

BOROUGH OF SEA GIRT
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2015

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COUNTY OF MONMOUTH, NEW JERSEY
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YEAR ENDED DECEMBER 31, 2015**

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**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Sea Girt
County of Monmouth
Sea Girt, New Jersey 08750

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Sea Girt, County of Monmouth, State of New Jersey as of December 31, 2015 and 2014, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2015.

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

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 discussed in Note 1 to the financial statements, the Borough of Sea Girt prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Sea Girt, County of Monmouth, State of New Jersey, as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Sea Girt, County of Monmouth, State of New Jersey, as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the related statements of revenues--regulatory basis, statements of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2015 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended December 31, 2015 the Borough of Sea Girt adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion on regulatory basis of accounting is not modified with respect to this matter.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions 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 the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial 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, 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 group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2016, on our consideration of the Borough of Sea Girt'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 of Sea Girt's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
June 24, 2016

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

Honorable Mayor and Members
of the Borough Council
Borough of Sea Girt
County of Monmouth
Sea Girt, New Jersey 08750

We have audited, in accordance with the 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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Borough of Sea Girt (herein referred to as "the Municipality"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements, and have issued our report thereon dated June 24, 2016. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

Internal Control over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality'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* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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 Municipality's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Municipality's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
June 24, 2016

BASIC FINANCIAL STATEMENTS

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CURRENT FUND

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**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Current Fund:			
Cash	A-4	\$ 4,834,797.80	\$ 4,065,692.17
Cash - Payroll	A	33,071.59	30,982.97
Petty Cash	A-5	100.00	100.00
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	A-6	4,022.65	3,010.90
		<u>4,871,992.04</u>	<u>4,099,786.04</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	203,865.76	214,567.72
Interfund - Dog Trust	B	2,033.46	1,264.80
Interfund - Flexible Spending Account	B	1,700.72	1,700.00
Property Acquired for Taxes	A	3,200.00	3,200.00
Revenue Accounts Receivable	A-8	7,522.90	4,107.58
		<u>218,322.84</u>	<u>224,840.10</u>
Deferred Charges:			
Emergency-NJSA 40:4-53	A-9	112,286.00	172,572.00
Total Regular Funds		<u>5,202,600.88</u>	<u>4,497,198.14</u>
Federal and State Grants:			
Cash	A-4	37,433.96	58,964.83
Interfund - Current Fund	A	1,791.73	-
Grants Receivable	A-17	3,000.00	5,511.65
		<u>42,225.69</u>	<u>64,476.48</u>
Total Assets		<u>\$ 5,244,826.57</u>	<u>\$ 4,561,674.62</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Liabilities:			
Appropriation Reserves	A-3,A-11	\$ 375,593.87	\$ 367,669.55
Accounts Payable	A	-	1,361.00
Encumbrances Payable	A-10	306,621.03	201,995.26
Various Reserves	A-13	623,279.89	587,452.32
Due To State of New Jersey	A-14	15,198.68	11,182.77
Prepaid Taxes	A-12	192,247.56	156,239.92
Payroll Taxes Payable	A	33,071.59	30,982.97
Interfund - Grant Fund	A	1,791.73	-
Interfund - Library	B	26,907.78	14,377.87
County Taxes	A-15	29,247.68	35,242.73
Local School Taxes	A-16	1,285,831.26	1,223,907.26
		<u>2,889,791.07</u>	<u>2,630,411.65</u>
Reserve for Receivables and Other			
Assets	A	218,322.84	224,840.10
Fund Balance	A-1	<u>2,094,486.97</u>	<u>1,641,946.39</u>
Total Regular Funds		<u>5,202,600.88</u>	<u>4,497,198.14</u>
Federal and State Grants:			
Reserve For State Grants:			
Appropriated	A-18	42,225.69	64,417.40
Unappropriated	A-19	-	59.08
		<u>42,225.69</u>	<u>64,476.48</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 5,244,826.57</u>	<u>\$ 4,561,674.62</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN
FUND BALANCE- REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:		
Fund Balance Anticipated	\$ 505,903.83	\$ 404,185.47
Miscellaneous Revenue Anticipated	697,541.68	889,013.75
Delinquent Taxes	212,577.07	267,745.31
Non-Budget Revenue	98,915.00	48,409.00
Current Taxes	15,950,996.10	15,624,429.54
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	444,780.41	302,516.40
Cancel Accounts Payable	1,361.00	10,429.64
Interfund Returned	1,265.00	-
Reserves Cancelled	-	38,147.29
	<hr/>	<hr/>
Total Revenue	17,913,340.09	17,584,876.40
	<hr/>	<hr/>
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	2,407,998.00	2,408,830.26
Other Expenses	1,947,960.67	1,886,910.00
Deferred Charges and Statutory Expenditures	613,815.00	614,429.74
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	26,010.00	25,500.00
Other Expenses	275,457.46	272,907.70
Capital Improvements	105,013.27	100,000.00
Municipal Debt Service	480,700.00	485,413.27
Deferred Charges	60,286.00	219,610.00
County Taxes	6,664,432.80	6,448,724.90
Due County Added Taxes	29,247.72	35,242.61
Local District School Tax	4,338,065.00	4,214,209.00
Other Debits to Income	5,909.76	223,505.43
	<hr/>	<hr/>
Total Expenditures	16,954,895.68	16,935,282.91
	<hr/>	<hr/>
Excess in Revenue	958,444.41	649,593.49
Fund Balance, January 1	1,641,946.39	1,396,538.37
	<hr/>	<hr/>
	2,600,390.80	2,046,131.86
Decreased By:		
Utilized as Anticipated Revenue	505,903.83	404,185.47
	<hr/>	<hr/>
Fund Balance, December 31	\$ 2,094,486.97	\$ 1,641,946.39
	<hr/>	<hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015**

	<u>Budget</u>	<u>Budget Amendments</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 505,903.83	\$ -	\$ 505,903.83	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	7,000.00	-	10,663.94	3,663.94
Other	60,000.00	-	66,565.34	6,565.34
Fees and Permits	19,000.00	-	19,000.00	-
Fines and Costs - Municipal Court	75,000.00	-	143,061.59	68,061.59
Interest and Costs on Taxes	35,000.00	-	53,690.59	18,690.59
Interest on Investments and Deposits	3,056.37	-	4,943.76	1,887.39
Energy Receipts	196,340.00	-	196,340.00	-
Uniform Construction Code Fees	60,000.00	-	103,953.00	43,953.00
Trust Fund - Reserve for Library Donation	52,210.00	-	52,210.00	-
FEMA - Superstorm Sandy	34,286.00	-	34,286.00	-
Drunk Driving Enforcement Fund	59.08	-	59.08	-
Alcohol Education and Rehabilitation Fund	-	589.33	589.33	-
Green Communities	-	3,000.00	3,000.00	-
Clean Communities Program	-	7,752.91	7,752.91	-
Body Armor Grant	-	1,426.14	1,426.14	-
				-
Total Miscellaneous Revenues	541,951.45	12,768.38	697,541.68	142,821.85
Receipts From Delinquent Taxes	125,000.00	-	212,577.07	87,577.07
Amount To Be Raised By Taxes For Support of Municipal Budget	5,048,518.49	-	5,236,152.33	187,633.84
Budget Totals	6,221,373.77	12,768.38	6,652,174.91	418,032.76
Non-Budget Revenue	-	-	98,915.00	98,915.00
Total General Revenues	\$ 6,221,373.77	\$ 12,768.38	\$ 6,751,089.91	\$ 516,947.76

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015**

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue From Collections	\$ 15,950,996.10
School and County Taxes	<u>11,031,745.52</u>

Balance for Support of Municipal Budget

Appropriations	4,919,250.58
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Add: "Appropriation Reserve for
Uncollected Taxes"

316,901.75

Amount for Support of Municipal Budget

Appropriations	<u>\$ 5,236,152.33</u>
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Receipts From Delinquent Taxes:

Delinquent Tax Collections	<u>\$ 212,577.07</u>
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Miscellaneous Revenue Not Anticipated:

Police Off Duty Administration Fees	\$ 4,200.00
Senior Citizen and Veterans Administrative Fee	455.00
Property Maintenance Fees	19,314.60
Miscellaneous - Other	<u>74,945.40</u>
	<u>\$ 98,915.00</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
GENERAL APPROPRIATIONS					
Operations - Within "CAPS"					
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 118,520.00	\$ 78,520.00	\$ 74,159.08	\$ 4,360.92	\$ -
Other Expenses	4,900.00	4,400.00	3,725.52	674.48	-
Mayor and Council:					
Salaries and Wages	25,500.00	25,500.00	25,500.00	-	-
Other Expenses	500.00	500.00	390.00	110.00	-
Municipal Clerk:					
Salaries and Wages	65,545.20	65,545.20	65,003.38	541.82	-
Other Expenses	58,700.00	64,200.00	61,965.20	2,234.80	-
Financial Administration (Treasury):					
Salaries and Wages	58,262.40	58,262.40	49,096.30	9,166.10	-
Other Expenses	4,000.00	4,000.00	3,998.17	1.83	-
Audit Services:					
Other Expenses	15,000.00	15,000.00	15,000.00	-	-
Revenue Administration (Tax Collection):					
Salaries and Wages	53,060.40	48,060.40	45,899.86	2,160.54	-
Other Expenses	2,000.00	2,000.00	674.30	1,325.70	-
Tax Assessment Administration:					
Salaries and Wages	18,000.00	18,000.00	15,605.95	2,394.05	-
Other Expenses	5,400.00	5,400.00	4,595.40	804.60	-
Reserve for Revaluation	3,000.00	3,000.00	3,000.00	-	-
Legal Services:					
Contractual	150,000.00	235,000.00	179,840.23	55,159.77	-
Engineering Services:					
Contractual	70,000.00	112,000.00	75,371.25	36,628.75	-
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	2,500.00	2,500.00	2,499.90	0.10	-
Other Expenses	41,100.00	42,100.00	33,638.59	8,461.41	-
INSURANCE					
General Liability	80,407.00	80,407.00	79,611.93	795.07	-
Workmen's Compensation	105,518.67	105,518.67	105,518.67	-	-
Employee Group Health	572,000.00	527,000.00	523,155.90	3,844.10	-
Opt Out Payments	22,500.00	22,500.00	18,000.00	4,500.00	-
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	1,303,710.00	1,288,710.00	1,222,355.74	66,354.26	-
Other Expenses	79,150.00	85,150.00	76,253.26	8,896.74	-
County of Monmouth 911 Services:					
Other Expenses	4,105.00	105.00	-	105.00	-
Office of Emergency Management:					
Salaries and Wages	4,500.00	4,500.00	4,500.00	-	-
Other Expenses	3,790.00	3,790.00	1,065.79	2,724.21	-
Aid to First Aid:					
Contribution	25,000.00	25,000.00	25,000.00	-	-
Fire Department:					
Other Expenses	39,215.00	39,215.00	36,548.25	2,666.75	-

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
GENERAL APPROPRIATIONS					
Operations - Within "CAPS"					
PUBLIC WORKS FUNCTIONS					
Streets and Road Maintenance:					
Salaries and Wages	613,310.00	605,810.00	567,798.62	38,011.38	-
Other Expenses	73,650.00	89,150.00	75,019.44	14,130.56	-
Shade Tree Program:					
Other Expenses	17,500.00	19,000.00	17,855.65	1,144.35	-
Buildings and Grounds:					
Other Expenses	15,000.00	16,000.00	14,982.15	1,017.85	-
Vehicle Maintenance:					
Salaries and Wages	62,000.00	64,500.00	64,007.91	492.09	-
Other Expenses	35,000.00	45,000.00	37,866.84	7,133.16	-
Snow Removal:					
Salaries and Wages	20,000.00	20,000.00	20,000.00	-	-
Other Expenses	10,000.00	10,000.00	9,318.86	681.14	-
Property Maintenance Code Official:					
Salaries and Wages	74,330.00	74,330.00	74,241.96	88.04	-
HEALTH AND HUMAN SERVICES					
Public Health Priority Funding Act of 1977					
Other Expenses	36,000.00	36,000.00	33,925.00	2,075.00	-
Board of Recreation Commissioners					
Salaries and Wages	23,260.00	23,260.00	20,415.69	2,844.31	-
Other Expenses	9,000.00	9,000.00	5,821.13	3,178.87	-
Municipal Court:					
Salaries and Wages	27,000.00	27,000.00	26,745.00	255.00	-
Other Expenses	4,875.00	4,875.00	2,334.00	2,541.00	-
Public Defender:					
Salaries and Wages	1,250.00	1,250.00	1,250.00	-	-
STATE UNIFORM CONSTRUCTION CODE OFFICIALS					
Uniform Fire Safety Act:					
Fire Inspection:					
Salaries and Wages	2,250.00	2,250.00	2,039.94	210.06	-
Other Expenses	2,500.00	2,500.00	2,449.55	50.45	-
UTILITY EXPENSE AND BULK PURCHASES					
Electricity	30,000.00	30,000.00	19,565.36	10,434.64	-
Street Lighting	29,500.00	29,500.00	29,097.56	402.44	-
Telephone	35,900.00	35,900.00	23,052.08	12,847.92	-
Water	17,000.00	17,000.00	16,373.70	626.30	-
Natural Gas & Propane	15,000.00	15,000.00	14,999.57	0.43	-
Gasoline	89,250.00	89,250.00	88,305.34	944.66	-
Landfill Disposal Costs	67,500.00	74,500.00	60,128.01	14,371.99	-
UNCLASSIFIED					
Celebration of Public Events	1,000.00	1,000.00	998.05	1.95	-
Accumulated Leave Compensation	38,000.00	38,000.00	38,000.00	-	-
Total Operations Within "CAPS"	4,285,958.67	4,345,958.67	4,018,564.08	327,394.59	-
Contingent	10,000.00	10,000.00	10,000.00	-	-
Total Operations Including Contingent Within "CAPS"	4,295,958.67	4,355,958.67	4,028,564.08	327,394.59	-
Detail:					
Salaries and Wages	2,472,998.00	2,407,998.00	2,281,119.33	126,878.67	-
Other Expenses	1,822,960.67	1,947,960.67	1,747,444.75	200,515.92	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015**

GENERAL APPROPRIATIONS	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
Operations - Within "CAPS"					
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"					
Statutory Expenditures: Contribution To:					
Public Employees' Retirement System	132,755.00	132,755.00	132,754.12	0.88	-
Social Security System (O.A.S.I.)	189,500.00	159,500.00	123,776.00	35,724.00	-
Unemployment Insurance	66,665.00	36,665.00	30,000.00	6,665.00	-
Police and Firemen's Retirement System	278,395.00	278,395.00	278,395.00	-	-
Defined Contribution Retirement Program	6,500.00	6,500.00	2,823.12	3,676.88	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	673,815.00	613,815.00	567,748.24	46,066.76	-
Total General Appropriations for Municipal Purposes Within "CAPS"	4,969,773.67	4,969,773.67	4,596,312.32	373,461.35	-
GENERAL APPROPRIATIONS Operations - Excluded from "CAPS"					
LOSAP	1,000.00	1,000.00	1,000.00	-	-
Group Health Insurance	3,000.00	3,000.00	3,000.00	-	-
Total Other Operations Excluded From "CAPS"	4,000.00	4,000.00	4,000.00	-	-
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Borough of Manasquan					
Community Alliance for Drugs & Alcohol	6,220.00	6,220.00	4,089.33	2,130.67	-
Construction Officials					
Other Expenses	75,000.00	75,000.00	75,000.00	-	-
County of Monmouth					
Dispatch Services Other	90,210.00	90,210.00	90,208.15	1.85	-
Township of Wall					
Municipal Court Services	61,000.00	61,000.00	61,000.00	-	-
Total Interlocal Municipal Service Agreements	232,430.00	232,430.00	230,297.48	2,132.52	-
ADDITIONAL APPROPRIATIONS OFFSET BY REVENUES					
Expenses for Participation in a Free County Library:					
Salaries and Wages	26,010.00	26,010.00	26,010.00	-	-
Other Expenses	16,200.00	16,200.00	16,200.00	-	-
Capital	10,000.00	10,000.00	10,000.00	-	-
Total Additional Appropriations Offset By Revenue	52,210.00	52,210.00	52,210.00	-	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Clean Communities Program	-	7,752.91	7,752.91	-	-
Body Armor Grant	-	1,426.14	1,426.14	-	-
Green Communities	-	3,000.00	3,000.00	-	-
Alcohol Education and Rehabilitation Fund	59.08	648.41	648.41	-	-
Total Public and Private Programs Offset By Revenue	59.08	12,827.46	12,827.46	-	-
Total Operations - Excluded From "CAPS"	288,699.08	301,467.46	299,334.94	2,132.52	-
Detail:					
Salaries and Wages	26,010.00	26,010.00	26,010.00	-	-
Other Expenses	262,689.08	275,457.46	273,324.94	2,132.52	-

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended		Unexpended
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	Balance Cancelled
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	105,013.27	105,013.27	105,013.27	(0.00)	-
Total Capital Improvements - Excluded From "CAPS"	105,013.27	105,013.27	105,013.27	(0.00)	-
GENERAL APPROPRIATIONS					
Operations - Excluded from "CAPS"					
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Anticipation Notes and Capital Notes	198,000.00	198,000.00	198,000.00	-	-
Payment of Bond Principal	185,000.00	185,000.00	185,000.00	-	-
Interest on Bonds	86,150.00	86,150.00	86,150.00	-	-
Interest on Notes	11,550.00	11,550.00	11,550.00	-	-
Total Municipal Debt Service - Excluded From "CAPS"	480,700.00	480,700.00	480,700.00	-	-
Deferred Charges - Municipal - Excluded From "CAPS"					
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	60,286.00	60,286.00	60,286.00	-	-
Total Deferred Charges - Municipal - Excluded From "CAPS"	60,286.00	60,286.00	60,286.00	-	-
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	934,698.35	947,466.73	945,334.21	2,132.52	-
Subtotal General Appropriations	5,904,472.02	5,917,240.40	5,541,646.53	375,593.87	-
Reserve for Uncollected Taxes	316,901.75	316,901.75	316,901.75	-	-
Total General Appropriations	\$ 6,221,373.77	\$ 6,234,142.15	\$ 5,858,548.28	\$ 375,593.87	\$ -
<u>Analysis of Budget After Modification</u>					
Budget as Adopted		\$ 6,221,373.77			
Special Item of Revenue		12,768.38			
		<u>\$ 6,234,142.15</u>			
<u>Analysis of Paid or Charged</u>					
Reserve For:					
Uncollected Taxes			\$ 316,901.75		
Federal and State Grants			12,827.46		
Interfund - Library			12,529.91		
Deferred Charges			60,286.00		
Encumbrances Payable			283,516.81		
Cash Disbursements			5,172,486.35		
			<u>\$ 5,858,548.28</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

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TRUST FUND

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**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Animal Control Trust Fund:			
Cash	B-1	\$ 5,475.80	\$ 5,064.40
Total Animal Control Fund		<u>5,475.80</u>	<u>5,064.40</u>
Trust - Other Fund:			
Cash	B-1	1,240,018.94	1,176,316.23
FSA Contributions Receivable	B	633.67	633.67
Due From :			
Current Fund	A	<u>26,907.78</u>	<u>14,377.87</u>
Total Trust - Other Fund		<u>1,267,560.39</u>	<u>1,191,327.77</u>
Total Assets		<u>\$ 1,273,036.19</u>	<u>\$ 1,196,392.17</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Animal Control Fund:			
Due to Current Fund			
Statutory Excess	B-2	\$ 2,033.46	\$ 1,264.80
Reserve For Animal Control Fund			
Expenditures	B-2	<u>3,442.34</u>	<u>3,799.60</u>
Total Animal Control Fund		<u>5,475.80</u>	<u>5,064.40</u>
Other Trust Funds:			
Due To Current Fund	B-5	1,700.72	1,700.00
Reserve For:			
Library Trust Fund	B-6	506,476.90	544,505.15
Various Reserves	B-4	<u>759,382.77</u>	<u>645,122.62</u>
Total Trust - Other Fund		<u>1,267,560.39</u>	<u>1,191,327.77</u>
Total Liabilities and Reserves		<u>\$ 1,273,036.19</u>	<u>\$ 1,196,392.17</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

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GENERAL CAPITAL FUND

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**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Cash	C-2	\$ 1,955,551.65	\$ 1,537,038.99
Grants Receivable		55,000.00	-
Deferred Charges to Future Taxation:			
Funded	C-4	2,740,000.00	2,925,000.00
Unfunded	C-5	<u>1,931,675.00</u>	<u>970,750.00</u>
Total Assets		<u>\$ 6,682,226.65</u>	<u>\$ 5,432,788.99</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-6	\$ 2,740,000.00	\$ 2,925,000.00
Bond Anticipation Notes	C-7	2,145,000.00	1,155,000.00
Due to Current Fund		501.86	-
Improvement Authorizations:			
Funded	C-8	71,717.00	169,801.81
Unfunded	C-8	1,074,227.03	625,550.99
Encumbrances Payable	C-8	212,715.90	152,310.67
Capital Improvement Fund	C-9	95,593.19	79,154.61
Reserve for Debt Service	C-10	240,924.84	224,424.08
Fund Balance	C-1	<u>101,546.83</u>	<u>101,546.83</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 6,682,226.65</u>	<u>\$ 5,432,788.99</u>

There were bonds and notes authorized but not issued on December 31, 2015 of \$925 and on December 31, 2014 was \$500. (Exhibit C-11)

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 and 2014

\$ 101,546.83

The accompanying Notes to Financial Statements are an integral part of this statement.

WATER-SEWER UTILITY FUND

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**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Operating Fund:			
Cash - Checking	D-4	\$ 831,190.19	\$ 541,846.75
Due From Water Sewer Capital	D	460,858.08	660,299.84
Deferred Charge - Overexpenditure	D	-	34,734.89
Receivables with Full Reserves:			
Rents Receivable	D-6	<u>103,269.07</u>	<u>52,176.88</u>
Total Operating Fund		<u>1,395,317.34</u>	<u>1,289,058.36</u>
Capital Fund:			
Cash - Checking	D-4	417,195.02	630,176.59
Water Infrastructure Grant Rec.	D-11	-	134,586.00
Deferred Charge - Expenditure - Without Appropriation	D	-	200,000.00
Fixed Capital	D-7	3,468,686.50	2,968,686.50
Fixed Capital Authorized and Uncompleted	D-8	<u>14,902,433.68</u>	<u>10,296,433.68</u>
Total Capital Fund		<u>18,788,315.20</u>	<u>14,229,882.77</u>
Total Assets		<u>\$ 20,183,632.54</u>	<u>\$ 15,518,941.13</u>

There were bonds and notes authorized but not issued on December 31, 2015 of \$7,803,044.43 and on December 31, 2014 was \$3,597,044.43 (Exhibit D-20)

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Operating Fund:			
Appropriation Reserves	D-3	\$ 152,508.61	\$ 77,379.93
Encumbrances Payable	D-10	15,263.65	12,232.84
Accrued Interest Payable	D-12	33,976.73	33,896.88
Accounts Payable	D	-	5,750.00
		<u>201,748.99</u>	<u>129,259.65</u>
Reserve for Receivables	D	103,269.07	52,176.88
Fund Balance	D-1	<u>1,090,299.28</u>	<u>1,107,621.83</u>
		-	-
		<u>1,193,568.35</u>	<u>1,159,798.71</u>
Total Operating Fund		<u>1,395,317.34</u>	<u>1,289,058.36</u>
Capital Fund:			
Serial Bonds	D-13	1,015,000.00	1,060,000.00
Bond Anticipation Notes	D-19	870,000.00	-
Loan State of New Jersey	D-18	2,944,003.00	3,158,227.19
Due To Water Sewer Operating Fund	D	460,858.08	660,299.84
Cash Held to Pay Notes	D	5,500.00	5,500.00
Improvement Authorizations:			
Funded	D-14	188,117.35	183,884.35
Unfunded	D-14	5,171,977.32	3,377,952.14
Capital Improvement Fund	D-15	95,000.00	-
Encumbrances Payable	D-14	2,393,070.25	428,454.24
Reserve for Amortization	D-16	3,058,686.50	3,013,686.50
Deferred Reserve for Amortization	D-17	2,577,944.58	2,333,720.39
Fund Balance	D-1(a)	<u>8,158.12</u>	<u>8,158.12</u>
Total Capital Fund		<u>18,788,315.20</u>	<u>14,229,882.77</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 20,183,632.54</u>	<u>\$ 15,518,941.13</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:		
Surplus Anticipated	\$ 314,425.00	\$ 211,108.97
Water-Sewer Rents	1,669,921.15	1,762,818.69
Miscellaneous Revenue	25,824.50	43,633.26
Other Credits To Income:		
Prior Year Liability Cancelled	5,750.00	27.06
Appropriation Reserves Lapsed	<u>82,139.08</u>	<u>100,267.00</u>
Total Revenue	<u>2,098,059.73</u>	<u>2,117,854.98</u>
Expenditures:		
Operating:		
Salaries and Wages	315,000.00	297,000.00
Other Expenses	735,300.00	729,700.00
Debt Service	360,922.28	370,311.19
Capital Improvements	125,000.00	60,000.00
Deferred Charges and Statutory Expenditures	264,735.00	201,823.97
Other Credits To Income:		
Payment to Utility Capital for Reserve for Debt Service	<u>-</u>	<u>4,000.00</u>
	<u>1,800,957.28</u>	<u>1,662,835.16</u>
(Deficit)/Excess in Revenue	297,102.45	455,019.82
Fund Balance, January 1	<u>1,107,621.83</u>	<u>863,710.98</u>
	1,404,724.28	1,318,730.80
Decreased By:		
Utilized as Anticipated Revenue	<u>314,425.00</u>	<u>211,108.97</u>
Fund Balance, December 31	<u>\$ 1,090,299.28</u>	<u>\$ 1,107,621.83</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 and 2014	<u><u>\$ 8,158.12</u></u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	\$ 314,425.00	\$ 314,425.00	\$ -
Rents - Water	904,835.00	1,114,834.90	209,999.90
Rents - Sewer	585,000.00	555,086.25	(29,913.75)
Miscellaneous	-	25,824.50	25,824.50
	<u>\$ 1,804,260.00</u>	<u>\$ 2,010,170.65</u>	<u>\$ 205,910.65</u>

Analysis of Miscellaneous Revenue Not Anticipated

Interest and Costs on Delinquent Accounts	\$ 2,028.20
Water & Sewer Taps	21,200.00
Miscellaneous - Other	<u>2,596.30</u>
	<u>\$ 25,824.50</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015**

	<u>Appropriations</u>		<u>Paid or</u>	<u>Reserved</u>	<u>Cancelled</u>
	<u>Original</u>	<u>Budget After</u>	<u>Charged</u>		
	<u>Budget</u>	<u>Modifications</u>			
Operating:					
Salaries and Wages	\$ 315,000.00	\$ 315,000.00	\$ 281,625.48	\$ 33,374.52	\$ -
Other Expenses	292,550.00	\$ 297,550.00	263,608.63	33,941.37	-
Other Expenses:					
Legal and Engineering:	35,000.00	35,000.00	10,261.25	24,738.75	-
South Monmouth Regional Sewerage	256,000.00	256,000.00	255,899.40	100.60	-
NJ Water Supply - MCIA	116,750.00	111,750.00	71,562.44	40,187.56	-
Treatment of Water	35,000.00	35,000.00	21,645.30	13,354.70	-
Total Operating	1,050,300.00	1,050,300.00	904,602.50	145,697.50	-
Capital Improvements:					
Capital Improvement Fund	125,000.00	125,000.00	125,000.00	-	-
Total Capital Improvements	125,000.00	125,000.00	125,000.00	-	-
Debt Service:					
Payment of Bond Principal	259,225.00	259,225.00	259,224.19	-	0.81
Interest on Bonds	105,000.00	105,000.00	101,698.09	-	3,301.91
Total Debt Service	364,225.00	364,225.00	360,922.28	-	3,302.72
Deferred Charges:					
Overexpenditure of Appropriation	34,735.00	34,735.00	34,735.00	-	-
Expenditure w/o Appropriation (Ord. 18-2014)	200,000.00	200,000.00	200,000.00	-	-
Total Deferred Charges	234,735.00	234,735.00	234,735.00	-	-
Statutory Expenditures:					
Contributions To:					
Social Security System (O.A.S.I.)	30,000.00	30,000.00	23,188.89	6,811.11	-
Total Statutory Expenditures	30,000.00	30,000.00	23,188.89	6,811.11	-
Total Sewer Utility Appropriations	\$ 1,804,260.00	\$ 1,804,260.00	\$ 1,648,448.67	\$ 152,508.61	\$ 3,302.72

Cash Disbursed	\$ 1,398,370.17
Encumbrances Payable	15,263.65
Deferred Charges	234,735.00
Change in Accrued Interest on Bonds & Loans	79.85
	<u>\$ 1,648,448.67</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BEACH UTILITY FUND

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**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Operating Fund:			
Cash	E-4	\$ 361,008.41	\$ 308,879.03
Interfund-Beach Capital	E	<u>96.24</u>	<u>7.09</u>
Total Operating Fund		<u>361,104.65</u>	<u>308,886.12</u>
Capital Fund:			
Cash	E-4	62,063.71	152,738.88
Fixed Capital	E-10	3,101,958.38	2,959,958.38
Fixed Capital Authorized and Uncompleted	E-7	<u>2,299,000.00</u>	<u>2,441,000.00</u>
Total Capital Fund		<u>5,463,022.09</u>	<u>5,553,697.26</u>
Total Assets		<u><u>\$ 5,824,126.74</u></u>	<u><u>\$ 5,862,583.38</u></u>

There were bonds and notes authorized but not issued on December 31, 2015 of \$71,252.50
and as of December 31, 2014 of \$71,252.50 (Exhibit E-16)

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

<u>Liabilities, Reserves and Fund Balances</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Operating Fund:			
Encumbrances Payable	E-8	\$ 11,437.13	\$ 21,637.11
Appropriation Reserves	E-3	113,074.56	19,897.57
Accounts Payable	E-15	173.04	-
Reserve for Dune Fund Donations	E	5,814.45	5,814.45
Reserve for Concession Stand	E	20,132.50	26,317.00
Reserve for Beach Equipment	E	603.56	603.56
Fund Balance	E-1	<u>209,869.41</u>	<u>234,616.43</u>
Total Operating Fund		<u>361,104.65</u>	<u>308,886.12</u>
Capital Fund:			
Bond Anticipation Notes	E-9	-	224,500.00
Improvement Authorizations:			
Funded	E-6	5,035.17	4,053.78
Unfunded	E-6	6,505.03	25,449.92
Encumbrances Payable	E-6	900.00	78,700.82
Interfund-Beach Operating	E	96.24	7.09
Reserve For:			
Cash Held to Pay Notes	E	38,589.81	38,589.81
Amortization	E-13	5,317,728.38	5,093,228.38
Deferred Amortization	E-14	11,977.50	11,977.50
Capital Improvement Fund	E-12	8,000.00	3,000.00
Fund Balance	E-11	<u>74,189.96</u>	<u>74,189.96</u>
Total Capital Fund		<u>5,463,022.09</u>	<u>5,553,697.26</u>
Total Liabilities, Reserves and Fund Balances		<u><u>\$ 5,824,126.74</u></u>	<u><u>\$ 5,862,583.38</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:		
Operating Surplus Anticipated	\$ 152,665.00	\$ 154,878.52
Concession at Beach Pavilion	78,949.00	73,519.99
Bathing Beach Fees	1,080,322.00	1,058,149.75
Miscellaneous Revenues	4,225.28	4,117.05
National Guard Training Center	45,932.05	43,761.71
Other Credits To Income:		
Appropriation Reserves Cancelled	25,145.50	66,041.08
Interfunds Receivable	89.15	-
	<hr/>	<hr/>
Total Revenue	1,387,327.98	1,400,468.10
	<hr/>	<hr/>
Expenditures:		
Operating:		
Salaries and Wages	684,000.00	651,700.00
Other Expenses	259,350.00	245,050.00
Debt Service	226,745.00	245,673.60
Capital Improvements	31,000.00	27,000.00
Deferred Charges and		
Statutory Expenditures	58,315.00	78,813.52
Prior Year Refund	-	7,500.00
	<hr/>	<hr/>
	1,259,410.00	1,255,737.12
	<hr/>	<hr/>
Excess in Revenue	127,917.98	144,730.98
Fund Balance, January 1	234,616.43	244,763.97
	<hr/>	<hr/>
	362,534.41	389,494.95
Decreased By:		
Utilized as Anticipated Revenue	152,665.00	154,878.52
	<hr/>	<hr/>
Fund Balance, December 31	<u>\$ 209,869.41</u>	<u>\$ 234,616.43</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	\$ 152,665.00	\$ 152,665.00	\$ -
Concession of Beachfront Pavilion	77,000.00	78,949.00	1,949.00
Bathing Beach Fees	985,000.00	1,080,322.00	95,322.00
Miscellaneous Revenue	-	4,225.28	4,225.28
Lifeguard-National Guard Center	45,000.00	45,932.05	932.05
	<u>\$ 1,259,665.00</u>	<u>\$ 1,362,093.33</u>	<u>\$ 102,428.33</u>

Analysis of Miscellaneous Revenues

Interest Income	\$ 5.28
Kayak Storage	<u>4,220.00</u>
	<u>\$ 4,225.28</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	<u>Appropriations</u>		<u>Paid or</u>	<u>Reserved</u>	<u>Cancelled</u>
	<u>Original</u>	<u>Budget After</u>	<u>Charged</u>		
	<u>Budget</u>	<u>Modifications</u>			
Beachfront Maintenance:					
Salaries and Wages	\$ 490,000.00	\$ 490,000.00	\$ 455,664.25	\$ 34,335.75	\$ -
Other Expenses	88,000.00	87,500.00	72,701.95	14,798.05	-
Police Department:					
Salaries and Wages	60,000.00	60,000.00	60,000.00	-	-
Other Expenses	3,000.00	3,000.00	2,943.65	56.35	-
Financial Administration (Treasury):					
Other Expenses	28,500.00	33,000.00	32,664.42	335.58	-
Legal Services:					
Contractual	2,500.00	2,500.00	500.00	2,000.00	-
Road Repairs and Maintenance:					
Salaries and Wages	40,000.00	40,000.00	40,000.00	-	-
Other Expenses	39,000.00	39,000.00	39,000.00	-	-
Engineering Services:					
Contractual	25,000.00	25,000.00	5,166.25	19,833.75	-
Administrative and Executive:					
Salaries and Wages	35,000.00	31,000.00	20,010.09	10,989.91	-
Other Expenses	150.00	150.00	150.00	-	-
Group Insurance - Other Expenses					
Insurance - Other	45,700.00	45,700.00	41,013.00	4,687.00	-
Garbage and Trash Removal:					
Salaries and Wages	18,000.00	18,000.00	18,000.00	-	-
Other Expenses	2,500.00	2,500.00	2,500.00	-	-
Operating:					
Sanitary Landfill	19,000.00	19,000.00	19,000.00	-	-
Solid Waste Disposal Fees	1,000.00	1,000.00	1,000.00	-	-
Water and Sewer to Utility	1,000.00	1,000.00	-	1,000.00	-
Salaries and Wages - NGTC	45,000.00	45,000.00	36,991.20	8,008.80	-
Total Operating	943,350.00	943,350.00	847,304.81	96,045.19	-
Capital Improvements:					
Capital Improvement Fund	5,000.00	5,000.00	5,000.00	-	-
Capital Outlay	26,000.00	26,000.00	25,999.47	0.53	-
Total Capital Improvements	31,000.00	31,000.00	30,999.47	0.53	-
Debt Service:					
Payment of Bond Anticipation Notes	224,500.00	224,500.00	224,500.00	-	-
Interest on Notes	2,500.00	2,500.00	2,245.00	-	255.00
Total Debt Service	227,000.00	227,000.00	226,745.00	-	255.00
Statutory Expenditures:					
Contributions To:					
Social Security System (O.A.S.I.)	58,315.00	58,315.00	41,286.16	17,028.84	-
Total Statutory Expenditures	58,315.00	58,315.00	41,286.16	17,028.84	-
Total Beach Utility Appropriations	\$ 1,259,665.00	\$ 1,259,665.00	\$ 1,146,335.44	\$ 113,074.56	\$ 255.00
Cash Disbursed			\$1,134,898.31		
Encumbrances Payable			11,437.13		
			<u>\$1,146,335.44</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

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GENERAL FIXED ASSETS ACCOUNT GROUP

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BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

	<u>Reference</u>	Balance December 31, <u>2015</u>	Balance December 31, <u>2014</u>
Land	F-1	\$ 24,629,527.00	\$ 24,629,527.00
Buildings & Improvements	F-1	5,090,673.00	5,057,473.00
Machinery and Equipment	F-1	<u>3,931,165.51</u>	<u>3,758,958.00</u>
Total General Fixed Assets		<u>33,651,365.51</u>	<u>33,445,958.00</u>
Investment in General Fixed Assets	F-1	<u>\$ 33,651,365.51</u>	<u>\$ 33,445,958.00</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

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**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

The Borough of Sea Girt, County of Monmouth, New Jersey (“Borough”) operates under the Borough form of New Jersey municipal government, and is governed mayor and a 6-member borough council. The financial statements of the 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/Fire Districts and First Aid Squads which are subject to separate audit and are not considered component units under GASB 14, as amended by GASB Statements No. 39 and 61. 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 entities can be obtained by contacting the Treasurer of the respective entity.

B. Description of Funds

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with GAAP.

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 - is used to account for all revenues and expenditures applicable to the general operations of Borough departments.

Trust Funds - are used to 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 SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

General Capital Fund - is used to account 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 - accounts for the operations and acquisition of capital facilities of the municipally-owned Water Utility.

Beach Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally-owned Beach Utility.

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.

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

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

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services differ in certain respects from GAAP applicable to local government units. The more significant differences follow.

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

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

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

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.

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 encumbrance 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. 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 generally accepted accounting principles, the encumbrance method of accounting would be followed for expenditures presently reflected on a paid or charged 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 generally accepted accounting principles.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

D. 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.

E. 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 awards are recorded as a funding source for improvement authorizations or are established as receivables with an offsetting reserve.

F. 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 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 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.

G. 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.

H. 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 SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

I. 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 Fund budget. As funds are raised, the deferred charges are reduced.

J. 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, the State of New Jersey Cash Management Fund and government money market mutual funds through registered broker/dealers and banks. The New Jersey Governmental Unit Deposit Protection Act ("GUDPA") requires 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 percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. 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.

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.
- (b) Government Money Market Mutual Funds.
- (c) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an Act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

J. Deposits and Investments (continued)

Investments (continued)

- (d) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- (e) Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- (f) Local Government Investment Pools.
- (g) Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, C. 281 (C.52:18A:90.4).

Repurchase agreements (15.1(a)(8)) must comply with the following conditions:

- (a) The underlying securities are permitted investments, pursuant to the list contained in (a) and (c) above.
- (b) The custody of the collateral is transferred to a third party. This means the bank must contract with a trusted third party to hold the collateral to ensure it is not pledged against any other investments.
- (c) The maturity of the agreement is not more than 30 days.
- (d) The underlying securities are purchased through a GUDPA bank.
- (e) A master repurchase agreement providing for the custody and security of collateral is executed.

Local Government Investment Pools ("LGIP") (15.1(e)(2)) are subject to the following requirements:

- (a) It is managed in accordance with the SEC's government money market rules (2a-7).
- (b) It is rated in the highest category by a nationally recognized statistical rating organization.
- (c) Have their portfolio limited to U.S. Government securities as defined in 2a-7 and repurchase agreements that are collateralized by such U.S. Government securities.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

J. Deposits and Investments (continued)

Investments (continued)

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 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, book 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.

The Borough is permitted to invest public funds in accordance with N.J.S.A. 40A:5-15.1. These investments include bonds or other obligations of the United States or obligations guaranteed by the United States, Government Money Market Mutual Funds, bond or other obligations of the Borough or bonds or other obligations of the school district, local government investment pools, and agreements for the repurchase of fully-collateralized securities, if purchased in accordance with N.J.S.A. 40A:5-15.1. The Borough is also permitted to invest Length of Service Award Program ("LOSAP") funds with the types of eligible investments authorized in N.J.A.C. 5:30-14.19. These investments include interest-bearing accounts or securities in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

K. 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.

L. Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended December 31, 2015, the Borough implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27). The implementation of the Statements requires the Borough to disclose its portion of the collective net pension's asset and liability of the New Jersey Public Employees' Retirement System (PERS) and the New Jersey Police Firemen's Retirement System (PFRS).

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 1: Summary of Significant Accounting Policies (continued)

M. Subsequent Events - The Borough has evaluated subsequent events occurring after December 31, 2015 through the date of June 24, 2016, which is the date the financial statements were available to be issued.

Note 2: Deposits and Investments

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by FDIC.

Bank balances at December 31, 2015 and 2014 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At December 31, 2015 and 2014, the book values of the Borough's deposits were \$9,777,787.33 and \$8,507,681.71 respectively.

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the FDIC. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

At December 31, 2015, the Borough's bank balances of \$10,545,085.55, were exposed to Custodial Credit Risk as follows:

Insured under F.D.I.C.	\$ 750,000.00
Uninsured and Uncollateralized	891,598.99
Collateralized Under GUDPA	<u>8,903,486.56</u>
Total	<u>\$10,545,085.55</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 3: Interfund Balances and Activity

Balances due to/from other funds at December 31, 2015 consist of the following:

	Due From	Due To
Current Fund	\$ 3,734.18	\$ 28,699.51
Grant Fund	1,791.73	-
Animal Control Fund	-	2,033.46
Trust Other Fund	26,907.78	1,700.72
Water & Sewer Operating	460,858.08	-
Water & Sewer Capital	-	460,858.08
Beach Operating	96.24	-
Beach Capital	-	96.24
	<u>\$ 493,388.01</u>	<u>\$ 493,388.01</u>

The purpose of these interfunds is short-term borrowings.

Note 4: Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year 2015.

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
Land	\$ 24,629,527.00	\$ -	\$ -	\$ 24,629,527.00
Building and Improvements	5,057,473.00	33,200.00	-	5,090,673.00
Machinery and Equipment	3,758,958.00	172,207.51	-	3,931,165.51
Total	<u>\$ 33,445,958.00</u>	<u>\$ 205,407.51</u>	<u>\$ -</u>	<u>\$ 33,651,365.51</u>

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 5: Long-Term Debt

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Issued</u>			
General Capital Fund:			
Bonds and Notes	\$ 4,885,000.00	\$ 4,080,000.00	\$ 3,846,000.00
Water-Sewer Utility Fund:			
Bonds and Notes	1,885,000.00	1,060,000.00	1,105,000.00
Loans	2,944,003.00	3,158,227.19	3,375,211.30
Beach Utility Fund			
Bonds and Notes	<u>0.00</u>	<u>224,500.00</u>	<u>2,165,000.00</u>
Total Issued	<u>9,714,003.00</u>	<u>8,522,727.19</u>	<u>10,491,211.30</u>
Less:			
Fund on Hand to Pay Bonds, Notes and Loans	<u>447,334.40</u>	<u>430,833.64</u>	<u>556,048.17</u>
Net Debt Issued	<u>9,266,668.60</u>	<u>8,091,893.55</u>	<u>9,935,163.13</u>
 <u>Authorized But Not Issued</u>			
General Capital Fund:			
Bonds and Notes	925.00	500.00	250.00
Water-Sewer Utility Fund:			
Bonds and Notes	7,803,044.43	3,597,044.43	3,709,663.90
Beach Utility Fund:			
Bonds and Notes	<u>71,252.50</u>	<u>71,252.50</u>	<u>171,252.50</u>
Total Authorized But Not Issued	<u>7,875,221.93</u>	<u>3,668,796.93</u>	<u>3,881,166.40</u>
Net Bonds and Notes Issued & Authorized But Not Issued	<u>\$ 17,141,890.53</u>	<u>\$ 11,760,690.48</u>	<u>\$ 13,816,329.53</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

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 0.207%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 4,885,925.00	403,244.59	\$ 4,482,680.41
Water-Sewer Utility Debt	12,632,047.43	\$ 12,632,047.43	
Beach Utility Debt	<u>71,752.50</u>	<u>71,752.50</u>	
	<u>\$ 17,589,224.93</u>	<u>\$ 13,106,544.52</u>	<u>\$ 4,482,680.41</u>

Net Debt of \$4,482,680.41 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,172,660,180.67 = 0.206%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 76,043,106.32
Less: Net Debt	<u>4,482,680.41</u>
Remaining Borrowing Power	<u>\$ 71,560,425.91</u>

Calculation of Self-Liquidating Purpose – Water-Sewer Utility Fund per NJS 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 2,010,170.65
Deductions:	
Operating, Maintenance Costs and Statutory Expenditures	\$ 1,080,300.00
Debt Service per Water Account	<u>360,922.28</u>
Total Deductions	<u>1,441,222.28</u>
Excess in Revenues	<u>\$ 568,948.37</u>

Calculation of Self-Liquidating Purpose - Beach Utility Fund per NJS 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$1,362,093.33
Deductions:	
Operating, Maintenance Costs and Statutory Expenditures	\$ 1,001,665.00
Debt Service	<u>226,745.00</u>
Total Deductions	<u>1,228,410.00</u>
Excess in Revenues	<u>\$ 133,682.97</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 5: Long-Term Debt (continued)

The Borough's long-term debt consisted of the following at December 31, 2015:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2015</u>
<u>General Bonds</u>				
General Improvements	12/19/2012	\$3,280,000.00	Various	<u>\$2,740,000.00</u>
				<u>\$2,740,000.00</u>
<u>Water& Sewer Utility Bonds</u>				
Water & Sewer Improvements	12/19/2012	\$1,145,000.00	Various	<u>\$1,015,000.00</u>
				<u>\$1,015,000.00</u>
<u>Water& Sewer Utility Loans</u>				
Water & Sewer Improvements	11/9/2006	\$4,532,883.00	Various	<u>\$2,944,003.00</u>
				<u>\$2,944,003.00</u>

Debt Service requirements for bonded debt during the next several years are as follows:

General Capital Fund

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 190,000.00	\$ 82,450.00	\$ 272,450.00
2017	195,000.00	77,700.00	272,750.00
2018	200,000.00	71,850.00	271,850.00
2019	210,000.00	65,850.00	275,850.00
2020	215,000.00	59,550.00	274,550.00
2021-2025	1,195,000.00	167,750.00	1,362,750.00
2026-2027	<u>535,000.00</u>	<u>16,100.00</u>	<u>551,100.00</u>
	<u>\$ 2,740,000.00</u>	<u>\$ 541,250.00</u>	<u>\$ 3,281,250.00</u>

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 5: Long-Term Debt (continued)

Water-Sewer Utility Capital Fund

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 45,000.00	\$ 29,987.50	\$ 74,987.50
2017	45,000.00	28,862.50	73,862.50
2018	50,000.00	27,512.50	77,512.50
2019	50,000.00	26,012.50	76,012.50
2020	50,000.00	24,512.50	74,512.50
2021-2025	290,000.00	91,162.50	381,162.50
2026-2030	335,000.00	49,087.50	384,087.50
2031-2032	<u>150,000.00</u>	<u>6,625.00</u>	<u>155,625.00</u>
	<u>\$ 1,015,000.00</u>	<u>\$ 282,762.50</u>	<u>\$ 1,297,762.50</u>

Loans Payable

Water-Sewer Improvement loans with the State of N.J. are as follows:

\$1,830,882 original loan at 0.00% interest maturing on 8/1/2026 with a balance of \$1,035,416.55 at 12/31/2015.

\$1,845,000 original loan at variable interest from 4.00% to 5.00% maturing on 8/1/2026 with a balance of \$1,250,000.00 at 12/31/2015.

\$395,000 original loan with semi-annual interest of 5.00% maturing on 8/1/2030 with a balance of \$ 335,000.00 at 12/31/2015.

\$424,258 original loan at 0.00% interest maturing on 8/1/2030 with a balance of \$323,586.45 at 12/31/2015.

Debt Service requirements for loans during the next several years are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 219,711.24	\$ 72,175.00	\$ 291,886.24
2017	225,035.94	64,925.00	289,960.94
2018	230,815.21	60,375.00	291,190.21
2019	241,464.60	55,625.00	297,089.60
2020	246,984.11	50,425.00	297,409.11
2021-2025	1,297,351.06	165,218.76	1,462,569.82
2026-2030	<u>482,640.84</u>	<u>27,700.00</u>	<u>510,340.84</u>
	<u>\$ 2,944,003.00</u>	<u>\$ 496,443.76</u>	<u>\$ 3,440,446.76</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 6: 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.

At December 31, 2015, the Borough had the following outstanding bond anticipation notes:

<u>Purpose</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
<u>General Capital</u>			
Various General Improvements	10/28/2016	0.67%	\$ 2,145,000.00
<u>Water-Sewer Capital</u>			
Various Utility Improvements	10/28/2016	0.67%	\$ 870,000.00

Note 7: Bonds and Notes Authorized But Not Issued

At December 31, 2015, the Borough had authorized but not issued bonds and notes of the General Capital Fund in the amount of \$925.00, the Water & Sewer Capital Fund in the amount of \$7,803,044.43 and the Beach Utility Fund in the amount of \$71,252.50.

Note 8: Deferred Charges to be Raised In Succeeding Years' Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

	Balance December 31, 2015	2016 Budget Appropriation
Current Fund:		
Special Emergency – Superstorm Sandy	\$ 34,286.00	\$ 34,286.00
Revaluation	78,000.00	26,000.00

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 9: Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison of Tax Rate Information

	2015	2014	2013
Total Tax Rate	<u>\$0.724</u>	<u>\$0.789</u>	<u>\$0.775</u>
Apportionment of Tax Rate:			
County	0.268	0.289	0.275
County Open Space	0.015	0.016	0.015
County Library	0.018	0.018	0.018
Local School	0.195	0.211	0.206
Local Purpose Tax	0.228	0.255	0.261

Net Valuation Taxable:

2015	<u>\$2,218,589,100</u>	
2014	<u>\$1,996,734,500</u>	
2013		<u>\$1,989,763,300</u>

Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2015	\$ 16,153,929.31	\$ 15,950,996.10	98.74%
2014	\$ 15,859,335.50	\$ 15,624,429.54	98.51%
2013	15,505,949.08	15,235,783.05	98.25%

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 9: Property Taxes (continued)

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2015	\$ -	\$ 203,865.76	\$ 203,865.76	1.26%
2014	-	214,567.72	214,567.72	1.31%
2013	-	267,745.31	267,745.31	1.73%

Note 10: Fund Balance Appropriated

Current Fund

The Current Fund balance at December 31, 2015 was \$2,094,486.97 of which \$655,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2016.

Water-Sewer Utility Operating Fund

The Water Utility Operating Fund balance at December 31, 2015 was \$1,090,299.28 of which \$361,002.43 was appropriated and included as anticipated revenue for the year ended December 31, 2016.

Beach Utility Operating Fund

The Beach Utility Operating Fund balance at December 31, 2015 was \$209,869.41 of which \$122,227.47 was appropriated and included as anticipated revenue for the year ended December 31, 2016.

Note 11. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 11. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Borough contributions to PERS amounted to \$140,268.00 for 2015.

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 11. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Net Pension Liability and Pension Expense - At December 31, 2015, the Borough's proportionate share of the PERS net pension liability is valued to be \$4,112,189.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Borough's proportion measured as of June 30, 2015, was .01832%, which was an increase of .00130% from its proportion measured as of June 30, 2014.

<u>Collective Balances at December 31, 2015 & December 31, 2014</u>		
	12/31/2015	12/31/2014
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	4,112,189.00	3,185,646.00
Borough's Portion of the Plan's Total		
Net Pension Liability	0.01832%	0.01701%

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$195,232.00.

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Health Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 11. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 11. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
District's proportionate share of the net pension liability	\$ 5,110,947.78	\$ 4,112,189.00	\$ 3,274,836.86

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010.
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 11. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Borough contributions to PFRS amounted to \$278,395.00 for 2015.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Special Funding Situation – Under *N.J.S.A. 43:16A-15*, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Net Pension Liability and Pension Expense - At December 31, 2015, the Borough's proportionate share of the PFRS net pension liability is valued to be \$5,443,950.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Borough's proportion measured as of June 30, 2015, was .03268%, which was a decrease of .00356% from its proportion measured as of June 30, 2014.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 11. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

<u>Collective Balances at December 31, 2015 & December 31, 2014</u>		
	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	5,443,950.00	4,559,422.00
District's Portion of the Plan's Total		
Net Pension Liability	0.03268%	0.03625%

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$466,029.00.

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is \$477,416.00 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State's proportion of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2015 was .03268%, which was a decrease of .00356% from its proportion measured as of June 30, 2014, which is the same proportion as the Borough's.

Borough's Proportionate Share of the Net Pension Liability	\$ 5,443,950.00
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>477,416.00</u>
Total Net Pension Liability	<u><u>\$ 5,921,366.00</u></u>

For the year ended December 31, 2015, the Borough's total allocated pension expense was \$525,580.00.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 11. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PFRS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.60-9.48% Based on Age Thereafter - 3.60-10.48% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Health Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 11. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79%) or 1-percentage-point higher (6.79%) than the current rate:

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 11. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Borough's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Borough	\$ 7,806,240.27	\$ 5,921,366.00	\$ 4,384,419.44

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

Note 12: Accrued Sick and Vacation Benefits

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. 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 has permitted employees to accrue unused vacation and sick leave, which may be taken off or paid at a later date with the exception of sick leave. The Borough estimated the current cost of such unpaid compensation as of December 31, 2015 to be approximately \$639,322.77.

Note 13: 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. All funds collected from employees are transmitted to the state for this period. The Reserve for Unemployment Compensation Insurance at December 31, 2015 and 2014 totaled \$63,261.76 and \$35,030.46 respectively.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 14: Contingent Liabilities

State and Federal Grants

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2015, the Borough estimates that no material liabilities will result from such audits.

Pending Litigation

There are actions which have been instituted against the Borough which are either in the discovery stage or whose final outcome cannot be determined at the present time. 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.

Note 15: 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 Monmouth County Municipal Joint Insurance Fund. The joint insurance pool is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The Joint Insurance Fund will be self-sustaining through member premiums. The Joint Insurance Fund participates in the Municipal Excess Liability Program which has a contract for excess liability insurance for property, general liability, auto liability, public official liability, law enforcement liability and workman's compensation.

Note 16: Post Employment Benefits

The Borough 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 State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. The Borough authorized participation in the SHBP's post-retirement benefit program through resolution. Eligibility to participate in the SHBP's post-retirement benefit program begins after 25 years of credited service with the Borough.

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.

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 16: Post Employment Benefits (continued)

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly-available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295 or by visiting their website at <http://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 on a monthly basis. Plan members or beneficiaries receiving benefits do not make any contributions.

The Borough's contributions to SHBP for the year ended December 31, 2015 were approximately \$523,155.90, which equaled the required contributions for the year. There were no retired participants eligible at December 31, 2015.

Note 17. Accounts Receivable

Accounts receivable at December 31, 2015 consisted of intergovernmental grants, taxes, sewer rents and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Township's individual major and fiduciary funds, in the aggregate, are as follows:

	Current Fund	Trust Funds	State & Federal Grant Fund	General Capital Fund	Utility Operating Fund	Total
State Aid	\$ 4,023	\$ -	\$ 3,000	\$ -	\$ -	\$ 7,023
Federal Aid	-	-	-	55,000	-	55,000
Taxes	203,866	-	-	-	-	203,866
Water/Sewer	-	-	-	-	103,269	103,269
Other	7,523	634	-	-	-	8,157
Total	\$ 215,411	\$ 634	\$ 3,000	\$ 55,000	\$ 103,269	\$ 377,314

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 18: Deferred Compensation Program

The Borough has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Borough has engaged a private contractor to administer the Plan.

Note 19: Local District School Taxes

Local District School Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 provides that any municipality that levies school taxes on a school year basis may defer from the municipal purposes tax levy 50% of the levy. The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. At year end, taxes due to the District consisted of the following:

	Local District School Tax	
	<u>2015</u>	<u>2014</u>
Balance of Tax	\$ 2,169,033.26	\$ 2,107,109.26
Deferred	<u>883,202.00</u>	<u>883,202.00</u>
Tax Payable/ (Receivable)	<u>\$ 1,285,831.26</u>	<u>\$ 1,223,907.26</u>

SUPPLEMENTARY STATEMENTS

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CURRENT FUND

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BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2015

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance, December 31, 2014	\$ 4,065,692.17	\$ 58,964.83
Increased By Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 98,915.00	
Veterans and Senior Citizens	22,750.00	
Taxes Receivable	15,983,571.50	
Revenue Accounts Receivable	684,714.22	
Prepaid Taxes	192,247.56	
Due To State of New Jersey	13,877.83	
Various Reserves	204,710.28	
Due to Current	-	34.67
Grants Receivable	-	9,768.38
	<u>17,200,786.39</u>	<u>9,803.05</u>
	21,266,478.56	68,767.88
Decreased By Disbursements:		
2015 Budget Appropriations	5,172,486.35	
Appropriation Reserves	101,780.18	
County Taxes	6,699,675.57	
Local School Taxes	4,276,141.00	
Due To State of New Jersey	9,861.92	
Various Reserves	171,735.74	
Due To Current Fund	-	5,233.92
Reserve for Federal and State Grants	-	26,100.00
	<u>16,431,680.76</u>	<u>31,333.92</u>
Balance, December 31, 2015	<u><u>\$ 4,834,797.80</u></u>	<u><u>\$ 37,433.96</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PETTY CASH
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 and 2014	\$100.00
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**SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 3,010.90
Increased By:	
Senior Citizens' Deductions Per Billing	\$ 750.00
Veterans' Deductions Per Tax Billing	22,250.00
Veterans' Deductions Per Tax Collector	1,000.00
	24,000.00
	27,010.90
Decreased By:	
Senior Citizens' Deductions Per Tax Collector	238.25
Cash Receipts	22,750.00
	22,988.25
Balance, December 31, 2015	\$ 4,022.65

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2015**

Year	Balance December 31, 2014	2015 Levy	Collections		Senior Citizens' and Veterans' Deductions Allowed	Adjustments/ Cancelled	Balance December 31, 2015
			2014	2015			
2014	\$ 214,567.72	\$ -	\$ -	\$ 212,577.07	\$ -	\$ 1,990.65	\$ -
2015	0.00	16,153,929.31	156,239.92	15,770,994.43	23,761.75	932.55	203,865.76
	<u>\$ 214,567.72</u>	<u>\$ 16,153,929.31</u>	<u>\$ 156,239.92</u>	<u>\$ 15,983,571.50</u>	<u>\$ 23,761.75</u>	<u>\$ 2,923.20</u>	<u>\$ 203,865.76</u>

Analysis of Property Tax Levy

Tax Yield

General Purpose Tax:		
General Property Tax		\$ 16,083,540.09
Added and Omitted Taxes		<u>70,389.22</u>
		<u>\$ 16,153,929.31</u>
Tax Levy:		
Local District School Tax		\$ 4,338,065.00
County Tax	\$ 6,664,432.80	
Added County Taxes	<u>29,247.72</u>	
		<u>6,693,680.52</u>
Local Taxes for Municipal Purposes		5,048,518.49
Add: Additional Tax Levied		<u>73,665.30</u>
		<u>\$ 16,153,929.31</u>

Analysis of Current Year Tax Collections

2014 Cash Collections of 2015 Taxes	\$ 156,239.92
2015 Cash Collections of 2015 Taxes	15,770,994.43
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions - Net	<u>23,761.75</u>
Revenue From Collections	<u>\$ 15,950,996.10</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Accrued in <u>2015</u>	<u>Collections</u>	Balance December 31, <u>2015</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 10,663.94	\$ 10,663.94	\$ -
Other	-	66,565.34	66,565.34	-
Fees & Permits	-	19,000.00	19,000.00	-
Fines and Costs - Municipal Court	4,107.58	146,476.91	143,061.59	7,522.90
Interest and Costs on Taxes	-	53,690.59	53,690.59	-
Interest on Investments	-	4,943.76	4,943.76	-
Energy Receipts	-	196,340.00	196,340.00	-
Uniform Construction Code Fees	-	103,953.00	103,953.00	-
Trust Fund - Reserve for Library Donation	-	52,210.00	52,210.00	-
FEMA - Superstorm Sandy	-	34,286.00	34,286.00	-
	<u>\$ 4,107.58</u>	<u>\$ 688,129.54</u>	<u>\$ 684,714.22</u>	<u>\$ 7,522.90</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
YEAR ENDED DECEMBER 31, 2015**

<u>Year</u>	<u>Description</u>	<u>Amount</u>	Balance December 31, <u>2014</u>	<u>Decreased</u>	Balance December 31, <u>2015</u>
<u>Special Emergency Authorization:</u>					
<u>N.J.S.A. 40A:4-54:</u>					
2014	Superstorm Sandy	\$2,450,000.00	\$ 68,572.00	\$ 34,286.00	\$ 34,286.00
<u>N.J.S.A. 40A:4-53:</u>					
2015	Revaluation Program and Tax Map Update	130,000.00	104,000.00	26,000.00	78,000.00
			<u>\$ 172,572.00</u>	<u>\$ 60,286.00</u>	<u>\$ 112,286.00</u>
Budget Appropriations				<u>\$ 60,286.00</u>	
				<u>\$ 60,286.00</u>	

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 201,995.26
Increased By:	
Transferred From 2015 Appropriations	<u>283,516.81</u>
	485,512.07
Decreased By:	
Transferred To Appropriation Reserves	<u>178,891.04</u>
Balance, December 31, 2015	<u><u>\$ 306,621.03</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Encumbrances</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 10,292.32	\$ -	\$ 10,292.32	\$ -	\$ 10,292.32
Other Expenses	1,337.94	25.35	1,363.29	25.35	1,337.94
Mayor and Council:					
Other Expenses	37.95	-	37.95	-	37.95
Municipal Clerk:					
Salaries and Wages	1.80	-	1.80	-	1.80
Other Expenses	6,331.03	8,146.21	14,477.24	6,845.30	7,631.94
Financial Administration (Treasury):					
Salaries and Wages	4,324.87	-	4,324.87	-	4,324.87
Other Expenses	1.15	1,755.00	1,756.15	1,290.00	466.15
Audit					
Other Expenses	1.94	-	1.94	-	1.94
Revenue Administration (Tax Collection):					
Salaries and Wages	5,455.28	-	5,455.28	600.80	4,854.48
Other Expenses	1,552.67	-	1,552.67	-	1,552.67
Tax Assessment Administration:					
Salaries and Wages	5,000.08	-	5,000.08	-	5,000.08
Other Expenses	2,814.30	-	2,814.30	-	2,814.30
Legal Services:					
Other Expenses	4,529.96	53,208.12	57,738.08	10,777.28	46,960.80
Engineering Services:					
Contractual	5,001.25	-	5,001.25	-	5,001.25
LAND USE ADMINISTRATION					
Planning and Zoning Board of Adjustment:					
Salaries and Wages	0.10	-	0.10	-	0.10
Other Expenses	55.45	3,511.67	3,567.12	2,518.14	1,048.98
INSURANCE					
General Liability	1.12	-	1.12	-	1.12
Workmen's Compensation	266.50	-	266.50	-	266.50
Employee Group Health	58,599.04	125.00	58,724.04	-	58,724.04
Opt Out Payments	4,500.00	-	4,500.00	-	4,500.00
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	24,721.99	-	24,721.99	10,541.09	14,180.90
Other Expenses	17,339.88	12,047.56	29,387.44	10,438.52	18,948.92
County of Monmouth 911 Services:					
Other Expenses	2,500.00	-	2,500.00	-	2,500.00
Office of Emergency Management					
Other Expenses	1,166.09	1,403.38	2,569.47	1,366.01	1,203.46
Fire Department:					
Other Expenses	2,926.26	13,041.83	15,968.09	9,823.03	6,145.06

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Encumbrances</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	42,162.65	-	42,162.65	1,774.00	40,388.65
Other Expenses	10,577.98	12,395.49	22,973.47	5,382.97	17,590.50
Shade Tree Program					
Other Expenses	1,954.00	1,950.00	3,904.00	1,950.00	1,954.00
Buildings and Grounds:					
Other Expenses	1,607.19	5,494.79	7,101.98	4,586.94	2,515.04
Snow Removal:					
Salaries and Wages	48.06	123.30	171.36	128.25	43.11
Other Expenses	1,400.00	2,100.00	3,500.00	1,357.18	2,142.82
Vehicle Maintenance:					
Salaries and Wages	979.75	-	979.75	-	979.75
Other Expenses	8,118.81	4,395.77	12,514.58	351.33	12,163.25
Property Maintenance Code Official					
Salaries and Wages	87.95	-	87.95	-	87.95
HEALTH AND HUMAN SERVICES					
Public Health Priority Funding Act of 1977					
Contraactual Health Services	2,623.00	549.50	3,172.50	549.50	2,623.00
Board of Recreation Commissioners					
Salaries and Wages	3,270.00	-	3,270.00	-	3,270.00
Other Expenses	857.78	3,110.32	3,968.10	2,877.37	1,090.73
Municipal Court:					
Salaries and Wages	55.00	-	55.00	-	55.00
Other Expenses	2,250.49	196.67	2,447.16	-	2,447.16
Public Defender:					
Salaries and Wages	-	750.00	750.00	-	750.00
UNIFORM CONSTRUCTION CODE					
Fire Inspector					
Salaries and Wages	0.08	-	0.08	-	0.08
Other Expenses	1,826.75	-	1,826.75	-	1,826.75
UTILITY EXPENSE AND BULK PURCHASES					
Electricity	19,797.24	4,055.60	23,852.84	2,192.71	21,660.13
Street Lighting	2,476.03	1,667.44	4,143.47	1,594.40	2,549.07
Telephone	6,136.61	5,066.75	11,203.36	4,372.92	6,830.44
Natural Gas & Propane	609.70	3,188.79	3,798.49	2,058.96	1,739.53
Gasoline	35.55	27,013.19	27,048.74	12,150.00	14,898.74
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Landfill Disposal Costs	0.89	11,737.44	11,738.33	4,629.65	7,108.68
UNCLASSIFIED					
Celebration of Public Events	57.14	-	57.14	-	57.14

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Encumbrances</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Contingent	649.18	-	649.18	-	649.18
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	35,150.46	-	35,150.46	-	35,150.46
Unemployment Insurance	25,239.74	-	25,239.74	-	25,239.74
Defined Contribution Retirement Program	2,150.40	-	2,150.40	-	2,150.40
PERS	12,939.68	-	12,939.68	-	12,939.68
PFRS	16,347.00	-	16,347.00	-	16,347.00
OPERATIONS EXCLUDED FROM CAPS					
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Borough of Manasquan					
Community Alliance for Drugs & Alcohol	2,130.67	-	2,130.67	-	2,130.67
Construction Officials					
Other Expenses	3,592.80	-	3,592.80	-	3,592.80
Township of Wall					
Municipal Court Services	3,778.00	-	3,778.00	-	3,778.00
ADDITIONAL APPROPRIATIONS OFFSET					
BY REVENUES (N.J.S. 40A:4-45.3h)					
Expenses for Participation in a Free County Library					
Other Expenses	-	1,831.87	1,831.87	1,598.48	233.39
Total General Appropriations	<u>\$ 367,669.55</u>	<u>\$ 178,891.04</u>	<u>\$ 546,560.59</u>	<u>\$ 101,780.18</u>	<u>\$ 444,780.41</u>
Cash Disbursements				<u>\$ 101,780.18</u>	
Total				<u><u>\$ 101,780.18</u></u>	

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	\$ 156,239.92
Increased By:	
Cash Receipts:	
Collection of 2016 Taxes	<u>192,247.56</u>
	348,487.48
Decreased By:	
Amount Applied To 2015 Taxes	
Receivable	<u>156,239.92</u>
Balance, December 31, 2015	<u><u>\$ 192,247.56</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2015</u>
Reserve For:				
Off-Duty Police	\$ 4,000.00	\$ 112,049.16	\$ 116,049.16	\$ -
Library	828.15	-	-	828.15
Revaluation	38,489.74	-	21,195.00	17,294.74
Tax Appeals	32,220.64	-	1,027.33	31,193.31
Debt Service	162,319.75	-	-	162,319.75
Emergency Road Repair	17,134.19	-	3,721.50	13,412.69
LOSAP	27,519.91	1,000.00	12,000.00	16,519.91
Insurance for Repairs	252,958.94	16,669.38	12,400.00	257,228.32
FEMA Proceeds	-	77,844.77	-	77,844.77
Codification	51,981.00	-	5,342.75	46,638.25
	<u>\$ 587,452.32</u>	<u>\$ 207,563.31</u>	<u>\$ 171,735.74</u>	<u>\$ 623,279.89</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2015</u>
Due to State of NJ:				
Construction Surcharge	\$ 2,129.19	\$ 10,283.00	\$ 9,861.92	\$ 2,550.27
Fire Safety	9,053.58	3,594.83	-	12,648.41
	<u>\$ 11,182.77</u>	<u>\$ 13,877.83</u>	<u>\$ 9,861.92</u>	<u>\$ 15,198.68</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 35,242.73
Increased By:		
2015 Tax Levy:		
County Tax	\$ 5,944,938.76	
County Library Tax	391,806.78	
County Open Space Fund Tax	327,687.26	
Due County for Added Taxes	<u>29,247.72</u>	
		<u>6,693,680.52</u>
		6,728,923.25
Decreased By:		
Cash Disbursements		<u>6,699,675.57</u>
Balance, December 31, 2015		<u><u>\$ 29,247.68</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		
School Tax Payable	\$ 1,223,907.26	
School Tax Deferred	<u>883,202.00</u>	
		2,107,109.26
Increased By:		
Levy (School Year July 1, 2015 to June 30, 2016)		<u>4,338,065.00</u>
		6,445,174.26
Decreased By:		
Cash Disbursements		<u>4,276,141.00</u>
Balance, December 31, 2015		
School Tax Payable	1,285,831.26	
School Tax Deferred	<u>883,202.00</u>	
		<u><u>2,169,033.26</u></u>
<u>2015 Liability for Local District School Tax</u>		
Tax Payable, December 31, 2015		1,285,831.26
Tax Paid		<u>4,276,141.00</u>
		5,561,972.26
Less:		
Tax Payable, December 31, 2014		<u>1,223,907.26</u>
Amount Charged To 2015 Operations		<u><u>\$ 4,338,065.00</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2015**

	Balance	Increased By	Transferred			Balance
	December 31,	Revenue	From Grants		Cash	December 31,
	<u>2014</u>	<u>2015</u>	<u>Unappropriated</u>	<u>Canceled</u>	<u>Receipts</u>	<u>2015</u>
Clean Communities Program	\$ -	\$ 7,752.91	\$ -	\$ -	\$ 7,752.91	\$ -
Monmouth County National Emergency Grant - Sandy	3,685.25	-	-	3,685.25	-	-
DWI Grant	-	648.41	59.08	-	589.33	-
Green Communities	-	3,000.00	-	-	-	3,000.00
ROID	1,826.40	-	-	1,826.40	-	-
Body Armor	-	1,426.14	-	-	1,426.14	-
	<u>\$ 5,511.65</u>	<u>\$ 12,827.46</u>	<u>\$ 59.08</u>	<u>\$ 5,511.65</u>	<u>\$ 9,768.38</u>	<u>\$ 3,000.00</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED
YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	2015 <u>Authorizations</u>	<u>Canceled</u>	<u>Expended</u>	Balance December 31, <u>2015</u>
Alcohol Education and Rehabilitation Fund	\$ 5,018.81	\$ -	\$ -	-	\$ 5,018.81
DWI Enforcement	5,461.03	648.41	-	1,100.00	5,009.44
Body Armor Fund	7,569.31	1,426.14	-	-	8,995.45
Clean Communities Program	28,680.08	7,752.91	-	25,000.00	11,432.99
Green Communities	-	3,000.00	-	-	3,000.00
Monmouth County National Emergency Grant - Sandy	8,919.17	-	8,919.17	-	-
Stormwater Regulation	8,769.00	-	-	-	8,769.00
	<u>\$ 64,417.40</u>	<u>\$ 12,827.46</u>	<u>\$ 8,919.17</u>	<u>\$ 26,100.00</u>	<u>\$ 42,225.69</u>

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR STATE GRANTS - UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2015

	Balance December 31, <u>2014</u>	Cash <u>Receipts</u>	Transferred to Grants <u>Receivable</u>	Balance December 31, <u>2015</u>
DWI Fund	\$ 59.08	\$ -	\$ 59.08	\$ -
	<u>\$ 59.08</u>	<u>\$ -</u>	<u>\$ 59.08</u>	<u>\$ -</u>

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TRUST FUND

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**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2015**

	Animal Control <u>Fund</u>	Other <u>Trust Funds</u>
Balance, December 31, 2014	\$ 5,064.40	\$ 1,176,316.23
Increased By Receipts:		
Reserve for Animal Control	1,878.20	-
State Registration Fees	217.80	-
Library fund	-	1,651.84
FSA - Due to Current Fund	-	0.72
Various Reserves	-	452,298.45
	<u>2,096.00</u>	<u>453,951.01</u>
	<u>7,160.40</u>	<u>1,630,267.24</u>
Decreased By Disbursements:		
Due To Current Fund	1,264.80	-
Reserve for Animal Control	202.00	-
State Registration Fees	217.80	-
Library fund	-	52,210.00
Various Reserves	-	338,038.30
	<u>1,684.60</u>	<u>390,248.30</u>
Balance, December 31, 2015	<u><u>\$ 5,475.80</u></u>	<u><u>\$ 1,240,018.94</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 3,799.60
Increased By:		
Dog License Fees Collected	<u>\$ 1,878.20</u>	<u>1,878.20</u>
		5,677.80
Decreased By:		
Expenditures Under R.S. 4:19-15:11	\$ 202.00	
Statutory Excess	<u>2,033.46</u>	<u>2,235.46</u>
Balance, December 31, 2015		<u><u>\$ 3,442.34</u></u>

License Fees Collected

2013	\$ 1,944.00
2014	<u>1,498.80</u>
	<u><u>\$ 3,442.80</u></u>

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO STATE BOARD OF HEALTH
YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	\$ -
Increased By:	
Cash Receipts	<u>217.80</u>
	217.80
Decreased By:	
Payments to State	<u>217.80</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF VARIOUS TRUST FUND RESERVES
YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Increase</u>	<u>Decrease</u>	Balance December 31, <u>2015</u>
Trust - Other	\$ 17,529.08	\$ 1,506.77	\$ 50.00	\$ 18,985.85
Dune Walkover Fees	2,518.00	-	180.00	2,338.00
Law Enforcement Trust	765.88	0.72	-	766.60
Unemployment	35,030.46	40,048.40	11,817.10	63,261.76
Deferred Sick Leave	59,144.01	38,079.48	6,300.05	90,923.44
Flexible Spending Account	98.39	500.00	500.00	98.39
Board of Recreation Commission	114,258.77	134,954.15	111,238.09	137,974.83
Police Escrow	757.12	0.76	-	757.88
Reserve for Tax Sale Premium	46,100.00	141,100.00	-	187,200.00
Reserve for POAA	10.00	28.00	-	38.00
Reserve for Public Defender	-	400.00	-	400.00
Snow Removal	45,286.70	6,496.35	14,676.29	37,106.76
Recycling Fees	19,173.96	3,283.82	15,000.00	7,457.78
Marriage License Fees	50.00	325.00	175.00	200.00
Donation	108,217.24	575.00	30,070.00	78,722.24
Planning Board Escrow	196,183.01	85,000.00	148,031.77	133,151.24
	<u>\$ 645,122.62</u>	<u>\$ 452,298.45</u>	<u>\$ 338,038.30</u>	<u>\$ 759,382.77</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF DUE TO/(FROM) CURRENT FUND
YEAR ENDED DECEMBER 31, 2015**

	<u>FSA Reserve</u>
Balance, December 31, 2014	\$ 1,700.00
Increased By:	
Cash Receipts	<u>0.72</u>
Balance, December 31, 2015	<u><u>\$ 1,700.72</u></u>

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF RESERVE FOR LIBRARY TRUST FUND
YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014		\$ 544,505.15
Increased By:		
Due From Current Fund	\$ 12,529.91	
Donations	64.00	
Interest Accrued	1,159.09	
Miscellaneous	<u>428.75</u>	
		<u>14,181.75</u>
		558,686.90
Decreased By:		
Cash Disbursements		<u>52,210.00</u>
Balance, December 31, 2015		<u><u>\$ 506,476.90</u></u>

GENERAL CAPITAL FUND

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**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 1,537,038.99
Increased By:		
Interest due to Current Fund	\$ 501.86	
Excess Funds Raised for Debt Service	16,500.00	
Transfers from Other Funds to		
Fund Ordinances	40,000.00	
DOT Grant	165,000.00	
Bond Anticipation Note Proceeds	1,188,000.00	
Capital Improvement Fund	105,013.27	
		<u>\$ 1,515,015.13</u>
		3,052,054.12
Decreased By:		
Improvement Authorizations	1,096,502.47	
		<u>1,096,502.47</u>
Balance, December 31, 2015		<u><u>\$ 1,955,551.65</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2015**

		Balance December 31, <u>2015</u>
Fund Balance		\$ 101,546.83
Grants Receivable		(55,000.00)
Due to Current Fund		501.86
Capital Improvement Fund		95,593.19
Reserve for Encumbrances		212,715.90
Reserve To Pay Debt Service		240,924.84
Excess Financing		214,250.00
<u>Year</u>	<u>Improvement Description</u>	
2012-05	Improvements to Philadelphia Blvd	5,550.99
06-2014	Acquisition of Equipment	70,797.00
07-2014	Road Improvements	178,047.25
05-2015	Road Improvements	804,335.09
06-2015	Acquisition of Equipment	85,368.70
14-2015	Various General Improvements	920.00
		<hr/>
		<u>\$ 1,955,551.65</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 2,925,000.00
Decreased By:	
Bonds Paid	<u>185,000.00</u>
Balance, December 31, 2015	<u><u>\$ 2,740,000.00</u></u>

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2015

Ordinance No.	<u>Improvement Description</u>	Balance December 31, 2014	2015 <u>Authorizations</u>	Funded by Budget <u>Appropriation</u>	Cancelled <u>Ordinance</u>	Balance December 31, 2015	Analysis of Balance			
							Bond Anticipation <u>Notes</u>	<u>Expenditures</u>	Excess Financing	Unexpended Improvement <u>Authorizations</u>
19-2013	Roadway Improvements/Recreation Equip.	\$ 353,250.00	\$ -	\$ 150,000.00	\$ -	\$ 203,250.00	\$ 388,000.00	\$ -	\$ (184,750.00)	\$ -
07-2014 / 17-2015	Road Improvements	617,500.00	-	48,000.00	30,000.00	539,500.00	569,000.00	-	(29,500.00)	-
05-2015	Road Improvements	-	1,059,250.00	-	-	1,059,250.00	1,059,000.00	250.00	-	-
06-2015	Acquisition of Equipment	-	129,675.00	-	-	129,675.00	129,000.00	-	-	675.00
		<u>\$ 970,750.00</u>	<u>\$ 1,188,925.00</u>	<u>\$ 198,000.00</u>	<u>\$ 30,000.00</u>	<u>\$ 1,931,675.00</u>	<u>\$ 2,145,000.00</u>	<u>\$ 250.00</u>	<u>\$ (214,250.00)</u>	<u>\$ 675.00</u>

Improvement Authorizations - Unfunded

Less: Unexpended Proceeds of Bond Anticipation Notes - Issued:

Ordinance 20-2012	\$ 1,074,227.03
Ordinance 07-2014/17-2015	5,550.99
Ordinance 05-2015	178,047.25
Ordinance 06-2015	804,585.09
	<u>85,368.70</u>
	<u>\$ 675.00</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
YEAR ENDED DECEMBER 31, 2015**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2015</u>	<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Decreased</u>	<u>Balance December 31, 2015</u>
General Improvements	12/19/12	\$ 3,280,000.00	12/01/16	2.50%			
			12/01/17	3.00%			
			12/01/18	3.00%			
			12/01/19	3.00%			
			12/01/20	4.00%			
			12/01/21	4.00%			
			12/01/22	4.00%			
			12/01/23	4.00%			
			12/01/24	2.00%			
			12/01/25	3.00%			
			12/01/26	2.00%			
			12/01/27	2.00%			
					\$ 2,925,000.00	\$ 185,000.00	\$ 2,740,000.00
					<u>\$ 2,925,000.00</u>	<u>\$ 185,000.00</u>	<u>\$ 2,740,000.00</u>

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Amount of Original Issue</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31, 2015</u>
19-2013	Roadway Improvements and the	736,000.00	11/01/13	10/30/15	10/28/16	0.67%	\$ 538,000.00	\$ -	\$ 150,000.00	\$ 388,000.00
07-2014	Road Improvements	617,000.00	10/31/14	10/30/15	10/28/16	0.67%	617,000.00	-	48,000.00	569,000.00
05-2015	Road Improvements	1,059,000.00	10/31/15	10/30/15	10/28/16	0.67%	-	1,059,000.00	-	1,059,000.00
06-2015	Acquisition of Equipment	129,000.00	10/31/15	10/30/15	10/28/16	0.67%	-	129,000.00	-	129,000.00
							<u>\$ 1,155,000.00</u>	<u>\$ 1,188,000.00</u>	<u>\$ 198,000.00</u>	<u>\$ 2,145,000.00</u>

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2015

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2014		Capital Improvement Fund	2015 Authorizations		Deferred Charges To Future Taxation Unfunded	Transfer from Encumbrances		Transfer to Encumbrances	Reappropriated/ Cancelled	Balance December 31, 2015	
				Funded	Unfunded		Recycling Trust Fund	Grants		Expended	Transfer to Encumbrances			Funded	Unfunded
2012-05	Improvements to Philadelphia Blvd	04/25/12	700,000.00	\$ -	\$ 8,050.99	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00	\$ -	\$ -	\$ -	\$ 5,550.99
2012-08	Various General Improvements	04/25/12	300,000.00	32,991.28	-	-	-	-	-	4,812.00	32,052.40	5,749.88	(1.00)	-	-
2013-11	Various General Improvements	06/12/13	266,750.00	11,063.22	-	-	-	-	-	13,748.16	12,610.34	12,201.04	-	-	-
2013-19	Roadway Improvements/Recreation Equip.	07/10/13	775,000.00	-	-	-	-	-	-	119,294.09	119,294.09	-	-	-	-
06-2014	Acquisition of Equipment	03/28/14	190,000.00	111,121.06	-	-	-	-	-	30,765.26	30,765.26	9,558.80	-	70,797.00	-
2014/ 17-2015	Road Improvements	04/18/14	650,000.00	7,609.25	617,500.00	10,000.00	-	220,000.00	-	-	647,062.00	-	(30,000.00)	-	178,047.25
08-2014	Purchase Equipment for Recycling Program	03/28/14	40,000.00	1,667.00	-	-	-	-	-	1,667.00	-	-	-	-	-
16-2014	Various General Improvements	10/10/14	30,000.00	5,350.00	-	-	-	-	-	14,456.42	15,826.71	3,979.71	-	0.00	-
04-2015	Purchase Equipment for Recycling Program	02/25/15	40,000.00	-	-	-	15,000.00	25,000.00	-	-	40,000.00	-	-	-	-
05-2015	Road Improvements	02/25/15	1,115,000.00	-	-	55,750.00	-	-	1,059,250.00	-	151,718.44	158,696.47	-	-	804,585.09
06-2015	Acquisition of Equipment	02/25/15	136,500.00	-	-	6,825.00	-	-	129,675.00	-	35,506.23	14,950.00	(0.07)	0.00	86,043.70
14-2015	Various General Improvements	08/12/15	16,000.00	-	-	16,000.00	-	-	-	-	10,000.00	5,080.00	-	920.00	-
				\$ 169,801.81	\$ 625,550.99	\$ 88,575.00	\$ 15,000.00	\$ 245,000.00	\$ 1,188,925.00	\$ 152,310.67	\$ 1,096,502.47	\$ 212,715.90	\$ (30,001.07)	\$ 71,717.00	\$ 1,074,227.03

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 79,154.61
Increased By:		
2015 Budget Appropriation	\$ 105,013.27	
Improvement Authorizations Cancelled	<u>0.31</u>	
		<u>105,013.58</u>
		184,168.19
Decreased By:		
Improvement Authorizations Funded		<u>88,575.00</u>
Balance, December 31, 2015		<u><u>\$ 95,593.19</u></u>

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES
YEAR ENDED DECEMBER 31, 2015

	Balance December 31, <u>2014</u>	<u>Increase</u>	Balance December 31, <u>2015</u>
Pay Down Bonds and Notes	\$ 224,424.08	\$ 16,500.76	\$ 240,924.84
	<u>\$ 224,424.08</u>	<u>\$ 16,500.76</u>	<u>\$ 240,924.84</u>

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2014</u>	2015 <u>Authorizations</u>	BANS <u>Issued</u>	<u>Cancelled</u>	Balance December 31, <u>2015</u>
07-2014/ 17-2015	Road Improvements	\$ 500.00	\$ -	\$ -	\$ 500.00	\$ -
05-2015	Road Improvements	-	1,059,250.00	1,059,000.00		250.00
06-2015	Acquisition of Equipment	-	129,675.00	129,000.00		675.00
		\$ 500.00	\$ 1,188,925.00	\$ 1,188,000.00	\$ 500.00	\$ 925.00

WATER-SEWER UTILITY FUNDS

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**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2015**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2014	\$ 541,846.75	\$ 630,176.59
Increased By Receipts:		
Miscellaneous Revenue	\$ 25,266.15	\$ -
Consumer Account Receivable	1,669,921.15	-
Interest Due Water Sewer Operating Fund	-	558.24
NJEIT Receivable	-	134,586.00
BAN Proceeds	-	870,000.00
Capital Improvement Fund	-	125,000.00
	<u>1,695,187.30</u>	<u>1,130,144.24</u>
	2,237,034.05	1,760,320.83
Decreased By Disbursements:		
Budget Appropriations	1,398,370.17	-
Appropriation Reserves	7,473.69	-
Deferred Charges - Unfunded Improvement	-	86,065.00
Improvement Authorizations	-	1,257,060.81
	<u>1,405,843.86</u>	<u>1,343,125.81</u>
Balance, December 31, 2015	<u><u>\$ 831,190.19</u></u>	<u><u>\$ 417,195.02</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER-SEWER UTILITY CAPITAL FUND CASH
YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2015</u>
Capital Improvement Fund	\$ 95,000.00
Fund Balance	8,158.12
Interfund - Water - Sewer Operating	460,858.08
Reserve to Pay Bonds	5,500.00
Encumbrances Payable	2,393,070.25
Excess Financing	(102,441.67)

<u>Ord No.</u>	<u>Improvement Description</u>	
924	Water Supply System	(36,022.26)
938	Water Improvements	(4,585.70)
839	Various Improvements	(26,125.00)
601/949	Water System	(74,118.00)
07-08	Various Improvements	(18,194.47)
18-2009	Various Improvements	63,836.72
2011-08	Various Improvements	12,887.39
12-2013	Various Improvements	0.61
14-2013	Various Improvements	10.00
31-2013	Various Improvements	2.20
05-2014	Various Improvements	145,217.15
02-2015	Improvements to Water Plant	30,000.00
03-2015	Utility Improvements - Baltimore Ave	14,093.00
07-2015	Acquisition of Equipment	114,851.10
09-2015	Improvements to Outfall and Drainage Infrastructure	(2,664,802.50)
		<u>\$ 417,195.02</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 52,176.88
Increased By:	
Water/Sewer Rents Levied	<u>1,721,013.34</u>
	1,773,190.22
Decreased By:	
Collections	<u>1,669,921.15</u>
Balance, December 31, 2015	<u><u>\$ 103,269.07</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Additions</u>	Balance December 31, <u>2015</u>
Water System:			
Pumping Station, Equipment and Wells	\$ 538,070.87	\$ -	\$ 538,070.87
Reservoirs, Tanks and Standpipes	105,544.96	500,000.00	605,544.96
Meters, Hydrants and General Equipment	108,273.68	-	108,273.68
Water Mains	1,264,950.89	-	1,264,950.89
Service Pipes and Stops	1,465.14	-	1,465.14
Land, Pumping Station, etc.	2,568.35	-	2,568.35
Water Filtration Plant	271,000.00	-	271,000.00
Sewer System:			
Sanitary Sewer:			
Collection System	656,812.61	-	656,812.61
Infrastructure Improvements	20,000.00	-	20,000.00
	<u>\$ 2,968,686.50</u>	<u>\$ 500,000.00</u>	<u>\$ 3,468,686.50</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Amount</u>	<u>Balance December 31, 2014</u>	<u>Increase</u>	<u>Transferred To Fixed Capital</u>	<u>Balance December 31, 2015</u>
895	Various Improvements	\$ 75,000.00	\$ 56,074.06	\$ -	\$ -	\$ 56,074.06
924	Water System	50,000.00	42,167.98	-	-	42,167.98
938	Various Improvements	40,000.00	34,535.70	-	-	34,535.70
601	Water System	3,750,000.00	3,750,000.00	-	-	3,750,000.00
21-2009	Well Rehabilitation	75,000.00	75,000.00	-	-	75,000.00
08-2009	Various Improvements	280,000.00	114,155.94	-	-	114,155.94
18-2009	Various Improvements	4,295,000.00	4,295,000.00	-	-	4,295,000.00
2011-08	Various Improvements	561,000.00	561,000.00	-	-	561,000.00
05-2010	Water System	160,000.00	35,500.00	-	-	35,500.00
07-2012	Various Improvements	27,000.00	27,000.00	-	-	27,000.00
23-2012	Purchase of Equipment	6,000.00	6,000.00	-	-	6,000.00
26-2012	Water Tower Improvements	500,000.00	500,000.00	-	500,000.00	-
12-2013	Various Improvements	60,000.00	60,000.00	-	-	60,000.00
14-2013	Various Improvements	210,000.00	210,000.00	-	-	210,000.00
31-2013	Various Improvements	80,000.00	80,000.00	-	-	80,000.00
05-2014	Various Improvements	190,000.00	190,000.00	-	-	190,000.00
12-2014	Improvements to Stockton Boulevard	60,000.00	60,000.00	-	-	60,000.00
18-2014	Improvements to Water Tower	200,000.00	200,000.00	-	-	200,000.00
02-2015	Improvements to Water Plant	30,000.00	-	30,000.00	-	30,000.00
03-2015	Improvements to Baltimore Boulevard	600,000.00	-	600,000.00	-	600,000.00
07-2015	Acquisition of Equipment	120,000.00	-	120,000.00	-	120,000.00
09-2015	Improvements to Outfalls and Drainage Drainage Infrastructure	4,356,000.00	-	4,356,000.00	-	4,356,000.00
			<u>\$ 10,296,433.68</u>	<u>\$ 5,106,000.00</u>	<u>\$ 500,000.00</u>	<u>\$ 14,902,433.68</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 9,191.51	\$ 9,191.51	\$ 1,247.69	\$ 7,943.82
Other Expenses	40,180.02	51,522.86	5,953.00	45,569.86
Legal and Engineering:				
Other Expenses	1.38	891.38	273.00	618.38
South Monmouth Reg. Sewerage Auth:				
Other Expenses	41.80	41.80	-	41.80
N.J. Water Supply - MCIA:				
Other Expenses	13,158.44	13,158.44	-	13,158.44
Treatment of Water:				
Other Expenses	7,189.72	7,189.72	-	7,189.72
Statutory Expenditures:				
Contribution To Social Security System (O.A.S.I.)	7,617.06	7,617.06	-	7,617.06
	<u>\$ 77,379.93</u>	<u>\$ 89,612.77</u>	<u>\$ 7,473.69</u>	<u>\$ 82,139.08</u>
Appropriation Reserves		\$ 77,379.93		
Encumbrances Payable		<u>12,232.84</u>		
Total		<u><u>\$ 89,612.77</u></u>		
Cash Disbursements			<u>\$ 7,473.69</u>	
Total			<u><u>\$ 7,473.69</u></u>	

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 12,232.84
Increased By:	
Transferred From 2015 Appropriations	<u>15,263.65</u>
	27,496.49
Decreased By:	
Transferred To Appropriation Reserves	<u>12,232.84</u>
Balance, December 31, 2015	<u><u>\$ 15,263.65</u></u>

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJEIT LOANS RECEIVABLE
YEAR ENDED DECEMBER 31, 2015

<u>Description</u>	Balance		Balance
	December 31, <u>2014</u>	<u>Received</u>	December 31, <u>2015</u>
NJEIT Loans	\$ 134,586.00	\$ 134,586.00	\$ -
	<u>\$ 134,586.00</u>	<u>\$ 134,586.00</u>	<u>\$ -</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 33,896.88
Increased By:	
2015 Accrued Interest	<u>33,976.73</u>
	67,873.61
Decreased By:	
Interest Paid	<u>33,896.88</u>
Balance, December 31, 2015	<u><u>\$ 33,976.73</u></u>

Analysis of Balance - December 31, 2015

	Outstanding December 31, <u>2015</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Amount</u>
NJEIT Loans					
NJEIT Loan - 2010B	\$ 185,000.00	5.00%	8/1/15	12/31/15	\$ 7,916.67
NJEIT Loan - 2006A	1,250,000.00	5.00%	8/1/15	12/31/15	22,557.22
Serial Bonds					
2012 Serial Bonds	1,015,000.00	2.00%	12/1/15	12/31/15	2,498.96
Bond Anticipation Notes	870,000.00	0.67%	10/30/15	12/31/15	<u>1,003.88</u>
Total Accrued Interest					<u><u>\$ 33,976.73</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
YEAR ENDED DECEMBER 31, 2015**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of</u>		<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Decreased</u>	<u>Balance December 31, 2015</u>
			<u>Date</u>	<u>Amount</u>				
Water & Sewer Improvements	12/19/12	\$ 1,145,000.00	12/01/16	45,000.00	2.50%			
			12/01/17	45,000.00	3.00%			
			12/01/18	50,000.00	3.00%			
			12/01/19	50,000.00	3.00%			
			12/01/20	50,000.00	4.00%			
			12/01/21	55,000.00	4.00%			
			12/01/22	55,000.00	4.00%			
			12/01/23	60,000.00	4.00%			
			12/01/24	60,000.00	2.00%			
			12/01/25	60,000.00	3.00%			
			12/01/26	65,000.00	2.00%			
			12/01/27	65,000.00	2.00%			
			12/01/28	65,000.00	2.25%			
			12/01/29	70,000.00	3.50%			
			12/01/30	70,000.00	3.50%			
			12/01/31	75,000.00	2.50%			
			12/01/32	75,000.00	2.50%			
						\$ 1,060,000.00	\$ 45,000.00	\$ 1,015,000.00
						\$ 1,060,000.00	\$ 45,000.00	\$ 1,015,000.00

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2015

Ordinance Number	Description	Amount	Balance December 31, 2014		Authorized	Transferred from Encumbrances	Expended	Transferred to Encumbrances	Balance December 31, 2015	
			Funded	Unfunded					Funded	Unfunded
18-2009	Various Improvements	\$ 4,295,000.00	\$ -	\$ 3,377,952.14	\$ -	\$ 1,785.00	\$ 27,901.42	\$ -	\$ -	\$ 3,351,835.72
08-2011	Various Improvements	561,000.00	11,085.39	-	-	12,992.56	6,390.56	4,800.00	12,887.39	-
26-2012	Water Tower Improvements	500,000.00	-	-	-	308,262.68	308,262.68	-	-	-
12-2013	Various Improvements	60,000.00	21,066.61	-	-	19,349.00	19,349.00	21,066.00	0.61	-
14-2013	Various Improvements	210,000.00	10.00	-	-	-	-	-	10.00	-
31-2013	Various Improvements	80,000.00	2.20	-	-	-	-	-	2.20	-
05-2014	Various Improvements	190,000.00	151,720.15	-	-	-	3,480.00	3,023.00	145,217.15	-
02-2015	Improvements to Water Plant	30,000.00	-	-	30,000.00	-	-	-	30,000.00	-
03-2015	Improvements to Baltimore Boulevard	600,000.00	-	-	600,000.00	-	511,898.35	74,008.65	-	14,093.00
07-2015	Acquisition of Equipment	120,000.00	-	-	120,000.00	-	5,148.90	-	-	114,851.10
09-2015	Improvements to Outfalls and Drainage Drainage Infrastructure	4,356,000.00	-	-	4,356,000.00	-	374,629.90	2,290,172.60	-	1,691,197.50
			\$ 183,884.35	\$ 3,377,952.14	\$ 5,106,000.00	\$ 342,389.24	\$ 1,257,060.81	\$ 2,393,070.25	\$ 188,117.35	\$ 5,171,977.32

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ -
Increased By:	
2015 Budget Appropriation	<u>125,000.00</u>
	125,000.00
Decreased By:	
Improvement Authorization Funded	<u>30,000.00</u>
Balance, December 31, 2015	<u><u>\$ 95,000.00</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 3,013,686.50
Increased By:	
Paydown of Bond Principal	<u>45,000.00</u>
Balance, December 31, 2015	<u><u>\$ 3,058,686.50</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 2,333,720.39
Increased By:		
Capital Improvement Fund	\$ 30,000.00	
State of New Jersey Environmental		
Infrastructure Loan Payment	<u>214,224.19</u>	
		<u>244,224.19</u>
Balance, December 31, 2015		<u><u>\$ 2,577,944.58</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS
YEAR ENDED DECEMBER 31, 2015**

<u>Improvement Description</u>	<u>Amount</u>	<u>Date of Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Decreased</u>	<u>Balance December 31, 2015</u>
Water Utility General	\$ 1,830,882.00	11/09/06	8/1/16 to 8/1/26	Variable	N/A	\$ 1,128,068.31	\$ 92,651.76	\$ 1,035,416.55
Water Utility General	1,845,000.00	11/09/06	8/1/16 to 8/1/26	Variable	4.00% to 5.00%	1,335,000.00	85,000.00	1,250,000.00
Water Utility General	395,000.00	12/20/10	8/1/16 to 8/1/30	Variable	5.00%	350,000.00	15,000.00	335,000.00
Water Utility General	424,258.00	12/20/10	8/1/16 to 8/1/30	Variable	N/A	345,158.88	21,572.43	323,586.45
						<u>\$ 3,158,227.19</u>	<u>\$ 214,224.19</u>	<u>\$ 2,944,003.00</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Amount of Original Issue</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Issued</u>	<u>Balance December 31, 2015</u>
18-2009	Various Improvements	150,000.00	10/30/2015	10/30/2015	10/28/2016	0.67%	\$ -	\$ 150,000.00	150,000.00
03-2015	Utility Improvements - Baltimore Ave	600,000.00	10/30/2015	10/30/2015	10/28/2016	0.67%	-	600,000.00	600,000.00
07-2015	Acquisition of Equipment	120,000.00	10/30/2015	10/30/2015	10/28/2016	0.67%	-	120,000.00	120,000.00
							<u>\$ -</u>	<u>\$ 870,000.00</u>	<u>\$ 870,000.00</u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Purpose</u>	Balance December 31, 2014	<u>Increased</u>	BAN's <u>Issued</u>	Balance December 31, 2015
924	Improvements to Water Supply System	\$ 36,022.26	\$ -	\$ -	\$ 36,022.26
938	Various Improvements	4,585.70	-	-	4,585.70
839	Various Improvements	26,125.00	-	-	26,125.00
601	Water System	74,118.00	-	-	74,118.00
07-08	Various Improvements	18,194.47	-	-	18,194.47
18-2009	Various Improvements	3,437,999.00	-	150,000.00	3,287,999.00
03-2015	Utility Improvements - Baltimore Ave	-	600,000.00	600,000.00	-
07-2015	Acquisition of Equipment	-	120,000.00	120,000.00	-
09-2015	Improvements to Outfall and Drainage Infrastructure	-	4,356,000.00	-	4,356,000.00
		<u>\$ 3,597,044.43</u>	<u>\$ 5,076,000.00</u>	<u>\$ 870,000.00</u>	<u>\$ 7,803,044.43</u>

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BEACH UTILITY FUND

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**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY FUND
SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2015**

	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2014	\$ 308,879.03	\$ 152,738.88
Increased By Receipts:		
Miscellaneous Revenue	\$ 4,225.28	
Beach Fees	1,080,322.00	
Concession - Beach Pavilion	72,764.50	
National Guard	45,932.05	
Interest Due Beach Operating		89.15
Capital Improvement Fund		5,000.00
	<u>1,203,243.83</u>	<u>5,089.15</u>
	1,512,122.86	157,828.03
Decreased By Disbursements:		
Budget Appropriations	1,134,898.31	
Appropriation Reserves	16,216.14	
Improvement Authorizations:		95,764.32
	<u>1,151,114.45</u>	<u>95,764.32</u>
Balance, December 31, 2015	<u><u>\$ 361,008.41</u></u>	<u><u>\$ 62,063.71</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF BEACH UTILITY CAPITAL FUND CASH
YEAR ENDED DECEMBER 31, 2015**

		Balance December 31, <u>2015</u>
Capital Improvement Fund		\$ 8,000.00
Reserve for Payment of Notes		38,589.81
Due Beach Operating		96.24
Fund Balance		74,189.96
<u>Ordinance Number</u>	<u>Improvement Description</u>	
873	Various General Improvements	(17,525.00)
925	Various General Improvements	(170.00)
2006-06	Beach Pavilion	21.91
2007-09	Various General Improvements	(1,650.00)
2009-07	Various General Improvements	(43,452.70)
2011-06	Various General Improvements	1,316.48
2013-01	Boardwalk and Pavillion Improvements	(1,949.77)
2014-17	Beach Pavilion Improvements and Acquisition of Equipment	3,402.55
2014-22	Acquisition of Equipment	<u>1,194.23</u>
		<u><u>\$ 62,063.71</u></u>

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2015

Ordinance Number	Description	Ordinance Date	Amount	Balance December 31, 2014		Transferred from Encumbrances	Expended	Transferred to Encumbrances	Balance December 31, 2015	
				Funded	Unfunded				Funded	Unfunded
2006-06	Beach Pavilion	7/26/06	200,000.00	\$ -	\$ 21.91	\$ -	\$ -	\$ -	\$ 21.91	\$ -
2009-07	2009 Various General Improvements	4/22/09	49,550.00	-	23,680.02	3,584.78	23,645.00	-	-	3,619.80
2011-06	2011 Various General Improvements	6/1/11	92,000.00	-	1,316.48	-	-	-	1,316.48	-
2013-01	Boardwalk and Pavillion Improvements	3/6/13	1,750,000.00	-	431.51	2,593.72	140.00	-	-	2,885.23
2014-17	Beach Pavilion Improvements and Acquisition of Equipment	7/9/14	80,000.00	760.55	-	5,815.55	3,173.55	-	3,402.55	-
2014-22	Acquisition of Equipment	12/10/14	70,000.00	3,293.23	-	66,706.77	68,805.77	900.00	294.23	-
				\$ 4,053.78	\$ 25,449.92	\$ 78,700.82	\$ 95,764.32	\$ 900.00	\$ 5,035.17	\$ 6,505.03

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Amount</u>	Balance December 31, <u>2014</u>	Transferred to Fixed Capital	Balance December 31, <u>2015</u>
2006-06	Beach Pavilion	200,000.00	\$ 200,000.00	\$ -	\$ 200,000.00
2007-09	Various General Improvements - 2007	107,000.00	107,000.00	107,000.00	-
2009-07	Various General Improvements - 2009	45,550.00	107,000.00	-	107,000.00
2010-04	Various General Improvements - 2010	35,000.00	35,000.00	35,000.00	-
2011-6	Various General Improvements - 2011	92,000.00	92,000.00	-	92,000.00
2013-01	Boardwalk and Pavillion Improvements	1,750,000.00	1,750,000.00	-	1,750,000.00
2014-17	Various General Improvements - 2014	80,000.00	80,000.00	-	80,000.00
2014-22	Various General Improvements - 2014	70,000.00	70,000.00	-	70,000.00
			<u>\$ 2,441,000.00</u>	<u>\$ 142,000.00</u>	<u>\$ 2,299,000.00</u>

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	\$ 21,637.11
Increased By:	
Transferred From 2015 Appropriations	<u>11,437.13</u>
	33,074.24
Decreased By:	
Transferred To Appropriation Reserves	<u>21,637.11</u>
Balance, December 31, 2015	<u><u>\$ 11,437.13</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Date of Issue of Original Note</u>	<u>Amount of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Notes Paid</u>	<u>Balance December 31, 2015</u>
2013-01	Boardwalk and Beach Pavillion	4/15/13	1,750,000.00	7/14/14	7/13/15	1.00%	\$ 124,500.00	\$ 124,500.00	\$ -
2009-07	Various Beach Improvements	10/31/14	100,000.00	10/31/14	10/30/15	1.00%	100,000.00	100,000.00	-
							<u>\$ 224,500.00</u>	<u>\$ 224,500.00</u>	<u>\$ -</u>
Paid by Budget Appropriation								<u>\$ 224,500.00</u>	
Total								<u>\$ 224,500.00</u>	

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 2,959,958.38
Increased By:	
Transfer from Fixed Capital Authorized and Uncompleted	<u>142,000.00</u>
Balance, December 31, 2015	<u><u>\$ 3,101,958.38</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
COMPARATIVE SCHEDULE OF FUND BALANCE -
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 and 2014

\$ 74,189.96

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 3,000.00
Increased By:	
Operating Budget Appropriation	<u>5,000.00</u>
Balance, December 31, 2015	<u><u>\$ 8,000.00</u></u>

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014		\$ 5,093,228.38
Increased By:		
Notes Paid By Operating Budget	<u>\$ 224,500.00</u>	<u>224,500.00</u>
Balance, December 31, 2015		<u><u>\$ 5,317,728.38</u></u>

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 and 2014	<u><u>\$ 11,977.50</u></u>
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**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Beachfront Maintenance:				
Salaries and Wages	\$ 3,782.75	\$ 3,782.75	\$ -	\$ 3,782.75
Other Expenses	6,439.03	17,582.14	6,091.18	11,490.96
Police Department:				
Other Expenses	318.11	318.11	-	318.11
Financial Administration (Treasury):				
Other Expenses	2,237.90	4,237.90	2,000.00	2,237.90
Legal Services:				
Contractual	26.67	26.67	-	26.67
Road Repairs and Maintenance:				
Other Expenses	938.50	938.50	-	938.50
Engineering Services:				
Contractual	1.25	1.25	-	1.25
Administrative and Executive:				
Salaries and Wages	472.67	472.67	-	472.67
Other Expenses	152.00	8,450.00	8,298.00	152.00
Group Insurance - Other Expenses				
Insurance - Other	12.34	12.34	-	12.34
Water & Sewer Utility				
Salaries and Wages - NGTC	689.40	689.40	-	689.40
Capital Improvements:				
Capital Outlay	0.70	196.70	-	196.70
Statutory Expenditures:				
Contributions To:				
Social Security System (O.A.S.I.)	4,826.25	4,826.25	-	4,826.25
Total Beach Utility Appropriations	<u>\$ 19,897.57</u>	<u>\$ 41,534.68</u>	<u>\$ 16,389.18</u>	<u>\$ 25,145.50</u>
Appropriation Reserves		\$ 19,897.57		
Encumbrances Payable		<u>21,637.11</u>		
Total		<u><u>\$ 41,534.68</u></u>		
Cash Disbursements			\$ 16,216.14	
Accounts Payable			<u>173.04</u>	
Total			<u><u>\$ 16,389.18</u></u>	

**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
BEACH UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2014</u>	Notes <u>Issued</u>	Balance December 31, <u>2015</u>
873	2003 Various Beach Improvements	\$ 17,525.00	\$ -	\$ 17,525.00
925	2005 Various Beach Improvements	170.00	-	170.00
2007-09	2007 Various Beach Improvements	1,650.00	-	1,650.00
2009-07	2009 Various Beach Improvements	47,072.50	-	47,072.50
2013-01	Boardwalk and Pavillion Improvements	4,835.00	-	4,835.00
		<u>\$ 71,252.50</u>	<u>\$ -</u>	<u>\$ 71,252.50</u>

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GENERAL FIXED ASSET ACCOUNT GROUP

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**BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Additions</u>	Balance December 31, <u>2015</u>
Land	\$ 24,629,527.00	\$ -	\$ 24,629,527.00
Buildings and Improvements	5,057,473.00	33,200.00	5,090,673.00
Machinery and Equipment	3,758,958.00	172,207.51	3,931,165.51
	<hr/>		<hr/>
	\$ 33,445,958.00	\$ 205,407.51	\$ 33,651,365.51
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**BOROUGH OF SEAGIRT
COUNTY OF MONMOUTH**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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Honorable Mayor and Members of the
Borough Council
Borough of Sea Girt
Sea Girt, New Jersey 08750

We have audited the financial statements – statutory basis of the Borough of Sea Girt in the County of Monmouth for the year ended December 31, 2015.

Scope of Audit

The audit covered the financial transactions of the Treasurer, Tax Collector, and Water-Sewer Utility Collector, the activities of the Mayor and Council and the records of the various outside departments.

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

The accrued and realized revenues for the various Borough Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Borough records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

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

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or 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 terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for 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 \$17,500 except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year.

Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made. The minutes indicate that bids were requested by public advertising for the following items:

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

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

Purchases were made through the State Division of Purchases and Property and were approved by resolution of the Borough Council.

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

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

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$2,625 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 7, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED that the rate of interest to be charged for the nonpayment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed as eight (8%) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18%) percent per annum on any amount in excess of One

Collection of Interest on Delinquent Taxes and Assessments (continued):

Thousand Five Hundred Dollars (\$1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable.”

The Borough also charges an additional 6% penalty on delinquencies in excess of \$10,000 at the end of the calendar year.

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2015 included real estate taxes for 2015 only.

The last tax sale was held on November 24, 2015 and was complete.

Inspection of 2015 tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

YEAR	NUMBER OF LIENS
2015	None
2014	None
2013	1

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get properties back on a taxpaying basis.

Deductions From Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of the Borough employees.

Municipal Court

A separate report for the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the Borough, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

A test sample was selected of fifteen (15) traffic and criminal cases processed through the system. The purpose of the test was to determine that traffic fines were levied in accordance with State Statutes, that payments were deposited intact and on a timely basis, that dispositions were entered in traffic and criminal dockets, closure procedures for delinquent traffic tickets were enforced and that proper procedures were in effect for defendants paying on a the partial payment system. This test disclosed no discrepancies regarding fines being properly levied, entering of dispositions and closure procedures.

The computer software does not allow for a posting distribution in the cash receipts journal when a transaction involves both a check and cash payment being made by the defendant. The computer system requires this particular type of transaction be posted as either entirely cash or check. As a result of this limitation no test can be conducted to determine if the receipt detail batch totals from the journal agree with the detail of cash and checks deposited for that particular day.

A review of the partial payment system indicated that collection procedures are being enforced to collect delinquent balances.

Tax Collector's Annual Report

N.J.S.54:4-91 requires that on or before May 1st of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes cancelled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2014 with the governing body.

Construction Code Office

- (1) **Indirect Costs** – Indirect costs are not allocated to the Construction Code Budget Appropriation.
- (2) **Annual Report** – An annual report of revenue, expenditures and a recommendation for any fee increase or decrease was filed with the governing body by February 10, 2015.
- (3) **Construction Code Costs** – A test was conducted to determine that all revenues collected for construction code fees are applied to pay for municipal costs of enforcing the Uniform Construction Code [*N.J.A.C.5:23.17(c)2*]. No exceptions were discovered as a result of the test that would indicate that construction code revenues were not being applied to pay for costs related to enforcement of the Uniform Construction Code.
- (4) **Construction Code Permits** – A test of the fees charged for construction code permits disclosed no exceptions regarding charges being levied in accordance with the Borough Ordinances in effect.

Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. Corrective action was taken on all prior year findings.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2015:

NAME	POSITION
F. Ken Farrell	Mayor
Donald Fetzner	Council President
William Foley	Councilman
Fredric Buonocore	Councilman
Anne B. Morris	Councilwoman
Michael Mulroy	Councilman
James Rotolo	Councilman
Lorraine Carafa	Administrator Chief Financial Officer (January 1, – April 1, 2015) Borough Clerk
Edward J. Hudson	Chief Financial Officer (April 1, – December 31, 2015)
Karen Brisben	Tax Collector

During 2015, the Borough of Sea Girt was provided insurance as part of the Municipal Excess Liability Joint Insurance Fund. The Government Crime Policy is as follows:

Public Employees Bond	\$1,000,000.00
Public Officials Bond	1,000.000.00

Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Robert W. Allison
Registered Municipal Accountant
No. CR483

Freehold, New Jersey
June 24, 2016