

BOROUGH OF OCEAN GATE
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2014

**BOROUGH OF OCEAN GATE
COUNTY OF OCEAN, NEW JERSEY**

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COUNTY OF OCEAN, NEW JERSEY**

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COUNTY OF OCEAN, NEW JERSEY**

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**BOROUGH OF OCEAN GATE
COUNTY OF OCEAN**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**



HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090

www.hfacpas.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Ocean Gate
County of Ocean
Ocean Gate, New Jersey 08740

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 groups of the Borough of Ocean Gate, County of Ocean, State of New Jersey as of December 31, 2014 and 2013, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2014.

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 Ocean Gate 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” paragraphs, 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 Ocean Gate, County of Ocean, State of New Jersey, as of December 31, 2014, or the results of its operations and changes in fund balance for the years then ended.

Unmodified 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 Ocean Gate, County of Ocean, State of New Jersey, as of December 31, 2014 and 2013, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by 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 8, 2015, on our consideration of the Borough of Ocean Gate'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 Ocean Gate's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.
Certified Public Accountants & Consultants

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA #435

June 8, 2015
Toms River, New Jersey

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

The Honorable Mayor and Members
of the Borough Committee
Borough of Ocean Gate
County of Ocean
Ocean Gate, NJ 08740

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 Ocean Gate (herein referred to as “the Borough”), as of and for the year ended December 31, 2014 and the related notes to the financial statements, and have issued our report thereon dated June 8, 2015. Our report on the financial statements- regulatory basis was modified to indicate that the financial statements were not 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 Borough's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough’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 entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Findings and Questioned Costs that we consider to be significant deficiencies as Finding No. 2014-01 and 2014-03.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough'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 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 and which are described in the accompanying General Comments & Recommendations Section as Finding No. 2014-01 and 2014-02.

Response to Findings

The Borough of Ocean Gate's response to the findings identified in our audit is described in the accompanying Comments & Recommendations section. The Borough of Ocean Gate's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.
Certified Public Accountants & Consultants

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA #435

June 8, 2015
Toms River, New Jersey

BASIC FINANCIAL STATEMENTS

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**BOROUGH OF OCEAN GATE
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

| <u>Assets</u> | <u>Reference</u> | <u>2014</u> | <u>2013</u> |
|--|------------------|----------------------------|----------------------------|
| Cash | A-4 | \$ 4,370,906.54 | \$ 3,618,059.99 |
| Cash - Change Fund and Petty Cash | | 350.00 | 350.00 |
| | | <u>4,371,256.54</u> | <u>3,618,409.99</u> |
| Due from State of New Jersey: | | | |
| Construction Code Fees | | 2,694.88 | - |
| Senior Citizen & Veteran Deductions | | 92.47 | - |
| | | <u>2,787.35</u> | <u>-</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-6 | 251,969.52 | 246,556.95 |
| Tax Title Liens Receivable | A-7 | 3,717.20 | 3,297.57 |
| Revenue Accounts Receivable | A-8 | 4,113.17 | 133,304.87 |
| Interfund: | | | |
| Grant Fund | A-13 | 47,725.55 | - |
| | | <u>307,525.44</u> | <u>383,159.39</u> |
| Deferred Charges: | | | |
| Special Emergency Authorizations (40A:4-55) | A-9 | 41,486.00 | 387,712.00 |
| FEMA Community Disaster Loan (Memo) | A-2 | 439,086.62 | 431,497.00 |
| | | <u>480,572.62</u> | <u>819,209.00</u> |
| | | <u>5,162,141.95</u> | <u>4,820,778.38</u> |
| <u>Grant Fund</u> | | | |
| Interfund - Current Fund | A-13 | - | 147,299.89 |
| Grants Receivable | A-14 | 610,349.59 | 247,084.82 |
| | | <u>610,349.59</u> | <u>394,384.71</u> |
| Total Assets | | <u>\$ 5,772,491.54</u> | <u>\$ 5,215,163.09</u> |

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

**BOROUGH OF OCEAN GATE
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

| <u>Liabilities, Reserves and Fund Balance</u> | <u>Reference</u> | <u>2014</u> | <u>2013</u> |
|---|------------------|------------------------|------------------------|
| Appropriation Reserves | A-3,10 | \$ 230,249.94 | \$ 221,959.13 |
| Reserve for Encumbrances | A-3,10 | 29,983.29 | 43,386.27 |
| Emergency Notes Payable | A-4 | 37,536.00 | 380,462.00 |
| Tax Overpayments | A | 11,486.89 | 5,093.22 |
| Prepaid Taxes | A-4,6 | 33,709.95 | 47,513.81 |
| Due State of New Jersey: | | | |
| Marriage License Fees | A-4 | 25.00 | 75.00 |
| Reserve for: | | | |
| Recovery from Hurricane Sandy | A-4,9,14 | 1,260,251.52 | 1,957,035.21 |
| Accounts Payable | A | 7,452.46 | 1,247.70 |
| Due County for Added and Omitted Taxes | A-11 | 5,674.54 | 2,019.87 |
| Local District School Tax Payable | A-12 | 170,314.37 | 155,448.88 |
| Regional District School Tax Payable | A-12 | 10,867.54 | 9,779.54 |
| FEMA Community Disaster Loan (Memo) | A-2 | 439,086.62 | 431,497.00 |
| Interfunds: | | | |
| Other Trust Fund | A-13 | 10,365.35 | 10,379.43 |
| Sewer Operating | A-13 | 36,914.90 | - |
| Grant Fund | A-13 | - | 147,299.89 |
| | | <u>2,283,918.37</u> | <u>3,413,340.78</u> |
| Reserve for Receivables and Other Assets | A | 307,525.44 | 383,159.39 |
| Fund Balance | A-1 | <u>2,570,698.14</u> | <u>1,024,278.21</u> |
| | | <u>5,162,141.95</u> | <u>4,820,778.38</u> |
| <u>Grant Fund</u> | | | |
| Interfund - Current Fund | A-13 | 47,725.55 | - |
| Appropriated Reserves | A-15 | 553,911.24 | 383,681.88 |
| Reserve for Encumbrances | A-15 | 8,712.80 | 10,702.83 |
| | | <u>610,349.59</u> | <u>394,384.71</u> |
| | | <u>\$ 5,772,491.54</u> | <u>\$ 5,215,163.09</u> |

There were deferred school taxes on December 31, 2014 and 2013 of \$344,674.11 (Schedule A-12).

**BOROUGH OF OCEAN GATE
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

| | <u>Reference</u> | <u>2014</u> | <u>2013</u> |
|---|------------------|------------------------|------------------------|
| <u>Revenue & Other Income Realized:</u> | | | |
| Fund Balance Utilized | A-2 | \$ 699,956.00 | \$ 135,000.00 |
| Miscellaneous Revenue Anticipated | A-2 | 1,265,096.73 | 1,463,200.24 |
| Receipts from Delinquent Taxes | A-2 | 241,006.89 | 263,101.78 |
| Receipts from Current Taxes | A-2 | 4,940,575.13 | 4,886,190.30 |
| Non-Budget Revenues | A-2 | 1,945,520.97 | 57,873.29 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | A-10 | 183,094.22 | 218,957.01 |
| Due to New Jersey (CH.20 P.L.1974) Cancelled | A-5 | - | 1,021.92 |
| Interfunds Returned | | - | 28,135.51 |
| Total Income | | <u>9,275,249.94</u> | <u>7,053,480.05</u> |
| <u>Expenditures:</u> | | | |
| Budget Appropriations within Caps: | | | |
| Operations: | | | |
| Salaries & Wages | A-3 | 960,146.00 | 866,447.00 |
| Other Expenses | A-3 | 1,139,405.00 | 1,148,615.00 |
| Deferred Charges & Statutory Expenditures | | 211,447.00 | 218,216.00 |
| Budget Appropriations excluded from Caps: | | | |
| Operations: | | | |
| Salaries & Wages | A-3 | 13,677.00 | 13,677.00 |
| Other Expenses | A-3 | 44,118.62 | 90,757.21 |
| Capital Improvements | A-3 | 435,000.00 | 180,000.00 |
| Municipal Debt Service | A-3 | 300,144.83 | 269,008.23 |
| Deferred Charges | A-3 | 346,225.75 | 175,822.00 |
| | | <u>3,450,164.20</u> | <u>2,962,542.44</u> |
| County Taxes | A-11 | 957,499.26 | 948,715.32 |
| Local District School Tax | A-12 | 1,637,715.00 | 1,607,984.00 |
| Regional District School Taxes | A-13 | 923,770.00 | 923,770.00 |
| Prior Year Senior Citizen Deductions Disallowed | A-5 | - | 1,635.61 |
| Interfund Advances | A | 59,725.55 | - |
| Total Expenditures | | <u>7,028,874.01</u> | <u>6,444,647.37</u> |
| Excess/(Deficit) in Revenues | | 2,246,375.93 | 608,832.68 |
| Fund Balance January 1 | A | <u>1,024,278.21</u> | <u>550,445.53</u> |
| | | 3,270,654.14 | 1,159,278.21 |
| Decreased by: | | | |
| Utilization as Anticipated Revenue | A-1 | <u>699,956.00</u> | <u>135,000.00</u> |
| Fund Balance December 31 | A | <u>\$ 2,570,698.14</u> | <u>\$ 1,024,278.21</u> |

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

**BOROUGH OF OCEAN GATE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Reference | Budget | Appropriated By N.J.S.A.40A:4-87 | Amount Realized | Excess or (Deficit) |
|--|-----------|---------------|--|--------------------|------------------------|
| Fund Balance Anticipated | A-1 | \$ 699,956.00 | \$ - | \$ 699,956.00 | \$ - |
| Miscellaneous Revenue: | | | | | |
| Licenses | | | | | |
| Alcoholic Beverages | A-8 | 3,000.00 | - | 5,200.00 | 2,200.00 |
| Fees and Permits | A-8 | 24,400.00 | - | 24,085.53 | (314.47) |
| Fines and Costs | | | | | |
| Municipal Court | A-8 | 39,000.00 | - | 45,790.06 | 6,790.06 |
| Interest and Costs on Taxes | A-8 | 35,000.00 | - | 50,943.24 | 15,943.24 |
| Parking Meters | A-8 | 300.00 | - | 1,994.32 | 1,694.32 |
| Interest on Investments and Deposits | A-8 | 1,250.00 | - | 1,396.46 | 146.46 |
| Beach Revenues | A-8 | 14,000.00 | - | 14,000.00 | - |
| Parking Lot Fees | A-8 | 2,500.00 | - | 3,130.00 | 630.00 |
| Cable Franchise Fees | A-8 | 7,802.50 | - | - | (7,802.50) |
| State Aid: | | | | | |
| Consolidated Municipal Property Tax Relief | A-8 | 14,977.00 | - | 14,977.00 | - |
| Energy Receipts Tax | A-8 | 128,684.00 | - | 128,684.00 | - |
| Uniform Construction Code Fees | A-8 | 35,000.00 | - | 50,960.39 | 15,960.39 |
| Beach and Boardwalk Operations | A-8 | 18,000.00 | - | 20,933.00 | 2,933.00 |
| Special Items of Revenue: | | | | | |
| Federal and State Revenues Off-Set with Appropriations: | | | | | |
| Alcohol Education and Rehabilitation | A-15 | - | 354.48 | 354.48 | - |
| Body Armor Grant | A-15 | - | 1,090.46 | 1,090.46 | - |
| Clean Communities Program | A-15 | - | 4,000.00 | 4,000.00 | - |
| Community Development Block Grant | A-15 | - | 497.00 | 497.00 | - |
| Cops in Shops | A-15 | - | 1,200.00 | 1,200.00 | - |
| Drunk Driving Enforcement Fund | A-15 | - | 2,052.05 | 2,052.05 | - |
| FY 2015 966 Reimbursement Program | A-15 | - | 9,835.55 | 9,835.55 | - |
| Driving While Intoxicated | A-15 | - | - | - | - |
| Municipal Alliance on Alcoholism and Drug Abuse | A-15 | 17,855.00 | - | 17,855.00 | - |
| NJ Transportation Trust Fund Authority - Monmouth Avenue | A-15 | 435,000.00 | - | 435,000.00 | - |
| Recycling Tonnage Grant | A-15 | - | 1,336.33 | 1,336.33 | - |
| Ocean County Recycling Grant | A-15 | 1,433.75 | - | 1,433.75 | - |
| Other Special Items: | | | | | |
| Cell Tower Lease | A-8 | 75,000.00 | - | 181,525.36 | 106,525.36 |
| Federal Emergency Management Grants (FEMA) | A-8 | - | 246,822.75 | 246,822.75 | - |
| Insurance Proceeds | A-8 | 24,930.00 | - | - | (24,930.00) |
| Total Miscellaneous Revenues | A-1 | 878,132.25 | 267,188.62 | 1,265,096.73 | 119,775.86 |
| Receipts from Delinquent Taxes | A-1,6 | 240,000.00 | - | 241,006.89 | 1,006.89 |
| Subtotal General Revenues | | 1,818,088.25 | 267,188.62 | 2,206,059.62 | 120,782.75 |
| Amount to be Raised by Taxes for Support of Municipal Budget | A-2 | 1,667,961.73 | - | 1,721,536.10 | 53,574.37 |
| Total General Revenues | | 3,486,049.98 | 267,188.62 | 3,927,595.72 | 174,357.12 |
| Non-Budget Revenues | A-1,2 | - | - | 1,945,520.97 | 1,945,520.97 |
| Total Revenues | | 3,486,049.98 | 267,188.62 | 5,873,116.69 | 2,119,878.09 |

**BOROUGH OF OCEAN GATE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

ANALYSIS OF REALIZED REVENUES

| | <u>Reference</u> | |
|--|------------------|------------------------|
| Allocation of Current Tax Collections: | | |
| Revenue from Collections | A-1,6 | \$ 4,940,575.13 |
| Allocated to: | | |
| School and County Taxes | A-11, A-12 | <u>3,518,984.26</u> |
| Balance for Support of Municipal Budget | | |
| Appropriations | | 1,421,590.87 |
| Add: Appropriation "Reserve for Uncollected Taxes" | | <u>299,945.23</u> |
| | A-3 | |
| Amount for Support of Municipal Budget | | |
| Appropriations | | <u>\$ 1,721,536.10</u> |
| | A-2 | |

ANALYSIS OF NONBUDGET REVENUE

| | | |
|---|----------|------------------------|
| Miscellaneous Revenue not Anticipated: | | |
| Miscellaneous | | \$ 14,904.65 |
| Cell Tower Lease | | 1,913,542.20 |
| Police Special Duty Administrative Fees | | 15,727.00 |
| N.J. Motor Vehicle Inspection Fees | | 800.00 |
| NJ Administrative Fees | | <u>547.12</u> |
| Total Analysis of Nonbudget Revenue | A-2, A-4 | <u>\$ 1,945,520.97</u> |

**BOROUGH OF OCEAN GATE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Appropriated | | Expended | | | Unexpected Balance Cancelled |
|------------------------------------|--------------------|------------------------------|--------------------|------------|-----------|------------------------------------|
| | Original Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | |
| OPERATIONS WITHIN "CAPS" | | | | | | |
| General Government: | | | | | | |
| General Administration | | | | | | |
| Salaries and Wages | \$ 50,000.00 | \$ 50,000.00 | \$ 50,000.00 | \$ - | \$ - | \$ - |
| Other Expenses | 29,000.00 | 29,000.00 | 25,331.97 | 48.24 | 3,619.79 | - |
| Mayor and Council | | | | | | |
| Other Expenses | 2,000.00 | 2,000.00 | 1,629.76 | - | 370.24 | - |
| Municipal Clerk | | | | | | |
| Salaries and Wages | 37,252.00 | 37,252.00 | 37,252.00 | - | - | - |
| Other Expenses: | 4,802.00 | 4,802.00 | 2,734.82 | - | 2,067.18 | - |
| Financial Administration | | | | | | |
| Salaries and Wages | 24,317.00 | 24,317.00 | 24,317.00 | - | - | - |
| Other Expenses | 4,188.00 | 4,188.00 | 3,823.00 | 100.00 | 265.00 | - |
| Audit Services | | | | | | |
| Other Expenses | 16,000.00 | 17,935.00 | 11,935.00 | - | 6,000.00 | - |
| Collection of Taxes | | | | | | |
| Salaries and Wages | 19,328.00 | 19,328.00 | 19,328.00 | - | - | - |
| Other Expenses | 3,905.00 | 3,905.00 | 2,866.82 | - | 1,038.18 | - |
| Assessment of Taxes | | | | | | |
| Salaries and Wages | 14,013.00 | 14,013.00 | 13,955.01 | - | 57.99 | - |
| Other Expenses | 1,705.00 | 1,705.00 | 648.43 | - | 1,056.57 | - |
| Legal Services and Costs | | | | | | |
| Other Expenses | 45,000.00 | 45,000.00 | 22,284.64 | - | 22,715.36 | - |
| Engineering Services | | | | | | |
| Other Expenses | 30,000.00 | 30,000.00 | 25,256.21 | - | 4,743.79 | - |
| Planning Board/Board of Adjustment | | | | | | |
| Salaries and Wages | 3,167.00 | 3,167.00 | 3,136.14 | - | 30.86 | - |
| Other Expenses | 10,400.00 | 10,400.00 | 1,767.16 | - | 8,632.84 | - |
| Insurance | | | | | | |
| General Liability | 65,600.00 | 65,600.00 | 63,704.39 | - | 1,895.61 | - |
| Workers Compensation | 85,600.00 | 85,600.00 | 85,590.08 | - | 9.92 | - |
| Employee Group Insurance | 237,200.00 | 237,200.00 | 235,527.64 | - | 1,672.36 | - |

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

**BOROUGH OF OCEAN GATE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Appropriated | | Expended | | | Unexpected Balance <u>Cancelled</u> |
|------------------------------------|--------------------|------------------------------|---------------------------|-------------------|-----------------|---|
| | Original Budget | Budget After Modification | Paid or <u>Charged</u> | <u>Encumbered</u> | <u>Reserved</u> | |
| Public Safety Functions | | | | | | |
| Police | | | | | | |
| Salaries and Wages | 654,375.00 | 651,875.00 | 627,650.09 | - | 24,224.91 | - |
| Other Expenses | 76,213.00 | 78,713.00 | 61,421.35 | 6,448.65 | 10,843.00 | - |
| Emergency Management Services | | | | | | |
| Other Expenses | 2,405.00 | 2,405.00 | 1,342.11 | - | 1,062.89 | - |
| Aid to Volunteer Fire Company | | | | | | |
| Other Expenses | 16,050.00 | 16,050.00 | 14,787.57 | - | 1,262.43 | - |
| Aid to Volunteer Ambulance Company | | | | | | |
| Other Expenses | 12,000.00 | 12,000.00 | 8,458.33 | - | 3,541.67 | - |
| Fire | | | | | | |
| Other Expenses | 23,550.00 | 23,550.00 | 18,024.91 | 5,525.09 | - | - |
| Municipal Court | | | | | | |
| Salaries and Wages | 25,500.00 | 25,500.00 | 17,443.39 | - | 8,056.61 | - |
| Other Expenses | 4,850.00 | 4,850.00 | 1,442.71 | 90.95 | 3,316.34 | - |
| Uniform Fire Subcode Official | | | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | 597.00 | - | 403.00 | - |
| Municipal Prosecutor | | | | | | |
| Other Expenses | 6,000.00 | 6,000.00 | 6,000.00 | - | - | - |
| Public Works Functions | | | | | | |
| Streets and Roads Maintenance | | | | | | |
| Salaries and Wages | 19,861.00 | 19,861.00 | 17,547.12 | - | 2,313.88 | - |
| Other Expenses | 11,101.00 | 11,101.00 | 5,540.06 | 851.31 | 4,709.63 | - |
| Beachfront Maintenance | | | | | | |
| Salaries and Wages | 15,861.00 | 15,861.00 | 15,861.00 | - | - | - |
| Other Expenses | 10,800.00 | 13,300.00 | 12,167.81 | 287.80 | 844.39 | - |
| Solid Waste Collection | | | | | | |
| Salaries and Wages | 19,861.00 | 19,861.00 | 19,559.28 | - | 301.72 | - |
| Other Expenses | 5,100.00 | 5,100.00 | 4,504.93 | - | 595.07 | - |
| Public Buildings and Grounds | | | | | | |
| Salaries and Wages | 17,711.00 | 17,711.00 | 16,718.32 | - | 992.68 | - |
| Other Expenses | 64,080.00 | 67,080.00 | 47,137.49 | 12,613.90 | 7,328.61 | - |

**BOROUGH OF OCEAN GATE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Appropriated | | Paid or <u>Charged</u> | Expended | | Unexpected Balance <u>Cancelled</u> |
|---|--------------------|------------------------------|---------------------------|-------------------|-----------------|---|
| | Original Budget | Budget After Modification | | <u>Encumbered</u> | <u>Reserved</u> | |
| Health and Human Services | | | | | | |
| Animal Control Services | 3,500.00 | 3,500.00 | 3,500.00 | - | - | - |
| Other Expenses | | | | | | |
| Park and Recreation Functions | | | | | | |
| Board of Recreation Commissioners | 2,000.00 | 2,000.00 | 1,899.59 | - | 100.41 | - |
| Other Expenses | | | | | | |
| Beach Patrol | 7,000.00 | 7,000.00 | - | - | 7,000.00 | - |
| Salaries and Wages | 4,500.00 | 4,500.00 | 1,868.89 | - | 2,631.11 | - |
| Other Expenses | | | | | | |
| Solid Waste Disposal Costs | | | | | | |
| Disposal Costs | 80,000.00 | 80,000.00 | 60,083.93 | - | 19,916.07 | - |
| Other Expenses | 98,917.00 | 98,917.00 | 90,666.67 | - | 8,250.33 | - |
| Contract | | | | | | |
| Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17) | | | | | | |
| Code Enforcement Official | 54,400.00 | 54,400.00 | 53,005.06 | - | 1,394.94 | - |
| Salaries and Wages | 13,250.00 | 13,250.00 | 8,202.94 | 1,000.00 | 4,047.06 | - |
| Other Expenses | | | | | | |
| Unclassified | | | | | | |
| Utilities: | | | | | | |
| Electricity | 40,000.00 | 37,565.00 | 23,728.96 | - | 13,836.04 | - |
| Street Lighting | 28,000.00 | 28,000.00 | 17,365.25 | - | 10,634.75 | - |
| Telephone | 25,189.00 | 25,189.00 | 17,554.45 | 347.63 | 7,286.92 | - |
| Natural Gas and Propane | 24,000.00 | 24,000.00 | 17,947.48 | 669.72 | 5,382.80 | - |
| Gasoline | 49,000.00 | 44,000.00 | 33,156.41 | 2,000.00 | 8,843.59 | - |
| Total Operations within Caps | 2,099,551.00 | 2,099,551.00 | 1,856,271.17 | 29,983.29 | 213,296.54 | - |
| Detail: | | | | | | |
| Salaries and Wages | 962,646.00 | 960,146.00 | 915,772.41 | - | 44,373.59 | - |
| Other Expenses | 1,136,905.00 | 1,139,405.00 | 940,498.76 | 29,983.29 | 168,922.95 | - |
| STATUTORY EXPENDITURES WITHIN CAPS | | | | | | |
| Contribution to: | | | | | | |
| Social Security System | 90,000.00 | 90,000.00 | 76,311.01 | - | 13,688.99 | - |

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

**BOROUGH OF OCEAN GATE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Appropriated | | Expended | | | Unexpected Balance Cancelled |
|---|--------------------|------------------------------|--------------------|------------|------------|------------------------------------|
| | Original Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | |
| Contribution to: | | | | | | |
| Public Employees Retirement System | 28,804.00 | 28,804.00 | 26,932.33 | - | 1,871.67 | - |
| Police and Firemen's Retirement System of NJ | 91,643.00 | 91,643.00 | 91,643.00 | - | - | - |
| Unemployment Insurance | 1,000.00 | 1,000.00 | - | - | 1,000.00 | - |
| Total Statutory Expenditures within Caps | 211,447.00 | 211,447.00 | 194,886.34 | - | 16,560.66 | - |
| Total Appropriations within Caps | 2,310,998.00 | 2,310,998.00 | 2,051,157.51 | 29,983.29 | 229,857.20 | - |
| OPERATIONS EXCLUDED FROM CAPS | | | | | | |
| Beach Patrol | 13,677.00 | 13,677.00 | 13,284.26 | - | 392.74 | - |
| Salaries and Wages | | | | | | |
| Public and Private Programs Offset by Revenues | | | | | | |
| Alcohol Education/Rehabilitation Program | - | 354.48 | 354.48 | - | - | - |
| Body Armor Fund | - | 1,090.46 | 1,090.46 | - | - | - |
| Clean Communities Program | - | 4,000.00 | 4,000.00 | - | - | - |
| Community Development Block Grant | - | 497.00 | 497.00 | - | - | - |
| Cops in Shops | - | 1,200.00 | 1,200.00 | - | - | - |
| Drunk Driving Enforcement Fund | - | 2,052.05 | 2,052.05 | - | - | - |
| FY 2012 966 Reimbursement Program | - | 9,835.55 | 9,835.55 | - | - | - |
| Municipal Alliance Grant | | | | | | |
| State Share | 17,855.00 | 17,855.00 | 17,855.00 | - | - | - |
| Local Share | 4,464.00 | 4,464.00 | 4,464.00 | - | - | - |
| Recycling Tonnage Grant | - | 1,336.33 | 1,336.33 | - | - | - |
| Ocean County Recycling Grant | 1,433.75 | 1,433.75 | 1,433.75 | - | - | - |
| Total Operations excluded from Caps | 37,429.75 | 57,795.62 | 57,402.88 | - | 392.74 | - |
| Detail: | | | | | | |
| Salaries and Wages | 13,677.00 | 13,677.00 | 13,284.26 | - | 392.74 | - |
| Other Expenses | 23,752.75 | 44,118.62 | 44,118.62 | - | - | - |
| CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS | | | | | | |
| New Jersey Transportation Trust Fund Act: | | | | | | |
| Monmouth Avenue -Phase II | 300,000.00 | 300,000.00 | 300,000.00 | - | - | - |
| Monmouth Avenue -Phase III | 135,000.00 | 135,000.00 | 135,000.00 | - | - | - |
| Total Capital Improvements excluded from Caps | 435,000.00 | 435,000.00 | 435,000.00 | - | - | - |

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

**BOROUGH OF OCEAN GATE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Appropriated | | Expended | | | Unexpected Balance Cancelled |
|---|--------------------|------------------------------|--------------------|--------------|---------------|------------------------------------|
| | Original Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | |
| <u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u> | | | | | | |
| Payment of Bond Principal | 135,000.00 | 135,000.00 | 135,000.00 | - | - | - |
| Payment of Bond Anticipation Notes and Capital Notes | 26,409.00 | 26,409.00 | 26,409.00 | - | - | - |
| Interest on Bonds | 62,329.00 | 62,329.00 | 59,234.58 | - | - | 3,094.42 |
| Interest on Notes | 79,536.00 | 79,536.00 | 79,501.25 | - | - | 34.75 |
| Total Municipal Debt Service excluded from Caps | 303,274.00 | 303,274.00 | 300,144.83 | - | - | 3,129.17 |
| <u>DEFERRED CHARGES EXCLUDED FROM CAPS</u> | | | | | | |
| Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55) | 99,403.00 | 346,225.75 | 346,225.75 | - | - | - |
| Total Deferred Charges excluded from Caps | 99,403.00 | 346,225.75 | 346,225.75 | - | - | - |
| Total General Appropriations excluded from Caps | 875,106.75 | 1,142,295.37 | 1,138,773.46 | - | 392.74 | 3,129.17 |
| Subtotal General Appropriations | 3,186,104.75 | 3,453,293.37 | 3,189,930.97 | 29,983.29 | 230,249.94 | 3,129.17 |
| Reserve for Uncollected Taxes | 299,945.23 | 299,945.23 | 299,945.23 | - | - | - |
| Total General Appropriations | \$ 3,486,049.98 | \$ 3,753,238.60 | \$ 3,489,876.20 | \$ 29,983.29 | \$ 230,249.94 | \$ 3,129.17 |

| | Ref. | A-2 | A-1 | A | A | A-1 |
|---|------|-----------------|------------------------|---|------------------------|-----|
| Budget | A-2 | \$ 3,486,049.98 | | | | |
| Appropriation by 40A:4-87 | A-2 | | 267,188.62 | | | |
| | | | <u>\$ 3,753,238.60</u> | | | |
| Disbursements | A-4 | | | | \$ 2,364,586.60 | |
| Deferred Charge - Special Emergency Authorization | A-9 | | | | 346,225.75 | |
| Reserve for: | | | | | | |
| Uncollected Taxes | A-2 | | | | 299,945.23 | |
| Interfund - Grant Fund | A-15 | | | | 479,118.62 | |
| | | | | | <u>\$ 3,489,876.20</u> | |

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

**BOROUGH OF OCEAN GATE
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

| <u>Assets</u> | <u>Reference</u> | <u>2014</u> | <u>2013</u> |
|---|------------------|----------------------|----------------------|
| Animal Control Fund: | | | |
| Cash - Treasurer | B-1 | \$ 1,460.79 | \$ 775.97 |
| Other Trust Funds: | | | |
| Cash | B-1 | 145,353.55 | 140,379.76 |
| Interfund - Current Fund | B-4 | 10,365.35 | 10,379.43 |
| Total Other Trust Funds | | 155,718.90 | 150,759.19 |
| Total Assets | | <u>\$ 157,179.69</u> | <u>\$ 151,535.16</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Animal Control Fund: | | | |
| Reserve for Animal Control Fund Expenditures | B-2 | \$ 1,439.19 | \$ 764.57 |
| Fees Due to State of New Jersey | B-3 | 21.60 | 11.40 |
| Total Animal Control Fund | | 1,460.79 | 775.97 |
| Other Trust Funds: | | | |
| Miscellaneous Reserves | B-5 | 155,718.90 | 150,759.19 |
| Total Liabilities, Reserves & Fund Balance | | <u>\$ 157,179.69</u> | <u>\$ 151,535.16</u> |

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

**BOROUGH OF OCEAN GATE
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

| <u>Assets</u> | <u>Reference</u> | <u>2014</u> | <u>2013</u> |
|---|------------------|----------------------------|----------------------------|
| Cash | C-2, C-3 | \$ 154,738.63 | \$ 158,556.58 |
| Grants Receivable | | 89,456.08 | 124,713.99 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-4 | 1,376,000.00 | 1,511,000.00 |
| Unfunded | C-6 | 2,518,693.45 | 3,644,412.94 |
| Interfund - Water Utility Capital Fund | | 2,483.62 | 2,483.62 |
| Total Assets | | <u>\$ 4,141,371.78</u> | <u>\$ 5,441,167.13</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| General Serial Bonds | C-9 | \$ 1,376,000.00 | \$ 1,511,000.00 |
| Bond Anticipation Notes | C-8 | 2,552,228.00 | 3,589,706.00 |
| Improvement Authorizations: | | | |
| Funded | C-7 | 71,746.37 | 107,004.28 |
| Unfunded | C-7 | 35,207.22 | 128,766.66 |
| Capital Improvement Fund | C-5 | 8,559.81 | 8,559.81 |
| Reserve for Donations | | 10,517.00 | 9,017.00 |
| Reserve for Capital Projects | | 1,999.00 | 1,999.00 |
| Reserve for Debt Service | | 84,270.81 | 84,270.81 |
| Fund Balance | C-1 | 843.57 | 843.57 |
| Total Liabilities, Reserves & Fund Balance | | <u>\$ 4,141,371.78</u> | <u>\$ 5,441,167.13</u> |

There were bonds and notes authorized but not issued on December 31, 2014 and 2013 of \$71,337.01 and \$159,183.00, respectively.

**BOROUGH OF OCEAN GATE
WATER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

| <u>Assets</u> | <u>Reference</u> | <u>2014</u> | <u>2013</u> |
|---|------------------|------------------------|------------------------|
| Operating Fund: | | | |
| Cash | D-4 | \$ 321,546.85 | \$ 268,453.08 |
| Interfund: | | | |
| Water Utility Capital Fund | D-7 | 125,946.75 | 125,946.11 |
| Deferred Charges | | | |
| FEMA Community Disaster Loan | D | 50,879.45 | 50,000.00 |
| Receivables with Full Reserves: | | | |
| Consumer Accounts Receivable | D-6 | <u>40,600.75</u> | <u>32,873.08</u> |
| Total Operating Fund | | <u>538,973.80</u> | <u>477,272.27</u> |
| Capital Fund: | | | |
| Cash | D-4 | 327,018.14 | 327,042.92 |
| N.J. Environmental Infrastructure Loan Receivable | D | 15,985.01 | 15,985.01 |
| Fixed Capital: | | | |
| Completed | D-8 | 1,397,513.01 | 1,397,513.01 |
| Uncompleted | D-9 | <u>1,571,074.54</u> | <u>1,571,074.54</u> |
| Total Capital Fund | | <u>3,311,590.70</u> | <u>3,311,615.48</u> |
| Total Operating & Capital Fund | | <u>\$ 3,850,564.50</u> | <u>\$ 3,788,887.75</u> |

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

**BOROUGH OF OCEAN GATE
WATER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

| <u>Liabilities, Reserves and Fund Balance</u> | <u>Reference</u> | <u>2014</u> | <u>2013</u> |
|---|------------------|------------------------|------------------------|
| Operating Fund: | | | |
| Liabilities: | | | |
| FEMA Community Development Loan Payable | D | \$ 50,879.45 | \$ 50,000.00 |
| Appropriation Reserves | D-3 | 50,907.36 | 49,271.03 |
| Reserve for Encumbrances | D-3 | 1,148.47 | 2,862.40 |
| Water Rent Overpayments | D-6 | 3,857.85 | 3,482.39 |
| Accrued Interest Payable | D-11 | 5,928.14 | 6,339.99 |
| Subtotal | | <u>112,721.27</u> | <u>111,955.81</u> |
| Reserve for Receivables | D | 40,600.75 | 32,873.08 |
| Fund Balance | D-1 | <u>385,651.78</u> | <u>332,443.38</u> |
| Total Operating Fund | | <u>538,973.80</u> | <u>477,272.27</u> |
| Capital Fund: | | | |
| Liabilities: | | | |
| Capital Improvement Fund | D-12 | 18,650.00 | 18,650.00 |
| Improvement Authorizations: | | | |
| Funded | D-13 | 11,779.76 | 11,779.76 |
| Unfunded | D-13 | 522,732.39 | 522,757.81 |
| Reserve for Amortization | D-14 | 1,115,099.54 | 1,091,912.54 |
| Deferred Reserve for Amortization | D-15 | 348,357.75 | 316,452.28 |
| Serial Bonds | D-16 | 59,000.00 | 74,000.00 |
| USDA Loan | D-18 | 143,660.00 | 151,847.00 |
| Bond Anticipation Notes | D-17 | 450,000.00 | 450,000.00 |
| N.J. Environmental Infrastructure: | | | |
| Trust Loan - Water Tank | D-19 | 91,456.15 | 96,321.45 |
| Fund Loan - Water Tank | D-20 | 248,522.97 | 265,091.16 |
| Trust Loan - Wind Turbine | D-21 | 91,933.10 | 96,940.51 |
| Fund Loan - Wind Turbine | D-22 | 81,968.67 | 87,433.24 |
| Interfunds: | | | |
| General Capital Fund | D | 2,483.62 | 2,483.62 |
| Water Utility Operating Fund | D-7 | 125,946.75 | 125,946.11 |
| Total Capital Fund | | <u>3,311,590.70</u> | <u>3,311,615.48</u> |
| Total Liabilities, Reserves & Fund Balance | | <u>\$ 3,850,564.50</u> | <u>\$ 3,788,887.75</u> |

Bonds and notes authorized but not issued as of December 31, 2014 and 2013 is \$338,589.37 and \$338,589.37, respectively.

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

**BOROUGH OF OCEAN GATE
WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

| | <u>Reference</u> | <u>2014</u> | <u>2013</u> |
|---|------------------|--------------------------|--------------------------|
| Revenue & Other Income Realized: | | | |
| Fund Balance Utilized | D-2 | \$ 55,174.69 | \$ 12,195.00 |
| Water Rents | D-2 | 320,927.33 | 331,479.57 |
| New Jersey Clean Energy | | - | 96,852.00 |
| FEMA Community Disaster Loan | | - | 50,000.00 |
| Miscellaneous Revenue Anticipated | D-2 | 9,095.60 | 8,963.97 |
| Other Credits to Income: | | | |
| Unexpended Balances of Appropriation Reserves | D-10 | 47,092.15 | 48,928.19 |
| Reduction in Accrued Interest | D-11 | 411.85 | - |
| Total Income | | <u>432,701.62</u> | <u>548,418.73</u> |
| Expenditures: | | | |
| Budget Appropriations: | | | |
| Operating | D-3 | 230,945.00 | 209,820.00 |
| Debt Service | D-3 | 82,453.53 | 80,410.42 |
| Statutory Expenditures | D-3 | 10,500.00 | 10,500.00 |
| Other Debits to Expenditures: | | | |
| Overpayments Refunded | D-4 | 420.00 | - |
| Total Expenditures | | <u>324,318.53</u> | <u>300,730.42</u> |
| Statutory Excess to Fund Balance | | 108,383.09 | 247,688.31 |
| Fund Balance January 1 | | <u>332,443.38</u> | <u>96,950.07</u> |
| Total | | 440,826.47 | 344,638.38 |
| Less: Utilized by Operating Budget | | <u>(55,174.69)</u> | <u>(12,195.00)</u> |
| Fund Balance December 31 | | <u>\$ 385,651.78</u> | <u>\$ 332,443.38</u> |

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

**BOROUGH OF OCEAN GATE
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Reference</u> | Anticipated <u>Budget</u> | <u>Realized</u> | Excess or <u>(Deficit)</u> |
|--------------------------|------------------|------------------------------|-----------------|-------------------------------|
| Fund Balance Anticipated | D-1 | \$ 55,174.69 | \$ 55,174.69 | \$ - |
| Water Rents | D-1,D-6 | 265,000.00 | 320,927.33 | 55,927.33 |
| Miscellaneous - Water | | 4,000.00 | 9,095.60 | 5,095.60 |
| | | <hr/> | <hr/> | <hr/> |
| Total | | \$ 324,174.69 | \$ 385,197.62 | \$ 61,022.93 |
| | | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

ANALYSIS OF REALIZED REVENUES

Miscellaneous - Sewer:

| | |
|----------------------|-------------|
| Interest and Costs | \$ 4,366.46 |
| Tax Sale | 493.27 |
| New Meter | 1,265.00 |
| Connections | 2,600.00 |
| Interest on Deposits | 370.87 |
| | <hr/> |
| | \$ 9,095.60 |
| | <hr/> <hr/> |

| | | |
|------------|-----|-------------|
| Receipts | D-4 | \$ 8,968.67 |
| Interfunds | D-7 | 126.93 |
| | | <hr/> |
| | | \$ 9,095.60 |
| | | <hr/> <hr/> |

**BOROUGH OF OCEAN GATE
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Encumbered</u> | <u>Reserved</u> | <u>Unexpected Balance Cancelled</u> |
|--------------------------------------|----------------------|--------------------------------------|----------------------------|--------------------|---------------------|---|
| Operating: | | | | | | |
| Salaries & Wages | \$ 78,078.00 | \$ 78,078.00 | \$ 66,927.49 | \$ - | \$ 11,150.51 | \$ - |
| Other Expenses | 156,875.00 | 152,867.00 | 112,429.42 | 1,148.47 | 39,289.11 | - |
| Debt Service: | | | | | | |
| Bond Principal | 23,186.73 | 23,186.73 | 23,186.73 | - | 0.00 | - |
| Interest on Bonds | 10,544.00 | 10,544.00 | 10,544.00 | - | - | - |
| Interest on Notes | 9,275.00 | 9,275.00 | 9,000.00 | - | - | 275.00 |
| NJEIT: | | | | | | |
| Principal | 31,905.47 | 31,905.47 | 31,905.00 | - | - | 0.47 |
| Interest | 3,810.49 | 7,818.49 | 7,817.80 | - | - | 0.69 |
| Statutory Expenditures | | | | | | |
| Public Employee Retirement System | 5,000.00 | 5,000.00 | 5,000.00 | - | - | - |
| Social Security System | 5,500.00 | 5,500.00 | 5,032.26 | - | 467.74 | - |
| | <u>\$ 324,174.69</u> | <u>\$ 324,174.69</u> | <u>\$ 271,842.70</u> | <u>\$ 1,148.47</u> | <u>\$ 50,907.36</u> | <u>\$ 276.16</u> |
| Reference | D-2 | | | | D | |
| | | <u>Reference</u> | | | | |
| Cash Disbursed | | D-4 | <u>271,842.70</u> | | | |
| Total | | | <u>\$ 271,842.70</u> | | | |

**BOROUGH OF OCEAN GATE
SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

| <u>Assets</u> | <u>Reference</u> | <u>2014</u> | <u>2013</u> |
|---|------------------|------------------------|------------------------|
| Operating Fund: | | | |
| Cash | S-4 | \$ 268,301.56 | \$ 309,353.38 |
| Interfunds: | | | |
| Current Fund | S-7 | 36,914.90 | - |
| Sewer Utility Capital Fund | S-7 | 1.87 | 1.84 |
| Deferred Charges | | | |
| FEMA Community Disaster Loan | S | 50,879.45 | 50,000.00 |
| Receivables with Full Reserves: | | | |
| Consumer Accounts Receivable | S-6 | 46,036.44 | 46,679.85 |
| Total Operating Fund | | <u>402,134.22</u> | <u>406,035.07</u> |
| Capital Fund: | | | |
| Cash | S-4 | 31,303.01 | 31,302.89 |
| N.J. Environmental Infrastructure Loan Receivable | S-18 | 63,341.00 | - |
| Fixed Capital: | | | |
| Completed | S-8 | 3,296,034.29 | 3,296,034.29 |
| Authorized and Uncompleted | S-9 | 500,000.00 | 500,000.00 |
| Total Capital Fund | | <u>3,890,678.30</u> | <u>3,827,337.18</u> |
| Total Operating & Capital Fund | | <u>\$ 4,292,812.52</u> | <u>\$ 4,233,372.25</u> |

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

**BOROUGH OF OCEAN GATE
SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

| <u>Liabilities, Reserves and Fund Balance</u> | | <u>2014</u> | <u>2013</u> |
|---|------|------------------------|------------------------|
| Operating Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | S-3 | \$ 15,493.13 | \$ 73,139.05 |
| FEMA Community Development Loan Payable | S | 50,879.45 | 50,000.00 |
| Sewer Rent Overpayments | | 3,495.80 | 3,629.18 |
| Accrued Interest Payable | S-11 | 5,601.38 | 6,465.42 |
| | | <hr/> | <hr/> |
| Subtotal | | 75,469.76 | 133,233.65 |
| Reserve for Receivables | S | 46,036.44 | 46,679.85 |
| Fund Balance | | 280,628.02 | 226,121.57 |
| | | <hr/> | <hr/> |
| Total Operating Fund | | 402,134.22 | 406,035.07 |
| | | <hr/> | <hr/> |
| Capital Fund: | | | |
| Liabilities: | | | |
| Capital Improvement Fund | S-12 | 67,500.00 | 67,500.00 |
| Improvement Authorizations: | | | |
| Funded | S-13 | 63,342.14 | 1.05 |
| Unfunded | S-13 | 226,881.00 | 302,591.00 |
| Reserve for Amortization | S-14 | 2,782,599.65 | 2,716,057.50 |
| Deferred Reserve for Amortization | S | 2,500.00 | 2,500.00 |
| USDA Loan Payable | S-15 | 519,347.14 | 579,976.79 |
| Proceeds from Interim Loan (NJEIT) | | - | 158,709.00 |
| N.J. Environmental Infrastructure: | | | |
| Trust Loan - Sewer Improvements | S-16 | 60,000.00 | - |
| Fund Loan - Sewer Improvements | S-17 | 168,506.50 | - |
| Interfunds: | | | |
| Sewer Utility Operating Fund | S-7 | 1.87 | 1.84 |
| Total Capital Fund | | 3,890,678.30 | 3,827,337.18 |
| | | <hr/> | <hr/> |
| Total Liabilities, Reserves & Fund Balance | | <u>\$ 4,292,812.52</u> | <u>\$ 4,233,372.25</u> |

Bonds and notes authorized but not issued as of December 31, 2014 and 2013 is \$263,081.00 and \$338,791.00, respectively.

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

BOROUGH OF OCEAN GATE
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

| | <u>Reference</u> | <u>2014</u> | <u>2013</u> |
|---|------------------|-----------------------|-----------------------|
| Revenue & Other Income Realized: | | | |
| Fund Balance Utilized | S-2 | \$ 25,273.50 | \$ - |
| Sewer Rents | S-2 | 469,076.93 | 490,400.60 |
| FEMA Community Disaster Loan | | - | 50,000.00 |
| Miscellaneous Revenue Anticipated | S-2 | 7,030.66 | 10,096.42 |
| Other Credits to Income: | | | |
| Unexpended Balances of Appropriation Reserves | S-10 | 72,808.32 | 38,349.67 |
| Decrease of Accrued Interest | S-11 | 864.04 | - |
| Total Income | | <u>575,053.45</u> | <u>588,846.69</u> |
| Expenditures: | | | |
| Budget Appropriations: | | | |
| Operating | S-3 | 390,331.00 | 399,268.00 |
| Capital Improvements | S-3 | - | 20,000.00 |
| Debt Service | S-3 | 95,392.50 | 88,880.00 |
| Statutory Expenditures | S-3 | 9,550.00 | 10,029.81 |
| Total Expenditures | | <u>495,273.50</u> | <u>518,177.81</u> |
| Statutory Excess to Fund Balance | | 79,779.95 | 70,668.88 |
| Fund Balance January 1 | | <u>226,121.57</u> | <u>155,452.69</u> |
| Total | | 305,901.52 | 226,121.57 |
| Less: Utilized by Operating Budget | | <u>(25,273.50)</u> | <u>-</u> |
| Fund Balance December 31 | S | <u>\$ 280,628.02</u> | <u>\$ 226,121.57</u> |

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

**BOROUGH OF OCEAN GATE
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Reference</u> | Anticipated <u>Budget</u> | <u>Realized</u> | Excess or <u>(Deficit)</u> |
|--------------------------|------------------|------------------------------|----------------------|-------------------------------|
| Fund Balance Anticipated | S-1 | \$ 25,273.50 | \$ 25,273.50 | \$ - |
| Sewer Rents | S-1, S-6 | 465,000.00 | 469,076.93 | 4,076.93 |
| Miscellaneous | S-1, S-4 | 5,000.00 | 7,030.66 | 2,030.66 |
| | | | | |
| Total | | <u>\$ 495,273.50</u> | <u>\$ 501,381.09</u> | <u>\$ 6,107.59</u> |

ANALYSIS OF REALIZED REVENUES

| | | |
|------------------------|------------------|--------------------|
| Miscellaneous - Sewer: | | |
| Interest and Costs | | \$ 5,377.79 |
| Tax Sale | | 597.86 |
| Connections | | 900.00 |
| Interest on Deposits | | 155.01 |
| | | <u>\$ 7,030.66</u> |
| | <u>Reference</u> | |
| Receipts | S-4 | \$ 7,018.26 |
| Interfunds | S-7 | 12.40 |
| | | <u>\$ 7,030.66</u> |

**BOROUGH OF OCEAN GATE
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | <u>Unexpected Balance Cancelled</u> |
|--------------------------------------|----------------------|--------------------------------------|----------------------------|---------------------|---|
| Operating: | | | | | |
| Salaries & Wages | \$ 65,118.00 | \$ 65,118.00 | \$ 50,412.43 | \$ 14,705.57 | \$ - |
| Other Expenses | 92,883.00 | 120,650.51 | 120,644.35 | 6.16 | - |
| Sewerage Treatment Costs | 232,330.00 | 204,193.20 | 204,193.20 | - | - |
| Debt Service: | | | | | |
| Bond Principal | 60,630.00 | 60,629.65 | 60,629.65 | - | - |
| Interest on Bonds | 28,250.00 | 28,250.00 | 28,250.00 | - | - |
| NJEIT: | | | | | |
| Principal | 5,912.50 | 5,912.50 | 5,912.50 | - | - |
| Interest | 600.00 | 969.64 | 969.64 | - | - |
| Statutory Expenditures | | | | | |
| Public Employee Retirement System | 5,000.00 | 5,000.00 | 5,000.00 | - | - |
| Social Security System | 4,550.00 | 4,550.00 | 3,768.60 | 781.40 | - |
| | <hr/> | | | | |
| Total Expenditures | <u>\$ 495,273.50</u> | <u>\$ 495,273.50</u> | <u>\$ 479,780.37</u> | <u>\$ 15,493.13</u> | <u>\$ -</u> |
| Reference | S-2 | S-2 | | S | |
| | | <u>Reference</u> | | | |
| Cash Disbursed | | S-4 | <u>479,780.37</u> | | |
| Total | | | <u>\$ 479,780.37</u> | | |

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**BOROUGH OF OCEAN GATE
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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BOROUGH OF OCEAN GATE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The Governmental Accounting Standards Board ("GASB") Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements. The Borough had no component units during 2014.

B. Description of Funds

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

The accounting policies of the Borough conform to the accounting principles applicable to municipalities which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differs from the fund structure required by generally accepted accounting principles ("GAAP"):

Current Fund - revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Animal Control Trust Fund - animal control license revenues and expenditures.

Other Trust Fund - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

General Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

Water Utility Operating Fund - revenues and expenditures necessary to operate a municipally-owned water supply system from user fees.

Water Utility Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of water capital facilities, other than those acquired through the Water Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

BOROUGH OF OCEAN GATE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1. Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

Sewer Utility Operating Fund - revenues and expenditures necessary to operate municipally-owned sewer collection system from user fees.

Sewer Utility Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of sewer capital facilities, other than those acquired through the Sewer Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

Payroll Fund - receipt and disbursement for payroll costs and payroll taxes.

General Fixed Assets Account Group - used to account for fixed assets used in general government operations.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. The more significant differences are as follows:

A modified accrual basis of accounting is followed by the Borough. Modifications from the accrual basis are as follows:

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

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

Expenditures - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - contractual orders at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

BOROUGH OF OCEAN GATE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

Appropriation Reserves - are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

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

Compensated Absences - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The expenditures in the Water Utility Operating Fund would be on a full accrual basis. The compensated absence liability at December 31, 2013 is set forth in Note 4.

Property Acquired for Taxes - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded at its market value.

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

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

BOROUGH OF OCEAN GATE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

General Fixed Assets - In accordance with the New Jersey Administrative Code, as promulgated by the Division, which differs in certain respects from GAAP, the Borough has developed a fixed assets accounting and reporting system.

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

GAAP does not require utilization of a general fixed asset account group.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is not recorded in the General Fixed Assets Account Group.

Expenditures for construction in progress are required to be 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 have not been accounted for separately.

Utility Fixed Assets - Accounting for utility fund “fixed capital” remains unchanged.

Property and equipment purchased by the Water and Sewer Utility Funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the costs of acquisitions of property, equipment and improvements.

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

BOROUGH OF OCEAN GATE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1. Summary of Significant Accounting Policies (continued)

D. Financial Statements

The GASB Codification requires the financial statements of a governmental unit to be presented in accordance with GAAP. The Borough presents its financial statements in accordance with another comprehensive basis of accounting as promulgated by the Division which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the Division in accordance with applicable statutes.

F. Subsequent Events

The Borough has evaluated subsequent events through June 8, 2015, the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

The Borough is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2014, and reported at fair value are as follows:

Deposits:

| | |
|-----------------|------------------------------|
| Demand Deposits | <u>\$5,646,329.55</u> |
| Total Deposits | <u><u>\$5,646,329.55</u></u> |

Reconciliation of Statements of Assets, Liabilities, Reserves and Fund Balance:

| | |
|-------------------------|------------------------------|
| Current | \$4,371,256.54 |
| Animal Control Trust | 1,460.79 |
| Trust - Other | 145,353.55 |
| General Capital | 154,738.63 |
| Water Utility Operating | 321,546.85 |
| Water Utility Capital | 327,018.14 |
| Sewer Utility Operating | 268,301.56 |
| Sewer Utility Capital | 31,303.01 |
| Payroll | <u>25,350.48</u> |
| Total Reconciliation | <u><u>\$5,646,329.55</u></u> |

BOROUGH OF OCEAN GATE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 2. Cash and Cash Equivalents (continued)

A. Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits may not be returned. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA.

However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2014, the Borough's bank balance of \$5,769,477.99 was insured or collateralized as follows:

| | |
|---|------------------------|
| Insured | \$ 250,000.00 |
| Collateralized in the Borough's Name Under GUDPA | <u>5,519,447.99</u> |
| Total | <u>\$ 5,769,477.99</u> |

B. Cash Management Plan

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

BOROUGH OF OCEAN GATE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 3. 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

| | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|----------------------------|----------------|----------------|----------------|
| Total Tax Rate | <u>\$2.047</u> | <u>\$2.020</u> | <u>\$1.965</u> |
| Apportionment of Tax Rate: | | | |
| Municipal | 0.659 | 0.654 | 0.634 |
| County | 0.376 | 0.373 | 0.362 |
| Regional High School | 0.365 | 0.362 | 0.360 |
| Local School | 0.647 | 0.631 | 0.609 |

Net Valuation Taxable

| | | | |
|------|----------------------|----------------------|----------------------|
| 2014 | <u>\$253,170,678</u> | | |
| 2013 | | <u>\$254,832,961</u> | |
| 2012 | | | <u>\$263,566,850</u> |

Comparison of Tax Levies and Collection Currently

| Year | Tax Levy | Cash Collections | Percentage of Collection |
|------|-------------|------------------|--------------------------|
| 2014 | \$5,213,297 | \$4,940,575 | 94.77% |
| 2013 | 5,158,564 | 4,886,190 | 94.72% |
| 2012 | 5,211,125 | 4,932,769 | 94.66% |

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 |
|------------------------|---------------------------|----------------------------|------------------|------------------------|
| 2014 | \$3,717 | \$251,970 | 255,687 | 4.90% |
| 2013 | 3,298 | 246,557 | 249,855 | 4.84% |
| 2012 | 3,725 | 261,523 | 265,248 | 5.09% |

BOROUGH OF OCEAN GATE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 4. Interfunds

The following interfund balances remained on the balance sheets at December 31, 2014:

| Fund | Interfunds Receivable | Interfunds Payable |
|-------------------------|----------------------------------|-------------------------------|
| Current | \$ 47,725.55 | \$ 47,280.25 |
| State & Federal Grant | - | 47,725.55 |
| Trust Fund- Other | 10,365.35 | - |
| General Capital | 2,483.62 | - |
| Water Utility Operating | 125,946.75 | - |
| Water Utility Capital | - | 128,430.37 |
| Sewer Utility Operating | 36,916.77 | - |
| Sewer Utility Capital | - | 1.87 |
| Total | <u>\$ 223,438.04</u> | <u>\$ 223,438.04</u> |

The purpose of these interfunds is for short-term borrowing and these balances are anticipated to be repaid in the subsequent year.

Note 5. Fixed Assets

The following is a summary of the Fixed Asset Account Group for the year 2014:

| | Balance December 31, 2013 | Additions | Adjustments | Balance December 31, 2014 |
|---|--|---------------------|------------------------|--|
| General Fixed Assets Account Group: | | | | |
| Land | \$ 1,817,868.00 | \$ - | \$ - | \$ 1,817,868.00 |
| Buildings and Improvements | 2,512,947.00 | - | - | 2,512,947.00 |
| Machinery and Equipment | 1,413,770.00 | 33,237.00 | (313,280.99) | 1,133,726.01 |
| Water Utility Fund: | | | | |
| Fixed Capital | 1,397,513.00 | - | - | 1,397,513.00 |
| Fixed Capital Authorized and Uncompleted | 1,571,075.00 | - | - | 1,571,075.00 |
| Sewer Utility Fund: | | | | |
| Fixed Capital | 3,296,034.00 | - | - | 3,296,034.00 |
| Fixed Capital Authorized and Uncompleted | 500,000.00 | - | - | 500,000.00 |
| | <u>\$ 12,509,207.00</u> | <u>\$ 33,237.00</u> | <u>\$ (313,280.99)</u> | <u>\$ 12,229,163.01</u> |

Note 6. Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year.

BOROUGH OF OCEAN GATE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 6. Debt (continued)

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 at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

A. Long-Term Debt

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

General Capital Fund

Serial Bonds

4.125% General Improvement Bonds issued March 1, 2003,
installment maturities to March 1, 2023 \$1,376,000.00

Water Utility Capital Fund

Serial Bonds

4.125% Water General Improvement Bonds issued March 1,
2003, installment maturities to March 1, 2018 \$59,000.00

Loans Payable

On February 19, 1987, the Borough received a \$270,000 loan under the United States Department of Agriculture Rural Development program for Water System Improvements. The Loan is due in semi-annual payments ranging from \$4,247.49 to \$7,495.17 through 2027 at an interest rate of 5.00% \$143,660.00

On February 18, 2010, the Borough received a \$419,913 loan under the New Jersey Environmental Infrastructure Trust program. The loan consists of two agreements: a Trust Loan of \$110,640 to be repaid semi-annually until 2029 at interest rates ranging from 1.94% to 4.16%, and a Fund Loan of \$309,273 to be repaid semi-annually until 2029 at no interest. The proceeds of this loan is to be utilized for the Borough's water tank rehabilitation 339,979.12

In 2010, the Borough received a \$216,239 loan under the New Jersey Environmental Infrastructure Trust program. The loan consists of two agreements: a Trust Loan of \$111,769 to be repaid semi-annually until 2029 at interest rates ranging from 1.53% to 3.99%, and a Fund Loan of \$104,470 to be repaid semi-annually until 2029 at no interest. The proceeds of this loan is to be utilized for the Borough's wind turbine 173,901.77

\$657,540.89

BOROUGH OF OCEAN GATE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 6. Debt (continued)

Sewer Utility Capital Fund

On October 19, 1987, the Borough received a \$1,505,400 loan under the United States Department of Agriculture Rural Development program for the construction of Construction of Sewer Construction Sytem. The Loan is due in semi-annual payments ranging from \$31,456.31 to \$43,084.68 through 2021 at an interest rate of 5.00% \$519,347.14

On May 21, 2014, the Borough received a \$234,419 loan under the New Jersey Environmental Infrastructure Trust program. The loan consists of two agreements: a Trust Loan of \$60,000 to be repaid semi-annually until 2033 at interest rates ranging from 3.25% to 5.00%, and a Fund Loan of \$174,419 to be repaid semi-annually until 2033 at no interest. The proceeds of this loan is to be utilized for improvements to the Borough’s sewer system. 228,506.50

\$747,853.64

Aggregate debt service requirements during the next five fiscal years and thereafter for the General Capital Fund are as follows:

| General Capital Debt | | | |
|----------------------|-----------------------|---------------------|-----------------------|
| Calendar Year | Bonded Debt | | |
| | Principal | Interest | Total |
| 2015 | \$135,000.00 | \$56,760.00 | \$191,760.00 |
| 2016 | 135,000.00 | 51,191.00 | 186,191.00 |
| 2017 | 140,000.00 | 45,623.00 | 185,623.00 |
| 2018 | 146,000.00 | 39,848.00 | 185,848.00 |
| 2019 | 150,000.00 | 33,825.00 | 183,825.00 |
| 2020-2023 | 670,000.00 | 70,124.00 | 740,124.00 |
| | <u>\$1,376,000.00</u> | <u>\$297,371.00</u> | <u>\$1,673,371.00</u> |

| Water Capital Debt | | | | | | | | | |
|--------------------|--------------------|-------------------|---------------------|--------------------|----------------------------|--------------------|------------------------------|--------------------|---------------------|
| Calendar Year | Bonded Debt | | USDA Loan | | NJEIT Loan - Water Tank | | NJEIT Loan - Wind Turbine | | Total |
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | |
| 2015 | \$15,000.00 | \$2,434.00 | \$8,601.17 | \$7,076.83 | \$21,508.91 | \$3,104.52 | \$10,529.06 | \$2,902.96 | \$71,157.45 |
| 2016 | 15,000.00 | 1,815.00 | 9,036.61 | 6,641.39 | 21,604.76 | 3,008.68 | 10,606.55 | 2,825.46 | 70,538.45 |
| 2017 | 15,000.00 | 1,196.00 | 9,494.09 | 6,183.91 | 21,719.59 | 2,893.84 | 10,706.30 | 2,725.72 | 69,919.45 |
| 2018 | 14,000.00 | 577.00 | 9,974.72 | 5,703.28 | 21,851.98 | 2,761.44 | 10,824.77 | 2,607.24 | 68,300.43 |
| 2019 | - | - | 10,479.70 | 5,198.30 | 21,997.29 | 2,616.14 | 10,960.38 | 2,471.64 | 53,723.45 |
| 2020-2024 | - | - | 60,914.49 | 17,475.51 | 112,688.45 | 10,378.70 | 57,340.39 | 9,819.68 | 268,617.22 |
| 2025-2027 | - | - | 35,159.49 | 2,610.45 | 118,608.14 | 4,459.14 | 62,934.32 | 4,225.88 | 227,997.42 |
| | <u>\$59,000.00</u> | <u>\$6,022.00</u> | <u>\$143,660.27</u> | <u>\$50,889.67</u> | <u>\$339,979.12</u> | <u>\$29,222.46</u> | <u>\$173,901.77</u> | <u>\$27,578.58</u> | <u>\$830,253.87</u> |

BOROUGH OF OCEAN GATE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 6. Debt (continued)

A. Long-Term Debt (continued)

| Calendar Year | USDA Loan | | NJEIT Loan - Sewer Improvements | | Total |
|------------------|---------------------|---------------------|------------------------------------|--------------------|---------------------|
| | Principal | Interest | Principal | Interest | |
| 2015 | \$63,699.03 | \$25,181.00 | \$8,868.75 | \$1,177.28 | \$98,926.06 |
| 2016 | 66,923.80 | 21,956.00 | 8,868.75 | 2,118.76 | 99,867.31 |
| 2017 | 70,311.81 | 18,568.00 | 8,868.75 | 2,118.76 | 99,867.32 |
| 2018 | 73,871.35 | 25,008.00 | 8,868.75 | 2,118.76 | 109,866.86 |
| 2019 | 77,611.08 | 11,269.00 | 8,868.75 | 2,118.76 | 99,867.59 |
| 2020-2024 | 166,930.07 | 10,552.00 | 59,343.75 | 9,843.80 | 246,669.62 |
| 2025-2029 | - | - | 69,343.75 | 5,343.80 | 74,687.55 |
| 2030-2033 | - | - | 55,475.25 | 1,568.78 | 57,044.03 |
| Deobligation* | - | - | (46,110.00) | - | (46,110.00) |
| | <u>\$519,347.14</u> | <u>\$112,534.00</u> | <u>\$182,396.50</u> | <u>\$26,408.70</u> | <u>\$840,686.34</u> |

*A deobligation of undisbursed loan proceeds occurred in 2014. Revised amortization schedules were not made available to the Borough.

B. Short-Term Debt

On December 31, 2014, the Borough's outstanding bond anticipation notes were as follows:

General Capital Fund

| Ordinance Number | Improvement Description | Amount | Rate |
|---------------------|--|-----------------------|--------|
| 520-07 | Demolition of Old Municipal Building | \$97,685.00 | 0.989% |
| 528-08 | Construction and Installation of One or More Municipal Wind Turbine Electrical Generating Stations | 196,427.00 | 0.989% |
| 546-10 | Boardwalk Repairs | 25,500.00 | 0.989% |
| 554-11 | Reconstruction of Wildwood Avenue Pier | 160,085.00 | 0.989% |
| 576-13 | Various Capital Improvements | 83,600.00 | 0.989% |
| 581/577-13 | Various Capital Improvements - Super Storm Sandy | <u>1,988,931.00</u> | 0.830% |
| | | <u>\$2,552,228.00</u> | |

BOROUGH OF OCEAN GATE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 6. Debt (continued)

B. Short-Term Debt (continued)

Water Utility Capital Fund

| Ordinance Interest <u>Number</u> | <u>Improvement Description</u> | <u>Amount</u> | <u>Rate</u> |
|--|---|----------------------|-------------|
| 568-12 | Repair, Replacement, Reconstruction of Certain Portions of the Borough Water Treatment System, Delivery System, Valves and Fire Hydrants | \$ <u>450,000.00</u> | .83% |

C. Bonds and Notes Authorized but not Issued

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

| | <u>2014</u> | <u>2013</u> |
|----------------------|-------------|--------------|
| General Capital Fund | \$71,337.01 | \$159,183.00 |
| Water Utility Fund | 338,509.00 | 335,509.00 |
| Sewer Utility Fund | 263,081.00 | 263,081.00 |

D. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Borough's statutory net debt at December 31, 2014 was 1.84%. The Borough's remaining borrowing power is 1.66%.

The summary of municipal debt for the last three years and the calculation of statutory net debt is presented in the Supplementary Data section of this report.

E. Summary of Debt Service

During 2014 and 2013 the following changes occurred in the outstanding debt of the Borough:

| | Balance <u>Jan. 1, 2013</u> | <u>Issued</u> | <u>Retired</u> | Balance <u>Dec. 31, 2014</u> |
|--------------------------|--------------------------------|-----------------------|-----------------------|---------------------------------|
| General Debt: | | | | |
| Serial Bonds | \$1,511,000.00 | \$ - | \$135,000.00 | \$1,376,000.00 |
| Bond Anticipation Notes | 3,589,706.00 | 2,552,228.00 | 3,589,706.00 | 2,552,228.00 |
| Water Utility Fund Debt: | | | | |
| Serial Bonds | 74,000.00 | - | 15,000.00 | 59,000.00 |
| Loans Payable | 697,633.36 | - | 40,092.47 | 657,540.89 |
| Bond Anticipation Notes | 450,000.00 | 450,000.00 | 450,000.00 | 450,000.00 |
| Sewer Utility Fund Debt: | | | | |
| Loans Payable | <u>579,976.79</u> | <u>234,419.00</u> | <u>66,542.15</u> | <u>747,853.64</u> |
| | <u>\$6,902,316.15</u> | <u>\$3,236,647.00</u> | <u>\$4,296,340.62</u> | <u>\$5,842,622.53</u> |

BOROUGH OF OCEAN GATE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 7. 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. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation approximates \$147,484.16 and \$120,687.15 at December 31, 2014 and 2013, respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

Note 8. Fund Balance Appropriated

The fund balances at December 31 which have been appropriated and included as anticipated revenue in the municipal budget for the year ending December 31 of the succeeding years are as follows:

| | <u>2014</u> | <u>2013</u> |
|--------------------|--------------|---------------|
| Current Fund | \$858,707.46 | \$ 699,956.00 |
| Water Utility Fund | 40,195.00 | 55,174.69 |
| Sewer Utility Fund | 49,765.00 | 25,273.50 |

Note 9. Taxes Collected in Advance

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

| | <u>2014</u> | <u>2013</u> |
|---------------------------------------|---------------------|---------------------|
| Balance December 31, Prepaid Taxes | <u>\$ 33,709.95</u> | <u>\$ 47,513.81</u> |

Note 10. Assessment and Collection of Property Taxes

New Jersey statutes require that taxable valuation of real property be prepared by the Borough Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, Regional School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Borough Tax Collector (the "Collector") on or before May 13th.

BOROUGH OF OCEAN GATE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 10. Assessment and Collection of Property Taxes (continued)

Tax bills are prepared then mailed by the Collector of the Borough annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The N.J. Statutes allow a grace period of 10 days for each payment period and the Borough granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

Note 11. Deferred Charged to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 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 the particular year in the current budget. As funds are raised, the deferred charges are reduced.

As noted in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charges are shown on the balance shown on the various funds:

| | Balance December 31, <u>2014</u> | 2015 Budget <u>Appropriation</u> | Balance to Succeeding <u>Budgets</u> |
|---------------------------------|--|-------------------------------------|--|
| Current Fund: | | | |
| Special Emergency Authorization | \$41,486.25 | \$41,486.25 | - |

Note 12. Pension Plans

Substantially all of the Borough's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits ("the Division"): the Police and Firemen's Retirement System ("the PFRS"), the Public Employees' Retirement System ("the PERS") or the Defined Contribution Retirement Program ("the DCRP"). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

BOROUGH OF OCEAN GATE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

Note 12. Pension Plans (continued)

A. Public Employees' Retirement System (PERS)

The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions are detailed below.

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

The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the PFRS are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 10% in October 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

C. Defined Contribution Retirement Program (DCRP)

The DCRP was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP Board oversees the DCRP, which is administered by Prudential Financial on behalf of the Division. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

BOROUGH OF OCEAN GATE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 12. Pension Plans (continued)

C. Defined Contribution Retirement Program (DCRP) (continued)

The contribution requirements of plan members are determined by State statute. Plan members are required to contribute 5.5% of their annual covered salary and the Borough is required to contribute 3% of the annual salary. The employee contributions along with the Borough's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were no Borough employees enrolled in the DCRP for the years ended December 31, 2014, 2013 and 2012.

D. Other Information

The Borough's contributions, equal to the required contribution for each fiscal year, were as follows:

| | 2014 | | 2013 | | 2012 | |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | PERS | PFRS | PERS | PFRS | PERS | PFRS |
| Normal Contribution | \$ 6,350 | \$ 40,351 | \$ 14,311 | \$ 42,210 | \$ 17,551 | \$ 40,422 |
| Accrued Liability | <u>27,916</u> | <u>47,464</u> | <u>34,217</u> | <u>41,759</u> | <u>35,102</u> | <u>34,351</u> |
| Total Regular Pension Contribution | 34,266 | 87,815 | 48,528 | 83,969 | 52,653 | 74,773 |
| Non-Contributory Group Life Insurance | <u>583</u> | <u>3,828</u> | <u>2,888</u> | <u>4,032</u> | <u>3,355</u> | <u>3,180</u> |
| Total Due | <u>\$ 34,849</u> | <u>\$ 91,643</u> | <u>\$ 51,416</u> | <u>\$ 88,001</u> | <u>\$ 56,008</u> | <u>\$ 77,953</u> |

The Division does not invest in securities issued by the Borough.

Note 13. Other Post-Employment Benefits

A. Plan Description

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

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

BOROUGH OF OCEAN GATE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 13. Other Post-Employment Benefits (continued)

B. 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 health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis.

The Borough contributions to SHBP for the years ended December 31, 2014, 2013 and 2012 were \$49,137, \$45,714 and \$48,141, respectively, which equaled the required contributions for each year. There were approximately 3, 3 and 3 retired participants eligible at December 31, 2014, 2013 and 2012, respectively.

Note 14. School Taxes

Regional District School Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 required that any municipality that levied school taxes on a school year basis shall defer from the 1991 municipal purposes tax levy at least 25% of the amount allowable to be deferred (which is 50% (fifty percent) of the levy). The remainder of the allowable amount shall be deferred from the levy in each of the next three years (1992-1994). The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. In 1992 at least 50% of the amount allowable to be deferred from the 1992 tax levy was required to offset the 1993 local property tax levy and the total amount of deferral at December 31, 1993 was 75% of the amount allowable to be deferred based on the 1993 tax levy.

In 1994 Section 13, P.L. 1991, C. 63 was amended to provide municipalities with the option to determine the percentage if any of the amount allowable to be deferred to offset the local property tax levy for local purposes.

| | Regional High School Tax | | Local District School Tax | |
|----------------|--------------------------|-------------------|---------------------------|---------------------|
| | Balance December 31 | | Balance December 31 | |
| | 2014 | 2013 | 2014 | 2013 |
| Balance of Tax | \$355,541.65 | \$354,453.65 | \$170,314.37 | \$155,448.88 |
| Deferred | 344,674.11 | 344,674.11 | 0.00 | 0.00 |
| Tax Payable | <u>\$10,867.54</u> | <u>\$9,779.54</u> | <u>\$170,314.37</u> | <u>\$155,448.88</u> |

BOROUGH OF OCEAN GATE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

Note 15. Risk Management

The Borough is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Borough pays an actuarially determined annual assessment to Ocean County Municipal Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Borough has not been notified on any supplemental assessments.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

Note 16. Contingent Liabilities

A. State and Federal Financial Assistance

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 financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2014, the Borough estimates that no material liabilities will result from such audits.

B. 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.

It is the opinion of the Borough officials that there is no litigation threatened or pending that would materially affect the financial position of the Borough or adversely affect the Borough's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

The Borough officials believe that negligence and other types of liability suits, of which the Borough is aware, appear to be within the stated policy limits and would be deferred by the respective carriers.

Note 17. Superstorm Sandy

The Borough has a 1.14% special emergency note outstanding at December 31, 2014 in the amount of \$41,486.25 for expenses related to Superstorm Sandy. During 2013 the Borough adopted capital ordinance 577-13 in the amount of \$3,000,000 to fund the capital portion of the \$5,000,000 special emergency appropriation. The Borough adopted resolution 2013-185 to cancel the remaining appropriation balance in the amount of \$1,443,066.

BOROUGH OF OCEAN GATE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

Note 17. Superstorm Sandy (continued)

On May 15, 2013, the Borough submitted a formal request for a FEMA Community Disaster Loan (CDL) in the amount of \$531,497 in relation to Super Storm Sandy losses and expenditures. The Borough drew down this amount in May 2013.

The interest rate on the loan is the U.S. Treasury rate for 5-year maturities on the date the Promissory Note is executed, in this case May 22, 2013. The term of the loan is usually 5 years, but may be extended. As of December 31, 2014, interest of \$9,348.52 has accrued on the Community Disaster Loan. Interest accrues on the funds as they are disbursed. When applicable, the Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the applicant in the three fiscal years following the financial year of the disaster are insufficient to meet the operating budget because of disaster related revenue losses and un-reimbursed disaster related operating expenses.

Note 18. Sale of Cell Tower Lease

On November 26, 2014, the Borough agreed to lease cell tower space to Landmark Infrastructure Holding Company, LLC for a period of 50 years for a lump-sum payment of \$1,913,542.20. The Borough has recorded this payment as non-budgeted revenue in the Current Fund for the year ended December 31, 2014.

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Reference</u> | <u>Current</u> |
|--|------------------|-------------------------------|
| Balance December 31, 2013 | A | 3,618,059.99 |
| Increased by Receipts: | | |
| Taxes Receivable | A-6 | 5,106,475.74 |
| State of New Jersey (Ch. 20, P.L. 1971) | A-5 | 27,356.17 |
| Revenue Accounts Receivable | A-8 | 814,640.96 |
| Interfunds: | | |
| Grant Fund | A-13 | 121,613.35 |
| Other | A-13 | 48,386.25 |
| Tax Overpayments | | 11,486.89 |
| Prepaid Taxes | A | 33,709.95 |
| Due to State: | | |
| Marriage Licenses | A | 225.00 |
| Construction Fees | A | 1,823.61 |
| Miscellaneous Revenue Not Anticipated | A-2 | 1,945,520.97 |
| FEMA Reimbursements | | 986,140.48 |
| Special Emergency Note Payable | | <u>2,026,467.00</u> |
| | | 11,123,846.37 |
| | | <u>14,741,906.36</u> |
| Decreased by Disbursements: | | |
| Budget Appropriations | A-3 | 2,364,586.60 |
| Appropriation Reserves | A-10 | 76,046.42 |
| County Taxes Payable | A-11 | 953,844.59 |
| Local District School Tax | A-12 | 1,622,849.51 |
| Regional School District Tax | A-12 | 922,682.00 |
| Interfunds: | | |
| Grant Fund | A-13 | 321,102.79 |
| Other | | 11,558.10 |
| Special Emergency Note Payable-Current Fund | | 2,369,393.00 |
| Special Emergency Note Payable-General Capital | C-8 | 1,011,069.00 |
| Due to State: | | |
| Marriage Licenses | | 275.00 |
| Construction Fees | | 4,518.49 |
| Tax Overpayments | | 3,690.47 |
| Reserve for Hurricane Sandy | | <u>709,383.85</u> |
| | | 10,370,999.82 |
| Balance December 31, 2014 | A | <u><u>\$ 4,370,906.54</u></u> |

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF DUE FROM/TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Reference</u> | | |
|--|------------------|---------------|-----------------------|
| Balance December 31, 2013 - Due To / (From) | A | \$ | 143.83 |
| Increased by: | | | |
| Receipts | A-4 | 27,356.17 | |
| Deductions Disallowed by Tax Collector 2014 Taxes | | <u>657.53</u> | |
| | | | <u>28,013.70</u> |
| | | | 28,157.53 |
| Decreased by: | | | |
| 2014 Tax Duplicate | | 27,750.00 | |
| 2014 Deduction Allowed by Tax Collector | | <u>500.00</u> | |
| | | | <u>28,250.00</u> |
| Balance December 31, 2014 - Due To / (From) | A | \$ | <u><u>(92.47)</u></u> |

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2014**

| Year | Balance December 31, 2013 | Collected | | Due From State of New Jersey | Cancelled | Overpayment Applied/(Created) | Transfer to Tax Title Liens | Balance December 31, 2014 |
|--------------|---------------------------------|---------------------|------------------|------------------------------------|------------------|----------------------------------|-----------------------------------|---------------------------------|
| | | 2013 | 2014 | | | | | |
| 2013 | \$ 246,556.95 | \$ - | \$ 241,006.89 | \$ - | \$ - | (290.00) | \$ - | \$ 5,840.06 |
| 2014 | - | 5,213,297.10 | 47,513.81 | 4,865,468.85 | 26,980.38 | (807.50) | 419.63 | 246,129.46 |
| Total | 246,556.95 | 5,213,297.10 | 47,513.81 | 5,106,475.74 | 26,980.38 | (1,097.50) | 419.63 | 251,969.52 |

ANALYSIS OF 2014 PROPERTY TAX LEVY

| | |
|---------------------------------------|-------------------------------|
| General Purpose Tax | \$ 5,182,404.47 |
| Added & Omitted Taxes (54:4-6 et seq) | <u>30,892.63</u> |
| Total | <u>\$ 5,213,297.10</u> |
| Tax Levy: | |
| Local District School Tax | \$ 1,637,715.00 |
| Regional District School Tax | 923,770.00 |
| County Taxes | 957,499.26 |
| Local Tax for Municipal Purposes | 1,669,094.75 |
| Add: Additional Taxes Levied | <u>25,218.09</u> |
| Total | <u>\$ 5,213,297.10</u> |

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Reference</u> | |
|---------------------------------|------------------|---------------------------|
| Balance December 31, 2013 | A | \$ 3,297.57 |
| Increased by: | | |
| Transfers From Taxes Receivable | A-6 | <u>419.63</u> |
| Balance December 31, 2014 | A | <u><u>\$ 3,717.20</u></u> |

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

| | Balance December 31, <u>2013</u> | <u>Accrued</u> | <u>Collected</u> | Balance December 31, <u>2014</u> |
|--|--|----------------------|-----------------------------|--|
| Licenses | | | | |
| Alcoholic Beverages | \$ - | \$ 5,200.00 | \$ 5,200.00 | \$ - |
| Fees and Permits | - | 24,085.53 | 24,085.53 | - |
| Fines and Costs | | | | |
| Municipal Court | 2,380.00 | 47,523.23 | 45,790.06 | 4,113.17 |
| Interest and Costs on Taxes | - | 50,943.24 | 50,943.24 | - |
| Parking Meters | - | 1,994.32 | 1,994.32 | - |
| Interest on Investments and Deposits | - | 1,396.46 | 1,396.46 | - |
| Beach Revenues | - | 14,000.00 | 14,000.00 | - |
| Parking Lot Fees | - | 3,130.00 | 3,130.00 | - |
| State Aid: | | | | |
| Consolidated Municipal Property Tax Relief | - | 14,977.00 | 14,977.00 | - |
| Energy Receipts Tax | - | 128,684.00 | 128,684.00 | - |
| Uniform Construction Code Fees | - | 50,960.39 | 50,960.39 | - |
| Beach and Boardwalk Operations | - | 20,933.00 | 20,933.00 | - |
| Cell Tower Lease | - | 181,525.36 | 181,525.36 | - |
| Federal Emergency Management Grants (FEMA) | 130,924.87 | 115,897.88 | 246,822.75 | - |
| Insurance Proceeds | - | 24,930.00 | 24,930.00 | - |
| | <u>\$ 133,304.87</u> | <u>\$ 686,180.41</u> | <u>\$ 815,372.11</u> | <u>\$ 4,113.17</u> |
| | <u>Reference</u> | A | A-2 | A |
| Receipts | A-4 | | \$ 814,640.96 | |
| Interfunds | A-12 | | <u>731.15</u> | |
| | | | <u><u>\$ 815,372.11</u></u> | |

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES -SPECIAL EMERGENCY AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| <u>Date</u> | <u>Purpose</u> | Net Amount <u>Authorized</u> | 1/5 of Net Amount <u>Authorized</u> | Balance December 31, 2013 | Raised In 2014 <u>Budget</u> | Balance December 31, 2014 |
|-------------|---------------------------|------------------------------------|---|---------------------------------|------------------------------------|---------------------------------|
| 2/11/2009 | Codification of Ordinance | \$ 16,500.00 | \$ 3,300.00 | \$ 3,300.00 | \$ 3,300.00 | \$ - |
| 11/20/2012 | Recovery from Sandy | 556,934.00 | 111,386.80 | 384,412.00 | 342,926.00 | 41,486.00 |
| | Total | | | <u>\$ 387,712.00</u> | <u>\$ 346,226.00</u> | <u>\$ 41,486.00</u> |

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Balance December 31, <u>2013</u> | Reserve for <u>Encumbrances</u> | Balance After <u>Transfers</u> | Paid or <u>Charged</u> | Balance <u>Lapsed</u> |
|------------------------------------|--|------------------------------------|--------------------------------------|------------------------------|--------------------------|
| OPERATIONS WITHIN CAPS | | | | | |
| General Administration | | | | | |
| Other Expenses | \$ 3,668.34 | \$ - | \$ 3,668.34 | \$ 414.39 | \$ 3,253.95 |
| Mayor and Council | | | | | |
| Other Expenses | 882.88 | - | 882.88 | - | 882.88 |
| Municipal Clerk | | | | | |
| Other Expenses | 730.09 | - | 730.09 | 131.22 | 598.87 |
| Financial Administration | | | | | |
| Other Expenses | 30.94 | - | 30.94 | - | 30.94 |
| Audit Services | | | | | |
| Other Expenses | 2,400.00 | - | 2,400.00 | - | 2,400.00 |
| Collection of Taxes | | | | | |
| Other Expenses | 955.40 | - | 955.40 | - | 955.40 |
| Assessment of Taxes | | | | | |
| Other Expenses | 1,088.80 | - | 1,088.80 | - | 1,088.80 |
| Legal Services and Costs | | | | | |
| Other Expenses | 14,606.67 | - | 14,606.67 | 5,363.06 | 9,243.61 |
| Engineering Services | | | | | |
| Other Expenses | 7,538.88 | - | 7,538.88 | 2,933.25 | 4,605.63 |
| Planning Board/Board of Adjustment | | | | | |
| Salaries and Wages | 0.36 | - | 0.36 | - | 0.36 |
| Other Expenses | 4,810.10 | 315.00 | 5,125.10 | 1,455.00 | 3,670.10 |
| Insurance | | | | | |
| General Liability | 368.76 | - | 368.76 | - | 368.76 |
| Workers Compensation | 2,000.44 | - | 2,000.44 | - | 2,000.44 |
| Employee Group Insurance | 17,419.07 | - | 17,419.07 | - | 17,419.07 |
| Public Safety Functions | | | | | |
| Police | | | | | |
| Salaries and Wages | 12,987.64 | - | 12,987.64 | 2,739.36 | 10,248.28 |
| Other Expenses | 13,122.55 | 30,915.02 | 44,037.57 | 30,802.80 | 13,234.77 |
| Emergency Management Services | | | | | |
| Other Expenses | 641.02 | 2,614.50 | 3,255.52 | 2,550.68 | 704.84 |
| Aid to Volunteer Fire Company | | | | | |
| Other Expenses | 1.43 | - | 1.43 | - | 1.43 |
| Aid to Volunteer Ambulance Company | | | | | |
| Other Expenses | 3.56 | - | 3.56 | - | 3.56 |
| Fire | | | | | |
| Other Expenses | 141.94 | 3,841.86 | 3,983.80 | 3,724.66 | 259.14 |
| Municipal Court | | | | | |
| Salaries and Wages | 5,047.51 | - | 5,047.51 | 1,010.00 | 4,037.51 |
| Other Expenses | 1,886.14 | 373.00 | 2,259.14 | 138.28 | 2,120.86 |
| Uniform Fire Subcode Official | | | | | |
| Other Expenses | 256.00 | - | 256.00 | - | 256.00 |

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Balance December 31, <u>2013</u> | Reserve for <u>Encumbrances</u> | Balance After <u>Transfers</u> | Paid or <u>Charged</u> | Balance <u>Lapsed</u> |
|---|--|------------------------------------|--------------------------------------|------------------------------|--------------------------|
| Public Works Functions | | | | | |
| Streets and Roads Maintenance | | | | | |
| Salaries and Wages | 1,922.16 | - | 1,922.16 | - | 1,922.16 |
| Other Expenses | 7,255.84 | - | 7,255.84 | 19.60 | 7,236.24 |
| Beachfront Maintenance | | | | | |
| Salaries and Wages | 3,879.79 | - | 3,879.79 | - | 3,879.79 |
| Other Expenses | 5,301.27 | 112.89 | 5,414.16 | 112.89 | 5,301.27 |
| Solid Waste Collection | | | | | |
| Salaries and Wages | 3,534.62 | - | 3,534.62 | 454.08 | 3,080.54 |
| Other Expenses | 1,262.41 | 762.60 | 2,025.01 | - | 2,025.01 |
| Public Buildings and Grounds | | | | | |
| Salaries and Wages | 4,478.17 | - | 4,478.17 | 473.96 | 4,004.21 |
| Other Expenses | 1,227.11 | 3,510.21 | 4,737.32 | 3,510.21 | 1,227.11 |
| Park and Recreation Functions | | | | | |
| Board of Recreation Commissioners | | | | | |
| Other Expenses | 780.67 | - | 780.67 | - | 780.67 |
| Beach Patrol | | | | | |
| Salaries and Wages | 7,000.00 | - | 7,000.00 | - | 7,000.00 |
| Other Expenses | 13.96 | - | 13.96 | - | 13.96 |
| Solid Waste Disposal Costs | | | | | |
| Disposal Costs | | | | | |
| Other Expenses | 17,790.46 | - | 17,790.46 | 5,094.59 | 12,695.87 |
| Contract | 8,167.30 | - | 8,167.30 | 8,166.67 | 0.63 |
| Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17) | | | | | |
| Code Enforcement Official | | | | | |
| Salaries and Wages | 6,688.90 | - | 6,688.90 | - | 6,688.90 |
| Other Expenses | 326.10 | - | 326.10 | - | 326.10 |
| Unclassified | | | | | |
| Utilities: | | | | | |
| Electricity | 11,604.58 | - | 11,604.58 | 1,160.54 | 10,444.04 |
| Street Lighting | 4,783.74 | - | 4,783.74 | 2,360.78 | 2,422.96 |
| Telephone | 6,001.86 | - | 6,001.86 | 1,365.42 | 4,636.44 |
| Natural Gas and Propane | 12,593.14 | - | 12,593.14 | 3,517.61 | 9,075.53 |
| Gasoline | 11,439.89 | 941.19 | 12,381.08 | 1,412.48 | 10,968.60 |
| Total Operations within Caps | <u>206,640.49</u> | <u>43,386.27</u> | <u>250,026.76</u> | <u>78,911.53</u> | <u>171,115.23</u> |
| STATUTORY EXPENDITURES WITHIN CAPS | | | | | |
| Contribution to: | | | | | |
| Social Security System | 13,392.58 | - | 13,392.58 | 3,094.08 | 10,298.50 |
| Public Employees Retirement System | 0.49 | - | 0.49 | - | 0.49 |
| Unemployment Insurance | 1,745.44 | - | 1,745.44 | 245.57 | 1,499.87 |
| Total Statutory Expenditures within Caps | <u>15,138.51</u> | <u>-</u> | <u>15,138.51</u> | <u>3,339.65</u> | <u>11,798.86</u> |
| Total Appropriations within Caps | <u>221,779.00</u> | <u>43,386.27</u> | <u>265,165.27</u> | <u>82,251.18</u> | <u>182,914.09</u> |

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Balance</u> December 31, 2013 | <u>Reserve for</u> <u>Encumbrances</u> | <u>Balance</u> After <u>Transfers</u> | <u>Paid</u> or <u>Charged</u> | <u>Balance</u> <u>Lapsed</u> |
|--------------------------------------|--|---|---|-------------------------------------|---------------------------------|
| OPERATIONS EXCLUDED FROM CAPS | | | | | |
| Beach Patrol | | | | | |
| Salaries and Wages | 180.13 | - | 180.13 | - | 180.13 |
| | \$ 221,959.13 | \$ 43,386.27 | \$ 265,345.40 | \$ 82,251.18 | \$ 183,094.22 |
| | | | | | |
| <u>Reference</u> | A | A | | | A-1 |
| Cash Expenditures | A-4 | | | \$ 76,046.42 | |
| Accounts Payable | A | | | 6,204.76 | |
| | | | | \$ 82,251.18 | |

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Reference</u> | | |
|---------------------------|------------------|----|------------------------|
| Balance December 31, 2013 | A | \$ | 2,019.87 |
| Increased by: | | | |
| County Tax | A-6 | \$ | 802,066.16 |
| County Library Tax | A-6 | | 89,403.88 |
| County Health Tax | A-6 | | 32,155.50 |
| County Open Space Tax | A-6 | | 28,199.18 |
| Added and Omitted Taxes | A-6 | | 5,674.54 |
| | | | <u>957,499.26</u> |
| Subtotal | | | 959,519.13 |
| Decreased by: | | | |
| Cash Disbursements | A-4 | | <u>953,844.59</u> |
| Balance December 31, 2014 | A | \$ | <u><u>5,674.54</u></u> |

**SCHEDULE OF SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | | <u>Local School District</u> | <u>Regional High School</u> |
|---------------------------|-----|--------------------------------------|-------------------------------------|
| School Tax Payable | A | \$ 155,448.88 | \$ 9,779.54 |
| School Tax Deferred | A | - | 344,674.11 |
| | | | <u>354,453.65</u> |
| Balance December 31, 2013 | | 155,448.88 | 354,453.65 |
| Increased by: | | | |
| 2014 Tax Levy | A-6 | <u>1,637,715.00</u> | <u>923,770.00</u> |
| Subtotal | | 1,793,163.88 | 1,278,223.65 |
| Decreased by: | | | |
| Cash Disbursements | A-4 | <u>1,622,849.51</u> | <u>922,682.00</u> |
| School Tax Payable | A | 170,314.37 | 10,867.54 |
| School Tax Deferred | A | - | 344,674.11 |
| | | | <u>344,674.11</u> |
| Balance December 31, 2014 | | <u>\$ 170,314.37</u> | <u>\$ 355,541.65</u> |

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF INTERFUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Reference | Total (Memo Only) | Grant Fund | Other Trust Fund | General Capital Fund | Sewer Operating Fund |
|---|-----------|----------------------|-----------------------|------------------------|----------------------------|----------------------------|
| Balance December 31, 2013 - (Due From)/ Due to | A | \$ 157,679.32 | \$ 147,299.89 | \$ 10,379.43 | \$ - | \$ - |
| Increase by: | | | | | | |
| Receipts | A-4 | 169,999.60 | 121,613.35 | - | 1,471.35 | 46,914.90 |
| Transferred from 2013 Budget Appropriations | A-15 | 489,342.12 | 489,342.12 | - | - | - |
| Transferred to Reserve for Hurricane Sandy | | 775.25 | - | - | 775.25 | - |
| Total Increases | | 660,116.97 | 610,955.47 | - | 2,246.60 | 46,914.90 |
| Total Increases and Balances | | 817,796.29 | 758,255.36 | 10,379.43 | 2,246.60 | 46,914.90 |
| Decreased by: | | | | | | |
| Disbursed | A-4 | 11,558.10 | - | - | 1,558.10 | 10,000.00 |
| Interest on Deposits | | 702.58 | - | 14.08 | 688.50 | - |
| Grant Disbursements | A-4, 15 | 321,102.79 | 321,102.79 | - | - | - |
| 2013 Budgeted Revenue | A-14 | 484,878.12 | 484,878.12 | - | - | - |
| Total Decreases | | 818,241.59 | 805,980.91 | 14.08 | 2,246.60 | 10,000.00 |
| Balance December 31, 2014 - (Due From)/ Due to | | \$ (445.30) | \$ (47,725.55) | \$ 10,365.35 | \$ - | \$ 36,914.90 |

**BOROUGH OF OCEAN GATE
FEDERAL AND STATE GRANT FUND
STATE, FEDERAL AND OTHER GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Balance December 31, <u>2013</u> | <u>Revenue</u> | <u>Received</u> | Balance December 31, <u>2014</u> |
|--|--|----------------------|----------------------|--|
| Alcohol Education and Rehabilitation Fund | \$ - | \$ 354.48 | \$ 354.48 | \$ - |
| Body Armor Fund | - | 1,090.46 | 1,090.46 | - |
| Clean Communities | - | 4,000.00 | 4,000.00 | - |
| Community Development Block Grant | 30,635.86 | 10,720.50 | 36,943.00 | 4,413.36 |
| Cops in Shops | - | 1,200.00 | 1,200.00 | - |
| Domestic Violence Grant | 150.00 | - | - | 150.00 |
| Drunk Driver Over the Limit | 200.00 | - | - | 200.00 |
| Drunk Driving Enforcement Fund | - | 2,052.05 | 2,052.05 | - |
| 966 Reimbursement Program | 7,472.56 | 9,835.55 | 5,350.90 | 11,957.21 |
| Municipal Alliance Trust | 17,825.28 | 17,855.00 | 5,494.14 | 30,186.14 |
| NJ Transportation Trust Fund Authority Act | | | | |
| Anglesea Avenue | 39,033.99 | - | - | 39,033.99 |
| Wildwood and Navesink Avenue | 46,114.57 | - | - | 46,114.57 |
| Narragansette Avenue Phase II | 72,782.40 | - | - | 72,782.40 |
| Narragansette Avenue | 18,281.20 | - | - | 18,281.20 |
| Monmouth Avenue | 3,065.90 | 435,000.00 | 62,358.24 | 375,707.66 |
| Ocean County Recycling Grant | - | 1,433.75 | 1,433.75 | - |
| Office of Emergency Management | | | | |
| E.O.C. Renovation Grant | 2,126.02 | - | - | 2,126.02 |
| Recycling Tonnage Grant | 4,458.58 | 1,336.33 | 1,336.33 | 4,458.58 |
| Watershed Repair Program | 4,588.46 | - | - | 4,588.46 |
| Wind Scholarship Grant | 350.00 | - | - | 350.00 |
| | <u>\$ 247,084.82</u> | <u>\$ 484,878.12</u> | <u>\$ 121,613.35</u> | <u>\$ 610,349.59</u> |
| <u>Reference</u> | A | A-2, A-13 | A-4, A-13 | A |

**BOROUGH OF OCEAN GATE
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE, FEDERAL AND
OTHER GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Balance December 31, 2013 | Prior Year Encumbrances | 2014 | | | Paid or Charged | Encumbrances Payable | Balance December 31, 2014 |
|---|---------------------------------|----------------------------|--------------------------|------------------------------------|------------------------------|--------------------|-------------------------|---------------------------------|
| | | | Budget Appropriations | Unapproved Budget Adjustment | Appropriation By 40A-4-87 | | | |
| Alcohol Education and Rehabilitation Fund | \$ 3,364.29 | \$ 322.50 | \$ - | \$ - | \$ 354.48 | \$ - | \$ 2,459.06 | |
| Body Armor Fund | 1,705.60 | - | - | - | 1,090.46 | - | 2,259.06 | |
| Clean Communities Program | 253.63 | - | - | - | 4,000.00 | - | 3,340.18 | |
| Community Development Block Grant | 35,002.36 | - | - | 10,223.50 | 497.00 | - | 8,225.86 | |
| Cops in Shops | 1,200.00 | - | - | - | 1,200.00 | - | 1,200.00 | |
| Domestic Violence Grant | 250.00 | - | - | - | - | - | 250.00 | |
| Driving While Intoxicated | 210.00 | - | - | - | - | - | 210.00 | |
| Drunk Driver Over the Limit | 200.00 | - | - | - | - | - | 200.00 | |
| Drunk Driving Enforcement Fund | 791.08 | 155.00 | - | - | 2,052.05 | - | 2,131.90 | |
| 966 Reimbursement Program | 2,089.36 | 4,452.00 | - | - | 9,835.55 | 8,460.80 | 2,121.66 | |
| Hazardous Waste Grant | 16,194.02 | - | - | - | - | - | 12,814.82 | |
| Municipal Alliance Grant | | | | | | | | |
| Grant Portion | 21,101.57 | 55.00 | 17,855.00 | - | - | 252.00 | 26,759.96 | |
| Matching Portion | 1,353.92 | - | 4,464.00 | - | - | - | 3,409.67 | |
| NJ Transportation Trust Fund: | | | | | | | | |
| Anglesea Avenue | 11,823.43 | - | - | - | - | - | 11,823.43 | |
| Narragansette Avenue Phase II | 68,344.90 | - | - | - | - | - | 68,344.90 | |
| Narragansette Avenue | 17,494.37 | - | - | - | - | - | 17,494.37 | |
| Monmouth Avenue | 180,000.00 | - | 435,000.00 | - | - | 241,392.34 | 373,607.66 | |
| Office of Emergency Management | | | | | | | | |
| E.O.C. Renovation Grant | 40.92 | - | - | - | - | - | 40.92 | |
| Police Accreditation | 10,500.02 | 3,083.33 | - | - | - | 13,533.05 | 50.30 | |
| Recycling Tonnage Grant | 7,397.44 | 2,635.00 | - | - | 1,336.33 | - | 11,368.77 | |
| Stormwater Management | 4,014.05 | - | - | - | - | - | 4,014.05 | |
| Wind Scholarship Grant | 350.92 | - | - | - | - | - | 350.92 | |
| Ocean County Recycling Grant | - | - | 1,433.75 | - | - | - | 1,433.75 | |
| Total | \$ 383,681.88 | \$ 10,702.83 | \$ 458,752.75 | \$ 10,223.50 | \$ 20,365.87 | \$ 8,712.80 | \$ 553,911.24 | |

Reference

A

A

A-3

A-3

A-4, A-13

A

A

TRUST FUND

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**BOROUGH OF OCEAN GATE
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Reference</u> | <u>Animal Control</u> | <u>Other Trust</u> |
|-----------------------------------|------------------|-----------------------|----------------------|
| Balance December 31, 2013 | B | \$ 775.97 | \$ 140,379.76 |
| Increased by Receipts: | | | |
| Current Fund Appropriation | A-3 | \$ 3,500.00 | \$ - |
| Dog License Fees | B-2 | 1,045.40 | - |
| Due to State of New Jersey | B-2 | 198.60 | - |
| Interfunds | B-4 | - | 14.08 |
| Miscellaneous Reserves | B-5 | - | 273,310.63 |
| | | <u>4,744.00</u> | <u>273,324.71</u> |
| Total Increases | | <u>4,744.00</u> | <u>273,324.71</u> |
| Total Increases & Balances | | <u>5,519.97</u> | <u>413,704.47</u> |
| Decreased by Disbursements: | | | |
| Expenditures Under R.S.4:19-15.11 | B-2 | 3,870.78 | - |
| Due to State of New Jersey | B-2 | 188.40 | - |
| Miscellaneous Reserves | B-5 | - | 268,350.92 |
| | | <u>4,059.18</u> | <u>268,350.92</u> |
| Total Disbursements | | <u>4,059.18</u> | <u>268,350.92</u> |
| Balance December 31, 2014 | B | <u>\$ 1,460.79</u> | <u>\$ 145,353.55</u> |

**BOROUGH OF OCEAN GATE
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | | |
|---------------------------------|-------------|--------------------|
| Balance December 31, 2013 | | \$ 764.57 |
| Increased by: | | |
| 2014 Dog License Fees Collected | \$ 1,244.00 | |
| Budget Appropriation | 3,500.00 | 4,744.00 |
| | | |
| Subtotal | | 5,508.57 |
| Decreased by: | | |
| Expenditures (R.S.4:19-15.11) | | 4,069.38 |
| | | |
| Balance December 31, 2014 | | <u>\$ 1,439.19</u> |

LICENSE FEES COLLECTED

| | | |
|-------|----|------------------------|
| 2012 | \$ | 1,691.66 |
| 2013 | | <u>1,379.27</u> |
| | | |
| Total | \$ | <u><u>3,070.93</u></u> |

**SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | | |
|---------------------------------|--|------------------------|
| Balance December 31, 2013 | | \$ 11.40 |
| Increased by: | | |
| 2014 Dog License Fees Collected | | <u>198.60</u> |
| Subtotal | | 210.00 |
| Expenditures (R.S.4:19-15.11) | | <u>188.40</u> |
| Balance December 31, 2014 | | <u><u>\$ 21.60</u></u> |

**BOROUGH OF OCEAN GATE
TRUST FUND
SCHEDULE OF INTERFUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Current <u>Fund</u> |
|--|------------------------------|
| Balance December 31, 2013 (Due From), Due To | \$ (10,379.43) |
| Increased by: | |
| Disbursements | <u>14.08</u> |
| Subtotal | (10,365.35) |
| Decreased by: | |
| Receipts | <u>-</u> |
| Balance December 31, 2014 | <u><u>\$ (10,365.35)</u></u> |

**BOROUGH OF OCEAN GATE
TRUST FUND - OTHER
SCHEDULE OF MISCELLANEOUS TRUST RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Balance December 31, <u>2013</u> | Increased By <u>Receipts</u> | Decreased By <u>Disbursements</u> | Balance December 31, <u>2014</u> |
|---|--|---------------------------------|--------------------------------------|--|
| Board of Recreation Commission | \$ 11,184.27 | \$ 4,862.99 | \$ 5,115.43 | \$ 10,931.83 |
| Boardwalk Improvements | 3,800.53 | 301.53 | - | 4,102.06 |
| Developers Escrow | 9,554.54 | 5,545.00 | 4,693.50 | 10,406.04 |
| Jason Marles Memorial Foundation | 2,380.00 | 84.65 | - | 2,464.65 |
| Municipal Alliance | 3,350.67 | 7.16 | - | 3,357.83 |
| Outside Employment of Off-Duty Police Officers | 21,719.38 | 50,347.50 | 57,540.42 | 14,526.46 |
| Parking Offenses Adjudication Act | 826.50 | 44.00 | - | 870.50 |
| Premium on Tax Sale | 85,800.00 | 63,900.00 | 54,600.00 | 95,100.00 |
| Public Defender | 505.30 | 3,208.47 | 1,874.97 | 1,838.80 |
| Recreation Building | 584.00 | - | 350.00 | 234.00 |
| Security Deposit | 10,500.00 | - | - | 10,500.00 |
| Third Party Tax Title Lien | 486.70 | 145,009.33 | 144,109.30 | 1,386.73 |
| Tree Planting Program | 67.30 | - | 67.30 | - |
| | <hr/> | | | |
| Total | \$ 150,759.19 | \$ 273,310.63 | \$ 268,350.92 | \$ 155,718.90 |
| | <hr/> | | | |
| <u>Reference</u> | B | B-1 | B-1 | B |

GENERAL CAPITAL FUND

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**BOROUGH OF OCEAN GATE
GENERAL CAPITAL FUND
SCHEDULE OF CHANGE IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Reference</u> | |
|----------------------------------|------------------|------------------|
| Balance December 31, 2014 & 2013 | C | <u>\$ 843.57</u> |

**SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | | |
|---------------------------------------|-----|----------------------|
| Balance December 31, 2013 | C | \$ 158,556.58 |
| Increased by: | | |
| Current Fund Budget Appropriation: | | |
| Proceeds From Bond Anticipation Notes | C-8 | \$ 2,552,228.00 |
| Reserve for Donations | | <u>1,500.00</u> |
| | | <u>2,553,728.00</u> |
| Subtotal | | 2,712,284.58 |
| Decreased by: | | |
| Improvement Authorizations | C-7 | 5,317.95 |
| Redemption of Bond Anticipation Notes | C-8 | <u>2,552,228.00</u> |
| | | <u>2,557,545.95</u> |
| Balance December 31, 2014 | C | <u>\$ 154,738.63</u> |

**BOROUGH OF OCEAN GATE
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND INVESTMENTS AT DECEMBER 31, 2014**

| ORDINANCE NUMBER | IMPROVEMENT AUTHORIZATIONS | Balance (Overdraft) December 31, | | Disbursements Improvement Authorizations | | TRANSFERS | | Balance (Overdraft) December 31, 2014 |
|--|--|--|-------------|--|--------------|--------------|------|--|
| | | 2013 | 2014 | Miscellaneous | Receipts | TO | FROM | |
| Capital Surplus (Fund Balance) | | \$ 843.57 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 843.57 |
| Capital Improvement Fund | | 8,559.81 | - | - | - | - | - | 8,559.81 |
| Grant Receivable | | (124,713.99) | - | - | 35,257.91 | - | - | (89,456.08) |
| Reserve for Capital Projects | | 1,999.00 | - | - | - | - | - | 1,999.00 |
| Reserve for Donations | | 9,017.00 | 1,500.00 | - | - | - | - | 10,517.00 |
| Reserve for Debt Service | | 84,270.81 | - | - | - | - | - | 84,270.81 |
| Ord. 581/577-13 - Reserve for Payment of BAN's Interfunds: | | 104,476.06 | - | - | 395.50 | - | - | 104,871.56 |
| Water Utility Capital Fund | | (2,483.62) | - | - | - | - | - | (2,483.62) |
| 362-93 | General Improvements | (50,000.00) | - | - | - | - | - | (50,000.00) |
| 403-96 | Construction of Road & Drainage Improvements to East Cape May Avenue | 16,415.13 | - | - | - | 16,415.13 | - | - |
| 404-96 | Construction of Road & Drainage Improvements to a Portion of Monmouth Avenue | 8,677.60 | - | - | - | 8,677.60 | - | - |
| 408-96 | Acquisition of a Fire Engine & Necessary Equipment | 30.49 | - | - | - | 30.49 | - | - |
| 413-97 | Rehabilitation of Well No. 2 | 1,952.01 | - | - | - | 1,952.01 | - | - |
| 451-01 | Construction of a New Municipal Building | 14,485.50 | - | - | 50,000.00 | - | - | 64,485.50 |
| 464-02 | Supplementing Bond Ordinance 01-461 - Beach In Various Improvements | 7,260.87 | - | - | - | - | - | 7,260.87 |
| 469-02 | Various Improvements | 58,182.68 | - | - | - | 58,182.68 | - | - |
| 481-04 | Stone Harbor Avenue Road Improvements | (21,304.01) | - | - | - | - | - | (21,304.01) |
| 520-07 | Demolition of Old Municipal Building | 4,643.55 | - | - | - | - | - | 4,643.55 |
| 546-10 | Boardwalk Repairs | 395.50 | - | - | 395.50 | - | - | - |
| 554-11 | Reconstruction of Wildwood Avenue Pier | 19,383.98 | - | - | - | - | - | 19,383.98 |
| 576-13 | Various Capital Improvements | 16,464.64 | - | 5,317.95 | - | - | - | 11,146.69 |
| Subtotal General Improvements | | 76,587.94 | - | 5,317.95 | 50,000.00 | 85,653.41 | - | 35,616.58 |
| Total Analysis of Cash | | \$ 158,556.58 | \$ 1,500.00 | \$ - | \$ 85,653.41 | \$ 85,653.41 | \$ - | \$ 154,738.63 |

C, C-2

C-7

C-2

Reference

C, C-2

C-7

C, C-2

**BOROUGH OF OCEAN GATE
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Reference</u> | |
|---|------------------|------------------------|
| Balance December 31, 2013 | C | \$ 1,511,000.00 |
| Decreased by: | | |
| 2014 Budget Appropriations to Pay Bonds | C-9 | <u>135,000.00</u> |
| Balance December 31, 2014 | C | <u>\$ 1,376,000.00</u> |

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | | |
|------------------------------------|---|--------------------|
| Balance December 31, 2013 and 2014 | C | <u>\$ 8,559.81</u> |
|------------------------------------|---|--------------------|

**BOROUGH OF OCEAN GATE
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| Ordinance Number | Improvement Description | Ordinance | | Balance 12/31/2013 | | Reappropriated By Ordinance | Paid or Charged | Authorizations Cancelled | Balance 12/31/2014 | |
|----------------------------------|--|-----------|---------------|--------------------|-----------|-----------------------------|-----------------|--------------------------|--------------------|--------------|
| | | Date | Amount | Funded | Unfunded | | | | Funded | Unfunded |
| 403-96 | Construction of Road & Drainage Improvements to East Cape May Avenue | 03/12/96 | \$ 180,000.00 | \$ 16,415.13 | \$ - | \$ - | \$ - | 16,415.13 | \$ - | \$ - |
| 404-96 | Construction of Road & Drainage Improvements to a Portion of Monmouth Avenue | 03/12/96 | 171,000.00 | 8,677.60 | - | - | - | 8,677.60 | - | - |
| 408-96 | Acquisition of a Fire Engine & Necessary Equipment | 07/12/96 | 210,000.00 | 30.49 | - | - | - | 30.49 | - | - |
| 413-97 | Rehabilitation of Well No. 2 | 02/11/97 | 48,000.00 | 1,952.01 | - | - | - | 1,952.01 | - | - |
| 451-01 | Construction of a New Municipal Building | 02/13/01 | 2,000,000.00 | 14,485.50 | - | 50,000.00 | - | - | 64,485.50 | - |
| 464-02 | Supplementing Bond Ordinance 01-461 - Beach Improvement | 02/01/02 | 135,000.00 | 7,260.87 | - | - | - | - | 7,260.87 | - |
| 469-02 | Various Improvements | 06/25/02 | 320,000.00 | 58,182.68 | 20,900.00 | (50,000.00) | - | 29,082.68 | - | - |
| 481-04 | Stone Harbor Avenue Road Improvements | 03/24/04 | 110,000.00 | - | 11,945.99 | - | - | 11,945.99 | - | - |
| 520-07 | Demolition of Old Municipal Building | 09/28/05 | 125,000.00 | - | 4,643.55 | - | - | - | - | 4,643.55 |
| 528-08 | Construction and Installation of One or More Municipal Wind Turbine Electrical Generating Stations | 03/12/08 | 400,000.00 | - | 55,000.00 | - | - | 55,000.00 | - | - |
| 546-10 | Boardwalk Repairs | 05/19/10 | 30,000.00 | - | 395.50 | - | - | 395.50 | - | - |
| 554-11 | Reconstruction of Wildwood Avenue Pier | 03/23/11 | 180,000.00 | - | 19,383.98 | - | - | - | - | 19,383.98 |
| 576-13 | Various Capital Improvements | 03/27/13 | 88,035.00 | - | 16,497.64 | - | 5,317.95 | - | - | 11,179.69 |
| 581/577-13 | Various Capital Improvements - Super Storm Sandy | 04/17/13 | 3,000,000.00 | - | - | - | - | - | - | - |
| Total Improvement Authorizations | | | \$ 107,004.28 | \$ 128,766.66 | \$ - | \$ - | \$ 5,317.95 | \$ 123,499.40 | \$ 71,746.37 | \$ 35,207.22 |

Reference

C-4

Cash Disbursements

\$ 5,317.95

**BOROUGH OF OCEAN GATE
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2014**

| Ordinance Number | Improvement Description | Original Date of Issue | Issue Date | Maturity | Interest Rate | Balance December 31, 2013 | Issued | Matured | Balance December 31, 2014 |
|------------------|---|------------------------|------------|----------|---------------|---------------------------|------------------------|------------------------|---------------------------|
| 520-07 | Demolition of Old Municipal Building | 06/20/07 | 05/24/13 | 05/23/14 | 2.125% | \$ 101,780.00 | \$ - | \$ 101,780.00 | \$ - |
| | | 06/20/07 | 05/23/14 | 05/22/15 | 0.989% | - | 97,685.00 | - | 97,685.00 |
| 528-08 | Construction & Installation of Municipal Wind Turbine Electrical Generating Station | 06/18/09 | 05/24/13 | 05/23/14 | 2.125% | 206,326.00 | - | 206,326.00 | - |
| | | 06/18/09 | 05/23/14 | 05/22/15 | 0.989% | - | 196,427.00 | - | 196,427.00 |
| 546-10 | Boardwalk Repairs | 10/29/10 | 05/24/13 | 05/23/14 | 2.125% | 27,000.00 | - | 27,000.00 | - |
| | | 10/29/10 | 05/23/14 | 05/22/15 | 0.989% | - | 25,500.00 | - | 25,500.00 |
| 554-11 | Reconstruction of Wildwood Avenue Pier | 05/25/11 | 05/24/13 | 05/23/14 | 2.125% | 171,000.00 | - | 171,000.00 | - |
| | | 05/25/11 | 05/23/14 | 05/22/15 | 0.989% | - | 160,085.00 | - | 160,085.00 |
| 576-13 | Various Capital Improvements | 06/07/13 | 06/07/13 | 05/23/14 | 1.400% | 83,600.00 | - | 83,600.00 | - |
| | | 06/07/13 | 05/23/14 | 05/22/15 | 0.989% | - | 83,600.00 | - | 83,600.00 |
| 581/577-13 | Various Capital Improvements - Super Storm Sandy | 12/19/13 | 12/19/13 | 12/19/14 | 2.000% | 3,000,000.00 | - | 3,000,000.00 | - |
| | | 12/19/13 | 12/19/14 | 12/18/15 | 0.830% | - | 1,988,931.00 | - | 1,988,931.00 |
| Total | | | | | | \$ 3,589,706.00 | \$ 2,552,228.00 | \$ 3,589,706.00 | \$ 2,552,228.00 |

| | REFERENCE | C | C-2 | C |
|------------------------------|-----------|---|-----|------------------------|
| Paid By Budget Appropriation | C-6 | | | \$ 26,409.00 |
| Paid By FEMA Reimbursement | C-6 | | | 986,139.00 |
| Paid By Insurance Proceeds | C-6 | | | 24,930.00 |
| Renewal | C-2 | | | <u>2,552,228.00</u> |
| | | | | <u>\$ 3,589,706.00</u> |

**BOROUGH OF OCEAN GATE
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2014**

| <u>Ordinance Number</u> | <u>Improvement Description</u> | Balance December 31, <u>2013</u> | Cancel Per <u>Ordinance</u> | Balance December 31, <u>2014</u> |
|-----------------------------|--|--|--------------------------------|--|
| 362-93 | General Improvements | \$ 50,000.00 | \$ - | \$ 50,000.00 |
| 469-02 | Various Improvements | 20,900.00 | 20,900.00 | - |
| 481-04 | Stone Harbor Avenue Road Improvements | 33,250.00 | 11,945.99 | 21,304.01 |
| 528-08 | Construction & Installation of Municipal Wind Turbine Electrical Generating Station | 55,000.00 | 55,000.00 | - |
| 576-13 | Various Capital Improvements | 33.00 | - | 33.00 |
| | Total | <u>\$ 159,183.00</u> | <u>\$ 87,845.99</u> | <u>\$ 71,337.01</u> |
| | <u>Reference</u> | C | | C |

WATER UTILITY FUND

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**BOROUGH OF OCEAN GATE
WATER UTILITY OPERATING FUND
SCHEDULE OF WATER UTILITY CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Reference</u> | <u>Operating Fund</u> | <u>Capital Fund</u> |
|------------------------------|------------------|-----------------------|----------------------|
| Balance December 31, 2013 | D | \$ 268,453.08 | \$ 327,042.92 |
| Increased by Receipts: | | | |
| Consumer Accounts Receivable | D-6 | \$ 321,302.79 | - |
| Miscellaneous Revenue | D-2 | 8,968.67 | - |
| Bond Anticipation Notes | D-17 | - | 450,000.00 |
| Interfunds | D-7 | <u>126.29</u> | <u>126.93</u> |
| | | <u>330,397.75</u> | <u>450,126.93</u> |
| Decreased by Disbursements: | | | |
| 2014 Budget Appropriations | D-3 | 271,842.70 | - |
| Appropriation Reserves | D-10 | 5,041.28 | - |
| Bond Anticipation Notes | D-17 | - | 450,000.00 |
| Interfunds | D-7 | - | 126.29 |
| Refund of Overpayments | D-1 | 420.00 | - |
| Improvement Authorizations | D-13 | - | 25.42 |
| | | <u>277,303.98</u> | <u>450,151.71</u> |
| Balance December 31, 2014 | D | <u>\$ 321,546.85</u> | <u>\$ 327,018.14</u> |

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Balance | | Disbursements | | Balance December 31, 2014 |
|------------------------------|--------------------------------|---------------------------|-------------------------------|------------------|---------------------------------|
| | December 31, 2013 | Receipts Miscellaneous | Improvement Authorizations | Miscellaneous | |
| Capital Improvement Fund | \$ 18,650.00 | \$ - | \$ - | \$ - | \$ 18,650.00 |
| Loans Receivable | (15,985.01) | - | - | - | (15,985.01) |
| Interfunds | | | | | |
| General Capital Fund | 2,483.62 | - | - | - | 2,483.62 |
| Water Utility Operating Fund | 125,946.11 | 126.93 | - | 126.29 | 125,946.75 |
| Ordinance <u>Number</u> | <u>Improvement Description</u> | | | | |
| 76-191 | (9,535.10) | - | - | - | (9,535.10) |
| 83-257, | | | | | |
| 83-266 | (2,928.72) | - | - | - | (2,928.72) |
| 86-285 | (7,257.10) | - | - | - | (7,257.10) |
| 92-352 | (32,500.00) | - | - | - | (32,500.00) |
| 93-366 | (27,532.55) | - | - | - | (27,532.55) |
| 94-382, | | | | | |
| 95-398 | 8,146.63 | - | - | - | 8,146.63 |
| 09-539 | (59,843.17) | - | - | - | (59,843.17) |
| 09-540 | | | | | |
| 12-568 | 3,633.13 | - | - | - | 3,633.13 |
| | 323,765.08 | - | 25.42 | - | 323,739.66 |
| Total | \$ 327,042.92 | \$ 126.93 | \$ 25.42 | \$ 126.29 | \$ 327,018.14 |

Reference D, D-4 D-4, D-7 D-4, D-13 D-4, D-7 D-4, D-4

**BOROUGH OF OCEAN GATE
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Reference</u> | | |
|-----------------------------|------------------|-----------------|----------------------------|
| Balance December 31, 2013 | D | | \$ 32,873.08 |
| Increased by: | | | |
| Service Charges Levied | | \$ 333,075.00 | |
| Overpayments Created | D | 3,857.85 | <u>336,932.85</u> |
| Subtotal | | | 369,805.93 |
| Decreased by: | | | |
| Collections | D-4 | \$ 321,302.79 | |
| Overpayments Applied | D | 3,482.39 | |
| Cancellations & Adjustments | | <u>4,420.00</u> | <u>329,205.18</u> |
| Balance December 31, 2014 | D | | <u><u>\$ 40,600.75</u></u> |

SCHEDULE OF INTERFUNDS

| | | | <u>Water Utility Capital Fund</u> |
|--------------------------------------|-----|--|---------------------------------------|
| Balance December 31, 2013 - Due From | D | | \$ 125,946.11 |
| Increased by: | | | |
| Miscellaneous Revenue | D-4 | | <u>126.93</u> |
| Subtotal | | | 126,073.04 |
| Decreased by: | | | |
| Receipts | D-4 | | <u>126.29</u> |
| Balance December 31, 2013 - Due From | D | | <u><u>\$ 125,946.75</u></u> |

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Balance December 31, <u>2014</u> |
|---|--|
| Improvements to Municipal Water Distribution System | \$1,327,294.64 |
| Improvements to Water Utility System, Improvements to Water Supply and Distribution System | 2,928.72 |
| General Improvements | 7,257.10 |
| General Improvements to Water Utility System | <u>60,032.55</u> |
| | <u><u>\$1,397,513.01</u></u> |

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

| <u>Improvement Description</u> | Ordinance | | Balance December 31, <u>2014</u> |
|--|-------------------|--------------|--|
| | Number | Amount | |
| Improvements to the Water Utility System, | | | |
| Improvements to Water Supply and Distribution System | 83-257, 83-266 | 1,010,000.00 | \$ 152.01 |
| General Improvements | 86-285 | 37,000.00 | 1,121.45 |
| General Improvements to the Water Utility System | 93-366 | 100,000.00 | 11,654.45 |
| Purchase and Installation of Water Meters, | 94-382, | | |
| Acquisition and Installation of Water Meters | 95-398 | 245,000.00 | 8,146.63 |
| Rehabilitation of the East Arverne Avenue Elevated Storage Tank | 09-539 | 550,000.00 | 550,000.00 |
| Construction and Installation of One or More Municipal Wind Turbine Electrical Generating Stations | 09-540 | 550,000.00 | 550,000.00 |
| Repair, Replacement, Reconstruction of Certain Portions of the Borough Water Treatment System, Delivery System, Values and Fire Hydrants | 12-568 | 450,000.00 | <u>450,000.00</u> |
| | | | <u><u>\$ 1,571,074.54</u></u> |

**BOROUGH OF OCEAN GATE
 WATER UTILITY OPERATING FUND
 SCHEDULE OF 2013 APPROPRIATION RESERVES
 FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Balance December 31, <u>2013</u> | Reserve for <u>Encumbrances</u> | Balance After <u>Transfers</u> | Paid or <u>Charged</u> | Balance <u>Lapsed</u> |
|-------------------------|--|------------------------------------|--------------------------------------|------------------------------|--------------------------|
| Operating: | | | | | |
| Salaries and Wages | \$ 11,918.98 | \$ - | \$ 11,918.98 | \$ - | \$ 11,918.98 |
| Other Expenses | 36,063.01 | 2,862.40 | 38,925.41 | 5,041.28 | 33,884.13 |
| Statutory Expenditures: | | | | | |
| Contribution to: | - | - | - | - | - |
| Social Security System | 1,289.04 | - | 1,289.04 | - | 1,289.04 |
| | <u>\$ 49,271.03</u> | <u>\$ 2,862.40</u> | <u>\$ 52,133.43</u> | <u>\$ 5,041.28</u> | <u>\$ 47,092.15</u> |

| | | | | |
|------------------|---|---|-----|-----|
| <u>Reference</u> | D | D | D-4 | D-1 |
|------------------|---|---|-----|-----|

**BOROUGH OF OCEAN GATE
WATER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Reference</u> | |
|---------------------------|------------------|---------------------------|
| Balance December 31, 2013 | D | \$ 6,339.99 |
| Increased by: | | |
| Interest Accrued | | <u>26,949.95</u> |
| Subtotal | | 33,289.94 |
| Decreased by: | | |
| Disbursements | | <u>27,361.80</u> |
| Balance December 31, 2014 | D | <u><u>\$ 5,928.14</u></u> |

**WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

| | | |
|------------------------------------|---|----------------------------|
| Balance December 31, 2013 and 2014 | D | <u><u>\$ 18,650.00</u></u> |
|------------------------------------|---|----------------------------|

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| Ordinance Number | Improvement Description | Ordinance Date | Amount | Balance December 31, 2013 | | Balance December 31, 2014 | |
|------------------|--|----------------|------------|---------------------------|---------------|---------------------------|---------------|
| | | | | Funded | Unfunded | Funded | Unfunded |
| 83-257, | Improvements to Water Utility System, Improvements to Water Supply and Distribution System | 2/08/1983 | 370,000.00 | - | 152.01 | - | 152.01 |
| 83-266 | | 8/23/1983 | 640,000.00 | \$ | \$ | - | \$ |
| 86-285 | General Improvements | 1/28/1986 | 37,000.00 | - | 1,121.45 | - | 1,121.45 |
| 93-366 | General Improvements to the Water Utility System | 5/25/1993 | 100,000.00 | - | 11,654.45 | - | 11,654.45 |
| 94-382, | Purchase and Installation of Water Meters, Acquisition and Installation of Water Meters | 12/27/1994 | 150,000.00 | - | - | - | - |
| 95-398 | | 12/28/1995 | 95,000.00 | 8,146.63 | - | 8,146.63 | - |
| 09-539 | Rehabilitation of the East Arverne Avenue Elevated Storage Tank | 5/24/2009 | 550,000.00 | - | 70,243.82 | - | 70,243.82 |
| 09-540 | Construction and Installation of One or More Municipal Wind Turbine Electrical Generating Stations | 5/24/2009 | 550,000.00 | 3,633.13 | 115,821.00 | - | 115,821.00 |
| 12-568 | Repair, Replacement, Reconstruction of Certain Portions of the Borough Water Treatment System, Delivery System, Valves and Fire Hydrants | 11/20/2012 | 450,000.00 | - | 323,765.08 | 25.42 | 323,739.66 |
| Total | | | | \$ 11,779.76 | \$ 522,757.81 | \$ 25.42 | \$ 522,732.39 |
| | | | | D | D | D-4 | D |

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Reference</u> | | |
|---------------------------|------------------|-----------|------------------------|
| Balance December 31, 2013 | D | | \$ 1,091,912.54 |
| Increased by: | | | |
| Paid by Operating Budget: | | | |
| Serial Bonds | D-16 | 15,000.00 | |
| USDA Loan | D-18 | 8,187.00 | 23,187.00 |
| | | | |
| Balance December 31, 2014 | D | | <u>\$ 1,115,099.54</u> |

**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | | | |
|---------------------------|---------------|--|----------------------|
| Balance December 31, 2013 | D | | \$ 316,452.28 |
| Increased by: | | | |
| Paydown on NJEIT Loan | D-19,20,21,22 | | 31,905.47 |
| | | | |
| Balance December 31, 2014 | D | | <u>\$ 348,357.75</u> |

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
SCHEDULE OF WATER UTILITY SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding December 31, 2014 | Date | Interest Rate | Balance December 31, 2013 | Issued | Paid by Budget Appropriation | Balance December 31, 2014 |
|-----------------------------|---------------|--------------------------|---|----------|---------------|---------------------------|--------|------------------------------|---------------------------|
| | | | | | | | | | |
| Acquisition of Water Meters | 03/01/03 | \$ 199,000 | 3/01-2014-17 | 03/01/18 | 4.13% | \$ 74,000.00 | \$ - | \$ 15,000.00 | \$ 59,000.00 |

SCHEDULE OF BOND ANTICIPATION NOTES

| Ordinance Number | Improvement Description | Date of Original Issue | Date of Issue | Date of Maturity | Interest Rate | Balance December 31, 2013 | Increased | Decreased | Balance December 31, 2014 | Reference |
|------------------|--|------------------------|---------------|------------------|---------------|---------------------------|----------------------|----------------------|---------------------------|-----------|
| | | | | | | | | | | |
| 12-568 | Repair, Replacement, Reconstruction of Certain Portions of the Borough Water Treatment System, Delivery System, Valves and Fire Hydrants | 12/27/12 | 12/19/12 | 12/19/14 | 2.00% | \$ 450,000.00 | \$ - | \$ 450,000.00 | \$ - | |
| | | 12/27/12 | 12/19/14 | 12/19/15 | 0.83% | - | 450,000.00 | - | 450,000.00 | |
| | | | | | | <u>\$ 450,000.00</u> | <u>\$ 450,000.00</u> | <u>\$ 450,000.00</u> | <u>\$ 450,000.00</u> | |

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
SCHEDULE OF WATER UTILITY USDA LOAN
FOR THE YEAR ENDED DECEMBER 31, 2014**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds | | Interest Rate | Balance Dec. 31, 2013 | Paid by Budget Appropriation | Balance Dec. 31, 2014 |
|---------------------------|---------------|--------------------------|---------------------|----------|---------------|-----------------------|------------------------------|-----------------------|
| | | | Outstanding Date | Amount | | | | |
| Water System Improvements | 2/19/1987 | \$ 270,000.00 | 2/19/2015 | 4,247.49 | | | | |
| | | | 8/19/2015 | 4,353.68 | | | | |
| | | | 2/19/2016 | 4,462.52 | | | | |
| | | | 8/19/2016 | 4,574.09 | | | | |
| | | | 2/19/2017 | 4,688.44 | | | | |
| | | | 8/19/2017 | 4,805.65 | | | | |
| | | | 2/19/2018 | 4,925.79 | | | | |
| | | | 8/19/2018 | 5,048.93 | | | | |
| | | | 2/19/2019 | 5,175.16 | | | | |
| | | | 8/19/2019 | 5,304.54 | | | | |
| | | | 2/19/2020 | 5,437.15 | | | | |
| | | | 8/19/2020 | 5,573.08 | | | | |
| | | | 2/19/2021 | 5,712.41 | | | | |
| | | | 8/19/2021 | 5,855.22 | | | | |
| | | | 2/19/2022 | 6,001.60 | | | | |
| | | | 8/19/2022 | 6,151.64 | | | | |
| | | | 2/19/2023 | 6,305.43 | | | | |
| | | 8/19/2023 | 6,463.06 | | | | | |
| | | 2/19/2024 | 6,624.64 | | | | | |
| | | 8/19/2024 | 6,790.26 | | | | | |
| | | 2/19/2025 | 6,960.01 | | | | | |
| | | 8/19/2025 | 7,134.01 | | | | | |
| | | 2/19/2026 | 7,312.36 | | | | | |
| | | 8/19/2026 | 7,495.17 | | | | | |
| | | 2/19/2027 | 6,257.94 | | | | | |
| | | | | | 5.00% | \$ 151,847.00 | \$ 8,187.00 | \$ 143,660.00 |

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN- WATER TANK
FOR THE YEAR ENDED DECEMBER 31, 2014**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding Dec. 31, 2014 | | Interest Rate | Balance Dec. 31, 2013 | Paid by Budget Appropriation | Balance Dec. 31, 2014 |
|------------|---------------|--------------------------|---|-------------|---------------|-----------------------|------------------------------|-----------------------|
| | | | Date | Amount | | | | |
| Water Tank | 2/18/2010 | \$ 110,640.01 | 8/01/2015 | \$ 4,940.72 | 1.94% | | | |
| | | | 8/01/2016 | 5,036.57 | 2.28% | | | |
| | | | 8/01/2017 | 5,151.40 | 2.57% | | | |
| | | | 8/01/2018 | 5,283.79 | 2.75% | | | |
| | | | 8/01/2019 | 5,429.10 | 2.95% | | | |
| | | | 8/01/2020 | 5,589.25 | 3.14% | | | |
| | | | 8/01/2021 | 5,764.76 | 3.27% | | | |
| | | | 8/01/2022 | 5,953.26 | 3.46% | | | |
| | | | 8/01/2023 | 6,159.25 | 3.60% | | | |
| | | | 8/01/2024 | 6,380.98 | 3.70% | | | |
| | | | 8/01/2025 | 6,617.08 | 3.80% | | | |
| | | | 8/01/2026 | 6,868.53 | 3.90% | | | |
| | | | 8/01/2027 | 7,136.40 | 3.99% | | | |
| | | 8/01/2028 | 7,421.14 | 4.08% | | | | |
| | | 8/01/2029 | 7,723.92 | 4.16% | | | | |
| | | | | | | \$ 96,321.45 | \$ 4,865.30 | \$ 91,456.15 |

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE FUND LOAN- WATER TANK
FOR THE YEAR ENDED DECEMBER 31, 2014**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds | | Interest Rate | Balance Dec. 31, 2013 | Paid by Budget Appropriation | Balance Dec. 31, 2014 |
|------------|---------------|--------------------------|---------------------------|-----------|---------------|-----------------------|------------------------------|-----------------------|
| | | | Outstanding Dec. 31, 2014 | Amount | | | | |
| Water Tank | 2/18/2010 | \$ 309,273.00 | 2/01/2015 | 5,522.73 | | | | |
| | | | 8/01/2015 | 11,045.46 | | | | |
| | | | 2/01/2016 | 5,522.73 | | | | |
| | | | 8/01/2016 | 11,045.46 | | | | |
| | | | 2/01/2017 | 5,522.73 | | | | |
| | | | 8/01/2017 | 11,045.46 | | | | |
| | | | 2/01/2018 | 5,522.73 | | | | |
| | | | 8/01/2018 | 11,045.46 | | | | |
| | | | 2/01/2019 | 5,522.73 | | | | |
| | | | 8/01/2019 | 11,045.46 | | | | |
| | | | 2/01/2020 | 5,522.73 | | | | |
| | | | 8/01/2020 | 11,045.46 | | | | |
| | | | 2/01/2021 | 5,522.73 | | | | |
| | | | 8/01/2021 | 11,045.46 | | | | |
| | | | 2/01/2022 | 5,522.73 | | | | |
| | | | 8/01/2022 | 11,045.46 | | | | |
| | | | 2/01/2022 | 5,522.73 | | | | |
| | | | 8/01/2023 | 11,045.46 | | | | |
| | | | 2/01/2024 | 5,522.73 | | | | |
| | | | 8/01/2024 | 11,045.46 | | | | |
| | | 2/01/2025 | 5,522.73 | | | | | |
| | | 8/01/2025 | 11,045.46 | | | | | |
| | | 2/01/2026 | 5,522.73 | | | | | |
| | | 8/01/2026 | 11,045.46 | | | | | |
| | | 2/01/2027 | 5,522.73 | | | | | |
| | | 8/01/2027 | 11,045.46 | | | | | |
| | | 2/01/2028 | 5,522.73 | | | | | |
| | | 8/01/2028 | 11,045.46 | | | | | |
| | | 2/01/2029 | 5,522.73 | | | | | |
| | | 8/01/2029 | 11,045.58 | | | | | |
| | | | | | 0.00% | \$ 265,091.16 | \$ 16,568.19 | \$ 248,522.97 |

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN- WIND TURBINE
FOR THE YEAR ENDED DECEMBER 31, 2014**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding Dec. 31, 2014 | | Interest Rate | Balance Dec. 31, 2013 | Paid by Budget Appropriation | Balance Dec. 31, 2014 |
|--------------|---------------|--------------------------|---|----------|---------------|-----------------------|------------------------------|-----------------------|
| | | | Date | Amount | | | | |
| Wind Turbine | 3/10/2010 | \$ 111,769.00 | 8/01/2015 | 5,064.49 | 1.53% | | | |
| | | | 8/01/2016 | 5,141.98 | 1.94% | | | |
| | | | 8/01/2017 | 5,241.73 | 2.26% | | | |
| | | | 8/01/2018 | 5,360.20 | 2.53% | | | |
| | | | 8/01/2019 | 5,495.81 | 2.72% | | | |
| | | | 8/01/2020 | 5,645.30 | 2.88% | | | |
| | | | 8/01/2021 | 5,807.88 | 3.11% | | | |
| | | | 8/01/2022 | 5,988.51 | 3.26% | | | |
| | | | 8/01/2023 | 6,183.73 | 3.37% | | | |
| | | | 8/01/2024 | 6,392.12 | 3.50% | | | |
| | | | 8/01/2025 | 6,615.85 | 3.60% | | | |
| | | | 8/01/2026 | 6,854.02 | 3.66% | | | |
| | | | 8/01/2027 | 7,104.88 | 3.80% | | | |
| | | 8/01/2028 | 7,374.86 | 3.89% | | | | |
| | | 8/01/2029 | 7,661.74 | 3.99% | | | | |
| | | | | | | \$ 96,940.51 | \$ 5,007.41 | \$ 91,933.10 |

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE FUND LOAN- WIND TURBINE
FOR THE YEAR ENDED DECEMBER 31, 2014**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding Dec. 31, 2014 | | Interest Rate | Balance Dec. 31, 2013 | Paid by Budget Appropriation | Balance Dec. 31, 2014 |
|--------------|---------------|--------------------------|---|----------|---------------|-----------------------|------------------------------|-----------------------|
| | | | Date | Amount | | | | |
| Wind Turbine | 1/08/2010 | \$ 104,470.00 | 2/01/2015 | 1,821.52 | 0.00% | | | |
| | | | 8/01/2015 | 3,643.05 | | | | |
| | | | 2/01/2016 | 1,821.52 | | | | |
| | | | 8/01/2016 | 3,643.05 | | | | |
| | | | 2/01/2017 | 1,821.52 | | | | |
| | | | 8/01/2017 | 3,643.05 | | | | |
| | | | 2/01/2018 | 1,821.52 | | | | |
| | | | 8/01/2018 | 3,643.05 | | | | |
| | | | 2/01/2019 | 1,821.52 | | | | |
| | | | 8/01/2019 | 3,643.05 | | | | |
| | | | 2/01/2020 | 1,821.52 | | | | |
| | | | 8/01/2020 | 3,643.05 | | | | |
| | | | 2/01/2021 | 1,821.52 | | | | |
| | | | 8/01/2021 | 3,643.05 | | | | |
| | | | 2/01/2022 | 1,821.52 | | | | |
| | | | 8/01/2022 | 3,643.05 | | | | |
| | | | 2/01/2023 | 1,821.52 | | | | |
| | | | 8/01/2023 | 3,643.05 | | | | |
| | | | 2/01/2024 | 1,821.52 | | | | |
| | | | 8/01/2024 | 3,643.05 | | | | |
| | | 2/01/2025 | 1,821.52 | | | | | |
| | | 8/01/2025 | 3,643.05 | | | | | |
| | | 2/01/2026 | 1,821.52 | | | | | |
| | | 8/01/2026 | 3,643.05 | | | | | |
| | | 2/01/2027 | 1,821.52 | | | | | |
| | | 8/01/2027 | 3,643.05 | | | | | |
| | | 2/01/2028 | 1,821.52 | | | | | |
| | | 8/01/2028 | 3,643.05 | | | | | |
| | | 2/01/2029 | 1,821.52 | | | | | |
| | | 8/01/2029 | 3,643.17 | | | | | |
| | | | | | | \$ 87,433.24 | \$ 5,464.57 | \$ 81,968.67 |

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2014**

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Balance December 31, 2013 & 2014</u> |
|-----------------------------|---|---|
| 76-191 | Improvements to Municipal Water Distribution System | \$ 9,535.10 |
| 83-257, 83-266 | Improvements to Water Utility System, Improvements to Water Supply and Distribution System | 3,080.73 |
| 86-285 | General Improvements | 8,378.55 |
| 92-352 | General Improvements to the Water Utility System | 32,500.00 |
| 93-366 | General Improvements to the Water Utility System | 39,187.00 |
| 09-539 | Rehabilitation of the East Arverne Avenue Elevated Storage Tank | 130,086.99 |
| 09-540 | Construction and Installation of One or More Municipal Wind Turbine Electrical Generating Stations | <u>115,821.00</u> |
| | | <u><u>\$ 338,589.37</u></u> |

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SEWER UTILITY FUND

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**BOROUGH OF OCEAN GATE
SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER UTILITY CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Reference</u> | <u>Operating Fund</u> | <u>Capital Fund</u> |
|------------------------------|------------------|-----------------------|---------------------|
| Balance December 31, 2013 | S | \$ 309,353.38 | \$ 31,302.89 |
| Increased by Receipts: | | | |
| Consumer Accounts Receivable | S-6 | \$ 465,447.75 | - |
| Sewer Overpayments | | 3,495.80 | - |
| Miscellaneous Revenue | S-2 | 7,018.26 | - |
| NJ Environmental Trust Loan | S-18 | - | 12,369.00 |
| Interfunds | S-7 | 1,104.87 | 12.40 |
| | | <u>477,066.68</u> | <u>12,381.40</u> |
| Decreased by Disbursements: | | | |
| 2014 Budget Appropriations | S-3 | 479,780.37 | - |
| Appropriation Reserves | S-10 | 330.73 | - |
| Interfunds | S-7 | 38,007.40 | 12.37 |
| Improvement Authorizations | S-13 | - | 12,368.91 |
| | | <u>518,118.50</u> | <u>12,381.28</u> |
| Balance December 31, 2014 | S | <u>\$ 268,301.56</u> | <u>\$ 31,303.01</u> |

**BOROUGH OF OCEAN GATE
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Reference</u> | | |
|-----------------------------|------------------|-----------------|---------------------|
| Balance December 31, 2013 | S | | \$ 46,679.85 |
| Increased by: | | | |
| 2014 Sewer Rents | | | <u>474,233.70</u> |
| Subtotal | | | 520,913.55 |
| Decreased by: | | | |
| Collections | S-2,S-4 | \$ 465,447.75 | |
| Overpayments Applied | S | 3,629.18 | |
| Cancellations & Adjustments | | <u>5,800.18</u> | <u>474,877.11</u> |
| Balance December 31, 2014 | S | | <u>\$ 46,036.44</u> |

SCHEDULE OF INTERFUNDS

| | | <u>Total</u> | <u>Current Fund</u> | <u>Sewer Utility Capital Fund</u> |
|--------------------------------------|-----|---------------------|---------------------|---------------------------------------|
| Balance December 31, 2013 - Due From | S | \$ 1.84 | \$ - | \$ 1.84 |
| Increased by: | | | | |
| Disbursements | S-4 | 38,007.40 | 38,007.40 | 0 |
| Miscellaneous Revenue | S-2 | <u>12.40</u> | <u>-</u> | <u>12.40</u> |
| Subtotal | | 38,021.64 | 38,007.40 | 14.24 |
| Decreased by: | | | | |
| Receipts | S-4 | <u>1,104.87</u> | <u>1,092.50</u> | <u>12.37</u> |
| Balance December 31, 2014 - Due From | S | <u>\$ 36,916.77</u> | <u>36,914.90</u> | <u>1.87</u> |

**BOROUGH OF OCEAN GATE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | |
|--------------|---|
| | Balance December 31, <u>2013 and 2014</u> |
| Sewer System | <u><u>\$3,296,034.29</u></u> |

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

| <u>Improvement Description</u> | Ordinance | | Balance December 31, <u>2013 and 2014</u> |
|---|-----------|---------------|---|
| | Number | Amount | |
| Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project | 09-538 | \$ 450,000.00 | \$ 450,000.00 |
| Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project | 13-572 | 50,000.00 | <u>50,000.00</u> |
| | | | <u><u>\$ 500,000.00</u></u> |

**BOROUGH OF OCEAN GATE
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Balance December 31, <u>2013</u> | Balance After <u>Transfers</u> | Paid or <u>Charged</u> | Balance <u>Lapsed</u> |
|-------------------------|--|--------------------------------------|------------------------------|--------------------------|
| Operating: | | | | |
| Salaries and Wages | \$ 9,093.73 | \$ 9,093.73 | \$ - | \$ 9,093.73 |
| Other Expenses | 27,634.61 | 27,634.61 | 330.73 | 27,303.88 |
| Sewer Treatment Costs | 35,620.40 | 35,620.40 | - | 35,620.40 |
| Statutory Expenditures: | | | | |
| Contribution to: | | | | |
| Social Security System | 790.31 | 790.31 | - | 790.31 |
| | <u>\$ 73,139.05</u> | <u>\$ 73,139.05</u> | <u>\$ 330.73</u> | <u>\$ 72,808.32</u> |
| <u>Reference</u> | S | S | S-4 | S-1 |

**BOROUGH OF OCEAN GATE
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Reference</u> | |
|---------------------------|------------------|---------------------------|
| Balance December 31, 2013 | S | \$ 6,465.42 |
| Increased by: | | |
| Interest Accrued | | <u>28,355.60</u> |
| Subtotal | | 34,821.02 |
| Decreased by: | | |
| Disbursements | S-4 | <u>29,219.64</u> |
| Balance December 31, 2014 | S | <u><u>\$ 5,601.38</u></u> |

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

| | <u>Reference</u> | |
|------------------------------------|------------------|----------------------------|
| Balance December 31, 2013 and 2014 | S | <u><u>\$ 67,500.00</u></u> |

**BOROUGH OF OCEAN GATE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| Ordinance Number | Improvement Description | Ordinance Date | Amount | Balance December 31, 2013 | | Balance December 31, 2014 | |
|---------------------|---|-------------------|------------|---------------------------|---------------|---------------------------|---------------|
| | | | | Funded | Unfunded | Funded | Unfunded |
| 09-538 | Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project | 5/24/2009 | 450,000.00 | \$ 1.05 | \$ 291,291.00 | \$ 12,368.91 | \$ 215,581.00 |
| 13-572 | Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project | 1/28/1986 | 37,000.00 | - | 11,300.00 | - | 11,300.00 |
| Total | | | | \$ 1.05 | \$ 302,591.00 | \$ 12,368.91 | \$ 226,881.00 |

Reference

S S S-4 S S

EXHIBIT S-14

**SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | Reference | |
|---------------------------|-----------|------------------------|
| Balance December 31, 2013 | S | \$ 2,716,057.50 |
| Increased by: | | |
| USDA Loan | S-15 | \$ 60,629.65 |
| NJFIT Loan | S-17 | 5,912.50 |
| Balance December 31, 2014 | S | <u>\$ 2,782,599.65</u> |

**BOROUGH OF OCEAN GATE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER UTILITY USDA LOAN
FOR THE YEAR ENDED DECEMBER 31, 2014**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds | | Interest Rate | Balance Dec. 31, 2013 | Paid by Budget Appropriation | Balance Dec. 31, 2014 |
|---|---------------|--------------------------|---------------------|---------------------------|---------------|-----------------------|------------------------------|-----------------------|
| | | | Date | Outstanding Dec. 31, 2014 | | | | |
| Construction of Sewer Collection System | 10/19/1981 | \$ 1,505,400.00 | 4/19/2015 | 31,456.31 | | | | |
| | | | 10/19/2015 | 32,242.72 | | | | |
| | | | 4/19/2016 | 33,048.79 | | | | |
| | | | 10/19/2016 | 33,875.01 | | | | |
| | | | 4/19/2017 | 34,721.88 | | | | |
| | | | 10/19/2017 | 35,589.93 | | | | |
| | | | 4/19/2018 | 36,479.68 | | | | |
| | | | 10/19/2018 | 37,391.67 | | | | |
| | | | 4/19/2019 | 38,326.46 | | | | |
| | | | 10/19/2019 | 39,284.62 | | | | |
| | | | 4/19/2020 | 40,266.74 | | | | |
| | | 10/19/2020 | 41,273.41 | | | | | |
| | | 4/19/2021 | 42,305.24 | | | | | |
| | | 10/19/2021 | 43,084.68 | | | | | |
| | | | | | 5.00% | \$ 579,976.79 | \$ 60,629.65 | \$ 519,347.14 |

**BOROUGH OF OCEAN GATE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN - SEWER IMPROVEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds | | Interest Rate | Balance Dec. 31, 2013 | Issued | Balance Dec. 31, 2014 |
|--------------------|---------------|--------------------------|---------------------------|-------------|---------------|-----------------------|--------------|-----------------------|
| | | | Outstanding Dec. 31, 2014 | Amount | | | | |
| Sewer Improvements | 5/21/2014 | \$ 60,000.00 | 8/01/2022 | \$ 5,000.00 | 5.000% | | | |
| | | | 8/01/2023 | 5,000.00 | 5.000% | | | |
| | | | 8/01/2024 | 5,000.00 | 5.000% | | | |
| | | | 8/01/2025 | 5,000.00 | 3.000% | | | |
| | | | 8/01/2026 | 5,000.00 | 3.000% | | | |
| | | | 8/01/2027 | 5,000.00 | 3.000% | | | |
| | | | 8/01/2028 | 5,000.00 | 3.000% | | | |
| | | | 8/01/2029 | 5,000.00 | 3.000% | | | |
| | | | 8/01/2030 | 5,000.00 | 3.000% | | | |
| | | | 8/01/2031 | 5,000.00 | 3.000% | | | |
| | | 8/01/2032 | 5,000.00 | 3.125% | | | | |
| | | 8/01/2033 | 5,000.00 | 3.250% | | | | |
| | | | | | | \$ - | \$ 60,000.00 | \$ 60,000.00 |

**BOROUGH OF OCEAN GATE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE FUND LOAN - SEWER IMPROVEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds | | Interest Rate | Balance Dec. 31, 2013 | Issued | Paid by Budget Appropriation | Balance Dec. 31, 2014 |
|--------------------|---------------|--------------------------|---------------------|----------|---------------|-----------------------|---------------|------------------------------|-----------------------|
| | | | Outstanding Date | Amount | | | | | |
| Sewer Improvements | 5/21/2014 | \$ 174,419.00 | 2/01/2015 | 2,956.25 | | | | | |
| | | | 8/01/2015 | 5,912.50 | | | | | |
| | | | 2/01/2016 | 2,956.25 | | | | | |
| | | | 8/01/2016 | 5,912.50 | | | | | |
| | | | 2/01/2017 | 2,956.25 | | | | | |
| | | | 8/01/2017 | 5,912.50 | | | | | |
| | | | 2/01/2018 | 2,956.25 | | | | | |
| | | | 8/01/2018 | 5,912.50 | | | | | |
| | | | 2/01/2019 | 2,956.25 | | | | | |
| | | | 8/01/2019 | 5,912.50 | | | | | |
| | | | 2/01/2020 | 2,956.25 | | | | | |
| | | | 8/01/2020 | 5,912.50 | | | | | |
| | | | 2/01/2021 | 2,956.25 | | | | | |
| | | | 8/01/2021 | 5,912.50 | | | | | |
| | | | 2/01/2022 | 2,956.25 | | | | | |
| | | | 8/01/2022 | 5,912.50 | | | | | |
| | | | 2/01/2023 | 2,956.25 | | | | | |
| | | | 8/01/2023 | 5,912.50 | | | | | |
| | | | 2/01/2024 | 2,956.25 | | | | | |
| | | | 8/01/2024 | 5,912.50 | | | | | |
| | | | 2/01/2025 | 2,956.25 | | | | | |
| | | | 8/01/2025 | 5,912.50 | | | | | |
| | | | 2/01/2026 | 2,956.25 | | | | | |
| | | | 8/01/2026 | 5,912.50 | | | | | |
| | | | 2/01/2027 | 2,956.25 | | | | | |
| | | | 8/01/2027 | 5,912.50 | | | | | |
| | | | 2/01/2028 | 2,956.25 | | | | | |
| | | | 8/01/2028 | 5,912.50 | | | | | |
| | | | 2/01/2029 | 2,956.25 | | | | | |
| | | | 8/01/2029 | 5,912.50 | | | | | |
| | | | 2/01/2030 | 2,956.25 | | | | | |
| | | | 8/01/2030 | 5,912.50 | | | | | |
| | | | 2/01/2031 | 2,956.25 | | | | | |
| | | 8/01/2031 | 5,912.50 | | | | | | |
| | | 2/01/2032 | 2,956.25 | | | | | | |
| | | 8/01/2032 | 5,912.50 | | | | | | |
| | | 2/01/2033 | 2,956.25 | | | | | | |
| | | 8/01/2033 | 5,912.75 | | | | | | |
| | | | | | 0.00% | - | \$ 174,419.00 | \$ 5,912.50 | \$ 168,506.50 |

**BOROUGH OF OCEAN GATE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJEIT LOAN RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

| | <u>Reference</u> | | |
|-------------------------------------|------------------|-------------------|----------------------------|
| Balance December 31, 2013 | S | | \$ - |
| Increased by: | | | |
| Loan issued May 21, 2014 | S-16, S-17 | | <u>234,419.00</u> |
| Subtotal | | | 234,419.00 |
| Decreased by: | | | |
| Cash Receipts | S-4 | \$ 12,369.00 | |
| Recognition of Interim Loan Payable | S | <u>158,709.00</u> | <u>171,078.00</u> |
| Balance December 31, 2014 | S | | <u><u>\$ 63,341.00</u></u> |

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Balance December 31, 2013 & 2014</u> |
|-----------------------------|--|---|
| 09-538 | Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project | \$ 215,581.00 |
| 13-572 | Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project | <u>47,500.00</u> |
| | | <u><u>\$ 263,081.00</u></u> |

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SINGLE AUDIT SECTION

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

The Honorable Mayor and Members
of the Borough Council
Borough of Ocean Gate, New Jersey

Report on Compliance for Each Major Federal Program

We have audited the Borough of Ocean Gate's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal programs for the year ended December 31, 2014. The Borough of Ocean Gate's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Borough of Ocean Gate complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the Borough of Ocean Gate as of and for the year ended December 31, 2014, and have issued our report thereon dated June 8, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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. The 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA #435

June 8, 2015
Toms River, New Jersey

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BOROUGH OF OCEAN GATE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2014

| Department/Program Title | Grant or Federal Account Number | Project Number/ Pass Through Grant Number | Project Cost | Award Amount | Grant Period | Cumulative | |
|---|---------------------------------|--|--------------|--------------|-------------------------|--------------|--------------|
| | | | | | | Receipts | Expenditures |
| U.S. Department of Homeland Security: | | | | | | | |
| Federal Emergency Management Agency: | | | | | | | |
| Hurricane Sandy Relief - Parking Meters | 97.036 | 066-1200-100-A92-14/15 PA-02-NJ-4086-PW-045820(0) | \$ 145.11 | \$ 130.60 | 10/30/2012 - 04/30/2014 | \$ - | \$ 131 |
| Hurricane Sandy Relief - Recreation Areas | 97.036 | PA-02-NJ-4086-PW-04719(0) | 11,784.78 | 10,606.30 | 10/30/2012 - 04/30/2014 | - | 10,606.30 |
| Hurricane Sandy Relief - Emergency Protective Measures | 97.036 | PA-02-NJ-4086-PW-00072(1) | 50,606.82 | 45,546.14 | 10/30/2012 - 04/30/2014 | - | 45,546.14 |
| Hurricane Sandy Relief - Emergency Protective Measures Sewer | 97.036 | PA-02-NJ-4086-PW-00072(1) | 21,973.00 | 19,775.70 | 10/30/2012 - 04/30/2014 | - | 19,775.70 |
| Hurricane Sandy Relief - Debris Removal | 97.036 | PA-02-NJ-4086-PW-01046(0) | 470,591.98 | 423,532.78 | 10/30/2012 - 04/30/2014 | 245,742.75 | 423,532.78 |
| Hurricane Sandy Relief - Ocean Gate Beach | 97.036 | PA-02-NJ-4086-PW-01431(2) | 319,440.00 | 287,496.00 | 10/30/2012 - 04/30/2014 | 287,496.00 | 287,496.00 |
| Hurricane Sandy Relief - Sewer Pump Generator | 97.036 | PA-02-NJ-4086-PW-01602(1) | 1,916.96 | 1,725.26 | 10/30/2012 - 04/30/2014 | - | 1,725.26 |
| Hurricane Sandy Relief - Pavillion, Dock & Comfort Station | 97.036 | PA-02-NJ-4086-PW-03453(0) | 41,584.62 | 37,426.16 | 10/30/2012 - 04/30/2014 | - | 37,426.16 |
| Hurricane Sandy Relief - Boardwalk and Bulkheads | 97.036 | PA-02-NJ-4086-PW-03937(1) | 777,471.64 | 699,724.48 | 10/30/2012 - 04/30/2014 | 699,724.48 | 699,724.48 |
| Hurricane Sandy Relief - Buildings and Contents | 97.036 | PA-02-NJ-4086-PW-04844(0) | 3,222.39 | 2,900.15 | 10/30/2012 - 04/30/2014 | - | 2,900.15 |
| Total Federal Emergency Management | | | | | | 1,232,963.23 | 1,528,863.57 |
| Community Disaster Loan | 97.030 | EMIN-2013-LF-4086NJ29 | 531,497.00 | 531,497.00 | Open | - | 531,497.00 |
| Total U.S. Department of Homeland Security | | | | | | 1,232,963.23 | 2,060,360.57 |
| Environmental Public Wastewater Facilities Capitalization Grant | 66.458 | 042-4860-711-008-15 | N/A | 1,213.00 | Open | 1,213.00 | - |
| Law and Public Safety: | | | | | | | |
| Cops in Shops | 20.616 | 066-1400-100-025-15 | N/A | 1,200.00 | 01/01/14-12/31/14 | 1,200.00 | 1,200.00 |
| Total Federal Financial Assistance | | | | | | 1,235,376.23 | 2,061,560.57 |

BOROUGH OF OCEAN GATE

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

Note 1. General

The accompanying schedule of expenditures of federal awards present the activity of all federal award programs of the Borough of Ocean Gate. The Borough is defined in Note 1 to the Borough's financial statements.

Note 2. Basis of Accounting

The accompanying schedule of expenditures of federal awards are presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

Note 3. Relationship to Financial Statements – Statutory Basis

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's financial statements. Expenditures from awards are reported in the Borough's financial statements as follows:

| | Federal | Total |
|----------------------------|------------------------------|------------------------------|
| Current Fund | \$533,238.75 | \$533,238.75 |
| State & Federal Grant Fund | 1,200.00 | 1,200.00 |
| Capital Fund | <u>699,724.48</u> | <u>699,724.48</u> |
| Total | <u><u>\$1,234,163.23</u></u> | <u><u>\$1,234,163.23</u></u> |

In accordance with the Federal Emergency Management Agency, expenditures from Superstorm Sandy are recorded for purposes of the schedule of expenditures of federal awards when FEMA funds have been released to the Borough. The monies being released are for reimbursements of expenditures that had been previously recorded in the Borough's financial statements. The Borough has recognized cumulative FEMA funds in the schedule of expenditures of federal awards totaling \$1,528,863.57, of which \$366,973.94 was expended during the year ended December 31, 2014 and \$1,161,889.63 was expended in prior years.

Note 4. Relationship to Federal Financial Report

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial report.

Note 5. Major Programs

Major programs are identified in the Schedule of Findings and Questioned Costs section.

**BOROUGH OF OCEAN GATE
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended December 31, 2014**

Section I – Summary of Auditors’ Results

Financial Statements

| | |
|---|--------------------------------|
| Type of auditors’ report issued: | <u>Unmodified - Regulatory</u> |
| Internal control over financial reporting: | |
| 1) Material weakness(es) identified? | None Reported |
| 2) Significant deficiencies identified that are not considered to be material weaknesses? | Yes |
| Noncompliance material to basic financial statements noted? | None Reported |

Federal Awards

| | |
|---|-------------------|
| Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| Auditee qualified as low-risk auditee? | No |
| Type of auditor’s report issued on compliance for major programs | <u>Unmodified</u> |
| Internal Control over major programs: | |
| 1) Material weakness(es) identified? | None Reported |
| 2) Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? | No |

Identification of major programs:

| CFDA Number(s) | Name of Federal Program |
|-----------------------|--|
| 97.036 | Federal Emergency Management Agency (FEMA) |

BOROUGH OF OCEAN GATE
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2014

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding 2014-01:

Criteria or Specific Requirement:

N.J.A.C. 5:30-5.7 requires that all local units are required to maintain a general ledger accounting system for all funds.

Condition:

A general ledger system was not maintained for all funds.

Context:

General ledgers were not maintained for the Current, Trust, Capital, Sewer Utility and Water Utility funds.

Effect:

Complete general ledgers were not available for all funds which could lead to delays in reporting.

Cause:

The Borough has experienced difficulties in implementing the computerized general ledger system.

Recommendation:

That procedures be implemented to record and summarize the financial transactions of the Borough in the general ledger.

Views of Responsible Officials and Planned Corrective Action:

The responsible officials will address the matter as part of their corrective action plan.

Finding 2014-03:

Criteria or Specific Requirement:

Good business practice is to segregate duties of custody and posting receipts.

BOROUGH OF OCEAN GATE
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2014

Section II – Financial Statement Findings (continued)

Finding 2014-03 (continued):

Condition:

There is a lack of segregation of duties in the receipts process.

Context:

The duties of collecting receipts, posting receipts, adjusting accounts, and creating deposit slips for tax, sewer and water receipts are conducted by one employee.

Effect:

Lack of segregation of duties could lead to misstatements not being detected in a timely manner.

Cause:

The Borough has limited staff available.

Recommendation:

That procedures be implemented to segregate the duties in the receipt process.

Views of Responsible Officials and Planned Corrective Action:

The responsible officials will address the matter as part of their corrective action plan.

Section III – Federal Award Findings & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133.

No Current Year Findings

**BOROUGH OF OCEAN GATE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended December 31, 2014**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315 (a)(b)).

Finding 2013-01:

Condition:

A general ledger system was not maintained for all funds.

Current Status:

This condition has not been corrected and is included as Finding 2014-01.

Finding 2013-05:

Condition:

Additions and deletions to fixed assets were not accounted for and no physical inventory has been taken.

Current Status:

This condition has been corrected.

Finding 2013-06:

Condition:

There is a lack of segregation of duties in the receipts process.

Current Status:

This condition has not been corrected and is included as Finding 2014-03.

**BOROUGH OF OCEAN GATE
COUNTY OF OCEAN**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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Honorable Mayor and Members
of the Borough Council
Borough of Ocean Gate, New Jersey

SCOPE OF AUDIT

We have audited the financial statements of the Borough of Ocean Gate in the County of Ocean for the year ended December 31, 2014. 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. The Borough employs a qualified purchasing agent.

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any 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.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 "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

The statute provides the method for authorizing interest and the maximum rate 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 1, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“BE IT RESOLVED by the Borough Council of the Borough of Ocean Gate, County of Ocean, State of New Jersey, the rate of interest charged on delinquent taxes or assessments on any installment made eight (8) days after the date upon which the same became payable, shall not exceed 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 Thousand Five Hundred Dollars (\$1,500.00).

BE IT FURTHER RESOLVED, that where interest on delinquent tax payments is one dollar (\$1.00) or less, payment and collection of said interest is hereby waived.”

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 last tax sale was held on September 17, 2014 and was complete.

Inspection of tax sale certificates on file revealed that all 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 |
|-------------|------------------------|
| 2014 | 3 |
| 2013 | 3 |
| 2012 | 3 |

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 partial payment or estimate.

Municipal Court

A separate report of 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 Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

Deposit of Funds Paid to Local Unit

N.J.S.40A:5-15 States:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall within 48 hours after the receipt thereof, either;

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or;
- b. be deposited to the credit of the local unit in its designated legal depository.”

Payroll

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Borough employees, also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

Follow-Up of Prior Year Findings

In accordance with Government Auditing Standards our procedures included a review of all prior year audit findings. All Findings from the prior year that were not corrected in the current year are addressed with an asterisk. Findings 13-03, regarding the Municipal Court turning money over to the Borough timely, 13-04, regarding timely deposits of tax, sewer and water receipts, and 13-05 regarding proper maintenance of a fixed asset ledger were addressed in 2014.

Findings/Recommendations

***14-01 Finding** – A General Ledger System was not maintained for all funds.

Criteria – In accordance with N.J.A.C. 5:30-5.7, all local units are required to maintain a General Ledger Accounting System for all funds.

Recommendation - That procedures be implemented to record and summarize the financial transactions of the Borough in the General Ledger.

Findings/Recommendations (continued)

***14-02 Finding** - The Analysis of General and Water Capital Funds Cash included cash deficits for several ordinances that were over ten years old.

Criteria - State statutes require that cash be provided for payments made from particular ordinances with unfinanced costs within ten years of adoption.

Recommendation - That cash be provided for the deficit balances in the General and Water Capital Funds.

***14-03 Finding** – There is a lack of segregation of duties in the receipts process. The duties of collecting receipts, posting receipts, adjusting accounts, and creating deposit slips for tax, sewer and water receipts are conducted by one employee.

Criteria – Good business practice is to segregate duties of custody and posting receipts.

Recommendation – That procedures be implemented to segregate the duties in the receipt process.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2014:

| NAME | TITLE | AMOUNT OF BOND |
|---------------------|--|-----------------------|
| Paul J. Kennedy | Mayor, Administrator | |
| Brian DiStefano | Councilman, Council President | |
| David Kendrick | Councilman | |
| Rosemarie Kindon | Councilman | |
| Chris A. Theodos | Councilman | |
| Joella Nicaastro | Councilwoman | |
| John Serpica | Councilman | |
| Paulette M. Konopka | Chief Financial Officer | \$1,000,000 |
| Elizabeth V. Barger | Tax Collector/Tax Search Officer, Water Utility and Sewer Utility Collector | 1,000,000 |
| Ileana Gallipolli | Municipal Clerk | 1,000,000 |
| Stacey Kerr | Magistrate | 1,000,000 |
| Patricia Megill | Court Administrator | 1,000,000 |
| Aileen Alonzo | Deputy Court Administrator | 1,000,000 |
| James Gluck | Borough Attorney | |

There was a Public Employees' Faithful Performance Blanket Bond in the amount of \$1,000,000 for Borough employees and Municipal Court personnel carried by the Ocean County Municipal Joint Insurance Fund. There was also a supplemental blanket bond for all employees and public officials in the amount of \$950,000 and \$1,000,000 carried by the Municipal Excess Liability Joint Insurance Fund.

All of the bonds were examined and properly executed.

Acknowledgment

We received the complete cooperation of all the Borough Officials and employees and we greatly appreciate the courtesies extended to the members of the audit team.

Should you have any questions or should you desire any assistance, please call me.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
RMA#435

June 8, 2015
Toms River, New Jersey