

Financial Statements and
Supplementary Information

Borough of Seaside Heights
County of Ocean, New Jersey

December 31, 2012

Borough of Seaside Heights
County of Ocean, New Jersey
Financial Statements and
Supplementary Information

Years Ended December 31, 2012 and 2011

Report of Independent Auditor

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COWAN, GUNTESKI & Co., P.A.
Certified Public Accountants and Consultants

REPORT OF INDEPENDENT AUDITOR

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

Report on the Financial Statements

We have audited the accompanying comparative balance sheets - regulatory basis of the various funds and the account group of the Borough of Seaside Heights, County of Ocean, State of New Jersey (the "Borough") as of December 31, 2012 and 2011, the related comparative statements of operations and changes in fund balance-regulatory basis for the years then ended, the related comparative statements of revenues-regulatory basis and the statement of expenditures-regulatory basis and the related notes to the financial statements for the year ended December 31, 2012.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 the 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.

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

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

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

As described in Note 1 to the financial statements, the Borough prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United State of America. The effects on the financial statements of the variances between these regulatory basis of accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determined, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the effects of the matters discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted 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 of Seaside Heights, County of Ocean, State of New Jersey, as of December 31, 2012 and 2011, or the results of its operations or its cash flows for the years then ended.

Basis for Disclaimer of Opinion on General Fixed Assets

The Borough did not update its General Fixed Assets files as of December 31, 2012 and 2011, and was unable to provide evidence to support the amounts reported in the Statement of General Fixed Assets – Regulatory Accounting Basis as of December 31, 2012 and 2011. The amount that should have been reported as General Fixed Assets using the guidelines prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey could not be reasonably determined.

Basis for Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund ("LOSAP") 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 nor were we engaged 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 represents 35.17% and 23.57% of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2012 and 2011.

Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")

Due to the fact that we were not required by 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, we do not express an opinion on the LOSAP financial statements.

Opinion on Regulatory Basis of Accounting

Furthermore, in our opinion, except for such adjustments, if any, as might have been determined to be necessary had the General Fixed Assets financial statements been updated, the financial statements referred to above present fairly, in all material respects the balance sheets – regulatory basis of the various funds and accounts groups of the Borough of Seaside Heights, County of Ocean, State of New Jersey, as of December 31, 2012 and 2011, and the results of its operations and changes in fund balance of such funds – regulatory basis for the years then ended, and the revenues – regulatory basis, expenditures – regulatory basis of the various funds and account groups for the year ended December 31, 2012 and 2011 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves



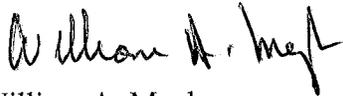
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Certified Public Accountants and Consultants

and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 24, 2013 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.



William A. Meyler
Certified Public Accountant
Registered Municipal Accountant #515



Cowan, Guteski & Co., P.A.
Tinton Falls, New Jersey
April 21, 2014



COWAN, GUNTESKI & Co., P.A.
Certified Public Accountants and Consultants

Financial Statements – Regulatory Basis

Current Fund

Exhibits

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Balance Sheets - Regulatory Basis

	<u>Reference</u>	<u>December 31,</u>	
		<u>2012</u>	<u>2011</u>
Assets			
Cash-Treasurer	1-A	\$ 12,543,169.17	\$ 1,103,124.68
Cash-Change Fund	2-A	<u>3,100.00</u>	<u>2,900.00</u>
		<u>12,546,269.17</u>	<u>1,106,024.68</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	4-A	128.44	298.59
Tax Title Liens Receivable	5-A	60,754.46	
Revenue Accounts Receivable	6-A	48,592.72	53,210.29
Due From:			
Animal Control Trust Fund	8-A	496.20	377.80
Trust Fund - Other	11-A	20,000.00	
Federal and State Grant Fund	10-A		<u>35,881.19</u>
	A	<u>129,971.82</u>	<u>89,767.87</u>
Deferred Charges			
Emergency Authorization	14-A	595,000.00	275,000.00
Special Emergency	14-A	14,100,000.00	
Over-expenditure of Appropriation	14-A	35,850.90	13.47
	14-A	<u>14,730,850.90</u>	<u>275,013.47</u>
Federal and State Grant Fund			
Due from Current Fund	25-A	49,918.05	
Federal and State Grants Receivable	23-A	<u>119,812.43</u>	<u>328,351.51</u>
		<u>169,730.48</u>	<u>328,351.51</u>
Total Assets		<u>\$ 27,576,822.37</u>	<u>\$ 1,799,157.53</u>

See accompanying notes to financial statements.

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Balance Sheets - Regulatory Basis

	<u>Reference</u>	<u>December 31,</u>	
		<u>2012</u>	<u>2011</u>
Liabilities, Reserves and Fund Balance			
Liabilities:			
Appropriation Reserves	A-3, 13-A	\$ 13,442,724.43	\$ 160,066.38
Reserve for Encumbrances	15-A	889,143.20	72,936.49
Special Emergency Note	9-A	11,100,000.00	
Prepaid Taxes	17-A	122,395.39	182,695.21
County Taxes Payable	19-A	12,897.10	8,167.06
Payroll Deductions Payable	16-A	159.66	158.19
Tax Overpayments	18-A	1,402.77	32,923.34
Special Improvement District Taxes Payable	12-A	10,015.61	9,192.47
Due to State of New Jersey-Senior Citizens and Veterans	3-A	2,448.15	1,354.31
Due to Federal and State Grant Fund	10-A	49,918.05	
Reserve for Record of Evidence	28-A	3,998.30	
Reserve for Revaluation of Property	22-A	37,263.84	37,263.84
		<u>25,672,366.50</u>	<u>504,757.29</u>
Reserve for Receivables and Other Assets	A	129,971.82	89,767.87
Fund Balance	A-1	1,604,753.57	876,280.86
		<u>1,734,725.39</u>	<u>966,048.73</u>
Federal and State Grant Fund			
Due to Current Fund	25-A		35,881.19
Encumbrances Payable	24-A	131,896.98	40,390.50
Appropriated Reserves	26-A	26,163.00	237,455.93
Unappropriated Reserves	27-A	11,670.50	14,623.89
		<u>169,730.48</u>	<u>328,351.51</u>
Total Liabilities, Reserves and Fund Balance		<u><u>\$ 27,576,822.37</u></u>	<u><u>\$ 1,799,157.53</u></u>

See accompanying notes to financial statements.

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Exhibit A-1

Statements of Operations and Changes in Fund Balance - Regulatory Basis

	<u>Reference</u>	<u>Year Ended December 31,</u>	
		<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ -	\$ 65,000.00
Miscellaneous Revenues Anticipated	A-2	7,448,773.31	7,564,060.99
Receipts from Delinquent Taxes	A-2	1,548.59	4,311.27
Receipts from Current Taxes	4-A	12,725,844.42	12,687,940.20
Non-Budgeted Revenue	A-2	264,832.91	155,286.79
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	13-A	83,899.09	33,832.00
Unexpended Balance of Current Appropriations	A-3	353,683.25	135,183.11
Interfund Returned	A-1	19,136.87	96,121.02
Receipt of Prior Year Cancelled Grant	1-A	69,570.55	
Grants Appropriated Cancelled	10-A	21,696.49	12,438.90
Total Revenues		<u>20,988,985.48</u>	<u>20,754,174.28</u>
Expenditures:			
Budget Appropriations:			
Salaries and Wages	A-3	6,590,000.00	6,021,700.00
Other Expenses	A-3	17,754,792.14	3,539,888.57
Deferred Charges and Statutory Expenditures	A-3	1,446,015.00	1,572,000.00
Capital Improvements	A-3	-	200,000.00
Debt Services	A-3	1,056,000.00	1,039,200.00
County Taxes	19-A	2,726,027.27	2,778,264.12
County Share of Added Taxes	19-A	12,897.10	8,194.18
Regional High School Tax	21-A	2,370,473.97	2,523,604.46
Local District School Tax	20-A	2,738,718.48	2,646,813.54
Special District Tax	12-A	176,323.14	177,915.20
2011 Seniors and Veterans' Deductions Disallowed	3-A	1,000.00	21.24
Prior Years Tax Appeals Refunded	1-A	-	19,551.77
Prior Years Tax Appeals Credited	4-A	95,024.86	-
Interfund Advanced	A	20,496.20	36,258.99
State and Federal Grants Receivable Cancelled	10-A	3,595.51	114,893.61
Total Expenditures		<u>34,991,363.67</u>	<u>20,678,305.68</u>
(Decrease) Excess in Revenues Over Expenditures		<u>(14,002,378.19)</u>	<u>75,868.60</u>
Adjustment to Income before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year:			
Over-Expenditures of Unappropriated Appropriation	A-3, 14-A	35,850.90	13.47
Emergency Authorization	14-A	595,000.00	275,000.00
Special Emergency	14-A	14,100,000.00	-
Statutory Excess to Fund Balance		<u>728,472.71</u>	<u>350,882.07</u>
Fund Balance, January 1	A	<u>876,280.86</u>	<u>590,398.79</u>
		<u>1,604,753.57</u>	<u>941,280.86</u>
Decreased by:			
Utilized as Anticipated Revenue	A-1	-	65,000.00
Fund Balance, December 31	A	<u>\$ 1,604,753.57</u>	<u>\$ 876,280.86</u>

See accompanying notes to financial statements.

Borough of Seaside Heights
County of Ocean, New Jersey

Current Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2012

Reference	Anticipated Budget	Added by N.J.S.A. 40A:4-87	Amount Realized	Excess or (Deficit)
Miscellaneous Revenues				
Local Revenues:				
Licenses:				
Alcoholic Beverages	6-A \$ 92,000.00		\$ 93,400.00	\$ 1,400.00
Other	6-A 174,000.00		92,704.87	(81,295.13)
Fees and Permits	6-A 400,000.00		342,578.00	(57,422.00)
Fines and Costs:				
Municipal Court	6-A 1,617,418.00		1,480,376.29	(137,041.71)
Interest and Costs on Taxes	6-A 75,000.00		41,896.79	(33,103.21)
Parking Meters	6-A 1,250,000.00		1,306,656.58	56,656.58
Interest on Investments and Deposits	6-A 15.00		9.21	(5.79)
Anticipated Utility Operating Surplus	6-A 1,300,000.00		1,300,000.00	-
Beach Fees	6-A 1,550,000.00		1,778,902.00	228,902.00
Rentals	6-A 390,000.00		479,681.33	89,681.33
Ocean Cable Television	6-A 16,000.00		16,723.00	723.00
Uniform Construction Code Fees	6-A 75,000.00		158,322.00	83,322.00
	<u>6,939,433.00</u>		<u>7,091,250.07</u>	<u>151,817.07</u>
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax	6-A 160,582.00		160,582.00	-
	<u>160,582.00</u>	<u>-</u>	<u>160,582.00</u>	<u>-</u>
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations:				
Recycling Tonnage Grant - Unappropriated	23-A 12,760.57		12,760.57	-
Body Armor Fund - Unappropriated	23-A 1,863.32		1,863.32	-
Municipal Alcohol Education/Rehabilitation Program	23-A	\$ 4,101.19	4,101.19	-
Clean Communities Program - 2011	23-A	8,216.16	8,216.16	-
NJDOT - Boulevard Beautification	23-A	170,000.00	170,000.00	-
	<u>14,623.89</u>	<u>182,317.35</u>	<u>196,941.24</u>	<u>-</u>
Total Miscellaneous Revenues	A-1 <u>7,114,638.89</u>	<u>182,317.35</u>	<u>7,448,773.31</u>	<u>151,817.07</u>
Receipts from Delinquent Taxes	A-1, 4-A		1,548.59	1,548.59
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Taxes for Municipal Purposes Including Reserve for Uncollected Taxes	A-2, 4-A	4,820,292.48	4,722,153.37	(98,139.11)
Total General Revenues	A-3 <u>11,934,931.37</u>	<u>182,317.35</u>	<u>12,172,475.27</u>	<u>55,226.55</u>
Non-Budget Revenues	A-1		264,832.91	264,832.91
Total Revenues	<u>\$ 11,934,931.37</u>	<u>\$ 182,317.35</u>	<u>\$ 12,437,308.18</u>	<u>\$ 320,059.46</u>

Reference

Analysis of Realized Revenue:

Allocation of Current Tax Revenues:				
Revenues from Current Tax Collections	4-A		\$ 12,725,844.42	
Allocated to School, County and Special Taxes	4-A		8,004,983.53	
Balance for Support of Municipal Budget Appropriations			<u>4,720,860.89</u>	
Add:				
Appropriation Reserve for Uncollected Taxes	A-3		1,292.48	
Amount for Support of Municipal Budget Appropriation	A-2		<u>\$ 4,722,153.37</u>	

Borough of Seaside Heights
County of Ocean, New Jersey

Current Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2012

Analysis of Non-Budget Revenue:

Miscellaneous Revenue not Anticipated:

Administrative Fees - Seniors and Veterans		\$	313.45
Bus Service Reimbursements			15,000.00
Community Center Rental			450.00
Copies			45.64
Event Applications			1,205.00
Fence Permit			385.00
Location Shoot			300.00
Gov Deals Surplus Sales			65,155.00
Premium on Special Emergency Note			69,090.00
Premium on Tax Anticipation Note			1,318.68
Miscellaneous			5,658.24
Municipal Court Overpayments			750.01
Ocean County JIF Dividend			52,926.80
Planning Board Fees			2,400.00
Police Reports			1,648.30
Radius Search			100.00
Recycling Cans			1,040.00
Refuge Revenue Sharing			12,178.83
Restitution			193.45
Returned Check Charges			260.00
Fire Safety Penalty			5,221.00
Scrap Metal			8,134.06
State of New Jersey Motor Vehicle Fines			1,727.50
Tax Searches			80.95
State of New Jersey Miscellaneous			7,868.66
US Treasury Miscellaneous			10,886.14
Animal Control Trust Fund - Statutory Excess			496.20
	A-1		<u>\$ 264,832.91</u>
Cash	1-A	\$	264,336.71
Due from Animal Control Fund	8-A		496.20
		\$	<u>264,832.91</u>

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS - 2012
YEAR ENDED DECEMBER 31, 2012

	Appropriated			Paid or Charged	Encumbered	Reserved	Cancelled	Over Expenditure
	Adopted Budget	Emergency	Budget After Modification					
GENERAL APPROPRIATIONS								
Operations - within "CAPS"								
Municipal Court								
Salaries and Wages	370,000.00		370,000.00	362,570.08		429.92	7,000.00	
Other Expenses	35,000.00		35,000.00	34,943.07		56.93		
Public Defender								
Other Expenses	20,000.00		20,000.00	20,000.00		-		
PUBLIC WORKS								
Streets and Road Maintenance								
Salaries and Wages	92,000.00	10,000.00	102,000.00	90,843.27		156.73	11,000.00	
Other Expenses	15,000.00		15,000.00	15,000.00		-		
Other Public Works Functions								
Salaries and Wages	14,000.00		14,000.00	10,218.00		282.00	3,500.00	
Other Expenses	2,000.00		2,000.00			-	2,000.00	
Solid Waste Collection								
Salaries and Wages	275,000.00	20,000.00	254,000.00	242,010.02		489.98	11,500.00	
Other Expenses	15,000.00		15,000.00	14,224.84		775.16		
Building and Grounds								
Salaries and Wages	128,000.00	15,000.00	153,000.00	147,366.47	3,806.31	133.53	5,500.00	
Other Expenses	50,000.00		50,000.00	43,814.55		2,379.14		
Vehicle Maintenance (Including Police Vehicles)								
Salaries and Wages	46,000.00	5,000.00	51,000.00	40,507.42		492.58	10,000.00	
Other Expenses	114,000.00		114,000.00	102,184.13	9,303.53	2,512.34		
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		1,000.00			1,000.00		
Animal Control Services								
Salaries and Wages	5,000.00		5,000.00	4,892.80		107.20		
Other Expenses	1,000.00		1,000.00			1,000.00		
Welfare/Administration of Public Assistance								
Other Expenses	4,000.00		4,000.00			-	4,000.00	
Contributions to Seniors								
Other Expenses	4,000.00		4,000.00			796.16	2,000.00	
PARKS AND RECREATION								
Maintenance of Parks								
Other Expenses	4,000.00		4,000.00	1,203.84		756.03	20,000.00	
Beach and Boardwalk Operations								
Salaries and Wages	745,000.00	15,000.00	760,000.00	739,243.97	5,938.32	3,311.68		
Other Expenses	50,000.00		50,000.00	40,750.00		-		
INSURANCE								
Unemployment Insurance	165,000.00		165,000.00	165,000.00		2,749.77		
General Liability Insurance	200,000.00		200,000.00	157,250.23	40,000.00	-		
Workers Compensation Insurance	250,000.00		250,000.00	250,000.00		-		
Employee Group Health Insurance	1,088,360.00		1,088,360.00	1,072,292.93		16,067.07		
UNCLASSIFIED								
Telephone (Excluding Equipment Acquisition)	60,000.00		60,000.00	47,248.20	4,781.62	7,970.18	4,000.00	
Gas (Natural or Propane)	5,000.00		5,000.00	816.74		183.26		
Gasoline	170,000.00		170,000.00	136,086.76	19,850.17	14,063.07		
Landfill/Solid Waste Disposal Costs	225,000.00		225,000.00	225,000.00		-		
Total Operations - Within "CAPS"	9,373,360.00	14,642,000.00	24,015,360.00	9,544,490.26	757,246.22	13,406,623.52	307,000.00	-
Detail								
Salaries and Wages	6,120,000.00	500,000.00	6,590,000.00	6,418,581.16	-	16,418.84	155,000.00	-
Other Expenses	3,253,360.00	14,142,000.00	17,425,360.00	3,125,909.10	757,246.22	13,390,204.68	152,000.00	-

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS - 2012

YEAR ENDED DECEMBER, 31, 2012

	Appropriated		Paid or Charged	Encumbered	Reserved	Cancelled	Over Expenditure
	Adopted Budget	Budget After Modification					
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"							
DEFERRED CHARGES							
Prior Year's Bill - Harris Computer	5,000.00	5,000.00				5,000.00	
Overexpenditure of 2011 Appropriation	15.00	15.00	13.47			1.53	
Prior Year's Bill - Meric 2011			21,530.00				\$ 21,530.00
Prior Year's Bill - Henry J Mancini & Assoc			14,320.90				14,320.90
STATUTORY EXPENDITURES							
Contribution To:							
Public Employees' Retirement System	199,000.00	199,000.00	199,000.00				
Social Security System (O.A.S.I.)	440,000.00	459,883.09	459,883.09		116.91		
Police and Firemen's Retirement System of N.J.	464,000.00	464,000.00	463,474.00		526.00		
Employee Retirement Incentive	10,000.00	10,000.00	9,542.00		458.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,118,015.00	1,171,015.00	1,167,763.46		1,100.91	38,001.53	35,850.90
Total General Appropriations for Municipal Purpose within "CAPS"	10,491,375.00	25,186,375.00	10,712,253.72	757,246.22	13,407,724.43	345,001.53	35,850.90
GENERAL APPROPRIATIONS							
Operations - Excluded from - "CAPS"							
Employee Group Health Insurance	61,640.00	61,640.00	61,640.00				
LOSAP	35,000.00	35,000.00			35,000.00		
Total Other Operations - Excluded from "CAPS"	96,640.00	96,640.00	61,640.00		35,000.00		
Public and Private Program Offset by Revenues							
Recycling Tonnage Grant - Unappropriated	12,760.57	12,760.57	12,760.57				
Body Armor Fund - Unappropriated	1,863.32	1,863.32	1,863.32				
Municipal Alcohol Education/Rehabilitation Prog	4,101.19	4,101.19	4,101.19				
Clean Communities Grant	8,216.16	8,216.16	8,216.16				
Total Public and Private Program Offset by Revenues	26,941.24	26,941.24	26,941.24				
Total Operations - Excluded from "CAPS"	123,581.24	123,581.24	88,581.24		35,000.00		
Detail:							
Other Expenses	123,581.24	123,581.24	88,581.24		35,000.00		
Capital Improvements - Excluded from "CAPS"							
New Jersey Transportation Trust Fund Authority Act Boulevard	170,000.00	170,000.00	38,103.02	131,896.98			
Total Capital Improvements - Excluded from "CAPS"	170,000.00	170,000.00	38,103.02	131,896.98			

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS - 2012

YEAR ENDED DECEMBER 31, 2012

	Adopted Budget	Appropriated Emergency	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled	Over Expenditure
Municipal Debt Service - Excluded from "CAPS"								
Payment of Bond Principal	480,000.00		480,000.00	480,000.00				
Payment of Bond Anticipation Notes and Capital Notes	223,000.00		223,000.00	221,478.00			1,522.00	
Interest on Bonds	205,000.00		205,000.00	198,250.88			6,749.12	
Interest on Notes	113,000.00		113,000.00	113,000.00				
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"	1,056,000.00		1,056,000.00	1,047,318.28			8,681.72	
Deferred Charges - Municipal - Excluded from "CAPS"								
Deferred Charges:								
Emergency Authorizations	275,000.00		275,000.00	275,000.00				
Total Deferred Charges - Municipal - Excluded from "CAPS"	275,000.00		275,000.00	275,000.00				
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,624,581.24		1,624,581.24	1,449,002.54	131,896.98	35,000.00	8,681.72	
Subtotal General Appropriations	12,115,956.24	14,695,000.00	26,810,956.24	12,161,256.26	889,143.20	13,442,724.43	353,683.25	35,850.90
Reserve for Uncollected Taxes	1,292.48		1,292.48	1,292.48				
Total General Appropriations	\$ 12,117,248.72	\$ 14,695,000.00	\$ 26,812,248.72	\$ 12,162,548.74	\$ 889,143.20	\$ 13,442,724.43	\$ 353,683.25	\$ 35,850.90

Reference	A-2	A-3	15-A	A	A-1	A-1, 14-A
Detail:						
Budget as Adopted						
Added by N.J.S.A. 40A:4-87		\$ 11,894,951.37				
Added by Emergency Authorization		182,317.35				
N.J.S. 40A:4-47		595,000.00				
Added by Special Emergency Authorization		14,100,000.00				
N.J.S. 40A:4-53		<u>26,812,248.72</u>				

Reference	15-A	A	A-1	A-1, 14-A
Analysis of Paid of Charged				
Cash Disbursed		\$ 11,821,198.53		
Grants Appropriated		65,044.26		
Emergency Authorization		275,000.00		
Deferred Charges		13.47		
Reserve for Uncollected Taxes		1,292.48		
		<u>12,162,548.74</u>		

Trust Fund

Exhibit

Borough of Seaside Heights
County of Ocean, New Jersey
Trust Fund

Balance Sheets - Regulatory Basis

	<u>Reference</u>	<u>December 31,</u>	
		<u>2012</u>	<u>2011</u>
Assets			
Animal Control Fund:			
Cash	1-B	\$ 1,590.40	\$ 1,410.80
Other Trust Fund:			
Cash	1-B	483,685.72	801,881.99
Length of Service Award Program Fund ("LOSAP") - Unaudited Investments	15-B	<u>263,310.06</u>	<u>247,771.03</u>
Total Assets		<u>\$ 748,586.18</u>	<u>\$ 1,051,063.82</u>
Liabilities and Reserves			
Animal Control Fund:			
Due To:			
Current Fund	3-B	\$ 496.20	\$ 377.80
State of New Jersey	4-B	2.40	3.60
Reserve for Animal Control Fund Expenditures	5-B	<u>1,091.80</u>	<u>1,029.40</u>
		<u>1,590.40</u>	<u>1,410.80</u>
Other Trust Funds:			
Due to Current Fund	2-B	20,000.00	
Reserve for:			
Tourist Development Commission	6-B	53,060.38	4,964.82
Developers' Escrow Fund	7-B	15,258.86	10,803.14
Disposal of Forfeited Property	8-B	35,360.38	39,093.39
Parking Offenses Adjudication Act	9-B	27,874.53	25,715.70
Self Insurance	10-B	7,481.04	7,481.04
Outside Employment of Off-Duty Municipal Police Officers	11-B	121,917.48	110,795.62
Unemployment Compensation Insurance	12-B	19,113.62	9,035.10
Public Defender	13-B	4,951.00	12,369.00
Tax Title Lien Redemptions	14-B	166,040.20	578,682.34
Encumbrances Payable	17-B	<u>12,628.23</u>	<u>2,941.84</u>
		<u>483,685.72</u>	<u>801,881.99</u>
Length of Service Award Program Fund ("LOSAP")-Unaudited Reserves	16-B	<u>263,310.06</u>	<u>247,771.03</u>
Total Liabilities and Reserves		<u>\$ 748,586.18</u>	<u>\$ 1,051,063.82</u>

See accompanying notes to financial statements.

General Capital Fund

Exhibits

Borough of Seaside Heights
County of Ocean, New Jersey
General Capital Fund

Balance Sheets

	<u>Reference</u>	<u>December 31,</u>	
		<u>2012</u>	<u>2011</u>
Assets			
Cash	1-C, 2-C	\$ 4,205,171.77	\$ 1,065,335.95
Deferred Charges to Future Taxation:			
Funded	3-C	3,948,603.12	4,457,092.41
Unfunded	4-C	<u>9,949,006.00</u>	<u>10,170,484.00</u>
Total Assets		<u>\$ 18,102,780.89</u>	<u>\$ 15,692,912.36</u>
Liabilities and Reserves			
Serial Bonds	5-C	\$ 3,665,000.00	\$ 4,145,000.00
Bond Anticipation Notes	6-C	9,949,006.00	5,705,484.00
Green Acres Loan Payable	10-C	283,603.12	312,092.41
Capital Improvement Fund	9-C	92.19	92.19
Improvement Authorizations:			
Funded	7-C	196,552.52	273,467.52
Unfunded	7-C	3,785,392.63	5,142,897.52
Reserve for Encumbrances	8-C	103,272.05	78,914.15
Fund Balance	C-1	<u>119,862.38</u>	<u>34,964.57</u>
Total Liabilities and Reserves		<u>\$ 18,102,780.89</u>	<u>\$ 15,692,912.36</u>

See accompanying notes to financial statements.

Borough of Seaside Heights
 County of Ocean, New Jersey
 General Capital Fund

Fund Balance - Regulatory Basis

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 34,964.57
Increased By:		
Premium on Sale of Notes	1-C	<u>84,897.81</u>
Balance, December 31, 2012	C	<u><u>\$ 119,862.38</u></u>

Electric Utility Fund

Exhibits

Borough of Seaside Heights
County of Ocean, New Jersey
Electric Utility Fund

Comparative Balance Sheets-Regulatory Basis

	<u>Reference</u>	<u>December 31,</u>	
		<u>2012</u>	<u>2011</u>
Assets			
Operating Fund:			
Cash-Treasurer	1-D	\$ 3,702,543.91	\$ 1,904,828.06
Cash-Change Fund	3-D	200.00	200.00
		<u>3,702,743.91</u>	<u>1,905,028.06</u>
Receivable With Full Reserves:			
Consumer Accounts Receivable	4-D	92,395.01	219,032.72
	D	<u>92,395.01</u>	<u>219,032.72</u>
Deferred Charges:			
Deficit in Operation	11-D	658,802.00	
Emergency Authorization	11-D	35,000.00	
		<u>693,802.00</u>	
Total Operating Fund		<u>4,488,940.92</u>	<u>2,124,060.78</u>
Capital Fund:			
Cash-Treasurer	1-D	1,730,378.05	7,045.00
Fixed Capital	5-D	1,659,259.15	1,659,259.15
Fixed Capital Authorized and Uncompleted	6-D	6,425,000.00	6,425,000.00
Total Capital Fund		<u>9,814,637.20</u>	<u>8,091,304.15</u>
Total Assets		<u>\$ 14,303,578.12</u>	<u>\$ 10,215,364.93</u>

See accompanying notes to financial statements.

Borough of Seaside Heights
County of Ocean, New Jersey
Electric Utility Fund

Comparative Balance Sheets-Regulatory Basis

	<u>Reference</u>	<u>December 31,</u>	
		<u>2012</u>	<u>2011</u>
Liabilities, Reserves and Fund Balance			
Operating Fund:			
Appropriation Reserves	D-3, 7-D	713,648.32	187,564.68
Electric Overpayments	8-D	22,191.98	34,813.47
Encumbrances Payable	9-D, 7-D	161,928.93	183,873.23
Consumer Deposits	10-D	6,318.80	6,318.80
Note Payable - TD Bank	18-D	2,000,000.00	
		<u>2,904,088.03</u>	<u>412,570.18</u>
Reserve for Receivable	D	92,395.01	219,032.72
Fund Balance	D-1	1,492,457.88	1,492,457.88
		<u>1,584,852.89</u>	<u>1,711,490.60</u>
Total Operating Fund		<u>4,488,940.92</u>	<u>2,124,060.78</u>
Capital Fund:			
Bond Anticipation Notes	17-D	5,600,000.00	
Encumbrances Payable	13-D	1,017,000.00	563,649.70
Improvement Authorizations			
Funded	12-D	39,430.00	41,435.00
Unfunded	12-D	1,431,943.05	5,761,960.30
Reserve for Deferred Amortization	14-D	65,000.00	65,000.00
Reserve for Amortization	15-D	1,659,259.15	1,659,259.15
Capital Improvement Fund	19-D	2,005.00	
Total Capital Fund		<u>9,814,637.20</u>	<u>8,091,304.15</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 14,303,578.12</u>	<u>\$ 10,215,364.93</u>

There were bonds and notes authorized but not issued at December 31, 2012 in the amount of \$760,000.00 (Schedule 16-D)

See accompanying notes to financial statements.

Borough of Seaside Heights
County of Ocean, New Jersey
Electric Utility Operating Fund

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

	<u>Reference</u>	<u>December 31,</u>	
		<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:			
Electric Rents	D-2	\$ 5,549,472.78	\$ 6,465,689.90
Miscellaneous	D-2	72,782.75	92,037.43
Other Credits To Income:			
Unexpended Balance of 2012			
Appropriation	D-3	37,000.00	335.51
Appropriation Reserves Lapsed	7-D	151,942.47	3,597.34
Total Revenue		5,811,198.00	6,561,660.18
Expenditures:			
Operating	D-3	5,100,000.00	5,034,000.00
Deferred Charges and Statutory			
Expenditures	D-3	105,000.00	96,000.00
Surplus (General Budget)	D-3	1,300,000.00	1,200,000.00
	D-3	<u>6,505,000.00</u>	<u>6,330,000.00</u>
(Deficit) Excess in Revenue		(693,802.00)	231,660.18
Adjustment to Income before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Deficit in Operation	11-D	658,802.00	
Emergency Authorization	11-D	35,000.00	
Statutory Excess to Fund Balance		<u>693,802.00</u>	<u>231,660.18</u>
Fund Balance, January 1	D	<u>1,492,457.88</u>	1,260,797.70
		<u>1,492,457.88</u>	1,492,457.88
Fund Balance, December 31	D	<u><u>\$ 1,492,457.88</u></u>	<u><u>\$ 1,492,457.88</u></u>

See accompanying notes to financial statements.

Borough of Seaside Heights
 County of Ocean, New Jersey
 Electric Utility Operating Fund

Statement of Revenues - Regulatory Basis

Year Ended December 31, 2012

	<u>Anticipated Budget</u>	<u>Amount Realized</u>	<u>Excess (Deficit)</u>
Metered Service	\$ 6,400,000.00	\$ 5,549,472.78	\$ (850,527.22)
Miscellaneous	70,000.00	72,782.75	2,782.75
Total Revenue	<u>\$ 6,470,000.00</u>	<u>\$ 5,622,255.53</u>	<u>\$ (847,744.47)</u>

	<u>Reference</u>	<u>D-3</u>
Miscellaneous	D-1, 1-D	\$ 72,782.75
Consumer Accounts Receivable	D-1, 4-D	<u>5,549,472.78</u>
		<u>\$ 5,622,255.53</u>

Miscellaneous

Interest on Deposits	\$ 2.78
Interest on Costs	61,434.94
Miscellaneous	<u>11,345.03</u>
	<u>\$ 72,782.75</u>

D-2

Borough of Seaside Heights
 County of Ocean, New Jersey
 Electric Operating Utility Fund

Statement of Expenditures - Regulatory Basis
 Year Ended December 31, 2012

	Appropriated			Budget After Modification	Paid or Charged	Reserved	Cancelled
	Budget As Adopted	Emergency					
Operating:							
Salaries and Wages	\$ 550,000.00	\$ 30,000.00	\$ 580,000.00	\$ 553,112.81	\$ 887.19	\$ 26,000.00	
Other Expenses	4,000,000.00		4,000,000.00	3,288,011.92	711,988.08		
Group Insurance	270,000.00		270,000.00	261,904.20	95.80	8,000.00	
Other Insurance	250,000.00		250,000.00	250,000.00			
Total Operating	5,070,000.00	30,000.00	5,100,000.00	4,353,028.93	712,971.07	34,000.00	
Deferred Charges and Statutory Expenditures:							
Statutory Expenditures:							
Contribution To:							
Public Employees' Retirement System	50,000.00		50,000.00	50,000.00			
Social Security System (O.A.S.I.)	40,000.00	5,000.00	45,000.00	41,322.75	677.25	3,000.00	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. Seq.)	10,000.00		10,000.00	10,000.00			
Total Statutory Expenditures	100,000.00	5,000.00	105,000.00	101,322.75	677.25	3,000.00	
Surplus (General Budget)	1,300,000.00		1,300,000.00	1,300,000.00			
Total Appropriations	\$ 6,470,000.00	\$ 35,000.00	\$ 6,505,000.00	\$ 5,754,351.68	\$ 713,648.32	\$ 37,000.00	

Reference

D-2

D-3

D

D-1

Budget as Adopted
 Added by Emergency Authorization

D-2
 11-D

\$ 6,470,000.00
 35,000.00

NJSA 40A:4-48

\$ 6,505,000.00

Cash Disbursements
 Encumbrances Payable

1-D
 9-D

\$ 5,592,422.75
 161,928.93
\$ 5,754,351.68

See accompanying notes to financial statements.

Water/Sewer Utility Fund

Exhibits

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Fund

Balance Sheets - Regulatory Basis

	<u>Reference</u>	<u>December 31,</u>	
		<u>2012</u>	<u>2011</u>
Assets			
Operating Fund:			
Cash - Treasurer	1-E	\$ 1,722,291.32	\$ 1,127,171.85
Cash - Change Fund	3-E	100.00	100.00
		<u>1,722,391.32</u>	<u>1,127,271.85</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	5-E	107,544.08	200,524.01
Due from Water/Sewer Capital Fund	10-E	60,000.00	
		<u>167,544.08</u>	<u>200,524.01</u>
Deferred Charges:			
Deficit in Operation	22-E	297,279.03	
Emergency Authorization	22-E	85,000.00	
	22-E	<u>382,279.03</u>	
Total Operating Fund		<u>2,272,214.43</u>	<u>1,327,795.86</u>
Capital Fund:			
Cash - Treasurer	1-E	803,754.11	546,337.67
Grant Receivable	19-E	47,077.00	47,077.00
Fixed Capital	6-E	15,232,605.83	11,842,866.58
Fixed Capital Authorized and Uncompleted	7-E	1,000,000.00	3,921,500.00
Total Capital Fund		<u>17,083,436.94</u>	<u>16,357,781.25</u>
Total Assets		<u>\$ 19,355,651.37</u>	<u>\$ 17,685,577.11</u>

See accompanying notes to financial statements.

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Fund

Balance Sheets - Regulatory Basis

	<u>Reference</u>	<u>December 31,</u>	
		<u>2012</u>	<u>2011</u>
Liabilities, Reserves and Fund Balance			
Operating Fund:			
Appropriation Reserves	E-4, 8-E	\$ 44,282.56	\$ 23,527.05
Encumbrances Payable	9-E	291,461.06	12,773.91
Note Payable - TD Bank	28-E	1,000,000.00	
Accrued Interest on Bonds and Notes	11-E	76,461.31	61,795.41
Water/Sewer Overpayments	12-E	9,021.14	9,149.02
		<u>1,421,226.07</u>	<u>107,245.39</u>
Reserve for Receivables	E	107,544.08	200,524.01
Fund Balance	E-1	743,444.28	1,020,026.46
		<u>2,272,214.43</u>	<u>1,327,795.86</u>
Total Operating Fund			
Capital Fund:			
Serial Bonds	13-E	1,455,000.00	1,690,000.00
Bond Anticipation Notes	14-E	1,487,850.00	524,650.00
Improvement Authorizations:			
Unfunded	15-E	137,713.94	318,641.22
Capital Improvement Fund	16-E	93,108.53	93,108.53
Reserve for Encumbrances	17-E	118,800.00	680,456.28
Rural Economic Development Loan Payable	18-E	4,227,299.60	4,287,283.17
Reserve for Amortization	20-E	9,058,456.23	8,258,433.41
Reserve to Pay Notes	4-E	435,937.42	495,937.42
Reserve for Deferred Amortization	21-E	4,000.00	4,000.00
Due to Water/Sewer Operating Fund	27-E	60,000.00	
Fund Balance	E-2	5,271.22	5,271.22
		<u>17,083,436.94</u>	<u>16,357,781.25</u>
Total Capital Fund			
		<u>\$ 19,355,651.37</u>	<u>\$ 17,685,577.11</u>
Total Liabilities, Reserves and Fund Balance			

See accompanying notes to financial statements.

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Fund

Statements of Operations and Changes in Fund Balance - Regulatory Basis

	<u>Reference</u>	<u>December 31,</u>	
		<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:			
Operating Surplus Anticipated	E-1, E-3	\$ 261,000.00	\$ 326,000.00
Water/Sewer Rents	E-3	2,278,399.59	2,626,681.67
Miscellaneous Revenue Anticipated	E-3	36,407.80	39,623.10
Miscellaneous Revenue Not Anticipated	E-3	1,861.87	8,360.69
Reserve to Pay Notes	E-3	60,000.00	58,000.00
Other Credits To Income:			
Current Appropriation Cancelled	E-4	39,806.15	1,517.14
Unexpended Balance of Appropriation Reserves	8-E	6,245.56	3,943.41
Total Revenue		<u>2,683,720.97</u>	<u>3,064,126.01</u>
Expenditures:			
Operating	E-4	2,357,000.00	2,257,000.00
Debt Service	E-4	604,000.00	609,000.00
Deferred Charges and Statutory Expenditures	E-4	105,000.00	88,000.00
Total Expenditures	E-4	<u>3,066,000.00</u>	<u>2,954,000.00</u>
(Deficit) Excess in Revenue		(382,279.03)	110,126.01
Adjustments to Fund Balance:			
Accrued Interest	11-E	(15,582.18)	(2,171.55)
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year:			
Deficit in Operation	22-E	297,279.03	
Emergency Authorization	22-E	85,000.00	
Fund Balance, January 1	E	<u>1,020,026.46</u>	<u>1,238,072.00</u>
		<u>1,004,444.28</u>	<u>1,346,026.46</u>
Decreased by:			
Utilized as Anticipated Revenue	E-1, E-3	261,000.00	326,000.00
Fund Balance, December 31	E	<u>\$ 743,444.28</u>	<u>\$ 1,020,026.46</u>

See accompanying notes to financial statements.

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Fund

Statement of Changes in Capital Fund Balance
Regulatory Basis

Year Ended December 31, 2012

Reference

Balance, December 31, 2011 and 2012

E

\$ 5,271.22

Borough of Seaside Heights
 County of Ocean, New Jersey
 Water/Sewer Utility Fund

Statement of Revenues-Regulatory Basis

Year Ended December 31, 2012

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	E-1	\$ 261,000.00	\$ 261,000.00	
Water/Sewer Rents	E-1, 5-E	2,625,000.00	2,278,399.59	\$ (346,600.41)
Miscellaneous Revenue Anticipated	E-1	35,000.00	36,407.80	1,407.80
Reserve to Pay Notes	E-1	60,000.00	60,000.00	-
Miscellaneous Revenue Not Anticipated	E-1		1,861.87	1,861.87
		<u>\$ 2,981,000.00</u>	<u>\$ 2,637,669.26</u>	<u>\$ (343,330.74)</u>
	<u>Reference</u>	E-4		
Cash Receipts	1-E		\$ 2,307,520.24	
Overpayments Applied	5-E		9,149.02	
Interfund	10-E		60,000.00	
Fund Balance Anticipated	E-1		261,000.00	
			<u>\$ 2,637,669.26</u>	
Miscellaneous Revenue Anticipated				
Interest on Costs			\$ 36,406.57	
Interest on Deposits			1.23	
			<u>\$ 36,407.80</u>	
Miscellaneous Revenue Not Anticipated				
Tax Sale			861.87	
Water On			490.00	
Final Reading			510.00	
			<u>\$ 1,861.87</u>	

Borough of Seaside Heights
 County of Ocean, New Jersey
 Water/Sewer Utility Fund

Statement of Expenditures - Regulatory Basis

Year Ended December 31, 2012

	Appropriated		Budget After Modification	Paid or Charged	Reserved	Cancelled
	Budget As Adopted	Emergency				
Operating:						
Salaries and Wages	\$ 490,000.00	\$ 30,000.00	\$ 540,000.00	\$ 526,212.65	\$ 787.35	\$ 13,000.00
Other Expenses	1,317,000.00	50,000.00	1,367,000.00	1,325,006.66	41,993.34	
Employee Group Insurance	235,000.00		235,000.00	235,000.00		
Insurance	235,000.00		215,000.00	194,342.78	657.22	20,000.00
Total Operating	2,277,000.00	80,000.00	2,357,000.00	2,280,562.09	43,437.91	33,000.00
Debt Service:						
Payment on Bond Principal	235,000.00		235,000.00	235,000.00		
Payment on Note Principal	37,000.00		37,000.00	36,800.00		200.00
Interest on Bonds	70,000.00		70,000.00	70,000.00		
Interest on Notes	11,000.00		11,000.00	10,463.85		536.15
U.S.D.A. Principal	60,000.00		60,000.00	59,983.57		16.43
U.S.D.A. Interest	191,000.00		191,000.00	189,946.43		1,053.57
Total Debt Service	604,000.00		604,000.00	602,193.85	-	1,806.15
Statutory Expenditures:						
Contributed To:						
Public Employees' Retirement System	50,000.00		50,000.00	50,000.00		
Social Security System (O.A.S.I.)	40,000.00	5,000.00	45,000.00	39,155.35	844.65	5,000.00
Unemployment Compensation Insurance (N.J.S.A. 43-21-3et. Seq.)	10,000.00		10,000.00	10,000.00		
Total Deferred charges and Statutory Expenditures	100,000.00	5,000.00	105,000.00	99,155.35	844.65	5,000.00
Total Water/Sewer Utility Appropriations	\$ 2,981,000.00	\$ 85,000.00	\$ 3,066,000.00	\$ 2,981,911.29	\$ 44,282.56	\$ 39,806.15
Budget as Adopted	E-3	E-4			E	E-1
Added by Emergency Authorization			\$ 2,981,000.00			
			85,000.00			
Cash Disbursements			\$ 3,066,000.00			
Encumbrances Payable	1-E		\$ 2,420,039.95			
Accrued Interest	9-E		291,461.06			
	11-E		270,410.28			
			\$ 2,981,911.29			

General Fixed Assets

Exhibit

Exhibit F

Borough of Seaside Heights
 County of Ocean, New Jersey
 General Fixed Assets Account Group

Comparative Statement of General Fixed Assets- Regulatory Basis

December 31, 2012

	<u>Balance December 31, 2011</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance December 31, 2012</u>
Land	\$ 13,493,200.00			\$ 13,493,200.00
Buildings	2,277,459.00			2,277,459.00
Equipment	4,989,025.58		\$ 55,000.00	4,934,025.58
Total General Fixed Assets	<u>\$ 20,759,684.58</u>	<u>\$ -</u>	<u>\$ 55,000.00</u>	<u>\$ 20,704,684.58</u>
Investment in General Fixed Assets	<u>\$ 20,759,684.58</u>	<u>\$ -</u>	<u>\$ 55,000.00</u>	<u>\$ 20,704,684.58</u>

Reference

1-F

1-F

1-F

1-F

See accompanying notes to financial statements.

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

1. Summary of Significant Accounting Policies

Reporting Entity

The financial statements of the Borough of Seaside Heights, County of Ocean ("Borough") include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Borough, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments and First Aid Squads which are subject to separate audit and are considered component units under generally accepted accounting principles ("GAAP") in the United States. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

Description of Funds

The accounting policies of the Borough conform to the accounting principles and practices applicable to municipalities prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The accompanying financial statements are presented in the format prescribed by the State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and are 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:

Current Fund

Accounts for all revenues and expenditures applicable to the general operations of Borough's departments.

General Trust Funds

Account for assets held by the Borough in a trustee capacity or as an agent for individuals and other governmental agencies. Funds held by the Borough which have restrictions placed on the use of such funds are recorded in the Trust Fund.

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

Description of Funds (continued)

General Capital Fund

Accounts for financial resources to be used for the acquisition of general capital facilities. The major resources are derived from the sale of serial bonds and bond anticipation notes.

Water/Sewer Operating and Capital Funds

Account for water/sewer operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the water/sewer utility to the general public be financed through user fees. Operations relating to the acquisition of water/sewer capital facilities are recorded within the Water/Sewer Utility Capital Fund.

Electric Operating and Capital Funds

Account for electric operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the electric utility to the general public be financed through user fees. Operations relating to the acquisition of electric capital facilities are recorded within the Electric Utility Capital Fund.

General Fixed Assets Account Group

The Borough has complied with Technical Accounting Directive No.85-2 issued by the Division of Local Government Services. Technical Accounting Directive No. 85-2 utilizes the following accounting policies:

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

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

Description of Funds (continued)

General Fixed Assets Account Group (continued)

The Borough has stated land and buildings acquired prior to January 1, 1995 at the most recent assessed valuation amounts. Equipment and vehicles acquired prior to January 1, 1995 are stated at historical cost (if information was available). Otherwise, these assets are stated at insured value or at current replacement values. This valuation method is not in compliance with Technical Accounting Directive No. 85-2, but is an acceptable practice by the Division of Local Government Services. There will not be a qualification of our opinion as a result of the way these valuation methods were applied. All general fixed assets acquired beginning January 1, 1995 are recorded at actual cost.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land and buildings which are valued at assessed value.

No depreciation is provided for in the financial statements.

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

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

During 2012, the following changes occurred in the fixed assets of the Borough:

	Balance January 1, 2011	Expenditures From General Capital Fund	Disposition	Balance December 31, 2012
Land	\$ 13,493,200.00			\$13,493,200.00
Buildings	2,277,459.00			2,277,459.00
Machinery and equipment	4,989,025.58	\$ -	\$ 55,000.00	4,934,025.58
	<u>\$20,759,684.58</u>	<u>\$ -</u>	<u>\$ 55,000.00</u>	<u>\$20,704,684.58</u>

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services differ in certain respects from accounting principles generally accepted in the United States of America ("GAAP") applicable to local government units. The more significant differences are as follows:

A modified accrual basis of accounting is followed by the Borough. Modifications from the accrual basis follow:

Revenues

Revenues are recorded as received in cash except for statutory reimbursements and grant funds which are due from other governmental units. State and Federal grants for operating purposes are realized as revenues when anticipated in the Borough budget. Receivables for property taxes are recorded with offsetting reserves within the Current Fund. Other amounts that are due to the Borough which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable.

Compensated Absences

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

Property Acquired for Taxes

Property acquired for taxes is recorded in the current fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at its market value.

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

Capital Leases

Expenditures relating to lease obligations are not recorded until paid. GAAP requires the recording of a liability for these obligations when incurred.

Deferred School Taxes

A portion of school taxes collected at December 31 relating to the period January 1 to June 30 of the subsequent year have been included in fund balance. GAAP requires such taxes to be recorded as a liability until paid to the school district.

Post Employment Retirement Benefits

Expenditures relating to obligations for post-employment retirement benefits are not recorded until paid. GAAP requires the recording of a liability for these benefits when incurred.

Expenditures

- (a) Disbursements for Current Fund inventory-type items are considered expenditures at the time of purchase;
- (b) Prepaid expenses are not recorded;
- (c) Interest on long-term debt included in the General Capital Fund is recorded as an expenditure when paid;
- (d) The encumbrances method of accounting which records commitments such as purchase orders and contracts as a charge against the current year's budget in addition to expenditures made or accrued, is utilized. The cash basis of accounting, however, is followed for recording the Borough's share of contributions for fringe benefits, such as retirement plans, accrued sick leave and vacation leave.

Appropriation reserves are recorded at December 31, for unexpended appropriation balances except for amounts which, according to state statutes, may be cancelled by the governing body.

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

Expenditures (continued)

The appropriation reserves are available to satisfy specific claims, commitments or contracts incurred during the preceding fiscal year. At the end of the succeeding fiscal year, the remaining unexpended balances lapse to fund balance through other credits to revenue.

Had the Borough's financial statements been prepared under accounting principles generally accepted in the United State of America, the encumbrance method of accounting would be followed for expenditures presently reflected on a cash basis, appropriation reserves would not be recorded, revenues susceptible to accrual would have been reflected without offsetting reserves and inventories would not be reflected as expenditures at the time of purchase.

Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States.

Grant Revenues

Federal and State grants, entitlements or shared revenues received for purposes normally financed through the current fund are recognized when anticipated in the Borough budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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 revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

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 State Division of Local Government Services in accordance with N.J.S.A. 40A:4 et seq.

Grants

Current Fund

State and Federal grants and assistance awards made on the basis of entitlement periods are recorded as revenues when entitlement occurs.

Trust Fund

State and Federal grants and assistance awards are dedicated by rider in the Trust Fund. A receivable and corresponding spending reserve are recorded when the grant is awarded.

Capital Fund

State and Federal grants and assistance and awards are recorded as a funding source for improvement authorizations or are established as receivables with an offsetting reserve.

Foreclosed Property

Real property acquired for taxes is recorded in the Current Fund at assessed valuation when such property is acquired and is fully reserved.

Interfund Receivables

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

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A 40A:2-4, 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 that particular year in the current budget. As funds are raised, the deferred charges are reduced.

Inventories of Supplies

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

Retirement Plans

Substantially, all Borough employees participate in the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the plans and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plans are cost-sharing multiple-employer defined benefit plans and as such do not maintain separate records for each municipality in the state and, therefore, the actuarial data for the Borough is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, PERS and PFRS bill the Borough annually at an actuarially determinable rate for its required contribution. The current rate is 5.0% for PERS and 8.5% for PFRS of annual covered payroll.

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

Retirement Plans (continued)

The following table summarizes the contributions by year:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2012	\$308,542.00	\$463,474.00
2011	298,970.32	560,903.63
2010	64,309.00	232,862.00

Volunteer Length of Service Award Plan

The Borough has established a Volunteer Length of Service Award Plan (“LOSAP”) (“Plan”) to ensure retention of the Borough’s Volunteer Fire Department. The Plan shall be construed under the laws of the State of New Jersey and is established 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 Contributions

The annual contribution to be made by the Borough for each active volunteer member shall be \$100.00 - \$1,150.00 per year of active emergency service, with a 3% cost of living increase per year, commencing with the year 2004.

Appropriations

Appropriations for the purpose of funding the Borough’s LOSAP are included as a separate line item in the Borough’s budget.

Periodic Increases

Notwithstanding the provisions above, the annual contribution to be made by the Borough for each active volunteer member shall be subject to periodic increases based upon the “consumer price index factor” pursuant to subsection f. of section 3 of P.L. 1997, c.388 (N.J.S.A. 40A:14-185).

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

Volunteer Length of Service Award Plan (continued)

Estimated Cost

The estimated cost of the program to the Borough has been calculated to be approximately \$35,000.00 per year. (This amount may vary annually, however, based upon the total number of eligible active volunteer members in the program).

2. Deposits and Investments

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 insure deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds; or if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

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. The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required.

The carrying amount of the Borough's cash and cash equivalents at December 31, 2011 was \$7,145,915.01 which was covered under the unit certificate of eligibility as required by New Jersey statutes.

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

2. Deposits and Investments (continued)

Deposits (continued)

The carrying amount of the Borough's cash and cash equivalents at December 31, 2012 was \$26,797,847.71. Of the bank balance, \$250,000.00 was covered by Federal depository insurance, \$23,451.45 was on deposit with the State of New Jersey Cash Management Fund and the remaining \$26,524,396.26 was covered under the unit certificate of eligibility as required by New Jersey statutes.

<u>Depository Account</u>	<u>2012</u>	<u>2011</u>
New Jersey Management Fund	\$ 23,451.45	\$ 23,438.23
Insured: FDIC	250,000.00	250,000.00
Collateralized: GUDPA	<u>26,524,396.26</u>	<u>6,872,476.78</u>
	<u>\$26,797,847.71</u>	<u>\$7,145,915.01</u>

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council which prescribes standards designed to insure the quality of investments and to minimize the risks related to investments. To date, the Fund has never defaulted on principal or interest on any short term security held by its participants. Further, a reserve is being accumulated as additional protection for other than State participants. Finally, the Council monitors eligible securities on a regular basis. As of December 31, 2012 and 2011, the Borough had \$23,451.45 and \$23,438.23, respectively, on deposit with the New Jersey Cash Management Fund.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2012, the Borough's bank balance was not exposed to custodial credit risk.

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2012

2. Deposits and Investments (continued)

Investments

New Jersey statutes establish the following securities as eligible for the investment of Borough funds:

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States of America, including securities of, or other interest in, any open-end or closed-end management type investment company or investment trust registered under the "Investment Company Act of 1940", purchased and redeemed only through the use of National or State Banks located within this state or other financial intermediaries registered pursuant to Section 9 of PL. 1967, Ch. 93, if the portfolio of that investment company or investment trust is limited to bonds or other obligations of the United States of America and repurchase agreements fully collateralized by bonds or other obligations guaranteed by the United States of America, which collateral shall be delivered to or held by the investment company or investment trust, either directly or through an authorized custodian.
- (b) Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Associates or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- (c) Bonds or other obligations of the Borough, or bonds or other obligations of school districts, which are a part of the Borough or school district located within the Borough, government money market mutual funds, 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 twelve months from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (d) Bonds or other obligations, having a maturity date of not more than twelve months from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments, local government investment pools, deposits with the State of New Jersey Cash Management Fund or MBIA-Municipal Investors Savings Corporation established pursuant to Section 1 of P.L. 1997, C. 281 (C.2:18A-90.4) or agreements for the repurchase of fully collateralized securities.

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

2. Deposits and Investments (continued)

Investments (continued)

These investments must be transacted only through national or state banks located with New Jersey.

During the year, the Borough had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Borough.

Every local unit must have a Cash Management Plan ("Plan"); the Plan is subject to audit. In addition, when the Plan permits investments for more than one year, the investment must approximate the prospective use of funds. This primarily relates to U.S. securities and local bond issue purchases. The law also requires that the Cash Management Plans provide for the CFO to give the governing body a monthly report that summarizes:

- (a) All investments made or redeemed over the past month
- (b) Each organization holding local unit funds
- (c) The amount of securities purchased or sold, class or type of securities purchased, cash value, earned income, fees incurred, and market value of all investments as of the report date
- (d) Other information that may be required by the governing body

As of December 31, 2011 and 2012, the Borough had the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Book Value</u>
2011: LOSAP	<u>\$247,771.03</u>	<u>\$247,771.03</u>
2012: LOSAP	<u>\$263,310.06</u>	<u>\$263,310.06</u>

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

2. Deposits and Investments (continued)

Interest Rate Risk

LOSAP investment options are at the discretion of each individual participant and not the Borough.

Credit Risk

State law limits investments as noted above.

The fair value of the above-listed investments was based on quoted market prices.

During the year, the Borough had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Borough.

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

3. Long Term Debt

The Borough's long-term debt bonded debt service consisted of the following at December 31, 2012:

<u>General Bonds</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2012</u>
General Improvements	12/01/03	\$4,420,000.00	3.625-3.800%	\$1,865,000.00
Pension Refunding Bonds	6/01/04	2,800,000.00	6.250%	<u>1,800,000.00</u>
				<u>\$3,665,000.00</u>

<u>Water/Sewer Utility Bonds</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>December 31, 2012</u>
Various Improvements	09/15/93	\$2,579,000.00	5.100%	\$ 260,000.00
Improvement to Water and Sewer System	12/01/03	1,990,000.00	3.500-4.375%	<u>1,195,000.00</u>
				<u>\$1,455,000.00</u>

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

3. Long Term Debt (continued)

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and Thereafter for Bonded Debt Service Issued and Outstanding.

<u>Calendar Year</u>	<u>General Principal</u>	<u>General Interest</u>	<u>General Total</u>
2013	\$ 500,000.00	\$ 180,106.25	\$ 680,106.25
2014-18	2,450,000.00	547,722.50	2,997,722.50
2019-21	<u>715,000.00</u>	<u>91,562.50</u>	<u>806,562.50</u>
Total	<u>\$3,665,000.00</u>	<u>\$ 819,391.25</u>	<u>\$4,484,391.25</u>

<u>Calendar Year</u>	<u>Water/Sewer Principal</u>	<u>Water/Sewer Interest</u>	<u>Water/Sewer Total</u>
2013	\$ 235,000.00	\$ 55,085.00	\$ 290,085.00
2014-18	670,000.00	171,247.50	841,247.50
2019-23	<u>550,000.00</u>	<u>68,062.50</u>	<u>618,062.50</u>
Total	<u>\$1,455,000.00</u>	<u>\$ 294,395.00</u>	<u>\$1,749,395.00</u>

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

3. Long Term Debt (continued)

Rural Development Program - Loan Payable

The loan payable in the Water/Sewer Utility Fund is a forty-year loan to be paid in semi-annual installments at an interest rate of 4.5%. Semi-annual installments are \$27,070.00 commencing on May 1, 1999. Scheduled annual debt service for principal and interest for the next five years and thereafter on the loan are as follows:

Calendar Year	Principal	Interest	Total
2013	\$ 17,233.66	\$ 36,906.34	\$ 54,140.00
2014	18,017.90	36,122.10	54,140.00
2015-2019	103,160.60	167,539.40	270,700.00
2020-2024	128,868.56	141,831.44	270,700.00
2025-2029	160,983.06	109,716.94	270,700.00
2030-2034	201,100.59	69,599.41	270,700.00
2035-2037	143,978.65	18,441.35	162,420.00
2038	51,058.26	1,714.39	52,772.65
Total	<u>\$ 824,401.28</u>	<u>\$ 581,871.37</u>	<u>\$ 1,406,272.65</u>

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

3. Long Term Debt (continued)

U.S.D.A. Loan Payable - Phase 1

The loan payable in the Water/Sewer Utility Fund is a forty-year loan to be paid in semi-annual installments at an interest rate of 4.375%. Semi-annual installments are \$53,121.00 commencing on August 1, 2005. Scheduled annual debt service for principal and interest for the next five years and thereafter on the loan are as follows:

Calendar Year	Principal	Interest	Total
2013	\$ 26,350.08	\$ 79,891.92	\$ 106,242.00
2014	27,515.50	78,726.50	106,242.00
2015-2019	156,944.92	374,265.08	531,210.00
2020-2024	194,861.01	336,348.99	531,210.00
2025-2029	241,937.23	289,272.77	531,210.00
2030-2034	300,386.53	230,823.47	531,210.00
2035-2039	372,956.50	158,253.50	531,210.00
2040-2044	463,058.59	68,151.41	531,210.00
2045	48,606.96	1,063.04	49,670.00
	<u>\$ 1,832,617.32</u>	<u>\$ 1,616,796.68</u>	<u>\$ 3,449,414.00</u>

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

3. Long Term Debt (continued)

U.S.D.A. Loan Payable - Phase 2

The loan payable in the Water/Sewer Utility Fund is a forty-year loan to be paid in semi-annual installments at an interest rate of 4.5%. Semi-annual installments are \$44,774.12 commencing on January 1, 2009. Scheduled annual debt service for principal and interest for the next five years and thereafter on the loan are as follows:

Calendar Year	Principal	Interest	Total
2013	\$ 19,097.00	\$ 70,450.21	\$ 89,547.21
2014	19,966.00	69,581.16	89,547.16
2015-2019	114,317.00	333,421.27	447,738.27
2020-2024	142,807.00	304,932.84	447,739.84
2025-2029	178,394.00	269,344.95	447,738.95
2030-2034	222,849.00	224,888.82	447,737.82
2035-2039	278,383.00	169,354.04	447,737.04
2040-2044	347,759.00	99,979.94	447,738.94
2045-2047	246,709.00	19,664.16	266,373.16
	<u>\$ 1,570,281.00</u>	<u>\$ 1,561,617.39</u>	<u>\$ 3,131,898.39</u>

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

3. Long Term Debt (continued)

Summary of Municipal Debt (Excluding Current and Operating Debt and Type 1 School Debt)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Issued</u>			
General:			
Bonds and Notes/ Loans	\$15,697,609.12	\$10,162,576.00	\$10,016,982.00
Electric Utility:			
Bonds and Notes/ Loans	5,600,000.00	-	-
Water/Sewer Utility:			
Bonds and Notes/ Loans	<u>7,170,149.60</u>	<u>6,501,933.00</u>	<u>7,591,136.00</u>
	<u>28,467,758.72</u>	<u>16,664,509.00</u>	<u>17,608,118.00</u>
Pension Refunding			
Bonds Authorized	<u>1,800,000.00</u>	<u>1,950,000.00</u>	<u>2,090,000.00</u>
	<u>1,800,000.00</u>	<u>1,950,000.00</u>	<u>2,090,000.00</u>
Net Debt Issued	<u>26,667,758.72</u>	<u>14,714,509.00</u>	<u>15,518,118.00</u>
<u>Authorized But Not Issued</u>			
Electric:			
Bonds and Notes	760,000.00	-	-
General:			
Bonds and Notes	-	<u>11,825,000.00</u>	<u>3,895,000.00</u>
Total authorized But Not Issued	<u>760,000.00</u>	<u>11,825,000.00</u>	<u>3,895,000.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$27,427,758.72</u>	<u>\$26,539,509.00</u>	<u>\$19,413,118.00</u>

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

3. Long Term Debt (continued)

Green Acres Loan Payable

Beach Front Acquisition Project #1526-96-080

The loan payable in the General Capital Fund is a twenty-year loan to be paid in semi-annual installments at an interest rate of 2.0%. Semi-annual installments are \$17,294.70 commencing on July 26, 2002. Scheduled annual debt service for principal and interest for the next five years and thereafter on the loan are as follows:

Calendar Year	Principal	Interest	Total
2013	\$ 29,061.93	\$ 5,527.47	\$ 34,589.40
2014	29,646.07	4,943.33	34,589.40
2015-2019	157,411.83	15,535.17	172,947.00
2020-2021	<u>67,483.29</u>	<u>1,695.50</u>	<u>69,178.79</u>
	<u>\$283,603.12</u>	<u>\$ 27,701.47</u>	<u>\$311,304.59</u>

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

3. Long Term Debt (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.45%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt	\$13,897,609.12	\$ 1,800,000.00	\$12,097,609.12
Local and Regional School District Debt	672,406.61	672,406.61	
Electric Utility Debt	6,360,000.00	6,360,000.00	
Water/Sewer Utility Debt	<u>7,170,149.60</u>	<u>303,534.80</u>	<u>6,866,614.80</u>
	<u>\$28,100,165.33</u>	<u>\$ 9,135,941.41</u>	<u>\$18,964,223.92</u>

Net Debt \$18,964,223.92 divided by Equalized Valuation per N.J.S.A. 40A:2-2 as amended, \$774,339,501.67 = 2.45%

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

3.5% of Equalized Valuation Basis (Municipal)	\$27,101,882.56
Less: Net Debt	<u>18,964,223.92</u>
Remaining Borrowing Power	<u>\$ 8,137,658.64</u>

Central Regional School District

The percentage of valuations apportioned to each municipality (apportioned debt) at December 31, 2012 is as follows:

<u>Municipality</u>	<u>Average Equalized Valuations</u>	<u>Percentage</u>
Berkeley Township	\$5,579,354,246.67	67.49646756%
Island Heights Borough	388,424,979.33	4.69898717%
Ocean Gate Borough	264,350,235.00	3.19798784%
Seaside Heights Borough	774,339,501.67	9.36760398%
Seaside Park Borough	<u>1,259,673,620.00</u>	<u>15.23895345%</u>
Total	<u>\$8,266,142,582.67</u>	<u>100.00%</u>

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

3. Long Term Debt (continued)

Calculation of "Self-Liquidating Purpose" - Water/Sewer Utility per N.J.S. 40A:2-45

Surplus Anticipated		\$ 261,000.00
Cash Receipts from Fees, Rents or Other Charges for the Year		2,376,669.26
Deductions;		
Operating and Maintenance Costs	\$2,377,000.00	
Debt Service per Water/Sewer Account	<u>604,000.00</u>	
		<u>2,981,000.00</u>
Deficit in Revenue		<u>\$ (343,330.74)</u>

Calculation of "Self-Liquidating Purpose" - Electric Utility per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for the Year		\$5,549,472.78
Deductions;		
Operating and Maintenance Costs		<u>6,470,000.00</u>
Deficit in Revenue		<u>\$ (920,527.22)</u>

4. Bond Anticipation Notes

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

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

4. Bond Anticipation Notes (continued)

On December 31, 2012, the Borough's outstanding bond anticipation notes issued were as follows:

General Capital Fund

Boulevard Improvement Phase III	\$ 203,600.00
Various Improvements	262,862.00
Acquisition of Aerial Fire Truck	620,000.00
2007 General Improvement Bonds	480,000.00
2008 Acquisition of Real Property	1,279,000.00
2009 Various Improvements	765,000.00
2009 Acquisition of Property	1,018,544.00
2011 Various Improvements	855,000.00
2012 Acquisition of Property	1,425,000.00
2012 Multi Purpose	<u>3,040,000.00</u>
	<u>\$9,949,006.00</u>

Water/Sewer Utility Fund

Sanitary Sewer Rehabilitation Program Phase 1	\$ 487,850.00
2012 Various Improvements	<u>1,000,000.00</u>
	<u>\$ 1,487,850.00</u>

Electric Utility Fund

2012 Various Improvements	\$ 600,000.00
2012 Electric Generator Project	<u>5,000,000.00</u>
	<u>\$ 5,600,000.00</u>

Outstanding bond anticipation notes totaling \$3,302,862.00 were issued on August 3, 2012 at an interest rate of 1.250% and mature on August 2, 2013.

Outstanding bond anticipation notes totaling \$4,267,144.00 were issued on February 3, 2012 at an interest rate of 2.00% and mature on February 1, 2013. Outstanding bond anticipation notes totaling \$2,379,000.00 were issued on October 5, 2012 at an interest rate of 1.250% and mature on October 4, 2013.

Outstanding bond anticipation notes totaling \$1,487,850.00 were issued on February 3, 2012 at an interest rate of 2.00% and mature on February 1, 2013.

Outstanding bond anticipation notes totaling \$5,600,000.00 were issued on February 3, 2012 at an interest rate of 2.00% and mature on February 1, 2013.

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

5. Bonds and Notes Authorized But Not Issued

At December 31, 2012, the Borough had \$760,000.00 in authorized and not issued bonds and notes in the Electric Utility Fund.

6. Local District School and Regional High School Taxes

Regulations provide for deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough has elected to defer school taxes as follows:

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Balance of Tax	\$1,403,080.52	\$1,335,638.00	\$1,061,204.30	\$1,148,103.25
Deferred	<u>1,403,080.52</u>	<u>1,335,638.00</u>	<u>1,061,204.30</u>	<u>1,148,103.25</u>
Tax Payable (Advanced)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

7. Fund Balance Appropriated

Current Fund

The fund balance at December 31, 2012 was \$1,604,753.57 of which nothing was appropriated and included as anticipated revenue for the year ended December 31, 2013.

8. Deferred Charges to be Raised in Succeeding Years' Budgets

The following deferred charges are shown on the December 31, 2012 balance sheets and will be raised in succeeding years' budgets:

Current Fund:

Emergency Authorization	<u>\$ 595,000.00</u>
Special Emergency Authorization	<u>\$14,100,000.00</u>
Over-Expenditure - Current Fund	<u>\$ 35,850.90</u>

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

8. Deferred Charges to be Raised in Succeeding Years' Budgets (continued)

Electric Utility Fund:

Deficit in Operation	<u>\$ 658,802.00</u>
Emergency Authorization	<u>\$ 35,000.00</u>

Water/Sewer Utility Fund:

Deficit in Operation	<u>\$ 297,279.03</u>
Emergency Authorization	<u>\$ 85,000.00</u>

9. Accrued Sick and Vacation Benefits - Unaudited

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. The Borough permits its employees to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. Effective for financial statements dated December 31, 1987, the State has required all municipalities to disclose the estimated current cost of unused sick and vacation benefits at year-end. The Borough estimated the current cost of such unpaid compensation to be \$918,080.39 at December 31, 2012. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

10. Post-Retirement Health Benefits

In addition to the pension and retirement plans described in Note 1, the Borough provides post-retirement health care benefits for employees who retire after 25 years of service. Benefits consist of full medical coverage and expenditures are recognized as claims are reported. Also, the Borough is required to reimburse employees for the cost of their Medicare premiums.

Plan Description

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

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

10. Post-Retirement Health Benefits (Continued)

Plan Description (Continued)

State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP.

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 and statements required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf

Funding Policy

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough of Seaside Heights on a monthly basis.

The Borough of Seaside Heights's contributions to SHBP for the years ended December 31, 2012 and 2011 were approximately \$382,000 for each year, respectively, which equaled the required contributions for each year. There were approximately 30 to 35 retired participants eligible at December 31, 2012 and 2011, respectively.

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

11. 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 provide 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 totaled \$19,113.62 and \$9,035.10 at December 31, 2012 and 2011, respectively.

12. Contingent Liabilities

State and Federal Grants

The Borough received financial assistance from the State of New Jersey and the U.S. Government in the form of grants and revenue-sharing entitlements. Entitlement to the resources is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the resources for eligible purposes. Substantially, all grants are subject to financial and compliance audits by the grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2012, the Borough estimates that no material liabilities will result from such audits.

Pending Litigation

There are several actions which have been instituted against the Borough. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Borough. Most of the actions will be settled by insurance claims, subject to a deductible.

13. 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 Local Unit, Local School District, County and Special Districts, 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 the 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 local unit tax collector on or

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

13. Assessment and Collection of Property Taxes (continued)

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.

14. Risk Management

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Borough is a member of the Ocean County Municipal Joint Insurance Fund ("JIF"). This public entity risk pool is both an insured and self-administered group of 30 municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability, and workmen's compensation. The JIF will be self-sustaining through member premiums. The JIF participates in the Municipal Excess Liability Insurance program which has a contract for excess liability insurance for property. The fund also purchased an excess Faithful Performance and Employee Dishonesty Bond.

15. Length of Service Award Program ("LOSAP") - Unaudited

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Borough's Volunteer Fire Department. The Plan shall be construed under the laws of the State of New Jersey and is established 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 Contributions

The annual contribution to be made by the Borough for each active volunteer member shall be \$100.00 - \$1,150.00 per year of active emergency service, commencing with the year 2004.

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

15. Length of Service Award Program ("LOSAP") - Unaudited (continued)

Appropriations

Appropriations for the purpose of funding the Borough's LOSAP shall be included as a separate line item in the Borough's budget, commencing with the year 2004.

Periodic Increases

Notwithstanding the provisions above, the annual contribution to be made by the Borough for each active member shall be subject to periodic increases of 3% per year, based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A: 14-185).

Estimated Cost

The estimated cost of the program has been calculated to be approximately \$35,000.00 per year. This amount may vary annually, however, based upon the periodic increase and the total number of eligible active volunteer members in the program.

Criteria for Eligibility; Contributions; Points

Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member's performance of active voluntary services in the emergency service organization. Annual contributions shall only be made by the Borough for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

Determination as to Eligibility

Each emergency service organization shall provide to the Borough Administrator, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as of each January 1, thereafter. The Plan Administrator shall forward said certified list to the Borough Council for approval, in accordance with the provisions of N.J.A.C. 5:30-14.10. The decision of the Borough Council as to such active member's eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

15. Length of Service Award Program ("LOSAP") - Unaudited (continued)

any and all other persons having an interest hereunder, subject to appropriate judicial review.

Terms of Participation

The Plan Administrator shall have the right to require any active volunteer member, at the time of his or her becoming a participant, to agree in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

Vesting

The active volunteer member shall not be permitted to receive a distribution of the fund in his or her LOSAP account until the completion of a five-year vesting period.

Termination of Service

Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the emergency service organization as an active volunteer member. Any active volunteer member who terminates service with the emergency service organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

Reporting Requirements

N.J.A.C. 5:30-14.49 requires that the Borough perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

16. Hurricane Sandy

On October 29, 2012 Hurricane Sandy struck the New Jersey coast and caused extensive damage to the Borough of Seaside Heights. The Borough authorized a \$14,100,000.00 special emergency and spent \$200,000.00 for the period ending December 31, 2012.

17. Subsequent Events

On May 15, 2013 Borough approved a resolution authorizing a promissory note for a Community Disaster Loan in the amount of \$3,875,590.00 from the Federal Emergency Management Agency pursuant to Section 417 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended and FEMA Regulation 44CFR 206, Subpart K.

From January 2013 to April 2014 Borough received \$8,849,186.84 from Federal Emergency Management Agency, \$3,735,268.30 from Community Disaster Loan Fund and \$699,711.77 reimbursements from insurance company for damaged occurred to vehicles and equipments from Hurricane Sandy.

Subsequent to December 31, 2012, the Borough rolled-over the following Bond Anticipation Notes:

Electric Utility Capital Fund	\$11,115,581.00
General Capital Fund Capital Fund	\$15,781,226.00
Water/Sewer Utility Capital Fund	\$ 2,812,668.00

In October 2013, a fire occurred on the Borough's boardwalk, destroying approximately \$500,000 of boardwalk which was covered under the Borough's insurance. The insurance company awarded a payment \$500,000 which Borough received.

Borough of Seaside Heights
County of Ocean, New Jersey

Notes to Financial Statements

December 31, 2012 and 2011

17. Subsequent Events (continued)

The Borough received a grant of \$2,500,000 from Federal Emergency Management Agency (FEMA) for the fire damage clean-up. The Borough must incur the expenditure and submit for reimbursement which must be approved by FEMA.

On December 19, 2013, the Special Emergency note of \$14,100,000 was repaid as follows: (a) from cash receipts from the Federal Emergency Management Agency (FEMA) of \$8,535,271.26, (b) from the issuance of a Bond Anticipation Note of \$2,465,048.00 Series 2013C and (c) from the reissuance of a Special Emergency Note, Series 2013. The Bond Anticipation Note and the Special Emergency Note are one year obligations due December 19, 2014.

As at the date of this report, the Borough of Seaside Heights is contingently liable to contractors in the amount of approximately \$400,000 related to reconstruction of the boardwalk and miscellaneous clean up activities.

Current Fund

Schedules

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Schedule of Cash Treasurer

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 1,103,124.68
Increased By Receipts:		
Miscellaneous Revenue Not Anticipated	A-2	264,336.71
Change Fund	2-A	20,100.00
Property Taxes Receivable	4-A	12,497,348.47
Revenue Accounts Receivable	6-A	7,251,832.07
Tax Anticipation Notes	7-A	1,000,000.00
State Senior Citizens and Veterans Deductions	3-A	15,672.60
Grant Fund	10-A	398,931.42
Due from Animal Trust Fund	8-A	377.80
Special Emergency Note	9-A	11,100,000.00
Payroll Deductions Payable	16-A	2,270,879.43
Receipt of Prior Year Cancelled Grant	A-1	69,570.55
Reserve for Record of Evidence	28-A	6,100.00
Prepaid Taxes	17-A	122,395.39
		<hr/> 36,120,669.12
Decreased By Disbursements:		
Budget Appropriations	A-3	11,821,198.53
Change Fund	2-A	20,300.00
Grant Fund	10-A	295,031.20
Tax Anticipation Notes	7-A	1,000,000.00
Special District Tax	12-A	175,500.00
2011 Appropriation Reserves	13-A	149,103.78
Reserve for Record of Evidence	28-A	2,101.70
Payroll Deductions Payable	16-A	2,270,877.96
County Taxes	19-A	2,734,194.33
Local School District School Taxes	20-A	2,738,718.48
Regional High School Taxes	21-A	2,370,473.97
		<hr/> 23,577,499.95
Balance, December 31, 2012	A	<hr/> <u>\$ 12,543,169.17</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Schedule of Cash - Change Fund

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 2,900.00
Increased By:		
Change Fund Advanced-Beach Operations	1-A	20,000.00
Increase in Change Fund for Construction	1-A	<u>300.00</u>
		23,200.00
Decreased By:		
Change Fund Returned	1-A	<u>20,100.00</u>
Balance, December 31, 2012	A	<u>\$ 3,100.00</u>

Borough of Seaside Heights
 County of Ocean, New Jersey
 Current Fund

Schedule of Due to State of New Jersey for
 Senior Citizens' and Veterans' Deductions

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 1,354.31
Increased By:		
Cash Receipts	1-A	15,672.60
Deductions Disallowed By Tax Collector		
2012 Taxes	4-A	1,421.24
2011 Taxes	A-1, 4-A	1,000.00
		<u>19,448.15</u>
Decreased By:		
Senior Citizens Deductions per Tax Billing	4-A	13,500.00
Veterans Deductions per Tax Billing	4-A	3,000.00
Tax Deductions Allowed By Tax Collector		
Senior Citizens and Veterans:		
2012 Taxes	4-A	500.00
		<u>17,000.00</u>
Balance, December 31, 2012	A	<u><u>\$ 2,448.15</u></u>

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Schedule of Taxes Receivable
Year Ended December 31, 2012

Year	Balance December 31, 2011	2012 Levy	Added Tax	Seniors and Veterans Deductions Allowed/ (Disallowed)	Collection		Overpayments		Transfer to Tax Title Liens	County and State Board Appeals	Balance December 31, 2012
					Prepaid	2012	Transfer	Applied			
2011	\$ 298.59		\$ 59,342.24	\$ (1,000.00)	\$ 1,548.59	\$ 250.00			\$ 60,754.46	\$ 95,024.86	\$ 128.44
2012	\$ 298.59	\$ 12,822,409.94	\$ 59,342.24	\$ 14,578.76	\$ 12,495,799.88	\$ 1,152.77			\$ 60,754.46	\$ 95,024.86	\$ 128.44
<u>Reference</u>	A	4-A	4-A	3-A	17-A	18-A	18-A	5-A	A-1	A	A

Analysis of 2012 Property Tax Levy:

Tax Yield:	Reference	2012 Property Taxes	Delinquent Taxes
General Purpose Tax	4-A	\$ 182,695.21	\$ 1,548.59
Added and Omitted Tax	4-A	12,495,799.88	
		31,770.57	
		15,578.76	
		<u>\$ 12,725,844.42</u>	<u>\$ 1,548.59</u>
		A-1, A-2	A-2

Analysis of Current Cash Collection:

Prepaid Taxes Applied	4-A	\$ 182,695.21
Property Taxes Receivable	1-A	12,495,799.88
Tax Overpayments Applied (net)	4-A	31,770.57
2012 Seniors' and Veterans' Deductions	4-A	15,578.76
		<u>\$ 12,725,844.42</u>
		A-1, A-2

Allocation of Tax Levy:

Special District Taxes	12-A	\$ 176,323.14
County Tax	19-A	2,634,596.71
Due to County for Added Taxes	19-A	12,897.10
County Open Space Preservation	19-A	91,450.56
Local District School Tax	20-A	2,806,161.00
Regional High School Tax	21-A	2,283,575.02
	A-2	\$ 8,004,983.53
Tax for Municipal Purposes	A-2	\$ 4,820,292.48
Add: Additional Tax Levied		56,476.17
		<u>\$ 12,881,752.18</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Schedule of Tax Title Liens Receivable

Year Ended December 31, 2012

	<u>Reference</u>	
Increased By:		
Transfers from Taxes Receivable	4-A	<u>\$ 60,754.46</u>
Balance, December 31, 2012	A	<u>\$ 60,754.46</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Schedule of Revenue Accounts Receivable

Year Ended December 31, 2012

	Reference	Balance December 31, 2011	Accrued 2012	Collected	Balance December 31, 2012
Licenses:					
Alcoholic Beverages	A-2		\$ 93,400.00	\$ 93,400.00	
Other	A-2		92,704.87	92,704.87	
Fees and Permits	A-2		342,578.00	342,578.00	
Fines and Costs:					
Municipal Court	A-2	\$ 53,210.29	1,475,758.72	1,480,376.29	\$ 48,592.72
Interest and Costs on Taxes	A-2		41,896.79	41,896.79	
Parking Meters	A-2		1,306,656.58	1,306,656.58	
Interest on Investments and Deposits	A-2		9.21	9.21	
Anticipated Utility Operating Surplus	A-2		1,300,000.00	1,300,000.00	
Beach Fees	A-2		1,778,902.00	1,778,902.00	
Rentals	A-2		479,681.33	479,681.33	
Ocean Cable Television	A-2		16,723.00	16,723.00	
Uniform Construction Code Fees	A-2		158,322.00	158,322.00	
State Aid Without Offsetting Appropriations:					
Energy Receipts Tax	A-2		160,582.00	160,582.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations:					
Recycling Tonnage Grant - Unappropriated	23-A		12,760.57	12,760.57	
Body Armor Fund - Unappropriated	23-A		1,863.32	1,863.32	
Municipal Alcohol Education/Rehabilitation Program	23-A		4,101.19	4,101.19	
Clean Communities Program - 2011	23-A		8,216.16	8,216.16	
NJDOT - Boulevard Beautification	23-A		170,000.00	170,000.00	
			<u>170,000.00</u>	<u>170,000.00</u>	
Total Miscellaneous Revenues		<u>\$ 53,210.29</u>	<u>\$ 7,444,155.74</u>	<u>\$ 7,448,773.31</u>	<u>\$ 48,592.72</u>
		A	6-A		A
Cash Receipts	1-A			\$ 7,251,832.07	
States and Federal Grants Receivable	23-A			196,941.24	
				<u>\$ 7,448,773.31</u>	

Schedule 7-A

Borough of Seaside Heights
 County of Ocean, New Jersey
 Current Fund

Schedule of Tax Anticipation Notes

Year Ended December 31, 2012

Description	Date of Issue	Date of Maturity	Interest Rate	New Issuance	Repayments	Balance
						December 31, 2012
Tax Anticipation Notes	2/29/12	12/27/12	1.25%	\$ 1,000,000.00	\$ 1,000,000.00	-
			Reference	\$ 1,000,000.00	\$ 1,000,000.00	-
			1-A	1-A	1-A	

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Schedule of Due From Animal Control Fund

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 377.80
Increased By:		
Statutory Excess	A-2	496.20
		<u>874.00</u>
Decreased By:		
Cash Receipts	1-A	377.80
		<u>377.80</u>
Balance, December 31, 2012	A	<u><u>\$ 496.20</u></u>

Schedule 9-A

Borough of Seaside Heights
 County of Ocean, New Jersey
 Current Fund

Schedule of Special Emergency Notes

Year Ended December 31, 2012

Description	Date of Issue	Date of Maturity	Interest Rate	New Issuance	Balance December 31, 2012
Special Emergency Notes	12/28/12	12/19/13	2.00%	\$ 11,100,000.00	11,100,000.00
Reference	\$ 11,100,000.00	1-A		11,100,000.00	A

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

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

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 35,881.19
Increased By:		
Cash Disbursements	1-A	295,031.20
Grants - Cancelled	A-1	21,696.49
		<u>352,608.88</u>
Decreased By:		
Cash Receipts	1-A	398,931.42
Grants - Cancelled	A-1	3,595.51
		<u>402,526.93</u>
Balance, December 31, 2012	A	<u>\$ (49,918.05)</u>

Borough of Seaside Heights
 County of Ocean, New Jersey
 Current Fund

Schedule of Due from Trust - Other Fund (Public Defender)

Year Ended December 31, 2012

	<u>Reference</u>	
Increased by:		
Budget Appropriation	A-3	<u>\$ 20,000.00</u>
Balance, December 31, 2012	A	<u><u>\$ 20,000.00</u></u>

Borough of Seaside Heights
 County of Ocean, New Jersey
 Current Fund

Schedule of Special District Taxes Payable

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 9,192.47
Increased By:		
2012 Levy	A-1, 4-A	\$ 176,323.14
		<u>185,515.61</u>
Decreased By:		
Cash Disbursements	1-A	<u>175,500.00</u>
Balance, December 31, 2012	A	<u>\$ 10,015.61</u>

BOROUGH OF SEASIDE HEIGHTS
COUNTY OF OCEAN, NEW JERSEY

Current Fund

SCHEDULE OF 2011 APPROPRIATION RESERVES

	Balance		Balance After Modification	Paid or Charged	Balance Lapsed
	December 31, 2011				
	Appropriation Reserve	Reserve for Encumbrances			
Salaries and Wages:					
Operations - Within "CAPS"					
General Administration	\$ 469.38		\$ 469.38		\$ 469.38
Mayor and Council	448.52		448.52		448.52
Municipal Clerk	40.03		40.03		40.03
Revenue Administration (Tax Collection)	450.00		450.00		450.00
Tax Assessment Administration	660.00		660.00		660.00
Uniform Construction Code Officials	319.73		319.73		319.73
Other Code Enforcement Functions	710.42		710.42		710.42
Police Department	3,450.15		3,450.15		3,450.15
Police Dispatch/911	1,152.47		1,152.47		1,152.47
office of Emergency Management	93.80		93.80		93.80
Municipal Prosecutor's Office	500.00		500.00		500.00
Municipal Court	2,379.32		2,379.32		2,379.32
Street and Road Maintenance	6,400.78		6,400.78		6,400.78
Other Public Works Functions	568.12		568.12		568.12
Solid Waste Collection	15,379.67		15,379.67		15,379.67
Buildings and Grounds	798.86		798.86		798.86
Vehicle Maintenance (Including Police Vehicles)	49.76		49.76		49.76
Beach and Boardwalk Operations	303.49		303.49		303.49
Total Salaries and Wages	34,174.50		34,174.50		34,174.50
Other Expenses:					
Operations - Within "CAPS"					
General Administration	7,078.31	\$ 5,203.10	12,281.41	11,321.51	959.90
Mayor and Council	41.62		41.62		41.62
Municipal Clerk	687.36	1,741.61	2,428.97	2,340.76	88.21
Financial Administration (Treasury)	2,104.21	391.37	13,995.58	13,848.87	146.71
Revenue Administration (Tax Collection)	2,173.35	4,186.65	4,360.00	4,121.65	238.35
Tax Assessment Administration	847.34	46.00	893.34	46.00	847.34
Legal Services and Costs (Legal Department)	10,204.88		10,204.88	10,204.88	
Redevelopment Agency	1,581.25		1,581.25	813.75	767.50
Planning Board	543.87		543.87	543.87	
Uniform Construction Code Officials	1,087.25	796.56	883.81	836.63	47.18
Other Code Enforcement Functions	10.92	2,046.86	2,057.78	2,057.78	
Police Department	89.48	42,231.79	42,321.27	41,638.89	682.38
Police Dispatch/911	53.39		53.39		53.39
Office of Emergency Management	3.86		3.86		3.86
Municipal Court	151.41	285.00	436.41	405.03	31.38
Public Defender	1,666.63	1,666.67	3,333.30	1,666.67	1,666.63
Streets and Road Maintenance		98.80	98.80		98.80
Solid Waste Collection	1,098.22		1,098.22	11.60	1,086.62
Building and Grounds	4,096.69	6,083.03	6,179.72	4,352.39	1,827.33
Vehicle Maintenance (Including Police Vehicles)	1,784.58	3,096.10	3,380.68	2,921.10	459.58
Animal Control Services	427.67	498.00	925.67	663.00	262.67
Contribution to Seniors	1,000.00		1,000.00		1,000.00
Maintenance of Parks	1,000.00		1,000.00		1,000.00
Beach and Boardwalk Operations	1,777.65	250.00	2,027.65	247.94	1,779.71
General Liability Insurance	578.43		578.43		578.43
Employee Group Health Insurance	17,810.23	150.00	17,960.23	824.80	17,135.43
Telephone	8,977.54	4,036.17	10,013.71	8,440.87	1,572.84
Gas (Natural or Propane)	3,165.63	128.78	3,294.41	343.28	2,951.13
Gasoline	18,269.90		18,269.90	13,068.53	5,201.37
Public Employees' Retirement System	29.28		29.28		29.28
Social Security System (O.A.S.I.)	2,454.56		2,454.56		2,454.56
Police and Firemen's Retirement System of N.J.	96.37		96.37		96.37
Operations - Excluded from "CAPS"					
LOSAP	35,000.00		35,000.00	28,383.98	6,616.02
Total Other Expenses	125,891.88	72,936.49	198,828.37	149,103.78	49,724.59
Grand Total	\$ 160,066.38	\$ 72,936.49	\$233,002.87	\$ 149,103.78	\$ 83,899.09

Reference

A

15-A

1-A

A-1

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Schedule of Encumbrances Payable

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 72,936.49
Increased By:		
2012 Encumbrances	A-3	<u>889,143.20</u>
		962,079.69
Decreased By:		
Transfer To Appropriation Reserves	13-A	<u>72,936.49</u>
Balance, December 31, 2012	A	<u>\$ 889,143.20</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Schedule of Payroll Deductions Payable

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 158.19
Increased By:		
Cash Receipts	1-A	<u>2,270,879.43</u>
		<u>2,271,037.62</u>
Decreased By:		
Cash Disbursements	1-A	<u>2,270,877.96</u>
Balance, December 31, 2012	A	<u><u>\$ 159.66</u></u>

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Schedule of Prepaid Taxes

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 182,695.21
Increased By:		
Prepaid Taxes Collected	1-A	<u>122,395.39</u>
		305,090.60
Decreased By:		
Applied to Taxes Receivable	4-A	<u>182,695.21</u>
Balance, December 31, 2012	A	<u>\$ 122,395.39</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Schedule of Tax Overpayments Payable

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 32,923.34
Increased by:		
2012 Tax Overpayments Transferred	4-A	<u>1,402.77</u> 34,326.11
Decreased by:		
Overpayments Applied	4-A	<u>32,923.34</u> <u>32,923.34</u>
Balance, December 31, 2012	A	<u><u>\$ 1,402.77</u></u>

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Schedule of County Taxes Payable

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 8,167.06
Increased By:		
2012 Levy:		
General County Tax	4-A	2,282,279.89
County Library Tax	4-A	258,732.53
County Health Tax	4-A	93,584.29
County Open Space Preservation Tax	4-A	91,430.56
Added Tax	4-A	<u>12,897.10</u>
		2,747,091.43
Decreased By:		
Cash Disbursements	1-A	<u>2,734,194.33</u>
Balance, December 31, 2012	A	<u>\$ 12,897.10</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Schedule of Local District School Tax Payable

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011		
School Tax Deferred-50% of 2010 Tax Levy	20-A	\$ 1,335,638.00
		<u>1,335,638.00</u>
Increased By:		
Levy (School Year July 1, 2012 June 30, 2013)	4-A	2,806,161.00
		<u>4,141,799.00</u>
Decreased By:		
Cash Disbursements	1-A	2,738,718.48
		<u>2,738,718.48</u>
Balance, December 31, 2012		
School Tax Deferred-50% of 2012 Tax Levy	20-A	\$ 1,403,080.52
		<u>1,403,080.52</u>
Analysis of Amount Charged to Operations:		
2012 School Tax Levy	20-A	\$ 2,806,161.00
2012 School Tax Deferred	20-A	1,403,080.52
2011 School Tax Deferred	20-A	1,335,638.00
Increase in Deferred School Tax		<u>67,442.52</u>
Amount Charged to Operations	A-1	<u>\$ 2,738,718.48</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Schedule of Regional High School Tax

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011		
School Tax Deferred	21-A	\$ 1,148,103.25
		<u>1,148,103.25</u>
Increased By:		
Levy (School Year July 1, 2012 June 30, 2013)	4-A	2,283,575.02
		<u>3,431,678.27</u>
Decreased By:		
Cash Disbursements	1-A	<u>2,370,473.97</u>
Balance, December 31, 2012		
School Tax Deferred	21-A	<u><u>\$ 1,061,204.30</u></u>
Analysis of Amount Charged to Operations:		
2012 School Tax Levy	21-A	\$ 2,283,575.02
2012 School Tax Deferred	21-A	1,061,204.30
2011 School Tax Deferred	21-A	1,148,103.25
Decrease in Deferred School Tax		<u>(86,898.95)</u>
Amount Charged to Operations	A-1	<u><u>\$ 2,370,473.97</u></u>

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Schedule of Reserve for Revaluation

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011 and 2012	A	<u>\$ 37,263.84</u>

Borough of Seaside Heights
 County of Ocean, New Jersey
 Federal and State Grants Fund

Schedule of Federal and State Grants Receivable
 Year Ended December 31, 2012

	Balance December 31, 2011	2012 Budget Revenue Anticipated	Received	Transfer from Unappropriated Reserves	Cancelled	Balance December 31, 2012
COPS in Shop Project Grant	\$ 1,700.00	\$	\$ 1,200.00			\$ 500.00
Ocean County Recycling Mini Grant	5,595.00		4,607.57			987.43
Ocean County Recycling Mini Grant - 2009	883.00				1,143.00	883.00
966 Stewart Grant	1,143.00				558.00	-
Assistance Grant for Laptops	52,000.00		51,442.00		61.00	-
Homeland Security Grant - 2010	61.00				0.01	-
966 Stewart Grant - 2010	0.01				50.00	-
COPS in Shops-Summer Shore Initiative 2010	50.00					-
NJ DOT Trust Fund - Boulevard	175,000.00		131,250.00			43,750.00
Cops in Shops - Summer Shore Initiative 2011	1,200.00		1,200.00			-
Community Development Block Grant	42,000.00		40,390.50		1,609.50	-
Recycling Grant 2011	10,144.00		9,970.00		174.00	-
966 Stewart Grant - 2011	7,575.50		7,383.50			192.00
Homeland Security Grant - 2011	31,000.00					31,000.00
Recycling Tonnage Grant - Unappropriated		\$ 12,760.57		\$ 12,760.57		
Body Armor Fund - Unappropriated		1,863.32		1,863.32		
Municipal Alcohol Education/Rehabilitation Program		4,101.19	4,101.19			
Clean Communities Program - 2011		8,216.16	8,216.16			
NJDOT - Boulevard Beautification		170,000.00	127,500.00			42,500.00
	<u>\$ 328,351.51</u>	<u>\$ 196,941.24</u>	<u>\$ 387,260.92</u>	<u>\$ 14,623.89</u>	<u>\$ 3,595.51</u>	<u>\$ 119,812.43</u>

Reference

A A-2, 6-A 25-A 27-A 25-A A

Borough of Seaside Heights
 County of Ocean, New Jersey
 Grant Fund

Schedule of Encumbrances Payable - Grant Fund

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 40,390.50
Increased by:		
Transfer from Appropriated Reserve	26-A	131,896.98
		<u>172,287.48</u>
Decreased by:		
Transfer to Appropriated Reserve	26-A	40,390.50
		<u>40,390.50</u>
Balance, December 31, 2012	A	<u>\$ 131,896.98</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Grant Fund

Schedule of Due From / (To) Current Fund

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011 Due to	A	\$ (35,881.19)
Increased By:		
Cash Received in Current Fund:		
Grants Receivable	23-A	387,260.92
Reserve for Grants Unappropriated	27-A	11,670.50
Grants - Cancelled	23-A	3,595.51
		366,645.74
Decreased By:		
Cash Disbursed in Current Fund:		
Appropriation Reserves	26-A	295,031.20
Grants - Cancelled	26-A	21,696.49
		316,727.69
Balance, December 31, 2012 Due from	A	\$ 49,918.05

Borough of Seaside Heights
 County of Ocean, New Jersey
 Federal and State Grant Fund

Schedule of Unappropriated Reserves - Grant Fund

Year Ended December 31, 2012

	Balance December 31, 2011	Transferred to 2011 Budget Appropriation	Received	Balance December 31, 2012
Body Armor Fund	\$ 1,863.32	\$ 1,863.32	\$ 2,251.31	\$ 2,251.31
Recycling Tonnage Grant	<u>12,760.57</u>	<u>\$ 12,760.57</u>	<u>9,419.19</u>	<u>9,419.19</u>
	<u>\$ 14,623.89</u>	<u>\$ 14,623.89</u>	<u>\$ 11,670.50</u>	<u>\$ 11,670.50</u>
<u>Reference</u>	A	23-A	25-A	A

Borough of Seaside Heights
County of Ocean, New Jersey
Current Fund

Schedule of Reserve for Record of Evidence

Year Ended December 31, 2012

	<u>Reference</u>	
Increased By:		
Cash Receipts	1-A	\$ 6,100.00
Decreased By:		
Cash Disbursements	1-A	<u>2,101.70</u>
Balance, December 31, 2012	A	<u>\$ 3,998.30</u>

Trust Fund

Schedules

Borough of Seaside Heights
County of Ocean, New Jersey
Trust Fund

Schedule of Cash Treasurer

Year Ended December 31, 2012

	Reference	Animal Control Fund	Other - Trust Fund
Balance, December 31, 2011	B	\$ 1,410.80	\$ 801,881.99
Increased By Cash Receipts:			
Due To State of New Jersey	4-B	134.40	
Animal Control Fees Collected	5-B	558.60	
Reserve For:			
Tourist Development	6-B		63,952.73
Developers' Escrow Fund	7-B		34,557.87
Disposal of Forfeited Property	8-B		26,307.76
Parking Offence Adjudication Act	9-B		6,812.00
Self Insurance	10-B		10,000.00
Outside Employment of Off-Duty Municipal Police Officers	11-B		395,492.50
Unemployment Compensation Insurance	12-B		206,405.82
Public Defender	13-B		12,582.00
Tax Title Lien Redemption	14-B		2,761,301.20
		<u>2,103.80</u>	<u>4,319,293.87</u>
Decreased by Cash Disbursements:			
Due To Current Fund	3-B	377.80	
Due To State of New Jersey	4-B	135.60	
Reserve For:			
Tourist Development	6-B		7,701.24
Developers' Escrow Fund	7-B		30,110.94
Disposal of Forfeited Property	8-B		28,501.52
Parking Offence Adjudication Act	9-B		4,653.17
Self Insurance	10-B		10,000.00
Outside Employment of Off-Duty Municipal Police Officers	11-B		384,370.64
Unemployment Compensation Insurance	12-B		196,327.30
Tax Title Lien Redemption	14-B		3,173,943.34
		<u>513.40</u>	<u>3,835,608.15</u>
Balance, December 31, 2012	B	<u>\$ 1,590.40</u>	<u>\$ 483,685.72</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Trust Fund

Schedule of Cash Treasurer

Year Ended December 31, 2012

Analysis of Balance

Tourist Development	\$ 62,110.38
Developers' Escrow Fund	15,670.84
Disposal of Forfeited Property	38,526.63
Parking Offence Adjudication Act	27,874.53
Self Insurance	7,481.04
Outside Employment of Off-Duty Municipal Police Officers	121,917.48
Unemployment Compensation Insurance	19,113.62
Public Defender	24,951.00
Tax Title Lien Redemption	166,040.20
	<hr/>
	\$ 483,685.72

Borough of Seaside Heights
County of Ocean, New Jersey
Trust Fund - Other

Schedule of Due to Current Fund

Year Ended December 31, 2012

Reference

Increased By:		
Cash Disbursed in Current Fund:		
Reserve for:		
Public Defender	13-B	<u>\$ (20,000.00)</u>
Balance, December 31, 2012	B	<u><u>\$ (20,000.00)</u></u>

Borough of Seaside Heights
County of Ocean, New Jersey
Animal Control Fund

Schedule of Due to Current Fund

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 377.80
Increased By:		
Statutory Excess	5-B	496.20
		<hr/> 874.00
Decreased By:		
Cash Disbursement	1-B	377.80
		<hr/> 377.80
Balance, December 31, 2012	B	<u><u>\$ 496.20</u></u>

Borough Of Seaside Heights
County of Ocean, New Jersey
Animal Control Fund

Schedule of Due To State of New Jersey

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011 - Due to	B	\$ 3.60
Increased By:		
Fees Collected	1-B	<u>134.40</u>
		138.00
Decreased By:		
Cash Disbursements	1-B	<u>135.60</u>
		<u>135.60</u>
Balance, December 31, 2012 - Due To	B	<u><u>\$ 2.40</u></u>

Borough Of Seaside Heights
 County of Ocean, New Jersey
 Animal Control Fund

Schedule of Reserve for Animal Control Fund Expenditures

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 1,029.40
Increased By:		
Dog License Fees Collected	1-B	558.60
		<u>1,588.00</u>
Decreased By:		
Statutory Excess	3-B	496.20
		<u>496.20</u>
Balance, December 31, 2012	B	<u>\$ 1,091.80</u>

<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2010	\$ 578.00
2011	513.80
	<u>\$ 1,091.80</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Other Trust Fund

Schedule of Reserve for Tourist Development

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 4,964.82
Increased By:		
Cash Receipts	1-B	63,952.73
Reserve for Encumbrances (Prior Years)	17-B	894.07
		69,811.62
Decreased By:		
Cash Disbursements	1-B	7,701.24
Reserve for Encumbrances	17-B	9,050.00
		16,751.24
Balance, December 31, 2012	B	\$ 53,060.38

Borough of Seaside Heights
County of Ocean, New Jersey
Other Trust Fund

Schedule of Reserve for Developers' Escrow Fund

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 10,803.14
Increased By:		
Cash Receipts	1-B	34,557.87
Reserve for Encumbrances (Prior Years)	17-B	420.77
		45,781.78
Decreased By:		
Cash Disbursements	1-B	30,110.94
Reserve for Encumbrances	17-B	411.98
		30,522.92
Balance, December 31, 2012	B	\$ 15,258.86

Borough of Seaside Heights
County of Ocean, New Jersey
Other Trust Fund

Schedule of Reserve for Disposal of Forfeited Property

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 39,093.39
Increased By:		
Cash Receipts	1-B	26,307.76
Reserve for Encumbrances (Prior Years)	17-B	1,627.00
		67,028.15
Decreased By:		
Cash Disbursements	1-B	28,501.52
Reserve for Encumbrances	17-B	3,166.25
		31,667.77
Balance, December 31, 2012	B	\$ 35,360.38

Borough of Seaside Heights
 County of Ocean, New Jersey
 Other Trust Fund

Schedule of Reserve for Parking Offenses Adjudication Act

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 25,715.70
Increased By:		
Cash Receipts	1-B	6,812.00
		<u>32,527.70</u>
Decreased By:		
Cash Disbursements	1-B	4,653.17
		<u>4,653.17</u>
Balance, December 31, 2012	B	<u><u>\$ 27,874.53</u></u>

Borough of Seaside Heights
 County of Ocean, New Jersey
 Other Trust Fund

Schedule of Reserve for Self Insurance

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 7,481.04
Increased By:		
Cash Receipts	1-B	10,000.00
		<u>17,481.04</u>
Decreased By:		
Cash Disbursements	1-B	10,000.00
		<u>10,000.00</u>
Balance, December 31, 2012	B	<u>\$ 7,481.04</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Other Trust Fund

Schedule of Reserve for Outside Employment
Off-Duty Municipal Police Officers

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 110,795.62
Increased By:		
Cash Receipts	1-B	<u>395,492.50</u>
		506,288.12
Decreased By:		
Cash Disbursements	1-B	<u>384,370.64</u>
Balance, December 31, 2012	B	<u>\$ 121,917.48</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Other Trust Fund

Schedule of Reserve for Unemployment Compensation Insurance

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 9,035.10
Increased By:		
Cash Receipts	1-B	<u>206,405.82</u> 215,440.92
Decreased By:		
Cash Disbursements	1-B	<u>196,327.30</u>
Balance, December 31, 2012	B	<u><u>\$ 19,113.62</u></u>

Borough of Seaside Heights
County of Ocean, New Jersey
Other Trust Fund

Schedule of Reserve for Public Defender
Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 12,369.00
Increased By:		
Cash Receipts	1-B	12,582.00
		<u>24,951.00</u>
Decreased by:		
Cash Disbursed in Current Fund	2-B	20,000.00
		<u>20,000.00</u>
Balance, December 31, 2012	B	<u>\$ 4,951.00</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Other Trust Fund

Schedule of Reserve for Tax Title Lien Redemptions

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 578,682.34
Increased By:		
Cash Receipts	1-B	<u>2,761,301.20</u>
		<u>3,339,983.54</u>
Decreased By:		
Cash Disbursements	1-B	<u>3,173,943.34</u>
Balance, December 31, 2012	B	<u><u>\$ 166,040.20</u></u>

Borough of Seaside Heights
County of Ocean, New Jersey

Length of Service Awards Program Fund ("LOSAP")
Schedule of Investments

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 247,771.03
Increased By:		
Borough Contributions	16-B	27,548.89
Gain on Investments (uncertified)	16-B	25,958.19
		<u>\$ 301,278.11</u>
Decreased By:		
Accounting Charges	16-B	962.92
Withdrawals	16-B	37,005.13
		<u>37,968.05</u>
Balance, December 31, 2012	B	<u><u>\$ 263,310.06</u></u>

Borough of Seaside Heights
County of Ocean, New Jersey

Length of Service Awards Program Fund ("LOSAP")
Schedule of Miscellaneous Reserves

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 247,771.03
Increased By:		
Borough Contributions	15-B	27,548.89
Gain on Investments (uncertified)	15-B	25,958.19
		<u>\$ 301,278.11</u>
Decreased By:		
Accounting Charges	15-B	962.92
Withdrawals	15-B	37,005.13
		<u>37,968.05</u>
Balance, December 31, 2012	B	<u>\$ 263,310.06</u>

Borough of Seaside Heights
 County of Ocean, New Jersey
 Other Trust Fund

Schedule of Reserve for Encumbrances Payable

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 2,941.84
Increased By:		
Transfer from:		
Tourist Development Commission	6-B	9,050.00
Developers' Escrow Fund	7-B	411.98
Disposal of Forfeited Property	8-B	3,166.25
		<u>15,570.07</u>
Decreased By:		
Transfer to:		
Tourist Development Commission	6-B	894.07
Developers' Escrow Fund	7-B	420.77
Developers' Escrow Fund	8-B	1,627.00
		<u>2,941.84</u>
Balance, December 31, 2012	B	<u>\$ 12,628.23</u>

General Capital Fund

Schedules

Borough of Seaside Heights
 County of Ocean, New Jersey
 General Capital Fund

Schedule of Cash-Treasurer

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 1,065,335.95
Increased By:		
Premium on Sale of Notes	C-1, 2-C	84,897.81
Bond Anticipation Notes	2-C, 6-C, 12-C	<u>4,465,000.00</u>
		5,615,233.76
Decreased By:		
Improvement Authorizations	2-C, 7-C	<u>1,410,061.99</u>
		<u>1,410,061.99</u>
Balance, December 31, 2012	C	<u>\$ 4,205,171.77</u>

Borough of Seaside Heights
 County of Ocean, New Jersey
 General Capital Fund

Schedule of Analysis of General Capital Fund Cash

Year Ended December 31, 2012

Fund Balance	Balance		Miscellaneous		Transfer		Balance
	December 31, 2011	Receipts	Disbursements	From	To	December 31, 2012	
\$ 34,964.57	\$ 84,897.81					\$ 119,862.38	
Reserve for Encumbrances	78,914.15				\$ 78,914.15	\$ 103,272.05	
Capital Improvement Fund	92.19					92.19	
Bond Anticipation Notes		9,949,006.00	\$ 5,484,006.00		4,465,000.00	-	
<u>Improvement Authorizations</u>							
Ordinance Number	Improvement Description						
02-06	102,577.58	Boulevard Improvement Phase III	84,890.67	20,191.19	35,515.80	2,362.30	
04-04		Refunding of Certain Unfunded Pension Liabilities				39,037.52	
		Acquisition of Property	27,556.74			383,491.71	
08-21		Various Improvements	209,892.42	58,722.96	12,770.00	332.03	
10-13		Acquisition of Property	1,915.00	3,040,000.00		3,197,515.00	
10-14		Multi Purpose	1,085,807.16	1,425,000.00	54,986.25	359,206.59	
11-15							
	\$ 1,065,335.95	\$ 10,033,903.81	\$ 6,894,067.99	\$ 4,647,186.20	\$ 4,647,186.20	\$ 4,205,171.77	

Reference C

Cash						
None-Cash						
	\$ 4,549,897.81	\$ 1,410,061.99				
	5,484,006.00	5,484,006.00				
	\$ 10,033,903.81	\$ 6,894,067.99				

1-C
6-C

Borough of Seaside Heights
County of Ocean, New Jersey
General Capital Fund

Schedule of Deferred Charges to Future Taxation-Funded

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 4,457,092.41
Decreased By:		
Payment of Bond Principal By Budget Appropriation	5-C	480,000.00
Payment of Green Acres Loan By Budget Appropriation	10-C	28,489.29
		<u>508,489.29</u>
Balance, December 31, 2012	C	<u>\$ 3,948,603.12</u>

Borough of Seaside Heights
 County of Ocean, New Jersey
 General Capital Fund

Schedule of Deferred Charges to Future Taxation-Unfunded

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Balance			Analysis of Balance	
		December 31, 2011	Budget Appropriation	December 31, 2012	Expended	Unexpended Improvement Authorizations
02-06	Boulevard Improvement Phase III	\$ 243,600.00	\$ 40,000.00	\$ 203,600.00	\$ 201,237.70	\$ 2,362.30
06-03	Various Improvements	300,362.00	37,500.00	262,862.00	262,862.00	
06-11	Acquisition of Fire Truck	658,750.00	38,750.00	620,000.00	620,000.00	
07-07	Various Improvements	510,000.00	30,000.00	480,000.00	480,000.00	
07-08	Acquisition of Property	1,296,000.00	17,000.00	1,279,000.00	1,279,000.00	
08-20	Various Improvements	810,000.00	45,000.00	765,000.00	765,000.00	
08-21	Acquisition of Property	1,031,772.00	13,228.00	1,018,544.00	635,052.29	383,491.71
10-13	Various Improvements	855,000.00		855,000.00	854,667.97	332.03
10-14	Acquisition of Property	3,040,000.00		3,040,000.00		3,040,000.00
11-15	Multi Purpose	1,425,000.00		1,425,000.00	1,065,793.41	359,206.59
		<u>\$ 10,170,484.00</u>	<u>\$ 221,478.00</u>	<u>\$ 9,949,006.00</u>	<u>\$ 6,163,613.37</u>	<u>\$ 3,785,392.63</u>

7-C

C

6-C

C

Borough of Seaside Heights
 County of Ocean, New Jersey
 General Capital Fund

Schedule of General Serial Bonds
 Year Ended December 31, 2012

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2012		Interest Rate	Balance December 31, 2011	Decreased	Balance December 31, 2012
			Date	Amount				
General Improvements	12/01/03	\$ 4,420,000.00	12/01/13	345,000.00	3.625%			
			12/01/14	360,000.00	3.625%			
			12/01/15	370,000.00	3.700%			
			12/01/16	385,000.00	3.750%			
			12/01/17	405,000.00	3.800%	\$ 2,195,000.00	\$ 330,000.00	\$ 1,865,000.00
General Obligation Refunding Bonds Pension Series 2004			06/01/13	155,000.00	6.250%			
			06/01/14	165,000.00	6.250%			
		2,800,000.00	06/01/15	175,000.00	6.250%			
			06/01/16	185,000.00	6.250%			
			06/01/17	195,000.00	6.250%			
			06/01/18	210,000.00	6.250%			
			06/01/19	220,000.00	6.250%			
			06/01/20	240,000.00	6.250%			
			06/01/21	255,000.00	6.250%	1,950,000.00	150,000.00	1,800,000.00
						\$ 4,145,000.00	\$ 480,000.00	\$ 3,665,000.00

Reference

C C 3-C C

Borough of Seaside Heights
 County of Ocean, New Jersey
 General Capital Fund

Schedule of Bond Anticipation Notes
 Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
02-06	Boulevard Improvement Phase III	04/25/02	02/03/12	02/01/13	2.000%	\$ 243,600.00	\$ 203,600.00	\$ 243,600.00	\$ 203,600.00
06-03	Various Improvements	08/11/06	08/03/12	08/02/13	1.250%	300,362.00	262,862.00	300,362.00	262,862.00
06-11	Acquisition of Fire Truck	10/11/07	10/05/12	10/04/13	1.250%	658,750.00	620,000.00	658,750.00	620,000.00
07-07	Various Improvements	10/11/07	10/05/12	10/04/13	1.250%	510,000.00	480,000.00	510,000.00	480,000.00
07-08	Acquisition of Property	10/11/07	10/05/12	10/04/13	1.250%	1,296,000.00	1,279,000.00	1,296,000.00	1,279,000.00
08-20	Various Improvements	02/06/09	02/03/12	02/01/13	2.000%	810,000.00	765,000.00	810,000.00	765,000.00
08-21	Acquisition of Property	02/06/09	02/03/12	02/01/13	2.000%	1,031,772.00	1,018,544.00	1,031,772.00	1,018,544.00
10-13	Various Improvements	02/04/11	02/03/12	02/01/13	2.000%	855,000.00	855,000.00	855,000.00	855,000.00
10-14	Acquisition of Property	02/03/12	02/03/12	02/01/13	2.000%	1,425,000.00	1,425,000.00	1,425,000.00	1,425,000.00
11-15	Multi Purpose	08/03/12	08/03/12	08/02/13	1.250%		3,040,000.00		3,040,000.00
						<u>\$ 5,705,484.00</u>	<u>\$ 9,949,006.00</u>	<u>\$ 5,705,484.00</u>	<u>\$ 9,949,006.00</u>
					Reference	C			C
	Raised in Budget				4-C			221,478.00	
	Cash Receipts				1-C, 12-C		4,465,000.00		
	Non-cash Rollover				2-C		<u>5,484,006.00</u>	<u>5,484,006.00</u>	
							<u>\$ 9,949,006.00</u>	<u>\$ 5,705,484.00</u>	

Borough of Seaside Heights
County of Ocean, New Jersey
General Capital Fund

Schedule of Encumbrances Payable

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 78,914.15
Increased By:		
Encumbered in 2012	7-C	<u>103,272.05</u>
		182,186.20
Decreased By:		
Transferred to Improvement Authorizations	7-C	<u>78,914.15</u>
Balance, December 31, 2012	C	<u><u>\$ 103,272.05</u></u>

Borough of Seaside Heights
County of Ocean, New Jersey
General Capital Fund

Schedule of Capital Improvement Fund

Year Ended December 31, 2012

Reference

Balance, December 31, 2011 and 2012	C	<u>\$ 92.19</u>
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Borough of Seaside Heights
County of Ocean, New Jersey
General Capital Fund

Schedule of Green Acres Loan Payable

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 312,092.41
Decreased By:		
Budget Appropriation	3-C	<u>28,489.29</u>
Balance, December 31, 2012	C	<u><u>\$ 283,603.12</u></u>

Borough of Seaside Heights
County of Ocean, New Jersey
General Capital Fund

Schedule of Maturity Green Acres Loan

Year Ended December 31, 2012

Year	Principal	Interest Rate	Interest	Total Debt Service
2013	\$ 29,061.93	2.00%	\$ 5,527.47	\$ 34,589.40
2014	29,646.07	2.00%	4,943.33	34,589.40
2015	30,241.96	2.00%	4,347.44	34,589.40
2016	30,849.82	2.00%	3,739.58	34,589.40
2017	31,469.90	2.00%	3,119.50	34,589.40
2018	32,102.45	2.00%	2,486.95	34,589.40
2019	32,747.70	2.00%	1,841.70	34,589.40
2020	33,405.94	2.00%	1,183.46	34,589.40
2021	34,077.35	2.00%	512.04	34,589.39
	<u>\$ 283,603.12</u>		<u>\$ 27,701.47</u>	<u>\$ 311,304.59</u>

Borough of Seaside Heights
 County of Ocean, New Jersey
 General Capital Fund

Schedule of Bonds and Notes Authorized But Not Issued

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Balance December 31, 2011	2012 Authorizations	Cash Receipts	Balance December 31, 2012
10-14	Acquisition of Property	\$ 3,040,000.00		\$ 3,040,000.00	-
11-15	Multi Purpose	1,425,000.00		1,425,000.00	-
		<u>\$ 4,465,000.00</u>	<u>\$ -</u>	<u>\$ 4,465,000.00</u>	<u>\$ -</u>
	<u>Reference</u>	12-C		1-C, 6-C	

Electric Utility Fund

Schedules

Borough of Seaside Heights
 County of Ocean, New Jersey
 Electric Utility Fund

Schedule of Cash-Treasurer

Year Ended December 31, 2012

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2011	D	\$ 1,904,828.06	\$ 7,045.00
Increased By Receipts:			
Consumer Accounts Receivable	4-D	5,514,659.31	
Miscellaneous Revenue Anticipated	D-2	72,782.75	
Electric Overpayments	8-D	22,191.98	
TD Bank - Note Payable	18-D	2,000,000.00	
Bond Anticipation Notes	2-D		5,600,000.00
		<u>7,609,634.04</u>	<u>5,600,000.00</u>
		<u>9,514,462.10</u>	<u>5,607,045.00</u>
Decreased By Disbursements:			
2012 Appropriation	D-3	5,592,422.75	
2011 Appropriation Reserves	7-D	219,495.44	
Improvement Authorization	2-D, 12-D		3,876,666.95
		<u>5,811,918.19</u>	<u>3,876,666.95</u>
Balance, December 31, 2012	D	<u>\$ 3,702,543.91</u>	<u>\$ 1,730,378.05</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Electric Utility Operating Fund

Schedule of Change Fund

Year Ended December 31, 2012

Reference

Balance, December 31, 2011 and 2012	D	<u>\$ 200.00</u>
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Borough of Seaside Heights
 County of Ocean, New Jersey
 Electric Utility Operating Fund

Schedule of Consumer Accounts Receivable

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 219,032.72
Increased By:		
Electric Rents Levied in 2012		5,422,835.07
		<u>5,641,867.79</u>
Decreased By:		
Collections - Rents	1-D	5,514,659.31
Overpayments Applied	8-D	34,813.47
	D-2	<u>5,549,472.78</u>
Balance, December 31, 2012	D	<u>\$ 92,395.01</u>

Borough of Seaside Heights
 County of Ocean, New Jersey
 Electric Utility Capital Fund

Schedule of Fixed Capital

Year Ended December 31, 2012

	Balance
	December 31,
	<u>2012 and 2011</u>
Structures and Improvements	\$ 5,194.28
Station Equipment	29,926.45
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>\$ 1,659,259.15</u>

Reference

D

Borough of Seaside Heights
County of Ocean, New Jersey
Electric Utility Operating Fund

Schedule of Fixed Capital Authorized and Uncompleted

Year Ended December 31, 2012

Reference

Balance, December 31, 2011 and 2012

D

\$ 6,425,000.00

Borough of Seaside Heights
 County of Ocean, New Jersey
 Electric Utility Operating Fund

Schedule of 2011 Appropriation Reserves

Year Ended December 31, 2012

		Balance December 31, 2011	Balance After Transfers	Paid	Balance Lapsed
Operating:					
Salaries and Wages		\$ 3,285.92	\$ 3,285.92		\$ 3,285.92
Other Expenses		346,412.95	346,412.95	\$ 219,495.44	126,917.51
Group Insurance		8,799.69	8,799.69		8,799.69
Other Insurance					
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I)		12,939.35	12,939.35		12,939.35
		<u>\$ 371,437.91</u>	<u>\$ 371,437.91</u>	<u>\$ 219,495.44</u>	<u>\$151,942.47</u>
	Reference		7-D	1-D	D-1
Appropriation Reserves	D	\$ 187,564.68			
Encumbrances Payable	9-D, D	<u>183,873.23</u>			
		<u>\$ 371,437.91</u>			

Borough of Seaside Heights
 County of Ocean, New Jersey
 Electric Utility Operating Fund

Schedule of Electric Overpayments

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 34,813.47
Increased By:		
Cash Receipts	1-D	<u>22,191.98</u>
		57,005.45
Decreased By:		
Overpayments Applied	4-D	<u>34,813.47</u>
Balance, December 31, 2012	D	<u><u>\$ 22,191.98</u></u>

Borough of Seaside Heights
County of Ocean, New Jersey
Electric Utility Operating Fund

Schedule of Encumbrances Payable

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 183,873.23
Increased By:		
Encumbered in 2012	D-3	<u>161,928.93</u>
		345,802.16
Decreased By:		
Transferred to Appropriation Reserves	7-D	<u>183,873.23</u>
Balance, December 31, 2012	D	<u><u>\$ 161,928.93</u></u>

Borough of Seaside Heights
County of Ocean, New Jersey
Electric Utility Operating Fund

Schedule of Consumer Deposits

Year Ended December 31, 2012

Reference

Balance, December 31, 2011 and 2012

D

\$ 6,318.80

Borough of Seaside Heights
 County of Ocean, New Jersey
 Electric Utility Operating Fund

Schedule of Deferred Charges

Year Ended December 31, 2012

	Balance December 31, 2011	Increased By	Balance December 31, 2012
Deficit in Operation		\$ 658,802.00	\$ 658,802.00
Emergency Authoriztion		35,000.00	35,000.00
	<u>\$ -</u>	<u>\$ 693,802.00</u>	<u>\$ 693,802.00</u>
<u>Reference</u>	D		D

Deficit in Operation	658,502.00	D-1
Emergency Authoriztion	35,000.00	D-1, D-3
	<u>693,502.00</u>	

Borough of Seaside Heights
 County of Ocean, New Jersey
 Electric Utility Capital Fund

Schedule of Improvement Authorizations

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2011		Transfer From Contracts Payable	Paid or Charged	Cancelled	Balance December 31, 2012	
				Funded	Unfunded				Funded	Unfunded
05-13	Replacement of the Switch Gear Relays	06/01/05	\$ 25,000.00	\$ 2,005.00				\$ 2,005.00	\$ 39,430.00	\$ 760,000.00
10-15	Purchase of Property	07/21/10	800,000.00	39,430.00	\$ 760,000.00		\$ 554,607.20			21,572.80
11-09	Various Improvements	06/15/11	600,000.00		22,230.30	\$ 553,949.70	4,339,059.75			650,370.25
11-11	Electric Generator Project	09/21/11	5,000,000.00		4,979,730.00	9,700.00				
				\$ 41,435.00	\$ 5,761,960.30	\$ 563,649.70	\$ 4,893,666.95	\$ 2,005.00	\$ 39,430.00	\$ 1,431,943.05
			Reference	D	D	13-D		19-D	D	D
	Cash Disbursements						\$ 3,876,666.95			
	Encumbrances Payable						1,017,000.00			
							\$ 4,893,666.95			

Borough of Seaside Heights
 County of Ocean, New Jersey
 Electric Utility Capital Fund

Schedule of Reserve for Encumbrances

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 563,649.70
Increased By:		
Encumbered in 2012	12-D	<u>1,017,000.00</u>
		1,580,649.70
Decreased By:		
Transferred to Improvement Authorizations	12-D	<u>563,649.70</u>
Balance, December 31, 2012	D	<u><u>\$ 1,017,000.00</u></u>

Borough of Seaside Heights
County of Ocean, New Jersey
Electric Utility Operating Fund

Schedule of Reserve for Deferred Amortization

Year Ended December 31, 2012

Reference

Balance, December 31, 2011 and 2012 D \$ 65,000.00

Analysis of Balance:

Improvement Authorizations:

Ordinance 05-13 - Replacement of Switch Gear Relays	\$ 25,000.00
Ordinance No. 10-15 - Acquisition of Property	<u>40,000.00</u>
	<u><u>\$ 65,000.00</u></u>

Borough of Seaside Heights
County of Ocean, New Jersey
Electric Utility Operating Fund

Schedule of Reserve for Amortization

Year Ended December 31, 2012

Reference

Balance, December 31, 2011 and 2012	D	<u>\$ 1,659,259.15</u>
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Borough of Seaside Heights
 County of Ocean, New Jersey

Electric Capital Fund

Schedule of Bonds and Notes Authorized But Not Issued

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Balance December 31, 2011	Cash Receipts	Balance December 31, 2012
10-15	Acquisition of Real Property	\$ 760,000.00		\$ 760,000.00
11-09	Various Improvements	600,000.00	\$ 600,000.00	-
11-11	Electric Generation Project	5,000,000.00	5,000,000.00	-
		<u>\$ 6,360,000.00</u>	<u>\$ 5,600,000.00</u>	<u>\$ 760,000.00</u>

Reference

D

17-D

(Footnote D)

Schedule 17-D

Borough of Seaside Heights
 County of Ocean, New Jersey
 Electric Utility Capital Fund

Schedule of Bond Anticipation Notes

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2011	Increased	Balance December 31, 2012
11-09	Various Improvements	02/03/12	02/03/12	02/01/13	2.00%		\$ 600,000.00	\$ 600,000.00
11-11	Electric Generation Project	02/03/12	02/03/12	02/01/13	2.00%		5,000,000.00	5,000,000.00
						\$ -	\$ 5,600,000.00	\$ 5,600,000.00

Reference D D 2-D, 16-D D

Borough of Seaside Heights
County of Ocean, New Jersey
Electric Utility Operating Fund

Schedule of Note Payable - TD Bank

Year Ended December 31, 2012

	<u>Reference</u>	
Increase by:		
Cash Receipts	1-D	<u>\$ 2,000,000.00</u>
Balance, December 31, 2012	D	<u>\$ 2,000,000.00</u>

Borough of Seaside Heights
 County of Ocean, New Jersey
 Electric Utility Fund

Statement of Capital Improvement Fund

Year Ended December 31, 2012

	<u>Reference</u>	
Increased by:		
Improvement Authorizations Cancelled	12-D	<u>\$ 2,005.00</u>
Balance, December 31, 2012	D	<u>\$ 2,005.00</u>

Water/Sewer Utility Fund

Schedules

Borough of Seaside Heights
 County of Ocean, New Jersey
 Water/Sewer Utility Fund

Schedule of Cash-Treasurer

Year ended December 31, 2012

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2011	E	\$ 1,127,171.85	\$ 546,337.67
Increased By Receipts:			
Water/Sewer Revenue	E-3	2,307,520.24	
Water/Sewer Overpayments	12-E	9,021.14	
TD Bank - Note Payable	28-E	1,000,000.00	
Bond Anticipation Notes	2-E, 14-E		1,000,000.00
		<u>4,443,713.23</u>	<u>1,546,337.67</u>
Decreased By Disbursements:			
2012 Budget Appropriations	E-4	2,420,039.95	
2011 Appropriation Reserves	8-E	30,055.40	
Accrued Interest	11-E	271,326.56	
Improvement Authorizations	2-E, 15-E		742,583.56
		<u>2,721,421.91</u>	<u>742,583.56</u>
Balance, December 31, 2012	E	<u>\$ 1,722,291.32</u>	<u>\$ 803,754.11</u>

Borough of Seaside Heights
 County of Ocean, New Jersey
 Water/Sewer Utility Capital Fund

Schedule of Analysis of Water/Sewer Utility Capital Cash Fund

Year Ended December 31, 2012

	Balance December 31, 2011	Miscellaneous		Transfer	Balance December 31, 2012
		Receipts	Disbursements		
Fund Balance	\$ 5,271.22				\$ 5,271.22
Grants Receivable - USDA	(47,077.00)				(47,077.00)
Reserve for Encumbrances	680,456.28			\$ 118,800.00	118,800.00
Capital Improvement Fund	93,108.53			60,000.00	93,108.53
Due to Water/Sewer Operating Fund	-	\$ 1,487,850.00	\$ 487,850.00	1,000,000.00	60,000.00
Bond Anticipation Notes				60,000.00	
Reserve to Pay Notes	495,937.42				435,937.42
Improvement Authorizations					
	(681,358.78)		742,583.56	118,800.00	137,713.94
Ordinance Number	Improvement Description				
11-08	Various Improvements	\$ 1,487,850.00	\$ 1,230,433.56	\$ 1,859,256.28	\$ 803,754.11

Reference E

Cash	\$ 1,000,000.00	\$ 742,583.56
Non-Cash	487,850.00	487,850.00
	<u>\$ 1,487,850.00</u>	<u>\$ 1,230,433.56</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Operating Fund

Schedule of Cash - Change Fund

Year Ended December 31, 2012

Reference

Balance, December 31, 2011 and 2012

E

\$ 100.00

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Capital Fund

Schedule of Reserve to Pay Notes - U.S.D.A. Farmers Loan

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 495,937.42
Decreased by:		
Anticipated as Revenue in Water/Sewer Utility Operating Fund	27-E	<u>60,000.00</u>
Balance, December 31, 2012	E	<u>\$ 435,937.42</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Operating Fund

Schedule of Water/Sewer Consumer Accounts Receivable

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 200,524.01
Increased By:		
Water/Sewer Rents Levied in 2012		2,185,419.66
		<u>2,385,943.67</u>
Decreased By:		
Overpayments Applied	E-3, 12-E	9,149.02
Collections - Rents	E-3	2,269,250.57
	E-3	<u>2,278,399.59</u>
Balance, December 31, 2012	E	<u>\$ 107,544.08</u>

Borough of Seaside Heights
 County of Ocean, New Jersey
 Water/Sewer Utility Capital Fund

Schedule of Fixed Capital
 Year Ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	E		\$ 11,842,866.58
Increased by:			
Fixed Capital Authorized and Uncompleted	7-E	\$ 2,921,500.00	
Reserve for Amortization	20-E	<u>468,239.25</u>	
			<u>3,389,739.25</u>
Balance, December 31, 2012	E		<u>\$ 15,232,605.83</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Capital Fund

Schedule of Fixed Capital Authorized and Uncompleted

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2011	Transfer to Fixed Capital	Balance December 31, 2012
		Date	Amount			
98-29/99-06	Improvements To Water/Sewer Systems	10/06/94	\$ 2,994,000.00	\$ 595,650.00	\$ 595,650.00	-
03-29/07-04	Sanitary Sewer System Rehabilitation Program - Phase I	10/15/03	2,900,000.00	671,850.00	671,850.00	-
05-18	Sanitary Sewer System Rehabilitation Program - Phase II	08/03/05	2,300,000.00	1,654,000.00	1,654,000.00	-
11-08	Various Improvements	06/15/11	1,000,000.00	1,000,000.00		\$ 1,000,000.00
				<u>\$ 3,921,500.00</u>	<u>\$ 2,921,500.00</u>	<u>\$ 1,000,000.00</u>

Reference

E

6-E

E

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Operating Fund

Schedule of 2011 Appropriation Reserves

Year Ended December 31, 2012

	Balance December 31, 2011	Balance After Transfers	Paid	Balance Lapsed
Operating:				
Salaries and Wages	\$ 2,920.13	\$ 2,920.13		\$ 2,920.13
Other Expenses	30,380.53	30,380.53	\$ 30,055.40	325.13
Insurance	2,619.01	2,619.01		2,619.01
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I)	381.29	381.29		381.29
	<u>\$ 36,300.96</u>	<u>\$ 36,300.96</u>	<u>\$ 30,055.40</u>	<u>\$ 6,245.56</u>
	<u>Reference</u>	8-E	1-E	E-1
Appropriation Reserves	E	\$ 23,527.05		
Encumbrances Payable	9-E	<u>12,773.91</u>		
		<u>\$ 36,300.96</u>		

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Operating Fund

Schedule of Encumbrances Payable

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 12,773.91
Increased By:		
Encumbered in 2012	E-4	<u>291,461.06</u>
		304,234.97
Decreased By:		
Transferred To 2011 Appropriation Reserves	8-E	<u>12,773.91</u>
Balance, December 31, 2012	E	<u><u>\$ 291,461.06</u></u>

Borough of Seaside Heights
 County of Ocean, New Jersey
 Water/Sewer Utility Operating Fund

Schedule of Due from Water/Sewer Capital Fund

Year Ended December 31, 2012

	<u>Reference</u>	
Increase by:		
Revenue Anticipated	E-3	<u>\$ 60,000.00</u>
Balance, December 31, 2012	E	<u><u>\$ 60,000.00</u></u>

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Operating Fund

Schedule of Accrued Interest on Bonds and Notes

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 61,795.41
Increased By:		
Transfer from Budget Appropriations	E-4	270,410.28
Accrued Interest Adjustment	E-1	<u>15,582.18</u>
		347,787.87
Decreased By:		
Interest Paid	1-E	<u>271,326.56</u>
Balance, December 31, 2012	E	<u>\$ 76,461.31</u>

Analysis of Accrued Interest - December 31, 2012

Principal Outstanding December 31, 2012	Interest Rate	From	To	Period	Amount
\$ 260,000.00	5.100%	9/15/2012	12/31/2012	107 Days	\$ 3,887.17
105,000.00	3.500%	12/1/2012	12/31/2012	30 Days	302.05
105,000.00	3.625%	12/1/2012	12/31/2012	30 Days	312.84
105,000.00	3.700%	12/1/2012	12/31/2012	30 Days	319.32
110,000.00	3.750%	12/1/2012	12/31/2012	30 Days	339.04
110,000.00	3.800%	12/1/2012	12/31/2012	30 Days	343.56
220,000.00	4.000%	12/1/2012	12/31/2012	30 Days	723.29
110,000.00	4.100%	12/1/2012	12/31/2012	30 Days	370.68
110,000.00	4.200%	12/1/2012	12/31/2012	30 Days	379.73
110,000.00	4.250%	12/1/2012	12/31/2012	30 Days	384.25
110,000.00	4.375%	12/1/2012	12/31/2012	30 Days	<u>395.55</u>
<u>1,455,000.00</u>					<u>7,757.48</u>
Bond Anticipation Notes:					
<u>1,487,850.00</u>	2.000%	2/3/2012	12/31/2012	331 Days	<u>26,985.12</u>
U.S.D.A. Farmers Home Loan:					
1,832,317.32	4.375%	8/11/2012	12/31/2012	142 Days	31,187.04
824,401.28	4.500%	11/5/2012	12/31/2012	56 Days	5,691.76
<u>1,570,281.00</u>	4.500%	12/6/2012	12/31/2012	25 Days	<u>4,839.91</u>
<u>4,226,999.60</u>					<u>41,718.71</u>
<u>\$ 7,169,849.60</u>					<u>\$ 76,461.31</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Operating Fund

Schedule of Water/Sewer Overpayments

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 9,149.02
Increased By:		
Cash Receipts	1-E	<u>9,021.14</u>
		18,170.16
Decreased By:		
Overpayments Applied	5-E	<u>9,149.02</u>
Balance, December 31, 2012	E	<u><u>\$ 9,021.14</u></u>

Schedule 13-E

Borough of Seaside Heights
 County of Ocean, New Jersey
 Water/Sewer Utility Capital Fund

Schedule of Serial Bonds

Year Ended December 31, 2012

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2011	Decreased	Balance December 31, 2012
			Date	Amount				
Various Improvements	09/15/93	\$ 2,579,000.00	9/15/13 - 14	\$ 130,000.00	5.100%	\$ 390,000.00	\$ 130,000.00	\$ 260,000.00
Improvements To Water and Sewer System	12/01/03	1,990,000.00	12/01/13	105,000.00	3.500%	1,300,000.00	105,000.00	1,195,000.00
			12/01/14	105,000.00	3.625%			
			12/01/15	105,000.00	3.700%			
			12/01/16	110,000.00	3.750%			
			12/01/17	110,000.00	3.800%			
			12/01/18	110,000.00	4.000%			
			12/01/19	110,000.00	4.000%			
			12/01/20	110,000.00	4.100%			
			12/01/21	110,000.00	4.200%			
			12/01/22	110,000.00	4.250%			
12/01/23	110,000.00	4.375%						
						<u>\$ 1,690,000.00</u>	<u>\$ 235,000.00</u>	<u>\$ 1,455,000.00</u>

Reference E E 20-E E

Borough of Seaside Heights
 County of Ocean, New Jersey
 Water/Sewer Utility Capital Fund

Schedule of Bond Anticipation Notes
 Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
03-29	Sanitary Sewer System Rehabilitation Program - Phase I	02/13/04	02/03/12	02/01/13	2.00%	\$ 524,650.00	\$ 487,850.00	\$ 524,650.00	\$ 487,850.00
11-08	Various Improvements	02/03/12	02/03/12	02/01/13	2.00%		\$ 1,000,000.00		\$ 1,000,000.00
						<u>\$ 524,650.00</u>	<u>\$ 1,487,850.00</u>	<u>\$ 524,650.00</u>	<u>\$ 1,487,850.00</u>
					Reference	E			E
	Cash Receipt				1-E, 26-E		\$ 1,000,000.00		
	Non Cash Rollover				2-E		487,850.00	\$ 487,850.00	
	Raised in Budget				20-E			36,800.00	
							<u>\$ 1,487,850.00</u>	<u>\$ 524,650.00</u>	<u>\$ 1,487,850.00</u>

Borough of Seaside Heights
 County of Ocean, New Jersey
 Water/Sewer Utility Capital Fund

Schedule of Improvement Authorization

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2011		Transfer From Contracts Payable	Paid or Charged	Balance December 31, 2012	
				Funded	Unfunded			Funded	Unfunded
11-08	Various Improvements	06/15/11	1,000,000.00	\$ 318,641.22	\$ 680,456.28	\$ 861,383.56	\$ 137,713.94		
				\$ -	\$ 680,456.28	\$ 861,383.56	\$ 137,713.94		
			<u>Reference</u>	E	E	17-E	E	E	E
	Cash Disbursements		1-E, 2-E			\$ 742,583.56			
	Reserve for Encumbrances		17-E			118,800.00			
						\$ 861,383.56			

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Capital Fund

Schedule of Capital Improvement Fund

Year Ended December 31, 2012

Reference

Balance, December 31, 2011 and 2012

E

\$ 93,108.53

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Capital Fund

Schedule of Reserve for Encumbrances

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 680,456.28
Increased By:		
Charged To Improvement Authorizations	15-E	<u>118,800.00</u>
		799,256.28
Decreased By:		
Transferred To Improvement Authorizations	15-E	<u>680,456.28</u>
Balance, December 31, 2012	E	<u><u>\$ 118,800.00</u></u>

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Capital Fund

Schedule of U.S.D.A. Rural Economic Development Loan

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 4,287,283.17
Decreased By:		
Payment By Budget Appropriation	20-E	<u>59,983.57</u>
Balance, December 31, 2012	E	<u><u>\$ 4,227,299.60</u></u>

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Capital Fund

Schedule of Due From United States Department of Agriculture

Year Ended December 31, 2012

Reference

Balance, December 31, 2011 and 2012	E	<u>\$ 47,077.00</u>
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Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Capital Fund

Schedule of Reserve for Amortization

Year Ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 8,258,433.41
Increased By:		
Appropriated in Budget:		
Serial Bond Paid by Operating Fund	13-E	235,000.00
Payment of Bond Anticipation Notes	14-E	36,800.00
Loan Paid by Operating Fund	18-E	59,983.57
Transfer to Fixed Capital	6-E	468,239.25
		800,022.82
Balance, December 31, 2012	E	\$ 9,058,456.23

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Capital Fund

Schedule of Reserve for Deferred Amortization

Year Ended December 31, 2012

Reference

Balance, December 31, 2011 and 2012	E	<u>\$ 4,000.00</u>
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Borough of Seaside Heights
 County of Ocean, New Jersey
 Water/Sewer Utility Operating Fund

Schedule of Deferred Charges

Year Ended December 31, 2012

	Balance December 31, 2011	Increased By	Balance December 31, 2012
Deficit in Operation		\$ 297,279.03	\$ 297,279.03
Emergency Authoriztion		85,000.00	85,000.00
Deficit in Operations	\$ -	\$ 382,279.03	\$ 382,279.03
<u>Reference</u>	E	E-1, E-4	E

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Operating Fund

Schedule of Deferred Charges of Maturity \$1,000,000 Water/Sewer Improvement Loan
United States Department of Agriculture

Year Ended December 31, 2012

Year	Principal	Interest Rate	Interest	Total Debt Service
2013	\$ 17,233.66	4.50%	\$ 36,906.34	\$ 54,140.00
2014	18,017.90	4.50%	36,122.10	54,140.00
2015	18,837.83	4.50%	35,302.17	54,140.00
2016	19,695.07	4.50%	34,444.93	54,140.00
2017	20,591.32	4.50%	33,548.68	54,140.00
2018	21,528.36	4.50%	32,611.64	54,140.00
2019	22,508.02	4.50%	31,631.98	54,140.00
2020	23,532.28	4.50%	30,607.72	54,140.00
2021	24,603.15	4.50%	29,536.85	54,140.00
2022	25,722.74	4.50%	28,417.26	54,140.00
2023	26,893.29	4.50%	27,246.71	54,140.00
2024	28,117.10	4.50%	26,022.90	54,140.00
2025	29,396.61	4.50%	24,743.39	54,140.00
2026	30,734.34	4.50%	23,405.66	54,140.00
2027	32,132.94	4.50%	22,007.06	54,140.00
2028	33,595.19	4.50%	20,544.81	54,140.00
2029	35,123.98	4.50%	19,016.02	54,140.00
2030	36,722.35	4.50%	17,417.65	54,140.00
2031	38,393.44	4.50%	15,746.56	54,140.00
2032	40,140.58	4.50%	13,999.42	54,140.00
2033	41,967.22	4.50%	12,172.78	54,140.00
2034	43,877.00	4.50%	10,263.00	54,140.00
2035	45,873.68	4.50%	8,266.32	54,140.00
2036	47,961.22	4.50%	6,178.78	54,140.00
2037	50,143.75	4.50%	3,996.25	54,140.00
2038	51,058.26	4.50%	1,714.39	52,772.65
	<u>\$ 824,401.28</u>		<u>\$ 581,871.37</u>	<u>\$ 1,406,272.65</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Operating Fund

Schedule of Deferred Charges of Maturity \$1,997,750 Water/Sewer Improvement Loan
United States Department of Agriculture

Year Ended December 31, 2012

Year	Principal	Interest Rate	Interest	Total Debt Service
2013	\$ 26,350.08	4.375%	\$ 79,891.92	\$ 106,242.00
2014	27,515.50	4.375%	78,726.50	106,242.00
2015	28,732.48	4.375%	77,509.52	106,242.00
2016	30,003.27	4.375%	76,238.73	106,242.00
2017	31,330.27	4.375%	74,911.73	106,242.00
2018	32,715.96	4.375%	73,526.04	106,242.00
2019	34,162.94	4.375%	72,079.06	106,242.00
2020	35,673.92	4.375%	70,568.08	106,242.00
2021	37,251.71	4.375%	68,990.29	106,242.00
2022	38,899.30	4.375%	67,342.70	106,242.00
2023	40,619.77	4.375%	65,622.23	106,242.00
2024	42,416.31	4.375%	63,825.69	106,242.00
2025	44,292.33	4.375%	61,949.67	106,242.00
2026	46,251.31	4.375%	59,990.69	106,242.00
2027	48,296.93	4.375%	57,945.07	106,242.00
2028	50,433.04	4.375%	55,808.96	106,242.00
2029	52,663.62	4.375%	53,578.38	106,242.00
2030	54,992.85	4.375%	51,249.15	106,242.00
2031	57,425.11	4.375%	48,816.89	106,242.00
2032	59,964.93	4.375%	46,277.07	106,242.00
2033	62,617.09	4.375%	43,624.91	106,242.00
2034	65,386.55	4.375%	40,855.45	106,242.00
2035	68,278.50	4.375%	37,963.50	106,242.00
2036	71,298.35	4.375%	34,943.65	106,242.00
2037	74,451.78	4.375%	31,790.22	106,242.00
2038	77,744.67	4.375%	28,497.33	106,242.00
2039	81,183.20	4.375%	25,058.80	106,242.00
2040	84,773.82	4.375%	21,468.18	106,242.00
2041	88,523.23	4.375%	17,718.77	106,242.00
2042	92,438.49	4.375%	13,803.51	106,242.00
2043	96,526.90	4.375%	9,715.10	106,242.00
2044	100,796.15	4.375%	5,445.85	106,242.00
2045	48,606.96	4.375%	1,063.04	49,670.00
	<u>\$ 1,832,617.32</u>		<u>\$ 1,616,796.68</u>	<u>\$ 3,449,414.00</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Operating Fund

Schedule of Deferred Charges of Maturity \$1,654,000 Water/Sewer Improvement Loan
United States Department of Agriculture

Year Ended December 31, 2012

Year	Principal	Interest Rate	Interest	Total Debt Service
2013	\$ 19,097.00	4.50%	\$ 70,450.21	\$ 89,547.21
2014	19,966.00	4.50%	69,581.16	89,547.16
2015	20,875.00	4.50%	68,672.60	89,547.60
2016	21,825.00	4.50%	67,722.64	89,547.64
2017	22,818.00	4.50%	66,729.47	89,547.47
2018	23,857.00	4.50%	65,691.09	89,548.09
2019	24,942.00	4.50%	64,605.47	89,547.47
2020	26,078.00	4.50%	63,470.44	89,548.44
2021	27,264.00	4.50%	62,283.74	89,547.74
2022	28,505.00	4.50%	61,043.05	89,548.05
2023	29,802.00	4.50%	59,745.90	89,547.90
2024	31,158.00	4.50%	58,389.71	89,547.71
2025	32,576.00	4.50%	56,971.83	89,547.83
2026	34,059.00	4.50%	55,489.42	89,548.42
2027	35,608.00	4.50%	53,939.53	89,547.53
2028	37,228.00	4.50%	52,319.14	89,547.14
2029	38,923.00	4.50%	50,625.03	89,548.03
2030	40,694.00	4.50%	48,853.78	89,547.78
2031	42,545.00	4.50%	47,001.97	89,546.97
2032	44,481.00	4.50%	45,065.91	89,546.91
2033	46,506.00	4.50%	43,041.74	89,547.74
2034	48,623.00	4.50%	40,925.42	89,548.42
2035	50,835.00	4.50%	38,712.76	89,547.76
2036	53,148.00	4.50%	36,399.47	89,547.47
2037	55,566.00	4.50%	33,980.90	89,546.90
2038	58,095.00	4.50%	31,452.31	89,547.31
2039	60,739.00	4.50%	28,808.60	89,547.60
2040	63,503.00	4.50%	26,044.61	89,547.61
2041	66,393.00	4.50%	23,154.83	89,547.83
2042	69,414.00	4.50%	20,133.52	89,547.52
2043	72,573.00	4.50%	16,974.75	89,547.75
2044	75,876.00	4.50%	13,672.23	89,548.23
2045	79,328.00	4.50%	10,219.40	89,547.40
2046	82,938.00	4.50%	6,609.48	89,547.48
2047	84,443.00	4.50%	2,835.28	87,278.28
	<u>\$ 1,570,281.00</u>		<u>\$ 1,561,617.39</u>	<u>\$ 3,131,898.39</u>

Borough of Seaside Heights
 County of Ocean, New Jersey

Water/Sewer Capital Fund

Schedule of Bonds and Notes Authorized But Not Issued

Year Ended December 31, 2012

Ordinance Number	Improvement Description	Balance December 31, 2011	2012 Authorizations	Cash Receipts	Balance December 31, 2012
11-08	Various Improvements	\$ 1,000,000.00		\$ 1,000,000.00	\$ -
		<u>\$ 1,000,000.00</u>	<u>\$ -</u>	<u>\$ 1,000,000.00</u>	<u>\$ -</u>
	<u>Reference</u>	26-E		1-E, 14-E	26-E

Borough of Seaside Heights
 County of Ocean, New Jersey
 Water/Sewer Utility Capital Fund

Schedule of Due to Water/Sewer Operating Fund

Year Ended December 31, 2012

Reference

Increase by:		
Revenue Anticipated in Water/Sewer Operating Fund	4-E	<u>\$ 60,000.00</u>
Balance, December 31, 2012	E	<u>\$ 60,000.00</u>

Borough of Seaside Heights
County of Ocean, New Jersey
Water/Sewer Utility Operating Fund

Schedule of Note Payable - TD Bank

Year Ended December 31, 2012

	<u>Reference</u>	
Increase by:		
Cash Receipts	1-E	<u>\$ 1,000,000.00</u>
Balance, December 31, 2012	E	<u><u>\$ 1,000,000.00</u></u>

General Fixed Assets

Schedule

Schedule 1-F

Borough of Seaside Heights
 County of Ocean, New Jersey
 General Fixed Assets Account Group

Schedule of General Fixed Assets

Year Ended December 31, 2012

	Balance December 31, 2011	Additions	Dispositions	Balance December 31, 2012
Land	\$ 13,493,200.00			\$ 13,493,200.00
Buildings	2,277,459.00			2,277,459.00
Equipment	4,989,025.58		\$ 55,000.00	4,934,025.58
Total General Fixed Assets	\$ 20,759,684.58	-	\$ 55,000.00	\$ 20,704,684.58

Reference

F

1-F

1-F

F

Statutory Comments Section

Borough of Seaside Heights
County of Ocean, New Jersey

Statutory Comments

Year Ended December 31, 2012

An audit of the financial accounts and transactions of the Borough of Seaside Heights, County of Ocean, New Jersey ("Borough") for the year ended December 31, 2012 has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

The audit covered the financial transactions of the tax Collector/Treasurer, the activities of the Mayor and Borough Council and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed.

Cash on hand was counted and cash balances were reconciled with independent confirmations obtained directly from the depositories.

Revenues and receipts were verified as to source and amount insofar as the records permitted.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

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

Borough of Seaside Heights
County of Ocean, New Jersey

Statutory Comments

Year Ended December 31, 2012

Contracts and Agreements Required to be Advertised by N.J.S. 40A:11-4 (continued)

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

The system of records did not provide for an accumulation of payments by categories of materials or supplies, or related work or labor. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$36,000 "for the performance of any work or the furnishing of labor materials and supplies or the hiring of teams or vehicles", other than where bids had been previously sought by public advertisement or where a resolution had been adopted under the provision of N.J.S.4-A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body adopted a resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, R.S.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, R.S. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of delinquency and 18% per annum on any amount in excess of \$1,500.00; and allows an additional penalty of 6% to be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year;

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

Borough of Seaside Heights
County of Ocean, New Jersey

Statutory Comments

Year Ended December 31, 2012

Collection of Interest on Delinquent Taxes and Assessments (continued)

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$1,500, 18% shall be charged until such delinquency is resolved. No interest shall be charged if the amount of any installment is made within 10 days of the date when the same becomes payable.
2. The Borough has established a penalty for all delinquencies in excess of \$10,000.00 which remain in arrears beyond December 31, an additional penalty of 6% shall be charged against the delinquency, subject to any abatement or discount for the late payment of taxes as provided by law.
3. There will be a ten (10) day grace period for quarterly tax payments by cash, check, or money order.
4. Any payments not made in accordance with paragraph 2. of this resolution shall be charged interest from the due date, as set forth in paragraph 1. of this resolution.

Tax Sale

The last tax sale was scheduled for December 18, 2012. Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

Confirmation on Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Delinquent taxes	10
Tax title liens	5

For those confirmation notices which were not returned by taxpayers, we audited subsequent cash collections as an alternative procedure when possible.

Borough of Seaside Heights
County of Ocean, New Jersey

Statutory Comments

Year Ended December 31, 2012

**Comparative Statement of Operations and Changes in Fund Balance
Current Fund**

	2012		2011	
	Amount	Percent	Amount	Percent
Revenue and Other Income Realized				
Fund Balance Utilized	\$ -		\$ 65,000.00	0.31%
Miscellaneous Revenues Anticipated	7,448,773.31	35.49%	7,564,060.99	36.45%
Collection of Current Tax Levy	12,725,844.42	60.63%	12,687,940.20	61.13%
Non-Budget Revenue	266,381.50	1.27%	159,601.06	0.77%
Miscellaneous-from Other than Local Property Tax Levies	<u>547,986.25</u>	<u>2.61%</u>	<u>277,575.03</u>	<u>1.34%</u>
Total Revenue	<u>20,988,985.48</u>	<u>100.00%</u>	<u>20,754,177.28</u>	<u>100.00%</u>
Expenditures:				
Budget Appropriations	26,846,807.14	76.72%	12,372,788.57	59.83%
County Taxes	2,738,924.37	7.84%	2,786,458.30	13.48%
Local District School Taxes	2,738,718.48	7.83%	2,646,813.54	12.80%
Regional High School Taxes	2,370,473.97	6.77%	2,523,604.46	12.20%
Special Improvement District Taxes	176,323.14	0.50%	177,915.20	0.86%
Other Expenditures	<u>120,116.57</u>	<u>0.34%</u>	<u>170,728.61</u>	<u>0.83%</u>
Total Expenditures	<u>34,991,363.67</u>	<u>100.00%</u>	<u>20,678,308.68</u>	<u>100.00%</u>
(Deficit) Excess in Revenue	(14,002,378.19)		75,868.60	
Adjustment to Income before Fund Balance:				
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year:				
Emergency Authorization	595,000.00		275,000.00	
Special Emergency Authorization	14,100,000.00		-	
Over Expenditures of 2012 Appropriations	<u>35,850.90</u>		<u>13.47</u>	
	14,730,850.90		275,013.47	
Statutory Excess to Fund Balance	728,472.71		350,882.07	
Fund Balance, Beginning of Year	<u>876,280.86</u>		<u>590,398.79</u>	
	1,604,753.57		941,280.86	
Decreased by:				
Utilized as Anticipated Revenue	_____		65,000.00	
Fund Balance, End of Year	<u>\$ 1,604,753.57</u>		<u>\$ 876,280.86</u>	

Borough of Seaside Heights
County of Ocean, New Jersey

Statutory Comments

Year Ended December 31, 2012

**Comparative Statement of Operations and Changes in Fund Balance
Electric Utility Operating Fund**

	2012		2011	
	Amount	Percent	Amount	Percent
Revenue and Other Income Realized:				
Electric Rents	\$5,549,472.78	95.50%	\$6,465,689.90	98.54%
Miscellaneous	72,782.75	1.25%	92,037.43	1.40%
Other Credits to Income:				
Current Appropriation Cancelled	37,000.00	0.64%	335.51	0.01%
Appropriation Reserves Lapsed	<u>151,942.47</u>	<u>2.61%</u>	<u>3,597.34</u>	<u>0.05%</u>
Total Revenue	<u>5,811,198.00</u>	<u>100.00%</u>	6,561,660.18	<u>100.00%</u>
Expenditures:				
Operating	5,100,000.00	78.41%	5,034,000.00	79.52%
Deferred Charges and Statutory Expenditures	105,000.00	1.61%	96,000.00	1.52%
Surplus (General Budget)	<u>1,300,000.00</u>	<u>19.98%</u>	<u>1,200,000.00</u>	<u>18.96%</u>
Total Expenditures	<u>6,505,000.00</u>	<u>100.00%</u>	<u>6,330,000.00</u>	<u>100.00%</u>
(Deficit)Excess in Revenue	(693,802.00)		231,660.18	
Adjustment to Income before Fund Balance:				
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year:				
Deficit in Operations	658,802.00			
Emergency Authorization	<u>35,000.00</u>			
	693,802.00			
Statutory Excess to Fund Balance	-		231,660.18	
Fund Balance, Beginning of Year	<u>1,492,457.88</u>		<u>1,260,797.70</u>	
Fund Balance, End of Year	<u>\$1,492,457.88</u>		<u>\$1,492,457.88</u>	

Borough of Seaside Heights
County of Ocean, New Jersey

Statutory Comments

Year Ended December 31, 2012

**Comparative Statement of Operations and Changes in Fund Balance
Water/Sewer Utility Operating Fund**

	2012		2011	
	Amount	Percent	Amount	Percent
Revenue and Other Income Realized:				
Fund Balance Utilized	\$ 261,000.00	9.73%	\$ 326,000.00	10.64%
Sewer Rents	2,278,399.59	84.90%	2,626,681.67	85.72%
Miscellaneous Revenue	36,407.80	1.36%	39,623.10	1.29%
Non-Budget Revenue	1,861.87	0.06%	8,360.69	0.28%
Reserve to Pay Notes	60,000.00	2.24%	58,000.00	1.89%
Unexpended Balance of Appropriation Reserve	39,806.15	1.48%	3,943.41	0.13%
Current Appropriation Cancelled	<u>6,245.56</u>	<u>0.23%</u>	<u>1,517.14</u>	<u>0.05%</u>
Total Revenue	<u>2,683,720.97</u>	<u>100.00%</u>	3,064,126.01	<u>100.00%</u>
Expenditures:				
Operating	2,357,000.00	76.88%	2,257,000.00	76.40%
Debt Service	604,000.00	19.70%	609,000.00	20.62%
Statutory Expenditures	<u>105,000.00</u>	<u>3.42%</u>	<u>88,000.00</u>	<u>2.98%</u>
Total Expenditures	<u>3,066,000.00</u>	<u>100.00%</u>	<u>2,954,000.00</u>	<u>100.00%</u>
(Deficit) Excess in Revenue	(382,279.03)		110,126.01	
Accrued Interest Adjustment	(15,582.18)		(2,171.55)	
Adjustment to Income before Fund Balance:				
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year:				
Emergency Authorization	85,000.00			
Over expenditures of Appropriations	<u>297,279.03</u>			
	382,279.03			
Statutory (Deficit) Excess to Fund Balance	(15,582.18)		107,954.46	
Fund Balance, Beginning of Year	<u>1,020,026.46</u>		<u>1,238,072.00</u>	
	1,004,444.28		1,346,026.46	
Decreased by:				
Utilized as Anticipated Revenue	<u>261,000.00</u>		<u>326,000.00</u>	
Fund Balance, End of Year	<u>\$ 743,444.28</u>		<u>\$1,020,026.46</u>	

Borough of Seaside Heights
County of Ocean, New Jersey

Statutory Comments

Year Ended December 31, 2012

Comparative Schedule of Tax Rate Information

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	\$1.561	\$1.532	\$1.491
Apportionment of Tax Rate			
Municipal	0.571	.544	0.516
County	0.325	.326	0.318
Local District School	0.333	.312	0.302
Regional High School	0.270	.289	0.296
Business District	0.062	.061	0.059

Assessed Valuations

2012	\$842,960,200.00
2011	855,222,000.00
2010	855,544,996.00

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2012	\$12,786,727.32	\$12,725,844.42	99.52%
2011	12,688,238.79	12,687,940.20	99.99%
2010	12,513,653.37	12,508,680.30	99.96%

Comparison of Electric Utility Levies and Collection Currently

<u>Year</u>	<u>Rent Levy</u>	<u>Cash Collections</u>
2012	\$5,422,835.07	\$5,549,472.78
2011	6,401,865.91	6,465,689.90
2010	6,388,631.77	6,298,527.47

Comparison of Water/Sewer Utility Levies and Collection Currently

<u>Year</u>	<u>Rent Levy</u>	<u>Cash Collections</u>
2012	\$2,185,419.66	\$2,278,399.59
2011	2,766,068.69	2,626,681.67
2010	2,622,034.20	2,578,625.91

Borough of Seaside Heights
County of Ocean, New Jersey

Statutory Comments

Year Ended December 31, 2012

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	\$60,754.46	\$ 128.44	\$ 60,882.90	0.473%
2011	\$0.00	298.59	298.59	0.002%
2010	0.00	4,973.07	4,973.07	0.040%

Property Acquired by Tax Title Lien Liquidation

There have been no properties acquired by foreclosure in 2012 and 2011 as a result of the liquidation of tax title lien.

Comparative Schedule of Fund Balances

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Budget of Succeeding Year</u>
2012	\$1,604,753.57	\$ 0.00
2011	876,280.86	0.00
2010	590,398.79	65,000.00
2009	130,705.17	0.00
2008	130,705.17	0.00

Water/Sewer Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Budget of Succeeding Year</u>
2012	\$743,444.28	\$285,000.00
2011	1,020,026.46	261,000.00
2010	1,187,937.80	326,000.00
2009	49,583.31	0.00
2008	8,464.67	0.00

Borough of Seaside Heights
County of Ocean, New Jersey

Statutory Comments

Year Ended December 31, 2012

Comparative Schedule of Fund Balances (continued)

Electric Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Budget of Succeeding Year</u>
2012	\$1,492,457.88	\$475,000.00
2011	1,492,457.88	0.00
2010	1,260,797.70	0.00
2009	788,377.31	0.00
2008	788,377.31	0.00

Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
William Akers	Mayor	
Richard Tompkins	President of council	
Harry Smith	Councilman	
Anthony Vaz	Councilman	
Arline Ottoson	Councilwoman	
Victoria Graichen	Councilwoman	
Agnes S. Polhemus	Councilwoman	
Christine Sierfeld	Tax Collector/Utility Collector	\$200,000.00
Barbara J. Risley	Chief Financial Officer	200,000.00
Diane B. Stabley	Borough Clerk	10,000.00
Damian G. Murray	Magistrate	60,000.00
Mary Jane Carrozza	Court Administer	60,000.00
Patti Genander	Deputy Court Administrator	60,000.00
George Gilmore	Attorney	
Jacqueline Wohleben	Deputy Court Administrator	60,000.00
John Camera	Borough Administrator	200,000.00

Internal Control



COWAN, GUNTESKI & Co, P.A.

Certified Public Accountants and Consultants

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members of Borough Council
Borough of Seaside Heights
Seaside Heights, NJ

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Borough of Seaside Heights as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Borough of Seaside Heights's basic financial statements, and have issued our report thereon dated October 24, 2013.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough of Seaside Heights's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Compliance and Other Matters

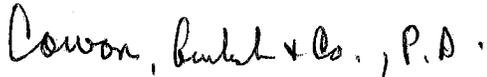
As part of obtaining reasonable assurance about whether Borough of Seaside Heights's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



William A. Meyler
Certified Public Accountant
Registered Municipal Accountant #515



Cowan, Guteski & Co., P.A.
Tinton Falls, New Jersey
April 21, 2014



Borough of Seaside Heights
County of Ocean, New Jersey

General Comments and Recommendations

Year Ended December 31, 2012

C. Finding:

During the course of the audit, it was discovered that in the month of March 2012 police detectives from Borough's police department opened a new bank account for Record of Evidence without the governing body's approval.

Condition:

All bank accounts should also have CFO as signor on all transactions.

Recommendation:

New bank accounts should have an approval from council governing body.