>
Balance, December 31, 2014:		
School Tax Deferred		<u><u>\$1,215,177.98</u></u>
<u>2014 Liability for Local District School Tax</u>		
Amount Charged to 2014 Operations	A-1	<u><u>\$2,228,871.52</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, 2014

	<u>Ref.</u>		
Balance, December 31, 2013:			
School Tax Payable/(Prepaid)	A	(\$75,128.90)	
School Tax Deferred		824,862.50	
		824,862.50	\$749,733.60
Increased by:			
Levy - School Year July 1, 2014 to June 30, 2015	2-A		1,649,725.00
			2,399,458.60
Decreased by:			
Payments	1-A		1,642,030.39
			1,642,030.39
Balance, December 31, 2014:			
School Tax Payable/(Prepaid)	A	(67,434.29)	
School Tax Deferred		824,862.50	
		824,862.50	\$757,428.21
			\$757,428.21
 <u>2014 Liability for Regional High School Tax</u>			
Tax Paid	9-A		\$1,642,030.39
Add: School Tax Prepaid, December 31, 2013	9-A		75,128.90
			1,717,159.29
Less: School Tax Prepaid, December 31, 2014	9-A		67,434.29
			67,434.29
Amount Charged to 2014 Operations	A-1		\$1,649,725.00

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2014

<u>Grant</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>2014</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, 2014</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
Alcohol Education and Rehabilitation Grant	A-2		2,005.44		\$2,005.44	
966 Stewart Grant - 2011		192.00				192.00
Homeland Security - 2011		8,442.13				8,442.13
NJ DOT - Boulevard Beautification		42,500.00				42,500.00
CDBG - Fire Related Debris Removal		2,500,000.00		2,351,882.82		148,117.18
NJ Department of Emergency Management		8,968.40		8,844.60		123.80
Body Armor Fund	A-2		3,582.46		3,582.46	
Recycling Tonnage Grant	A-2		9,234.93		9,234.93	
NJDOT Trust Fund - Fremont - Kearny		225,000.00		172,500.00		52,500.00
Clean Communities Program	A-2		9,044.45	9,044.45		
USDA - Rural Development	A-2		146,859.00			146,859.00
NJDOT - Dupont Avenue	A-2		160,000.00			160,000.00
Emergency Sand Dune Construction	A-2		113,730.00	113,730.00		
Drunk Driving Enforcement	A-2		81,351.17	81,351.17		
CDBG - Essential Services Grant	A-2		2,400,000.00			2,400,000.00
		<u>\$2,787,472.96</u>	<u>\$2,927,007.45</u>	<u>\$2,738,553.04</u>	<u>\$14,822.83</u>	<u>\$2,961,104.54</u>

Ref.

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, 2014

Grant	Balance Dec. 31, 2013	2014 Budget Appropriations		Encumbrances Payable	Expended	Encumbered	Balance Dec. 31, 2014
		Budget	Appropriation by 40A:4-87				
Alcohol Education and Rehabilitation Fund	\$141.09				\$141.09		
Homeland Security	8,442.13						\$8,442.13
Recycling Tonnage Grant	18,913.46	\$9,234.93			2,121.00		26,027.39
Body Armor Replacement Fund	3,304.63	3,582.46			2,976.00		3,911.09
Municipal Alcohol Education and Rehabilitation Program	2,301.19	2,005.44			1,581.25		2,725.38
Clean Communities Grant	9,646.43	9,044.45			3,730.00		14,960.88
Drunk Driving Enforcement Fund			\$81,351.17		13,459.32		67,891.85
CDBG - Fire Related Debris Removal	134,549.58			\$1,769,000.00	1,770,256.44		133,293.14
NJ Department of Emergency Management	1,518.40			7,450.00	8,844.60		123.80
NJ DOT - Fremont - Kearny	225,000.00				172,688.74		52,311.26
COPS in Shops - Summer Shore Initiative		1,200.00			1,200.00		
USDA - Rural Development			146,859.00			\$146,859.00	
NJDOT - Dupont Avenue		160,000.00			3,707.50		156,292.50
Emergency Sand Dune Construction		113,730.00			113,730.00		
CDBG - Essential Services		2,400,000.00			2,400,000.00		
	<u>\$403,816.91</u>	<u>\$2,698,797.28</u>	<u>\$228,210.17</u>	<u>\$1,776,450.00</u>	<u>\$4,494,435.94</u>	<u>\$146,859.00</u>	<u>\$465,979.42</u>
Ref.	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, 2014

<u>Grant</u>	<u>Balance Dec. 31, 2013</u>	<u>Received</u>	<u>Appropriated</u>	<u>Balance Dec. 31, 2014</u>
Recycling Tonnage Grant	\$9,234.93	\$7,684.23	\$9,234.93	\$7,684.23
Body Armor Fund	3,582.46	2,861.84	3,582.46	2,861.84
Alcohol Education and Rehabilitation Fund	2,005.44		2,005.44	
	<u>\$14,822.83</u>	<u>\$10,546.07</u>	<u>\$14,822.83</u>	<u>\$10,546.07</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, 2014

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>
Balance, December 31, 2013	B	\$1,446.60	\$604,982.27
Increased by Receipts:			
State Dog License Fees	2-B	\$117.00	
Miscellaneous Reserves	3-B		\$3,061,820.44
Dog License Fees	4-B	<u>442.00</u>	
		559.00	<u>3,061,820.44</u>
		<u>2,005.60</u>	<u>3,666,802.71</u>
Decreased by Disbursements:			
State Dog License Fees	2-B	114.00	
Miscellaneous Reserves	3-B		2,343,167.18
Encumbrances Payable			<u>4,098.05</u>
		<u>114.00</u>	<u>2,347,265.23</u>
Balance, December 31, 2014	B	<u><u>\$1,891.60</u></u>	<u><u>\$1,319,537.48</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, 2014

	<u>Ref.</u>	
Balance, December 31, 2013	B	\$1.20
Increased by:		
Receipts	1-B	117.00
		<hr/> 118.20
Decreased by:		
Cash Disbursements	1-B	114.00
		<hr/> \$4.20
Balance, December 31, 2014	B	<hr/> <hr/> \$4.20

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

OTHER TRUST FUND
SCHEDULE OF MISCELLANEOUS RESERVES
Year Ended December 31, 2014

	Balance Dec. 31, 2013	Increased by	Decreased by	Balance Dec. 31, 2014
Tourist Development	\$54,599.32	\$65,531.98	\$61,775.54	\$58,355.76
Developers Escrow Fund	12,264.67	31,871.57	23,268.19	20,868.05
Disposal of Forfeited Property	19,746.27	242,650.17	29,362.81	233,033.63
Parking Offenses Adjudication Act	25,226.27	4,959.64	7,997.34	22,188.57
Self Insurance	17,481.04	25,000.00	40,000.00	2,481.04
Off-Duty Police	134,200.81	136,000.29	121,257.31	148,943.79
Unemployment Compensation Insurance	57,163.82	225,572.94	148,065.21	134,671.55
Public Defender	18,074.50	10,490.50	1,121.50	27,443.50
Tax Title Lien Redemptions	351,827.52	2,319,743.35	1,871,372.30	800,198.57
Hurricane Sandy	40,300.00		40,300.00	
	<u>\$730,884.22</u>	<u>\$3,061,820.44</u>	<u>\$2,344,520.20</u>	<u>\$1,448,184.46</u>
	Ref.	B	1-B	B
Cash Disbursements	1-B		\$2,343,167.18	
Encumbrances Payable	B		1,353.02	
			<u>\$2,344,520.20</u>	

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, 2014

	<u>Ref.</u>	
Balance, December 31, 2013	B	\$1,072.40
Increased by:		
Dog License Fees	1-B	442.00
		<u>1,514.40</u>
Decreased by:		
Expenditures under R.S. 4:19-15.11:		
Statutory Excess Due to Current Fund		<u>602.20</u>
Balance, December 31, 2014	B	<u><u>\$912.20</u></u>

License Fees Collected:

<u>Year</u>	<u>Amount</u>
2013	\$353.60
2012	<u>558.60</u>
	<u><u>\$912.20</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, 2014

	<u>Ref.</u>		
Balance, December 31, 2013	B		\$289,852.67
Increased by:			
Borough Contributions	6-B	\$23,758.20	
Change in Market Value	6-B	<u>22,434.32</u>	
			<u>46,192.52</u>
			336,045.19
Decreased by:			
Distributions	6-B	23,173.13	
Administrative Charges	6-B	<u>850.00</u>	
			<u>24,023.13</u>
Balance, December 31, 2014	B		<u><u>\$312,022.06</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, 2014

	<u>Ref.</u>		
Balance, December 31, 2013	B		\$289,852.67
Increased by:			
Borough Contributions	5-B	\$23,758.20	
Change in Market Value	5-B	<u>22,434.32</u>	
			<u>46,192.52</u>
			336,045.19
Decreased by:			
Distributions	5-B	23,173.13	
Administrative Charges	5-B	<u>850.00</u>	
			<u>24,023.13</u>
Balance, December 31, 2014	B		<u><u>\$312,022.06</u></u>

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH
Year Ended December 31, 2014

	<u>Ref.</u>		
Balance, December 31, 2013	C		\$1,964,469.98
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	9-C	\$50,000.00	
Bond Anticipation Notes	6-C	950,000.00	
Reserve to Pay Bonds		14,169.65	
Premium on the Sale of Notes	C-1	<u>17,975.00</u>	
			<u>1,032,144.65</u>
			2,996,614.63
Decreased by Disbursements:			
Improvement Authorizations	8-C	1,333,566.43	
Capital Surplus to Current Fund	C-1	<u>125,000.00</u>	
			<u>1,458,566.43</u>
Balance, December 31, 2014	C		<u><u>\$1,538,048.20</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, 2014

	Balance
	<u>Dec. 31, 2014</u>
Fund Balance	\$39,814.47
Capital Improvement Fund	92.19
Contracts Payable	302,706.69
Due to Current Fund	17,987.97
Reserve to Pay Bonds	14,169.65

Improvement Authorizations:

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	
02-06	Boulevard Improvement Phase III	7,247.80
04-04	Refunding of Certain Unfunded Pension Liabilities	39,037.52
08-21	Acquisition of Property	294,890.08
10-13	Various Improvements	420.00
10-14	Acquisition of Property	12,195.26
11-15	Multi Purpose	1,219.59
13-14	Various Capital Improvements	(17,987.97)
14-12	Various Capital Improvements	826,254.95
		<u>\$1,538,048.20</u>

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, 2014

	<u>Ref.</u>	
Balance, December 31, 2013	C	\$3,419,541.19
Increased by:		
Refunding Bonds Issued	5-C	<u>3,117,000.00</u>
		6,536,541.19
Decreased by:		
Paid by Budget Appropriation:		
Serial Bonds		\$602,000.00
Green Acres Loan Payable		29,646.07
Refunding Bonds		<u>3,000,000.00</u>
		<u>3,631,646.07</u>
Balance, December 31, 2014	C	<u><u>\$2,904,895.12</u></u>

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, 2014

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Bond Anticipation Notes Paid By Budget	Balance Dec. 31, 2014	Analysis of Balance Dec. 31, 2014	
						Financed by Bond Anticipation Notes	Expenditures
06-03	Various Improvements	\$225,362.00		\$37,500.00	\$187,862.00	\$187,862.00	
06-11	Acquisition of Fire Truck	581,250.00		38,750.00	542,500.00	542,500.00	
07-07	Various Improvements	450,000.00		30,000.00	420,000.00	420,000.00	
07-08	Acquisition of Property	1,262,000.00		17,000.00	1,245,000.00	1,245,000.00	
08-20	Various Improvements	720,000.00		45,000.00	675,000.00	675,000.00	
08-21	Acquisition of Property	1,005,316.00		13,228.00	992,088.00	992,088.00	
10-13	Various Improvements	810,000.00		45,000.00	765,000.00	765,000.00	
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		59,874.00	1,365,126.00	1,365,126.00	
13-14	Various Capital Improvements	2,483,071.97			2,483,071.97	2,465,084.00	\$17,987.97
14-12	Various Capital Improvements		\$950,000.00		950,000.00	950,000.00	
		<u>\$12,001,999.97</u>	<u>\$950,000.00</u>	<u>\$286,352.00</u>	<u>\$12,665,647.97</u>	<u>\$12,647,660.00</u>	<u>\$17,987.97</u>
Ref.		C	8-C	6-C	C		

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2014

Ordinance Number	Improvement Authorizations	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
06-03	Various Improvements	8/11/06	8/2/13	8/1/14	1.03%	\$225,362.00		\$225,362.00	
06-11	Acquisition of Fire Truck	10/11/07	8/2/13	8/1/14	1.03%	581,250.00		581,250.00	
07-07	Various Improvements	10/11/07	8/2/13	8/1/14	1.03%	450,000.00		450,000.00	
07-08	Acquisition of Property	10/11/07	8/2/13	8/1/14	1.03%	1,262,000.00		1,262,000.00	
08-20	Various Improvements	2/6/09	2/1/13	1/31/14	1.50%	720,000.00		720,000.00	
08-21	Acquisition of Property	2/6/09	2/1/13	1/31/14	1.50%	1,005,316.00		1,005,316.00	
10-13	Various Improvements	2/4/11	2/1/13	1/31/14	1.50%	810,000.00		810,000.00	
11-15	Multi Purpose	8/3/12	8/2/13	8/1/14	1.03%	3,040,000.00		3,040,000.00	
10-14	Acquisition of Property	2/3/12	2/1/13	1/31/14	1.50%	1,425,000.00		1,425,000.00	
13-14	Various Capital Improvements	12/19/13	12/19/13	8/1/14	1.00%	2,465,084.00		2,465,084.00	
06-03	Various Improvements	8/11/06	8/1/14	1/30/15	0.75%		\$187,862.00		\$187,862.00
06-11	Acquisition of Fire Truck	10/11/07	8/1/14	1/30/15	0.75%		542,500.00		542,500.00
07-07	Various Improvements	10/11/07	8/1/14	1/30/15	0.75%		420,000.00		420,000.00
07-08	Acquisition of Property	10/11/07	8/1/14	1/30/15	0.75%		1,245,000.00		1,245,000.00
08-20	Various Improvements	2/6/09	1/31/14	1/30/15	1.00%		675,000.00		675,000.00
08-21	Acquisition of Property	2/6/09	1/31/14	1/30/15	1.00%		992,088.00		992,088.00
10-13	Various Improvements	2/4/11	1/31/14	1/30/15	1.00%		765,000.00		765,000.00
11-15	Multi Purpose	8/3/12	1/31/14	1/30/15	1.00%		1,365,126.00		1,365,126.00
10-14	Acquisition of Property	2/3/12	8/1/14	1/30/15	0.75%		3,040,000.00		3,040,000.00
13-14	Various Capital Improvements	12/19/13	8/1/14	1/30/15	0.75%		2,465,084.00		2,465,084.00
14-12	Various Capital Improvements	8/1/14	8/1/14	1/30/15	0.75%		950,000.00		950,000.00
						<u>\$11,984,012.00</u>	<u>\$12,647,660.00</u>	<u>\$11,984,012.00</u>	<u>\$12,647,660.00</u>
					Ref.		C		C
	Issued for Cash				1-C,10-C		\$950,000.00		
	Paid by Budget Appropriation				4-C			\$286,352.00	
	Non-Cash Roll Over						11,697,660.00	11,697,660.00	
							<u>\$12,647,660.00</u>	<u>\$11,984,012.00</u>	

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOAN PAYABLE
December 31, 2014

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
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>\$224,895.12</u>		<u>\$17,230.67</u>	<u>\$242,125.79</u>
<u>Ref.</u>	C			

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2014

Ordinance Number	Improvement Authorizations	Balance Dec. 31, 2013		Transfer from Contracts Payable	2014 Authorizations	Expended	Transfer to Contracts Payable	Balance Dec. 31, 2014	
		Funded	Unfunded					Funded	Unfunded
02-06	Boulevard Improvement Phase III		\$3,169.30	\$27,891.19		\$3,621.50	\$20,191.19	\$7,247.80	
04-04	Refunding of Certain Unfunded Pension Liabilities	\$39,037.52						39,037.52	
08-21	Acquisition of Property		356,094.17	1,672.00		31,876.09	31,000.00		\$294,890.08
10-13	Various Improvements		420.00						420.00
10-14	Acquisition of Property		651,587.68	709,939.68		1,147,420.76	201,911.34		12,195.26
11-15	Multi Purpose		5,429.59	22,297.19		26,507.19			1,219.59
14-12	Various Capital Improvements				\$1,000,000.00	124,140.89	49,604.16		826,254.95
		<u>\$39,037.52</u>	<u>\$1,016,700.74</u>	<u>\$761,800.06</u>	<u>\$1,000,000.00</u>	<u>\$1,333,566.43</u>	<u>\$302,706.69</u>	<u>\$46,285.32</u>	<u>\$1,134,979.88</u>
	<u>Ref.</u>	C	C	C		1-C	C	C	C
	Deferred Charges to Future Taxation - Unfunded Capital Improvement Fund			<u>Ref.</u>	4-C,10-C	\$950,000.00			
					9-C	50,000.00			
						<u>\$1,000,000.00</u>			

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2014

	<u>Ref.</u>	
Balance, December 31, 2013	C	\$92.19
Increased by:		
Budget Appropriation	1-C	<u>50,000.00</u>
		50,092.19
Decreased by:		
Appropriated to Finance Improvement Authorizations	8-C	<u>50,000.00</u>
Balance, December 31, 2014	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, 2014

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2013</u>	<u>2014 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2014</u>
13-14	Various Capital Improvements	\$17,987.97			\$17,987.97
14-12	Various Capital Improvements		\$950,000.00	\$950,000.00	
		<u>\$17,987.97</u>	<u>\$950,000.00</u>	<u>\$950,000.00</u>	<u>\$17,987.97</u>
	<u>Ref.</u>	(Footnote C)	8-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, 2014

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2013	D	\$310,695.87	\$545,271.41
Increased by Receipts:			
Miscellaneous Revenue	D-3	\$43,583.27	
Anticipated Insurance Recovery Proceeds	D-3	6,000.00	
Reserve to Pay Notes	D-3	360,000.00	
Consumer Accounts Receivable	3-D	2,379,162.31	
Interfunds		100,061.72	\$360,000.00
Sewer Rent Overpayments		3,624.57	
		<u>2,892,431.87</u>	<u>360,000.00</u>
		3,203,127.74	905,271.41
Decreased by Disbursements:			
Appropriations	D-4	2,346,919.06	
Appropriation Reserves	6-D	217,148.68	
Accrued Interest Payable	7-D	225,734.70	
Reserve to Pay Notes			360,000.00
Interfunds		360,254.56	
Improvement Authorizations	17-D		43,307.24
		<u>3,150,057.00</u>	<u>403,307.24</u>
Balance, December 31, 2014	D	<u><u>\$53,070.74</u></u>	<u><u>\$501,964.17</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, 2014

	Balance
	<u>Dec. 31, 2014</u>
Capital Improvement Fund	\$93,108.53
Fund Balance	5,271.22
Due to Water/Sewer Operating Fund	420,000.00
Contracts Payable	14,724.00
Grants Receivable	(47,077.00)
Reserve to Pay Notes	15,937.42
	<u>\$501,964.17</u>

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, 2014

	<u>Ref.</u>	
Balance, December 31, 2013	D	\$66,821.95
Increased by:		
Sewer Rents Levied		<u>2,366,055.31</u>
		2,432,877.26
Decreased by:		
Collections	D-3,1-D	<u>2,379,162.31</u>
Balance, December 31, 2014	D	<u><u>\$53,714.95</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, 2014

Balance, December 31, 2014 and 2013 \$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, 2014

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2014 and 2013</u>
11-08	Various Improvements	6/15/11	\$1,000,000.00	<u>\$1,000,000.00</u>
			<u>Ref.</u>	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, 2014

		<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Salaries and Wages		\$2,621.84	\$6,621.84	\$6,509.99	\$111.85
Other Expenses		40,898.12	67,898.12	66,028.24	1,869.88
Employee Group Insurance		111,992.85	161,992.85	144,112.44	17,880.41
Other Insurance		90,963.29	10,963.29		10,963.29
Statutory Expenditures:					
Social Security System (O.A.S.I.)		2,936.90	1,936.90	498.01	1,438.89
		<u>\$249,413.00</u>	<u>\$249,413.00</u>	<u>\$217,148.68</u>	<u>\$32,264.32</u>
	<u>Ref.</u>			1-D	D-1
Appropriation Reserves	D	\$217,476.30			
Encumbrances Payable	D	31,936.70			
		<u>\$249,413.00</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, 2014

Balance, December 31, 2013	<u>Ref.</u> D	\$66,526.48
Increased by:		
Budget Appropriations	D-4	213,900.90
		<u>280,427.38</u>
Decreased by:		
Interest Paid	1-D	225,734.70
		<u>225,734.70</u>
Balance, December 31, 2014	D	<u><u>\$54,692.68</u></u>

Analysis of Accrued Interest Payable - December 31, 2014

Principal Outstanding Dec. 31, 2014	Interest Rate	From	To	Period	Amount
Serial Bonds:					
\$115,000.00	2.00%	12/01/14	12/31/14	30 Days	\$189.04
120,000.00	2.00%	12/01/14	12/31/14	30 Days	197.26
115,000.00	1.50%	12/01/14	12/31/14	30 Days	141.78
115,000.00	1.75%	12/01/14	12/31/14	30 Days	165.41
110,000.00	2.00%	12/01/14	12/31/14	30 Days	180.82
110,000.00	2.25%	12/01/14	12/31/14	30 Days	203.42
105,000.00	2.50%	12/01/14	12/31/14	30 Days	215.75
105,000.00	2.75%	12/01/14	12/31/14	30 Days	237.33
105,000.00	3.00%	12/01/14	12/31/14	30 Days	258.90
<u>1,000,000.00</u>					<u>1,789.73</u>
Bond Anticipation Notes:					
<u>1,361,618.00</u>	1.00%	1/31/14	12/31/14	334 Days	<u>12,459.74</u>
U.S.D.A. Rural Economic Development Loans:					
1,778,751.74	4.375%	8/11/14	12/31/14	142 Days	30,275.33
789,149.72	4.50%	11/05/14	12/31/14	56 Days	5,448.38
<u>1,531,218.00</u>	4.50%	12/06/14	12/31/14	25 Days	<u>4,719.51</u>
<u>4,099,119.46</u>					<u>40,443.21</u>
					<u><u>\$6,460,737.46</u></u>
					<u><u>\$54,692.68</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, 2014

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Outstanding Dec. 31, 2014	Interest Rate	Date				
Various Improvements	9/15/93	\$2,579,000.00				\$130,000.00		\$130,000.00	
Improvements to Water and Sewer System	12/1/03	1,990,000.00				1,090,000.00		1,090,000.00	
Refunding Bonds	4/30/14	1,123,000.00	12/1/15	\$115,000.00	2.00%				
			12/1/16	120,000.00	2.00%				
			12/1/17	115,000.00	1.50%				
			12/1/18	115,000.00	1.75%				
			12/1/19	110,000.00	2.00%				
			12/1/20	110,000.00	2.25%				
			12/1/21	105,000.00	2.50%				
			12/1/22	105,000.00	2.75%				
			12/1/23	105,000.00	3.00%				
							\$1,123,000.00	123,000.00	\$1,000,000.00
						<u>\$1,220,000.00</u>	<u>\$1,123,000.00</u>	<u>\$1,343,000.00</u>	<u>\$1,000,000.00</u>
						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, 2014

<u>Purpose</u>	<u>Original Issue Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Paid by 2014 Budget</u>	<u>Balance Dec. 31, 2014</u>	<u>Ref.</u>
Water/Sewer Improvements	12/6/07	\$1,654,000.00	4.50%	\$1,551,184.00	\$19,966.00	\$1,531,218.00	11-D
Water/Sewer Improvements	11/5/98	1,000,000.00	4.50%	807,167.62	18,017.90	789,149.72	12-D
Water/Sewer Improvements	2/11/05	1,997,750.00	4.375%	1,806,267.24	27,515.50	1,778,751.74	13-D
				<u>\$4,164,618.86</u>	<u>\$65,499.40</u>	<u>\$4,099,119.46</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, 2014

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
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>\$1,531,218.00</u>		<u>\$1,421,586.02</u>	<u>\$2,952,804.02</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, 2014

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
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>\$789,149.72</u>		<u>\$508,842.93</u>	<u>\$1,297,992.65</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, 2014

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
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>\$1,778,751.74</u>		<u>\$1,458,178.26</u>	<u>\$3,236,930.00</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, 2014

	<u>Ref.</u>	
Balance, December 31, 2014 and 2013	D	<u><u>\$93,108.53</u></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, 2014

	<u>Ref.</u>	
Balance, December 31, 2013	D	\$9,392,936.97
Increased by:		
Bonds Paid by Operating Budget		\$253,000.00
Notes Paid by Operating Budget	9-D	89,432.00
Loans Paid by Operating Budget	10-D	<u>65,499.40</u>
		407,931.40
		<u>9,800,868.37</u>
Decreased by:		
Refunding Bonds		<u>33,000.00</u>
Balance, December 31, 2014	D	<u><u>\$9,767,868.37</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, 2014

Balance, December 31, 2014 and 2013	<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, 2014

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2013 Unfunded</u>	<u>Transferred from Contracts Payable</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2014 Unfunded</u>
11-08	Various Improvements	6/15/11	\$1,000,000.00	<u>\$11,788.24</u>	<u>\$46,243.00</u>	<u>\$58,031.24</u>	<u>\$0.00</u>
			<u>Ref.</u>	D			D
			Cash Disbursements		<u>Ref.</u>	\$43,307.24	
			Contracts Payable		D	<u>14,724.00</u>	
						<u>\$58,031.24</u>	

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY FUND
SCHEDULE OF CASH
Year Ended December 31, 2014

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2013	E	\$759,239.39	\$601,823.87
Increased by Receipts:			
Miscellaneous Revenue	E-2	\$43,671.60	
Insurance Proceeds	E-2	1,917,787.00	
Consumer Accounts Receivable	3-E	4,611,353.32	
Interfund		1,151.10	
		<u>6,573,963.02</u>	
		7,333,202.41	<u>601,823.87</u>
Decreased by Disbursements:			
Appropriations	E-3	4,360,922.61	
Appropriation Reserves	6-E	41,426.96	
Accrued Interest Payable	11-E	84,000.00	
Miscellaneous		96.48	
Improvement Authorizations	7-E		<u>\$3,498.00</u>
		<u>4,486,446.05</u>	<u>3,498.00</u>
Balance, December 31, 2014	E	<u><u>\$2,846,756.36</u></u>	<u><u>\$598,325.87</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, 2014

	Balance Dec. 31, 2014
Capital Improvement Fund	\$41,435.00
Improvement Authorizations:	
<u>Ordinance Number</u>	<u>Improvement Description</u>
11-09	Various Improvements
11-11	Electric Generation Project
	18,582.61
	538,308.26
	\$598,325.87
<u>Ref.</u>	E

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
Year Ended December 31, 2014

	<u>Ref.</u>	
Balance, December 31, 2013	E	\$187,485.09
Increased by:		
Electric Rents Levied		<u>4,684,468.61</u>
		4,871,953.70
Decreased by:		
Collections	1-E	\$4,611,353.32
Overpayments Applied		<u>12,170.03</u>
	E-2	<u>4,623,523.35</u>
Balance, December 31, 2014	E	<u><u>\$248,430.35</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, 2014

	Balance
	Dec. 31, 2014
	and 2013
	<hr/>
Structures and Improvements	\$2,235,764.28
Station Equipment	52,921.45
Poles, Towers and Fixtures	411,145.00
Overhead Conductors and Devices	37,650.18
Line Transformer	214,502.50
Meters	15,381.48
Street Lighting and Signal System	125,248.88
Transportation Equipment Vehicles	277,627.00
Communication Equipment	8,755.36
Miscellaneous Equipment	77,395.45
Computer	110,405.76
Aerial Lift Truck	165,211.75
Utility Garage	180,815.06
	<hr/>
	<u>\$3,912,824.15</u>

Ref. 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, 2014

<u>Ord. Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2014 and 2013</u>
11-09	Various Improvements	6/15/11	\$600,000.00	\$600,000.00
11-11	Electric Generation Project	9/21/11	5,000,000.00	<u>5,000,000.00</u>
				<u><u>\$5,600,000.00</u></u>
			<u>Ref.</u>	E

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2014

	<u>Balance</u> <u>Dec. 31, 2013</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	\$14,611.60	\$14,611.60	\$2,535.82	\$12,075.78
Other Expenses	557,115.08	557,115.08	38,697.15	518,417.93
Group Insurance	10,101.77	10,101.77		10,101.77
Statutory Expenditures:				
Social Security System (O.A.S.I.)	8,006.64	8,006.64	193.99	7,812.65
	<u>\$589,835.09</u>	<u>\$589,835.09</u>	<u>\$41,426.96</u>	<u>\$548,408.13</u>
			1-E	E-1
Appropriation Reserves	E \$529,483.17			
Encumbrances Payable	E 60,351.92			
	<u>\$589,835.09</u>			

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2014

Ordinance Number	Improvement Description	Ordinance		Balance	Paid or Charged	Balance
		Date	Amount	Dec. 31, 2013 Unfunded		Dec. 31, 2014 Unfunded
11-09	Various Improvements	6/15/11	\$600,000.00	\$20,331.60	\$1,748.99	\$18,582.61
11-11	Electric Generation Project	9/21/11	5,000,000.00	540,057.27	1,749.01	538,308.26
				<u>\$560,388.87</u>	<u>\$3,498.00</u>	<u>\$556,890.87</u>
			<u>Ref.</u>	E	1-E	E

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2014

Ordinance Number	Improvement Authorization	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
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	
11-09	Various Improvements	2/3/12	1/31/14	1/30/15	1.00%		\$578,873.00		\$578,873.00
11-11	Electric Generation Project	2/3/12	1/31/14	1/30/15	1.00%		4,936,708.00		4,936,708.00
						<u>\$5,600,000.00</u>	<u>\$5,515,581.00</u>	<u>\$5,600,000.00</u>	<u>\$5,515,581.00</u>
					<u>Ref.</u>	E			E
					Non-Cash Roll Over		\$5,515,581.00	\$5,515,581.00	
					Paid by Budget Appropriation	10-E		84,419.00	
							<u>\$5,515,581.00</u>	<u>\$5,600,000.00</u>	

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2014

	<u>Ref.</u>	
Balance, December 31, 2014 and 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, 2014

	<u>Ref.</u>	
Balance, December 31, 2013	E	\$3,912,824.15
Increased by:		
Notes Paid by Operating Budget	8-E	<u>84,419.00</u>
Balance, December 31, 2014	E	<u><u>\$3,997,243.15</u></u>

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE
Year Ended December 31, 2014

	<u>Ref.</u>	
Balance, December 31, 2013	E	\$0.00
Increased by:		
Budget Appropriations	E-3	<u>134,470.74</u>
		134,470.74
Decreased by:		
Interest Paid	1-E	<u>84,000.00</u>
Balance, December 31, 2014	E	<u><u>\$50,470.74</u></u>

Analysis of Accrued Interest Payable - December 31, 2014

Bond Anticipation Notes:					
\$5,515,581.00	1.00%	1/31/14	12/31/14	334 Days	<u><u>\$50,470.74</u></u>

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, 2014

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
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>
<u>Ref.</u>	F			F

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

PART III

COMMENTS

YEAR ENDED DECEMBER 31, 2014

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

COMMENTS

YEAR ENDED DECEMBER 31, 2014

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:

Construction of Bathhouse, Showers and Future Retail
Boulevard and Sidewalk Widening and Beautification Project – Freemont Avenue to Kearney Avenue
Purchase of a New Scuba Truck
Electrician Services
Construction of Public Showers at Webster Avenue Lifeguard Headquarters Building

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 1, 2014 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 31st 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 2014, 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 2014 for unpaid taxes or other municipal liens or charges, or parts thereof, that are in arrears for the 2014 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, 2014 and was complete.

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

2014	2
2013	0
2012	6

COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31

<u>Year</u>	<u>Current Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2014	\$1,070,435.67	
2013	1,604,753.57	\$534,317.90
2012	1,604,753.57	
2011	876,280.86	
2010	590,398.79	65,000.00

<u>Year</u>	<u>Water/Sewer Utility Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2014	\$392,444.28	\$343,156.69
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

<u>Year</u>	<u>Electric Utility Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2014	\$2,616,310.73	\$44,000.00
2013	1,017,457.88	
2012	1,492,457.88	475,000.00
2011	1,492,457.88	
2010	1,260,797.70	

COMPARISON OF UTILITY LEVIES

Water/Sewer Utility Fund

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2014	\$2,366,055.31	\$2,379,162.31
2013	1,805,491.81	1,846,213.94
2012	2,185,419.66	2,278,399.59

Electric Utility Fund

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2014	\$4,684,468.61	\$4,623,523.35
2013	4,081,886.23	3,986,796.15
2012	5,422,835.07	5,549,472.78

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Municipal	\$0.866	\$0.813	\$0.571
County	0.435	0.417	0.325
Local District School	0.390	0.328	0.333
Regional High School	0.264	0.267	0.270
Total tax rate	<u>\$1.955</u>	<u>\$1.825</u>	<u>\$1.499</u>

ASSESSED VALUATIONS

2014	\$623,753,994.00
2013	618,105,923.00
2012	843,276,901.00

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>
2014	\$12,580,243.77	\$12,497,576.65	99.34%
2013	11,451,131.36	11,361,707.59	99.22%
2012	12,881,752.18	12,725,844.42	98.79%

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>2014</u>	<u>2013</u>	<u>2012</u>
Delinquent taxes	\$44,421.99	\$769.28	\$128.44
Tax title liens	342.40		60,754.46
Total delinquent	<u>\$44,764.39</u>	<u>\$769.28</u>	<u>\$60,882.90</u>
% of tax levy	0.356%	0.007%	0.473%

SUMMARY OF MUNICIPAL DEBT

<u>Issued</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General	\$15,552,555.12	\$15,403,553.19	\$13,897,609.12
Water/Sewer Utility	6,460,737.46	6,835,668.86	7,170,149.60
Electric Utility	5,515,581.00	5,600,000.00	5,600,000.00
Total Issued	<u>27,528,873.58</u>	<u>27,839,222.05</u>	<u>26,667,758.72</u>
Less:			
Reserve to Pay Bonds	14,169.65		
Pension Refunding Bonds	<u>1,515,000.00</u>	<u>1,645,000.00</u>	<u>1,800,000.00</u>
	<u>1,529,169.65</u>	<u>1,645,000.00</u>	<u>1,800,000.00</u>
Net Debt Issued	<u>25,999,703.93</u>	<u>26,194,222.05</u>	<u>24,867,758.72</u>
<u>Authorized but not Issued</u>			
General	17,987.97	17,987.97	
Electric Utility			760,000.00
Total Authorized but not Issued	<u>17,987.97</u>	<u>17,987.97</u>	<u>760,000.00</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$26,017,691.90</u>	<u>\$26,212,210.02</u>	<u>\$25,627,758.72</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 2.089%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School Debt	\$417,325.68	\$417,325.68	
General Debt	15,570,543.09	1,529,169.65	\$14,041,373.44
Water/Sewer Utility Debt	6,460,737.46	6,460,737.46	
Electric Utility Debt	5,515,581.00	5,515,581.00	
	<u>\$27,964,187.23</u>	<u>\$13,922,813.79</u>	<u>\$14,041,373.44</u>

Net Debt \$14,041,373.44 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$672,055,369.33 equals 2.089%.

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

3½% of Equalized Valuation Basis	\$23,521,937.93
Net Debt	<u>14,041,373.44</u>
Remaining Borrowing Power	<u>\$9,480,564.49</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		\$3,359,745.58
Deductions:		
Operating and Maintenance Cost	\$2,425,000.00	
Debt Service	<u>621,832.30</u>	
Total Deductions		<u>3,046,832.30</u>
Excess in Revenue		<u>\$312,913.28</u>

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

Cash Receipts from Fees, Rents or Charges for Year		\$6,584,981.95
Deductions:		
Operating and Maintenance Cost	\$4,537,000.00	
Debt Service	<u>218,889.74</u>	
Total Deductions		<u>4,755,889.74</u>
Excess in Revenue		<u>\$1,829,092.21</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:

<u>Name</u>	<u>Title</u>
William Akers	Mayor
Anthony Vaz	President of Council
Richard Tompkins	Councilman
Harry Smith	Councilman
Arline Ottoson	Councilwoman
Victoria Graichen	Councilwoman
Agnes S. Polhemus	Councilwoman
Christine Sierfeld	Tax Collector, Utility Collector (1/1/14-5/2/14)
Jeffrey Elsasser	Tax Collector (5/6/14-12/31/14)
Barbara J. Risley	Chief Financial Officer
Diane B. Stabley	Borough Clerk
James Liqouri	Magistrate
Daniel Sahin	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, 2014

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 program for the year ended December 31, 2014. The Borough's major federal program is 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 program for the year ended December 31, 2014.

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 30, 2015

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

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

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	\$13,561,879.31	<u>\$1,202,329.38</u>	<u>\$197,427.50</u>	<u>\$13,561,879.31</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	2,351,882.82	1,256.44	2,366,706.86
Passed-Through State of New Jersey Department of Community Affairs Essential Services Grant Program	14.269	N/A	2014	2,905,000.00	-	<u>2,905,000.00</u>	<u>2,905,000.00</u>
Total United States Department of Housing and Urban Development					<u>2,351,882.82</u>	<u>2,906,256.44</u>	<u>5,271,706.86</u>
United States Department of Transportation Passed-Through State of New Jersey Department of Law and Public Safety COPS in Shops - Summer Shore Initiative	20.616	066-1400 100-025-15	2014	1,200.00	<u>1,200.00</u>	<u>1,200.00</u>	<u>1,200.00</u>
United States Department of Agriculture Water and Waste Disposal Systems for Rural Communities	10.760	N/A	2014	146,859.00	-	<u>146,859.00</u>	<u>146,859.00</u>
Total Federal Awards					<u>\$3,555,412.20</u>	<u>\$3,251,742.94</u>	<u>\$18,981,645.17</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, 2014

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. Current year expenditures for Disaster Grants – Public Assistance (Presidentially Declared Disasters) are recorded on the Schedule based upon Project Worksheets as approved by the United States Department of Homeland Security, Federal Emergency Management Agency. Cumulative expenditures for Disaster Grants – Public Assistance (Presidentially Declared Disasters) are recorded on the Schedule based upon current and prior year approved Project Worksheets and certain amended prior year Project Worksheets as finally approved by the United States Department of Homeland Security, Federal Emergency Management Agency.

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, 2014, the Loan principal balance and related accrued interest were \$3,875,000.00 and \$50,118.05, 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, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statement Section

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

Federal Awards Section

- D) Dollar threshold used to determine Type A and B programs \$300,000.00
- E) Auditee qualified as low-risk auditee? Yes X No
- F) Type of auditor's report on compliance for major programs Unmodified
- G) Internal control over compliance:
 1. Material weakness(es) identified? Yes X No
 2. Were significant deficiencies identified that were
 not considered to be material weaknesses? Yes None Reported
- H) Any audit findings disclosed that are required to be
 reported in accordance with OMB Circular
 A-133 Section 510(a)? Yes X No
- I) Identification of major programs:

CFDA Number(s)
14.269

Name of Federal Program
Essential Services Grant Program

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding #2014-001 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 2014.

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, 2014 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

Finding #2013-001 - This finding noted a deficiency in internal control over financial reporting relative to the maintenance of a fixed assets accounting and reporting system.

Current Status - Finding #2013-001 has not been resolved.

Corrective Action Planned - It is the Borough's intention to implement internal control procedures designed to maintain a fixed assets accounting and reporting system.

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

PART V

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN
STATE OF NEW JERSEY

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

Finding #2014-001*

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 2014.

Effect

The Borough's general fixed assets account group as of December 31, 2014 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.

*This recommendation appeared in the 2013 report.

Other Internal Control and Compliance Matters

#2014-002*

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.

#2014-003*

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.

#2014-004*

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.

#2014-005*

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.

#2014-006*

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.

*This recommendation appeared in the 2013 audit report.