

BOROUGH OF OCEAN GATE
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2015

BOROUGH OF OCEAN GATE

TABLE OF CONTENTS

Year ended December 31, 2015

	<u>EXHIBIT</u>	<u>PAGE</u>
PART I		
Independent Auditor's Report		1
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		5
Financial Statements – Regulatory Basis:		
<u>Current Fund:</u>		
Comparative Statements of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis	A	9
Comparative Statement of Operations and Changes in Fund Balance – Regulatory Basis	A-1	11
Statement of Revenues – Regulatory Basis	A-2	12
Statement of Expenditures – Regulatory Basis	A-3	14
<u>Trust Fund:</u>		
Comparative Statements of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis	B	19
<u>General Capital Fund:</u>		
Comparative Statements of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis	C	20
<u>Water Utility Fund:</u>		
Comparative Statements of Assets, Liabilities, Reserves and Fund Balance – Regulatory Basis	D	21
Comparative Statement of Operations and Change in Operating Fund Balance - Regulatory Basis	D-1	23
Statement of Revenues - Regulatory Accounting Basis	D-2	24
Statement of Expenditures - Regulatory Accounting Basis	D-3	25
<u>Payroll Fund</u>		
Balance Sheet - Regulatory Basis as of December 31, 2015 and 2014	G	26
<u>General Fixed Assets Account Group:</u>		
Balance Sheet - Regulatory Basis as of December 31, 2015 and 2014	H	26
<u>Sewer Utility Fund:</u>		
Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	S	27
Comparative Statement of Operations and Change in Operating Fund Balance - Regulatory Basis	S-1	29
Statement of Revenues - Regulatory Accounting Basis	S-2	30
Statement of Expenditures - Regulatory Accounting Basis	S-3	31
<u>Notes to Financial Statements</u>		35

BOROUGH OF OCEAN GATE

TABLE OF CONTENTS

Year ended December 31, 2015

	<u>EXHIBIT</u>	<u>PAGE</u>
<u>Current Fund:</u>		
Schedule of Cash - Treasurer	A-4	65
Schedule of Due From/To State of New Jersey	A-5	66
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-6	67
Schedule of Tax Title Liens Receivable	A-7	68
Schedule of Revenue Accounts Receivable	A-8	68
Schedule of Deferred Charges – Special Emergency Authorizations	A-9	69
Schedule of 2014 Appropriation Reserves	A-10	70
Schedule of County Taxes Payable	A-11	73
Schedule of School Tax Payable	A-12	73
Schedule of Interfunds	A-13	74
Schedule of State, Federal and Other Grants Receivable	A-14	75
Schedule of Reserves for State, Federal and Other Grants - Appropriated	A-15	76
<u>Trust Fund:</u>		
Schedule of Cash - Treasurer	B-1	79
Schedule of Reserve for Animal Control Fund	B-2	80
Schedule of Due To State of New Jersey	B-3	80
Schedule of Interfunds	B-4	81
Schedule of Miscellaneous Trust Reserves	B-5	82
<u>General Capital Fund:</u>		
Schedule of Change in Fund Balance	C-1	85
Schedule of Cash - Treasurer	C-2	85
Analysis of Cash and Investments	C-3	86
Schedule of Deferred Charges To Future Taxation - Funded	C-4	87
Schedule of Capital Improvement Fund	C-5	87
Schedule of Deferred Charges To Future Taxation - Unfunded	C-6	88
Schedule of Improvement Authorizations	C-7	89
Schedule of Bond Anticipation Notes	C-8	90
Schedule of General Serial Bonds	C-9	91
Schedule of Bonds and Notes Authorized but not Issued	C-10	92
<u>Water Utility Fund:</u>		
Schedule of Water Utility Cash - Treasurer	D-4	95
Analysis of Cash	D-5	96
Schedule of Consumer Accounts Receivable	D-6	97
Schedule of Interfunds	D-7	97
Schedule of Fixed Capital	D-8	98
Schedule of Fixed Capital Authorized and Uncompleted	D-9	98
Schedule of 2014 Appropriation Reserves	D-10	99
Schedule of Accrued Interest on Bonds, Notes and Loans	D-11	100
Schedule of Capital Improvement Fund	D-12	100
Schedule of Improvement Authorizations	D-13	101
Schedule of Reserve for Amortization	D-14	102

BOROUGH OF OCEAN GATE

TABLE OF CONTENTS

Year ended December 31, 2015

	<u>EXHIBIT</u>	<u>PAGE</u>
<u>Water Utility Fund (continued):</u>		
Schedule of Deferred Reserve for Amortization	D-15	102
Schedule of Water Utility Serial Bonds	D-16	103
Schedule of Bond Anticipation Notes	D-17	103
Schedule of Water Utility USDA Loan	D-18	104
Schedule of N.J. Environmental Infrastructure Trust Loan - Water Tank	D-19	105
Schedule of N.J. Environmental Infrastructure Fund Loan - Water Tank	D-20	106
Schedule of N.J. Environmental Infrastructure Trust Loan - Wind Turbine	D-21	107
Schedule of N.J. Environmental Infrastructure Fund Loan - Wind Turbine	D-22	108
Schedule of Bonds and Notes Authorized but not Issued	D-23	109
<u>Sewer Utility Fund:</u>		
Schedule of Sewer Utility Cash - Treasurer	S-4	113
Analysis of Cash	S-5	114
Schedule of Consumer Accounts Receivable	S-6	115
Schedule of Interfunds	S-7	115
Schedule of Fixed Capital	S-8	116
Schedule of Fixed Capital Authorized and Uncompleted	S-9	116
Schedule of 2014 Appropriation Reserves	S-10	117
Schedule of Accrued Interest Payable	S-11	118
Schedule of Capital Improvement Fund	S-12	118
Schedule of Improvement Authorizations	S-13	119
Schedule of Reserve for Amortization	S-14	119
Schedule of Sewer Utility USDA Loan	S-15	120
Schedule of N.J. Environmental Infrastructure Trust Loan - Sewer Improvements	S-16	121
Schedule of N.J. Environmental Infrastructure Fund Loan - Sewer Improvements	S-17	122
Schedule of NJEIT Loan Receivable	S-18	123
Schedule of Bonds and Notes Authorized but not Issued	S-19	123

PART II

<u>Comments and Recommendations:</u>		
Scope of Audit		127
General Comments		127
Officials in Office and Surety Bonds		131
Acknowledgment		132

**BOROUGH OF OCEAN GATE
COUNTY OF OCEAN**

PART I

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



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
6 E. Park Street, P.O. Box 614, Bordentown, NJ 08505 • Tel: 609.298.8639
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, 2015 and 2014, 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, 2015.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As discussed in Note 1 to the financial statements, the Borough of 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, 2015, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Ocean Gate, County of Ocean, State of New Jersey, as of December 31, 2015 and 2014, 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, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Emphasis of Matter

Change in Accounting Principle

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

Other Matters

Report on Supplementary Information

Our audit was 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 May 16, 2016, 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

May 16, 2016
Toms River, New Jersey

This page intentionally left blank.



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

The Honorable Mayor and Members
of the Borough Council
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, 2015 and the related notes to the financial statements, and have issued our report thereon dated . 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. 2015-01, 2015-03 and 2015-04.

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. 2015-01, 2015-02 and 2015-05.

Response to Findings

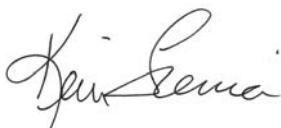
The Borough of Ocean Gate's response to the findings identified in our audit is described in the accompanying Comments & Recommendations section. The Borough of Ocean Gate's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express 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

May 16, 2016
Toms River, New Jersey

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

**BOROUGH OF OCEAN GATE
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Cash	A-4	\$ 3,797,902.01	\$ 4,370,906.54
Cash - Change Fund and Petty Cash		400.00	350.00
		<u>3,798,302.01</u>	<u>4,371,256.54</u>
Due from State of New Jersey:			
Construction Code Fees		7,284.39	2,694.88
Senior Citizen & Veteran Deductions		-	92.47
		<u>7,284.39</u>	<u>2,787.35</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	201,257.76	251,969.52
Tax Title Liens Receivable	A-7	6,905.26	3,717.20
Revenue Accounts Receivable	A-8	2,420.38	4,113.17
Interfunds:			
General Capital Fund	A-13	84,270.94	-
Water Utility Operating Fund	A-13	12,616.27	-
Grant Fund	A-13	76,518.93	47,725.55
		<u>383,989.54</u>	<u>307,525.44</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)	A-9	73,350.00	41,486.00
FEMA Community Disaster Loan (Memo)		445,554.62	439,086.62
		<u>518,904.62</u>	<u>480,572.62</u>
		<u>4,708,480.56</u>	<u>5,162,141.95</u>
<u>Grant Fund</u>			
Grants Receivable	A-14	886,860.88	610,349.59
		<u>886,860.88</u>	<u>610,349.59</u>
 Total Assets		 <u>\$ 5,595,341.44</u>	 <u>\$ 5,772,491.54</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, 2015 AND 2014**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Appropriation Reserves	A-3,10	\$ 223,162.09	\$ 230,249.94
Reserve for Encumbrances	A-3,10	23,428.96	29,983.29
Emergency Notes Payable	A-4	-	37,536.00
Tax Overpayments	A	4,256.16	11,486.89
Prepaid Taxes	A-4,6	43,686.69	33,709.95
Due State of New Jersey:			
Marriage License Fees	A-4	50.00	25.00
Senior Citizen & Veteran Deductions	A-5	250.00	143.83
Reserve for:			
Recovery from Hurricane Sandy	A	1,247,486.02	1,260,251.52
Accounts Payable	A	7,051.14	7,452.46
Due County for Added and Omitted Taxes	A-11	5,308.38	5,674.54
Local District School Tax Payable	A-12	176,987.87	170,314.37
Regional District School Tax Payable	A-12	10,832.59	10,867.54
FEMA Community Disaster Loan (Memo)		445,554.62	439,086.62
Interfunds:			
Other Trust Fund	A-13	10,365.39	10,365.35
Sewer Operating	A-13	61,213.54	36,914.90
		<u>2,259,633.45</u>	<u>2,283,918.37</u>
Reserve for Receivables and Other Assets	A	383,989.54	307,525.44
Fund Balance	A-1	2,064,857.57	2,570,698.14
		<u>4,708,480.56</u>	<u>5,162,141.95</u>
<u>Grant Fund</u>			
Interfund - Current Fund	A-13	76,518.93	47,725.55
Appropriated Reserves	A-15	809,424.95	553,911.24
Reserve for Encumbrances	A-15	917.00	8,712.80
		<u>886,860.88</u>	<u>610,349.59</u>
		<u>\$ 5,595,341.44</u>	<u>\$ 5,772,491.54</u>

There were deferred school taxes on December 31, 2015 and 2014 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, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<u>Revenue & Other Income Realized:</u>			
Fund Balance Utilized	A-2	\$ 858,707.46	\$ 699,956.00
Miscellaneous Revenue Anticipated	A-2	919,372.06	1,265,096.73
Receipts from Delinquent Taxes	A-2	251,418.36	241,006.89
Receipts from Current Taxes	A-2	5,015,843.25	4,940,575.13
Non-Budget Revenues	A-2	100,062.39	1,945,520.97
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	199,013.65	183,094.22
Total Income		<u>7,344,417.17</u>	<u>9,275,249.94</u>
<u>Expenditures:</u>			
Budget Appropriations within Caps:			
Operations:			
Salaries & Wages	A-3	984,611.00	960,146.00
Other Expenses	A-3	1,213,683.00	1,139,405.00
Deferred Charges & Statutory Expenditures		212,314.00	211,447.00
Budget Appropriations excluded from Caps:			
Operations:			
Salaries & Wages	A-3	13,677.00	13,677.00
Other Expenses	A-3	417,116.24	44,118.62
Capital Improvements	A-3	282,710.00	435,000.00
Municipal Debt Service	A-3	233,720.19	300,144.83
Deferred Charges	A-3	41,486.00	346,225.75
		<u>3,399,317.43</u>	<u>3,450,164.20</u>
County Taxes	A-11	969,621.24	957,499.26
Local District School Tax	A-12	1,651,062.00	1,637,715.00
Regional District School Taxes	A-13	921,902.00	923,770.00
Prior Year Refunds		-	-
Interfund Advances	A	122,997.61	59,725.55
Total Expenditures		<u>7,064,900.28</u>	<u>7,028,874.01</u>
Excess/(Deficit) in Revenues		279,516.89	2,246,375.93
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budget of			
Succeeding Year			
		<u>73,350.00</u>	-
Statutory Excess to Fund Balance		352,866.89	2,246,375.93
Fund Balance January 1	A	<u>2,570,698.14</u>	<u>1,024,278.21</u>
		2,923,565.03	3,270,654.14
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>858,707.46</u>	<u>699,956.00</u>
Fund Balance December 31	A	<u>\$ 2,064,857.57</u>	<u>\$ 2,570,698.14</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, 2015**

	Reference	Budget	Appropriated By N.J.S.A.40A:4-87	Amount Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 858,707.46	\$ -	\$ 858,707.46	\$ -
Miscellaneous Revenue:					
Licenses					
Alcoholic Beverages	A-8	5,200.00	-	5,188.00	(12.00)
Fees and Permits	A-8	24,000.00	-	22,786.00	(1,214.00)
Fines and Costs					
Municipal Court	A-8	42,000.00	-	43,278.03	1,278.03
Interest and Costs on Taxes	A-8	40,000.00	-	47,889.17	7,889.17
Parking Meters	A-8	1,500.00	-	2,993.00	1,493.00
Interest on Investments and Deposits	A-8	1,250.00	-	1,538.34	288.34
Beach Revenues	A-8	14,000.00	-	18,000.00	4,000.00
Parking Lot Fees	A-8	2,000.00	-	3,955.00	1,955.00
Cable Franchise Fees	A-8	-	-	-	-
State Aid:					
Consolidated Municipal Property Tax Relief	A-8	14,977.00	-	4,212.00	(10,765.00)
Energy Receipts Tax	A-8	128,684.00	-	139,449.00	10,765.00
Uniform Construction Code Fees	A-8	40,000.00	-	78,426.00	38,426.00
Beach and Boardwalk Operations	A-8	18,000.00	-	21,919.75	3,919.75
Pine Beach Police Chief		96,678.00	-	86,621.50	(10,056.50)
Special Items of Revenue:					
Federal and State Revenues Off-Set with Appropriations:					
Alcohol Education and Rehabilitation	A-15	-	353.60	353.60	-
Body Armor Grant	A-15	-	1,089.36	1,089.36	-
Clean Communities Program	A-15	-	4,520.84	4,520.84	-
Community Development Block Grant	A-15	-	33,000.00	33,000.00	-
Cops in Shops	A-15	-	1,200.00	1,200.00	-
Municipal Alliance on Alcoholism and Drug Abuse	A-15	15,605.00	-	15,605.00	-
NJ Transportation Trust Fund Authority -					
Monmouth Avenue	A-15	-	250,000.00	250,000.00	-
Recycling Tonnage Grant	A-15	-	685.72	685.72	-
Other Special Items:					
Cell Tower Lease	A-8	55,000.00	-	50,373.22	(4,626.78)
Reserve for Debt Services		84,270.81	-	84,270.81	-
Insurance Proceeds - Hurricane Sandy	A-8	-	2,017.72	2,017.72	-
Total Miscellaneous Revenues	A-1	583,164.81	292,867.24	919,372.06	43,340.01
Receipts from Delinquent Taxes	A-1,6	240,000.00	-	251,418.36	11,418.36
Subtotal General Revenues		1,681,872.27	292,867.24	2,029,497.88	54,758.37
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	1,667,961.73	-	1,786,242.01	118,280.28
Total General Revenues		3,349,834.00	292,867.24	3,815,739.89	173,038.65
Non-Budget Revenues	A-1,2	-	-	100,062.39	100,062.39
Total Revenues		3,349,834.00	292,867.24	3,915,802.28	273,101.04

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, 2015**

ANALYSIS OF REALIZED REVENUES

	<u>Reference</u>	
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,6	\$ 5,015,843.25
Allocated to:		
School and County Taxes	A-11, A-12	<u>3,542,585.24</u>
Balance for Support of Municipal Budget		
Appropriations		1,473,258.01
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>312,984.00</u>
Amount for Support of Municipal Budget		
Appropriations	A-2	<u><u>\$ 1,786,242.01</u></u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue not Anticipated:		
Miscellaneous		\$ 10,392.62
FEMA Reimbursement		7,047.14
Reimbursements		52,330.00
Ocean County Recycling Rebate		1,518.94
Cable Franchise Fees		14,740.84
N.J. Motor Vehicle Inspection Fees		600.00
Gain on Sale of Fixed Assets		<u>13,432.85</u>
Total Analysis of Nonbudget Revenue	A-2, A-4	<u><u>\$ 100,062.39</u></u>

**BOROUGH OF OCEAN GATE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	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	30,465.00	30,465.00	29,468.87	996.13	-
Mayor and Council					
Salaries and Wages	1.00	1.00	-	1.00	-
Other Expenses	2,200.00	2,200.00	1,844.03	355.97	-
Municipal Clerk					
Salaries and Wages	43,930.00	43,930.00	42,394.42	1,535.58	-
Other Expenses:	7,810.00	4,810.00	3,591.74	1,218.26	-
Financial Administration					
Salaries and Wages	24,432.00	24,432.00	24,432.00	-	-
Other Expenses	4,188.00	4,188.00	3,698.00	490.00	-
Audit Services					
Other Expenses	17,000.00	17,000.00	17,000.00	-	-
Collection of Taxes					
Salaries and Wages	20,935.00	20,935.00	20,935.00	-	-
Other Expenses	4,155.00	4,155.00	3,083.50	1,071.50	-
Assessment of Taxes					
Salaries and Wages	14,699.00	14,699.00	14,161.66	537.34	-
Other Expenses	1,650.00	75,000.00	54,674.86	1,000.00	19,325.14
Legal Services and Costs					
Other Expenses	50,000.00	50,000.00	40,239.82	9,760.18	-
Engineering Services					
Other Expenses	30,000.00	30,000.00	28,377.73	1,622.27	-
Planning Board/Board of Adjustment					
Salaries and Wages	3,184.00	3,184.00	3,183.24	0.76	-
Other Expenses	5,447.00	8,547.00	7,292.42	1,254.58	-
Insurance					
General Liability	68,827.00	68,827.00	66,483.46	2,343.54	-
Workers Compensation	85,747.00	85,747.00	83,746.72	2,000.28	-
Employee Group Insurance	252,799.00	252,799.00	232,594.85	20,204.15	-

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, 2015**

	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	668,097.00	668,097.00	615,661.24	-	52,435.76	-
Other Expenses	89,195.00	81,195.00	67,315.37	6,955.68	6,923.95	-
Emergency Management Services						
Other Expenses	2,655.00	2,655.00	908.60	-	1,746.40	-
Aid to Volunteer Fire Company						
Other Expenses	15,000.00	15,000.00	14,787.57	-	212.43	-
Fire						
Other Expenses	24,000.00	24,000.00	15,812.82	7,175.17	1,012.01	-
Municipal Court						
Salaries and Wages	23,575.00	23,575.00	16,515.55	-	7,059.45	-
Other Expenses	4,200.00	4,200.00	1,982.64	817.00	1,400.36	-
Public Defender						
Other Expenses	6,000.00	6,000.00	6,000.00	-	-	-
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	17,824.00	17,824.00	15,060.46	-	2,763.54	-
Other Expenses	8,551.00	8,551.00	7,830.08	-	720.92	-
Beachfront Maintenance						
Salaries and Wages	13,825.00	13,825.00	13,825.00	-	-	-
Other Expenses	19,900.00	13,900.00	10,909.73	200.00	2,790.27	-
Solid Waste Collection						
Salaries and Wages	18,824.00	18,824.00	18,824.00	-	-	-
Other Expenses	5,100.00	5,100.00	4,940.40	95.60	64.00	-
Public Buildings and Grounds						
Salaries and Wages	14,025.00	14,025.00	14,023.72	-	1.28	-
Other Expenses	68,480.00	61,480.00	48,277.15	4,086.96	9,115.89	-

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, 2015**

	Appropriated		Paid or Charged	Expended		Unexpected Balance Cancelled
	Original Budget	Budget After Modification		Encumbered	Reserved	
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	3,000.00	3,000.00	2,919.21	-	80.79	-
Other Expenses						
Beach Patrol	7,000.00	7,000.00	3,130.91	-	3,869.09	-
Salaries and Wages	4,500.00	30,500.00	29,637.22	98.55	764.23	-
Other Expenses						
Solid Waste Disposal Costs						
Disposal Costs	75,000.00	70,000.00	58,393.58	500.00	11,106.42	-
Other Expenses	99,000.00	99,000.00	90,750.00	-	8,250.00	-
Contract						
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Code Enforcement Official	64,260.00	64,260.00	63,661.49	-	598.51	-
Salaries and Wages	12,050.00	12,050.00	9,691.54	-	2,358.46	-
Other Expenses						
Unclassified						
Utilities:						
Electricity	28,000.00	33,000.00	31,076.02	-	1,923.98	-
Street Lighting	23,000.00	23,000.00	16,972.30	-	6,027.70	-
Telephone	21,000.00	22,200.00	20,339.95	-	1,860.05	-
Natural Gas and Propane	22,000.00	22,000.00	16,020.32	-	5,979.68	-
Gasoline	40,000.00	32,614.00	21,852.80	2,500.00	8,261.20	-
Total Operations within Caps	2,126,030.00	2,198,294.00	1,974,418.99	23,428.96	200,446.05	-
Detail:						
Salaries and Wages	984,611.00	984,611.00	915,808.69	-	68,802.31	-
Other Expenses	1,141,419.00	1,213,683.00	1,058,610.30	23,428.96	131,643.74	-
STATUTORY EXPENDITURES WITHIN CAPS						
Contribution to:						
Social Security System	89,562.00	89,562.00	79,628.62	-	9,933.38	-

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, 2015**

	Appropriated		Expended			Unexpected Balance Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Contribution to:						
Public Employees Retirement System	23,641.00	23,641.00	18,641.00	-	5,000.00	-
Police and Firemen's Retirement System of NJ	97,025.00	98,111.00	98,110.89	-	0.11	-
Unemployment Insurance	1,000.00	1,000.00	-	-	1,000.00	-
Total Statutory Expenditures within Caps	211,228.00	212,314.00	196,380.51	-	15,933.49	-
Total Appropriations within Caps	2,337,258.00	2,410,608.00	2,170,799.50	23,428.96	216,379.54	-
OPERATIONS EXCLUDED FROM CAPS						
Employee Group Health (P.L. 2007, Chap. 62)	8,065.00	8,065.00	8,065.00	-	-	-
Beach Patrol	13,677.00	13,677.00	13,677.00	-	-	-
Salaries and Wages	96,678.00	96,678.00	96,678.00	-	-	-
Pine Beach Police Chief	-	353.60	353.60	-	-	-
Public and Private Programs Offset by Revenues						
Alcohol Education/Rehabilitation Program	-	1,089.36	1,089.36	-	-	-
Body Armor Fund	-	4,520.84	4,520.84	-	-	-
Clean Communities Program	-	33,000.00	33,000.00	-	-	-
Community Development Block Grant	-	1,200.00	1,200.00	-	-	-
Cops in Shops	-	250,000.00	250,000.00	-	-	-
DOT - Asbury Ave	-	2,017.72	2,017.72	-	-	-
Hurricane Sandy Reimbursement	-	-	-	-	-	-
Municipal Alliance Grant	15,605.00	15,605.00	15,605.00	-	-	-
State Share	3,901.00	3,901.00	3,901.00	-	-	-
Local Share	-	685.72	685.72	-	-	-
Recycling Tonnage Grant	137,926.00	430,793.24	430,793.24	-	-	-
Total Operations excluded from Caps	110,355.00	13,677.00	13,677.00	-	-	-
Detail:	27,571.00	417,116.24	417,116.24	-	-	-
Salaries and Wages						
Other Expenses						

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, 2015**

	Appropriated		Expended		Unexpected Balance Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Encumbered Reserved	
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u>					
New Jersey Transportation Trust Fund Act:					
Capital Improvement Fund	17,710.00	17,710.00	17,710.00	-	-
Splash Pad	250,000.00	250,000.00	243,217.45	-	6,782.55
Playground Equipment	15,000.00	15,000.00	15,000.00	-	-
Total Capital Improvements excluded from Caps	282,710.00	282,710.00	275,927.45	-	6,782.55
<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	23,143.00	23,143.00	23,143.00	-	-
Interest on Bonds	56,760.00	56,760.00	53,666.06	-	3,093.94
Interest on Notes	22,567.00	22,567.00	21,911.13	-	655.87
Total Municipal Debt Service excluded from Caps	237,470.00	237,470.00	233,720.19	-	3,749.81
<u>DEFERRED CHARGES EXCLUDED FROM CAPS</u>					
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	41,486.00	41,486.00	41,486.00	-	-
Total Deferred Charges excluded from Caps	41,486.00	41,486.00	41,486.00	-	-
Total General Appropriations excluded from Caps	699,592.00	992,459.24	981,926.88	-	6,782.55
Subtotal General Appropriations	3,036,850.00	3,403,067.24	3,152,726.38	23,428.96	3,749.81
Reserve for Uncollected Taxes	312,984.00	312,984.00	312,984.00	-	-
Total General Appropriations	\$ 3,349,834.00	\$ 3,716,051.24	\$ 3,465,710.38	\$ 23,428.96	\$ 3,749.81
Ref.	A-2	A-1	A	A	A-1
Budget	A-2				
Appropriation by 40A:4-87	A-2	\$ 3,349,834.00			
Appropriation by 40A:4-53	A-2	292,867.24			
		73,350.00			
		<u>\$ 3,716,051.24</u>			
Disbursements	A-4		\$ 2,798,867.14		
Deferred Charge - Special Emergency Authorization	A-9		41,486.00		
Reserve for:					
Uncollected Taxes	A-2		312,984.00		
Interfund - Grant Fund	A-15		312,373.24		
			<u>\$ 3,465,710.38</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, 2015 AND 2014**

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 2,254.05	\$ 1,460.79
Other Trust Funds:			
Cash	B-1	194,505.69	145,353.55
Interfund - Current Fund	B-4	10,365.39	10,365.35
Total Other Trust Funds		204,871.08	155,718.90
Total Assets		<u>\$ 207,125.13</u>	<u>\$ 157,179.69</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	\$ 2,239.45	\$ 1,439.19
Fees Due to State of New Jersey	B-3	14.60	21.60
Total Animal Control Fund		2,254.05	1,460.79
Other Trust Funds:			
Miscellaneous Reserves	B-5	204,871.08	155,718.90
Total Liabilities, Reserves & Fund Balance		<u>\$ 207,125.13</u>	<u>\$ 157,179.69</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, 2015 AND 2014**

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Cash	C-2, C-3	\$ 167,143.82	\$ 154,738.63
Grants Receivable		89,456.08	89,456.08
Deferred Charges to Future Taxation:			
Funded	C-4	1,241,000.00	1,376,000.00
Unfunded	C-6	2,493,533.45	2,518,693.45
Interfund - Water Utility Capital Fund	D	2,483.62	2,483.62
 Total Assets		 <u>\$ 3,993,616.97</u>	 <u>\$ 4,141,371.78</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-9	\$ 1,241,000.00	\$ 1,376,000.00
Bond Anticipation Notes	C-8	2,527,068.00	2,552,228.00
Improvement Authorizations:			
Funded	C-7	71,746.37	71,746.37
Unfunded	C-7	29,902.28	35,207.22
Capital Improvement Fund	C-5	26,269.81	8,559.81
Interfund - Current Fund	A	84,270.94	-
Reserve for Donations		10,517.00	10,517.00
Reserve for Capital Projects		1,999.00	1,999.00
Reserve for Debt Service		-	84,270.81
Fund Balance	C-1	843.57	843.57
 Total Liabilities, Reserves & Fund Balance		 <u>\$ 3,993,616.97</u>	 <u>\$ 4,141,371.78</u>

There were bonds and notes authorized but not issued on December 31, 2015 and 2014 of \$71,337.01 and \$71,337.01, respectively.

**BOROUGH OF OCEAN GATE
WATER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Operating Fund:			
Cash	D-4	\$ 376,514.90	\$ 321,546.85
Interfund:			
Water Utility Capital Fund	D-7	125,947.05	125,946.75
Deferred Charges:			
FEMA Community Disaster Loan	D	51,628.94	50,879.45
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	37,143.51	40,600.75
 Total Operating Fund		<u>591,234.40</u>	<u>538,973.80</u>
 Capital Fund:			
Cash	D-4	322,791.96	327,018.14
N.J. Environmental Infrastructure Loan Receivable	D	15,985.01	15,985.01
Fixed Capital:			
Completed	D-8	1,418,587.55	1,397,513.01
Uncompleted	D-9	2,700,000.00	1,571,074.54
 Total Capital Fund		<u>4,457,364.52</u>	<u>3,311,590.70</u>
 Total Assets		<u>\$ 5,048,598.92</u>	<u>\$ 3,850,564.50</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, 2015 AND 2014**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Operating Fund:			
Liabilities:			
FEMA Community Development Loan Payable	D	\$ 51,628.94	\$ 50,879.45
Appropriation Reserves	D-3	27,180.15	50,907.36
Reserve for Encumbrances	D-3	6,652.72	1,148.47
Water Rent Overpayments	D-6	1,185.64	3,857.85
Interfund - Due to Current Fund		12,616.27	-
Accrued Interest Payable	D-11	5,659.83	5,928.14
Subtotal		104,923.55	112,721.27
Reserve for Receivables	D	37,143.51	40,600.75
Fund Balance	D-1	449,167.34	385,651.78
Total Operating Fund		591,234.40	538,973.80
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	1,668,505.91	522,732.39
Reserve for Amortization	D-14	1,142,837.44	1,115,099.54
Deferred Reserve for Amortization	D-15	386,092.72	348,357.75
Serial Bonds	D-16	44,000.00	59,000.00
USDA Loan	D-18	135,059.10	143,660.00
Bond Anticipation Notes	D-17	444,303.00	450,000.00
N.J. Environmental Infrastructure:			
Trust Loan - Water Tank	D-19	85,481.43	91,456.15
Fund Loan - Water Tank	D-20	228,851.78	248,522.97
Trust Loan - Wind Turbine	D-21	86,868.61	91,933.10
Fund Loan - Wind Turbine	D-22	76,504.10	81,968.67
Interfunds:			
General Capital Fund	D	2,483.62	2,483.62
Water Utility Operating Fund	D-7	125,947.05	125,946.75
Total Capital Fund		4,457,364.52	3,311,590.70
Total Liabilities, Reserves & Fund Balance		\$ 5,048,598.92	\$ 3,850,564.50

Bonds and notes authorized but not issued as of December 31, 2015 and 2014 is \$1,488,589.37 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, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Revenue & Other Income Realized:			
Fund Balance Utilized	D-2	\$ 40,195.00	\$ 55,174.69
Water Rents	D-2	339,486.81	320,927.33
Insurance Reimbursement	D-2	57,506.57	-
Miscellaneous Revenue Anticipated	D-2	8,175.42	9,095.60
Other Credits to Income:			
Unexpended Balances of Appropriation Reserves	D-10	50,434.72	47,092.15
Reduction in Accrued Interest	D-11	268.31	411.85
Interfunds Returned		1,597.91	-
 Total Income		 <u>497,664.74</u>	 <u>432,701.62</u>
Expenditures:			
Budget Appropriations:			
Operating	D-3	290,610.57	230,945.00
Debt Service	D-3	80,278.12	82,453.53
Statutory Expenditures	D-3	10,500.00	10,500.00
Other Debits to Expenditures:			
Overpayments Refunded	D-4	160.00	420.00
Interfunds Created	D-7	12,405.49	-
 Total Expenditures		 <u>393,954.18</u>	 <u>324,318.53</u>
 Statutory Excess to Fund Balance		 103,710.56	 108,383.09
Fund Balance January 1		<u>385,651.78</u>	<u>332,443.38</u>
 Total		 489,362.34	 440,826.47
Less: Utilized by Operating Budget		<u>(40,195.00)</u>	<u>(55,174.69)</u>
 Fund Balance December 31		 <u>\$ 449,167.34</u>	 <u>\$ 385,651.78</u>

-

**BOROUGH OF OCEAN GATE
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	D-1	\$ 40,195.00	\$ 40,195.00	\$ -
Water Rents	D-1,D-6	280,000.00	339,486.81	59,486.81
Miscellaneous - Water		4,000.00	8,175.42	4,175.42
Insurance Reimbursement		57,506.57	57,506.57	-
		<hr/>	<hr/>	<hr/>
Total		<u>\$ 381,701.57</u>	<u>\$ 445,363.80</u>	<u>\$ 63,662.23</u>

ANALYSIS OF REALIZED REVENUES

Miscellaneous - Water:

Interest and Costs	\$ 4,908.86
Miscellaneous	2,037.37
Connections	1,000.00
Interest on Deposits	229.19
	<hr/>
	<u>\$ 8,175.42</u>

Receipts	D-4	\$ 8,069.88
Interfunds	D-7	105.54
		<hr/>
		<u>\$ 8,175.42</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 EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<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	\$ 77,104.00	\$ 77,104.00	\$ 73,650.76	\$ -	\$ 3,453.24	\$ -
Other Expenses	156,000.00	156,000.00	125,646.70	6,652.72	23,700.58	-
Prior Year Bills	57,506.57	57,506.57	57,506.57	-	-	-
Debt Service:						
Bond Principal	23,602.00	23,602.00	23,601.00	-	-	1.00
Bond Anticipation Notes	5,697.00	5,697.00	5,697.00	-	-	-
Interest on Bonds	9,511.00	9,344.39	9,105.24	-	-	239.15
Interest on Notes	3,735.00	3,901.61	3,901.61	-	-	-
NJFIT:						
Principal	32,038.00	32,038.00	32,037.97	-	-	0.03
Interest	6,008.00	6,008.00	5,935.30	-	-	72.70
Statutory Expenditures						
Public Employee Retirement System	5,000.00	5,000.00	5,000.00	-	-	-
Social Security System	5,500.00	5,500.00	5,473.67	-	26.33	-
	<hr/>					
Total Expenditures	<u>\$ 381,701.57</u>	<u>\$ 381,701.57</u>	<u>\$ 347,555.82</u>	<u>\$ 6,652.72</u>	<u>\$ 27,180.15</u>	<u>\$ 312.88</u>

Reference

D-2

D

D

Reference

Interfunds	D-7	\$ 12,616.27
Accrued Interest Payable	D-1	268.31
Cash Disbursed	D-4	<u>334,671.24</u>
Total		<u>\$ 347,555.82</u>

EXHIBIT G

**BOROUGH OF OCEAN GATE
PAYROLL FUND
BALANCE SHEET - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Cash	\$ 15,614.57	\$ 25,350.48
<u>Liabilities</u>		
Payroll Liabilities	\$ 15,614.57	\$ 25,350.48

EXHIBIT H

**BALANCE SHEET - GENERAL FIXED ASSET GROUP
DECEMBER 31, 2015 AND 2014**

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Land & Land Improvements	\$ 1,817,868.00	\$ 1,817,868.00
Buildings & Building Improvements	2,512,947.00	2,512,947.00
Machinery and Equipment	1,051,049.04	1,133,726.01
Total	\$ 5,381,864.04	\$ 5,464,541.01

FUND BALANCE

Investment in General Fixed Assets	\$ 5,381,864.04	\$ 5,464,541.01
------------------------------------	-----------------	-----------------

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, 2015 AND 2014**

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Operating Fund:			
Cash	S-4	\$ 219,279.32	\$ 268,301.56
Interfunds:			
Current Fund	S-7	61,213.54	36,914.90
Sewer Utility Capital Fund	S-7	0.03	1.87
Deferred Charges			
FEMA Community Disaster Loan	S	51,628.94	50,879.45
Receivables with Full Reserves:			
Consumer Accounts Receivable	S-6	46,570.43	46,036.44
Total Operating Fund		<u>378,692.26</u>	<u>402,134.22</u>
Capital Fund:			
Cash	S-4	31,301.17	31,303.01
N.J. Environmental Infrastructure Loan Receivable	S-18	63,341.00	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>3,890,676.46</u>	<u>3,890,678.30</u>
Total Operating & Capital Fund		<u>\$ 4,269,368.72</u>	<u>\$ 4,292,812.52</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, 2015 AND 2014**

<u>Liabilities, Reserves and Fund Balance</u>		<u>2015</u>	<u>2014</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	S-3	\$ 28,535.93	\$ 15,493.13
FEMA Community Development Loan Payable	S	51,628.94	50,879.45
Sewer Rent Overpayments		4,546.75	3,495.80
Accrued Interest Payable	S-11	4,973.24	5,601.38
		<hr/>	<hr/>
Subtotal		89,684.86	75,469.76
Reserve for Receivables	S	46,570.43	46,036.44
Fund Balance		242,436.97	280,628.02
		<hr/>	<hr/>
Total Operating Fund		378,692.26	402,134.22
		<hr/>	<hr/>
Capital Fund:			
Liabilities:			
Capital Improvement Fund	S-12	67,500.00	67,500.00
Improvement Authorizations:			
Funded	S-13	63,342.14	63,342.14
Unfunded	S-13	226,881.00	226,881.00
Reserve for Amortization	S-14	2,901,277.43	2,782,599.65
Deferred Reserve for Amortization	S	2,500.00	2,500.00
USDA Loan Payable	S-15	455,648.11	519,347.14
N.J. Environmental Infrastructure:			
Trust Loan - Sewer Improvements	S-16	60,000.00	60,000.00
Fund Loan - Sewer Improvements	S-17	113,527.75	168,506.50
Interfunds:			
Sewer Utility Operating Fund	S-7	0.03	1.87
Total Capital Fund		3,890,676.46	3,890,678.30
		<hr/>	<hr/>
Total Liabilities, Reserves & Fund Balance		\$ 4,269,368.72	\$ 4,292,812.52
		<hr/>	<hr/>

Bonds and notes authorized but not issued as of December 31, 2015 and 2014 is \$263,081.00 and \$263,081.00, 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, 2015 AND 2014

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Revenue & Other Income Realized:			
Fund Balance Utilized	S-2	\$ 49,765.00	\$ 25,273.50
Sewer Rents	S-2	470,602.35	469,076.93
Miscellaneous Revenue Anticipated	S-2	6,723.29	7,030.66
Other Credits to Income:			
Unexpended Balances of Appropriation Reserves	S-10	12,775.73	72,808.32
Interfunds Returned		844.44	-
Decrease of Accrued Interest	S-11	628.14	864.04
 Total Income		 <u>541,338.95</u>	 <u>575,053.45</u>
Expenditures:			
Budget Appropriations:			
Operating	S-3	409,584.00	390,331.00
Debt Service	S-3	100,631.00	95,392.50
Statutory Expenditures	S-3	9,550.00	9,550.00
		<u>519,765.00</u>	<u>495,273.50</u>
Interfunds Advanced	S-7	10,000.00	
Total Expenditures		<u>529,765.00</u>	<u>495,273.50</u>
 Statutory Excess to Fund Balance		 11,573.95	 79,779.95
Fund Balance January 1		<u>280,628.02</u>	<u>226,121.57</u>
 Total		 292,201.97	 305,901.52
Less: Utilized by Operating Budget		<u>(49,765.00)</u>	<u>(25,273.50)</u>
 Fund Balance December 31	 S	 <u>\$ 242,436.97</u>	 <u>\$ 280,628.02</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, 2015**

	<u>Reference</u>	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	S-1	\$ 49,765.00	\$ 49,765.00	\$ -
Sewer Rents	S-1, S-6	465,000.00	470,602.35	5,602.35
Miscellaneous	S-1, S-4	5,000.00	6,723.29	1,723.29
Total		<u>\$ 519,765.00</u>	<u>\$ 527,090.64</u>	<u>\$ 7,325.64</u>

ANALYSIS OF REALIZED REVENUES

Miscellaneous - Sewer:		
Interest and Costs		\$ 5,672.58
Connections		300.00
Interest on Deposits		104.05
Miscellaneous		646.66
		<u>\$ 6,723.29</u>
		<u>\$ 6,723.29</u>
	<u>Reference</u>	
Receipts	S-4	\$ 6,713.92
Interfunds	S-7	9.37
		<u>\$ 6,723.29</u>

**BOROUGH OF OCEAN GATE
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpected Balance Cancelled</u>
Operating:					
Salaries & Wages	\$ 57,576.00	\$ 57,576.00	\$ 55,696.22	\$ 1,879.78	\$ -
Other Expenses	77,008.00	77,008.00	61,908.85	15,099.15	-
Sewerage Treatment Costs	275,000.00	275,000.00	263,976.00	11,024.00	-
Debt Service:					
Bond Principal	63,700.00	63,699.00	63,699.00	-	-
Interest on Bonds	25,181.00	24,812.36	24,552.86	-	259.50
NJEIT:					
Principal	8,869.00	8,869.00	8,868.75	-	0.25
Interest	2,881.00	3,250.64	2,880.26	-	370.38
Statutory Expenditures					
Public Employee Retirement System	5,000.00	5,000.00	5,000.00	-	-
Social Security System	4,550.00	4,550.00	4,017.00	533.00	-
	<hr/>				
Total Expenditures	<u>\$ 519,765.00</u>	<u>\$ 519,765.00</u>	<u>\$ 490,598.94</u>	<u>\$ 28,535.93</u>	<u>\$ 630.13</u>
Reference	S-2	S-2		S	
		<u>Reference</u>			
Cash Disbursed		S-4	<u>\$ 490,598.94</u>		
Total			<u>\$ 490,598.94</u>		

This page intentionally left blank.

**BOROUGH OF OCEAN GATE
COUNTY OF OCEAN**

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

This page intentionally left blank.

BOROUGH OF OCEAN GATE

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

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 as amended by GASB Statements No. 39 and 61 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 2015.

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, 2015

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, 2015

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, 2015 is set forth in Note 7.

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.

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.

BOROUGH OF OCEAN GATE

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

Note 1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

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.

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.

BOROUGH OF OCEAN GATE

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

Note 1. Summary of Significant Accounting Policies (continued)

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. Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

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

G. Subsequent Events

The Borough has evaluates subsequent events through May 16, 2016, 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, 2015, and reported at fair value are as follows:

Deposits:

Demand Deposits	<u>\$5,128,307.48</u>
Total Deposits	<u><u>\$5,128,307.48</u></u>

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

Current	\$3,798,902.01
Animal Control Trust	2,254.04
Trust - Other	194,505.69
General Capital	167,143.82
Water Utility Operating	376,514.90
Water Utility Capital	322,791.96
Sewer Utility Operating	219,279.32
Sewer Utility Capital	31,301.17
Payroll	<u>15,614.57</u>
Total Reconciliation	<u><u>\$5,128,307.48</u></u>

BOROUGH OF OCEAN GATE

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

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, 2015, the Borough's bank balance of \$5,270,378.56 was insured or collateralized as follows:

Insured under FDIC	\$ 250,000.00
Collateralized under GUDPA	4,788,167.67
Uninsured	232,210.89
	<u>\$ 5,270,378.56</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, 2015**

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>2015</u>	<u>2014</u>	<u>2013</u>
Total Tax Rate	<u>\$2.038</u>	<u>\$2.047</u>	<u>\$2.020</u>
Apportionment of Tax Rate:			
Municipal	0.653	0.659	0.654
County	0.378	0.376	0.373
Regional High School	0.361	0.365	0.362
Local School	0.646	0.647	0.631

Net Valuation Taxable

2015	<u>\$255,456,077</u>		
2014		<u>\$253,170,678</u>	
2013			<u>\$254,832,961</u>

Comparison of Tax Levies and Collection Currently

Year	Tax Levy	Cash Collections	Percentage of Collection
2015	\$5,234,825	\$5,015,843	95.82%
2014	5,213,297	4,940,575	94.77%
2013	5,158,564	4,886,190	94.72%

Delinquent Taxes and Tax Title Liens

Year Ended December 31	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2015	\$6,905	\$201,258	208,163	3.99%
2014	3,717	251,970	255,687	4.96%
2013	3,298	246,557	249,855	4.79%

BOROUGH OF OCEAN GATE

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

Note 4. Interfunds

The following interfund balances remained on the balance sheets at December 31, 2015:

Fund	Receivable	Payable
Current	\$ 173,406.14	\$ 71,578.93
State & Federal Grant	-	76,518.93
Trust Fund- Other	10,365.39	-
General Capital	2,483.62	84,270.94
Water Utility Operating	125,947.05	12,616.27
Water Utility Capital	-	128,430.67
Sewer Utility Operating	61,213.57	-
Sewer Utility Capital	-	0.03
Total	<u><u>\$ 373,415.77</u></u>	<u><u>\$ 373,415.77</u></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 2015:

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
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	1,133,726.01	11,942.95	(94,619.92)	1,051,049.04
Water Utility Fund:				
Fixed Capital	1,397,513.00	21,074.55	-	1,418,587.55
Fixed Capital Authorized and Uncompleted	1,571,075.00	1,150,000.00	(21,075.00)	2,700,000.00
Sewer Utility Fund:				
Fixed Capital	3,296,034.29	-	-	3,296,034.29
Fixed Capital Authorized and Uncompleted	500,000.00	-	-	500,000.00
	<u><u>\$ 12,229,163.30</u></u>	<u><u>\$ 1,183,017.50</u></u>	<u><u>\$ (115,694.92)</u></u>	<u><u>\$ 13,296,485.88</u></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, 2015**

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 \$1,241,000.00

Water Utility Capital Fund

Serial Bonds

4.125% Water General Improvement Bonds issued March 1,
2003, installment maturities to March 1, 2018 \$44,000.00

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% \$135,059.10

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 \$309,723 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 314,333.21

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 163,372.71

\$612,665.02

BOROUGH OF OCEAN GATE

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

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% \$455,648.11

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. 173,527.75

\$629,175.86

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		Total
	Principal	Interest	
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	160,000.00	27,637.00	187,637.00
2021-2023	510,000.00	42,487.00	552,487.00
	<u>\$1,241,000.00</u>	<u>\$240,611.00</u>	<u>\$1,481,611.00</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	
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	-	-	11,010.23	4,667.77	22,157.44	2,455.98	11,109.87	2,322.14	53,723.43
2021-2025	-	-	63,998.28	14,391.72	113,716.28	9,350.88	58,310.94	8,849.14	268,617.24
2026-2029	-	-	21,065.47	1,026.47	91,285.87	3,030.98	50,853.90	2,874.28	170,136.97
	<u>\$44,000.00</u>	<u>\$3,588.00</u>	<u>\$135,059.10</u>	<u>\$43,812.84</u>	<u>\$314,333.21</u>	<u>\$26,117.94</u>	<u>\$163,372.71</u>	<u>\$24,675.62</u>	<u>\$754,959.42</u>

BOROUGH OF OCEAN GATE

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

Note 6. Debt (continued)

A. Long-Term Debt (continued)

Calendar Year	USDA Loan		NJEIT Loan - Sewer Improvements		Total
	Principal	Interest	Principal	Interest	
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	81,540.15	7,340.00	8,868.75	2,118.76	99,867.66
2021-2025	85,389.92	3,212.00	64,343.75	9,093.80	162,039.47
2026-2030	-	-	49,840.25	4,591.80	54,432.05
2031-2033	-	-	15,000.00	950.02	15,950.02
	<u>\$455,648.11</u>	<u>\$87,353.00</u>	<u>\$173,527.75</u>	<u>\$25,229.42</u>	<u>\$741,758.28</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, 2015, 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	\$93,590.00	1.000%
528-08	Construction and Installation of One or More Municipal Wind Turbine Electrical Generating Stations	189,794.00	1.000%
546-10	Boardwalk Repairs	24,000.00	1.000%
554-11	Reconstruction of Wildwood Avenue Pier	149,170.00	1.000%
576-13	Various Capital Improvements	83,600.00	1.179%
581/577-13	Various Capital Improvements - Super Storm Sandy	<u>1,986,914.00</u>	0.900%
		<u>\$2,527,068.00</u>	

BOROUGH OF OCEAN GATE

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

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>444,303.00</u>	.90%

C. Bonds and Notes Authorized but not Issued

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

	<u>2015</u>	<u>2014</u>
General Capital Fund	\$71,337.01	\$71,337.01
Water Utility Fund	1,488,589.37	338,509.37
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, 2015 was 1.97%. The Borough's remaining borrowing power is 1.53%.

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 2015 the following changes occurred in the outstanding debt of the Borough:

	Balance <u>Jan. 1, 2015</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>Dec. 31, 2015</u>	Due Within <u>One Year</u>
General Debt:					
Serial Bonds	\$1,376,000.00	\$ -	\$135,000.00	\$1,241,000.00	\$135,000.00
Bond Anticipation Notes	2,552,228.00	2,527,068.00	2,552,228.00	2,527,068.00	2,527,068.00
Water Utility Fund Debt:					
Serial Bonds	59,000.00	-	15,000.00	44,000.00	15,000.00
Loans Payable	657,540.89	-	44,775.87	612,765.02	32,247.92
Bond Anticipation Notes	450,000.00	444,303.00	450,000.00	444,303.00	444,303.00
Sewer Utility Fund Debt:					
Loans Payable	747,853.64	-	118,677.78	629,175.86	75,792.55
	<u>\$5,842,622.53</u>	<u>\$2,971,371.00</u>	<u>\$3,315,681.65</u>	<u>\$5,498,311.88</u>	<u>\$3,229,411.47</u>

BOROUGH OF OCEAN GATE

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

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 \$157,660.19 and \$147,484.16 at December 31, 2015 and 2014, 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>2015</u>	<u>2014</u>
Current Fund	\$ 961,850.00	\$858,707.46
Water Utility Fund	52,148.87	40,195.00
Sewer Utility Fund	42,899.91	49,765.00

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>2015</u>	<u>2014</u>
Balance December 31, Prepaid Taxes	<u>\$ 43,686.69</u>	<u>\$ 33,709.95</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, 2015**

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, 2015, the following deferred charges are shown on the balance shown on the various funds:

	Balance December 31, <u>2015</u>	2016 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
Current Fund:			
Special Emergency Authorization	\$73,350.00	\$14,670.00	58,680.00

Note 12. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

BOROUGH OF OCEAN GATE

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

Note 12. Pension Obligations (continued)

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Borough contributions to PERS amounted to \$28,641.00 for 2015.

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

BOROUGH OF OCEAN GATE

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

Note 12. Pension Obligations (continued)

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

Net Pension Liability and Pension Expense - At December 31, 2015, the Borough's proportionate share of the PERS net pension liability is valued to be \$754,331.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Borough's proportion measured as of June 30, 2015, was .00336%, which was a decrease of .00011% from its proportion measured as of June 30, 2014.

Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial valuation date	July 1, 2015	July 1, 2014
Net Pension Liability	754,331.00	650,470.00
Borough's portion of the Plan's total net pension Liability	0.00336%	0.00347%

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$12,218.00.

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

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

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

BOROUGH OF OCEAN GATE

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

Note 12. Pension Obligations (continued)

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

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

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

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

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

BOROUGH OF OCEAN GATE

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

Note 12. Pension Obligations (continued)

A. Public Employees’ Retirement System (PERS) (continued)

Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

	<u>Decrease</u>	<u>Discount</u>	<u>Increase</u>
	<u>(3.90%)</u>	<u>(4.90%)</u>	<u>(5.90%)</u>
Borough's proportionate share of the net pension liability	\$ 937,541.52	\$ 754,331.00	\$ 600,729.19

Pension Plan Fiduciary Net Position

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

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

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

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

The following represents the membership tiers for PFRS:

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

BOROUGH OF OCEAN GATE

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

Note 12. Pension Obligations (continued)

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

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Borough contributions to PFRS amounted to \$104,275 for 2015.

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

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

Net Pension Liability and Pension Expense - At December 31, 2015, the Borough's proportionate share of the PFRS net pension liability is valued to be \$2,111,196.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Borough's proportion measured as of June 30, 2015, was .01267%, which was a decrease of .00090% from its proportion measured as of June 30, 2014.

BOROUGH OF OCEAN GATE

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

Note 12. Pension Obligations (continued)

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

Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial valuation date	July 1, 2015	July 1, 2014
Net Pension Liability	2,111,196.00	1,707,767.00
Borough's portion of the Plan's total net pension Liability	0.01267%	0.01358%

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$183,304.00.

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is \$185,145 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State's proportion of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2015 was .01267%, which was a decrease of .00090% from its proportion measured as of June 30, 2014, which is the same proportion as the Borough's.

Borough's Proportionate Share of the Net Pension Liability	\$ 2,111,196.00
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>185,145.00</u>
Total Net Pension Liability	<u><u>\$ 2,296,341.00</u></u>

For the year ended December 31, 2015, the Borough's total allocated pension expense was \$206,398.00.

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

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

BOROUGH OF OCEAN GATE

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

Note 12. Pension Obligations (continued)

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

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

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

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

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

Discount Rate - The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher.

BOROUGH OF OCEAN GATE

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

Note 12. Pension Obligations (continued)

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

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made on the average of the last five years of contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Borough's proportionate share of the Net Pension Liability and the State's proportionate share of the Net Pension Liability associated with the Borough	\$ 3,027,306.00	\$ 2,296,341.00	\$ 1,700,304.00

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (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 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.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough's contribution amounts 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.

BOROUGH OF OCEAN GATE

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

Note 12. Pension Obligations (continued)

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

There were no Borough employees enrolled in the DCRP for the years ended December 31, 2015, 2014 and 2013.

Related Party Investments - The Division of Pensions and Benefits 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.

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, 2015, 2014 and 2013 were \$52,238, \$49,137 and \$45,714, respectively, which equaled the required contributions for each year. There were approximately 3, 3 and 3 retired participants eligible at December 31, 2015, 2014 and 2013, respectively.

BOROUGH OF OCEAN GATE

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

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 Balance December 31		Local District School Tax Balance December 31	
	2015	2014	2015	2014
	Balance of Tax	\$355,506.70	\$355,541.65	\$176,987.87
Deferred	344,674.11	344,674.11	-	-
Tax Payable	\$10,832.59	\$10,867.54	\$176,987.87	\$170,314.37

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, 2015, the Borough estimates that no material liabilities will result from such audits.

BOROUGH OF OCEAN GATE

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

Note 16. Contingent Liabilities (continued)

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

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.

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, 2015, interest of \$17,315.49 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.

BOROUGH OF OCEAN GATE

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

Note 18. Accounts Receivable

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

	Current Fund	State & Federal Grant Fund	Capital Fund	Water Utility Operating Fund	Sewer Utility Operating Fund	Total
State Aid	\$ -	\$ 886,860.88	\$ 89,456.08	\$ -	\$ -	\$ 976,316.96
Taxes	208,163.02	-	-	-	-	208,163.02
Utility Rents	-	-	-	37,143.51	46,570.53	83,714.04
Other	9,704.77	-	-	-	-	9,704.77
Total	\$ 217,867.79	\$ 886,860.88	\$ 89,456.08	\$ 37,143.51	\$ 46,570.53	\$1,277,898.79

Note 19. Subsequent Events

On February 11, 2016, the Borough passed a resolution approving the issuance of a New Jersey Environmental Infrastructure Trust loan up to an amount up to \$850,000 providing for the replacement of an existing water main located within the Borough.

SUPPLEMENTARY EXHIBITS

This page intentionally left blank.

CURRENT FUND

This page intentionally left blank.

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>	<u>Current</u>
Balance December 31, 2014	A	4,370,906.54
Increased by Receipts:		
Taxes Receivable	A-6	5,207,551.66
State of New Jersey (Ch. 20, P.L. 1971)	A-5	26,092.47
Revenue Accounts Receivable	A-8	526,363.67
Interfunds:		
Grant Fund	A-13	31,960.95
Other	A-13	37,180.11
Tax Overpayments		4,256.16
Prepaid Taxes	A	43,686.69
Due to State:		
Marriage Licenses	A	375.00
Miscellaneous Revenue Not Anticipated	A-2	100,062.39
Reimbursements		900.08
		<u>5,978,429.18</u>
		10,349,335.72
Decreased by Disbursements:		
Budget Appropriations	A-3	2,798,867.14
Appropriation Reserves	A-10	57,222.58
County Taxes Payable	A-11	969,987.40
Local District School Tax	A-12	1,644,388.50
Regional School District Tax	A-12	921,936.95
Interfunds:		
Grant Fund	A-13	64,655.33
Other	A-13	25,232.66
Special Emergency Note Payable		37,536.00
Accounts Payable		4,398.32
Due to State:		
Marriage Licenses		350.00
Construction Fees		4,589.51
Tax Overpayments		6,980.73
Refund of Miscellaneous Fees		2,473.09
Establish New Change Fund		50.00
Reserve for Hurricane Sandy		12,765.50
		<u>6,551,433.71</u>
Balance December 31, 2015	A	<u><u>\$ 3,797,902.01</u></u>

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF DUE FROM/TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>		
Balance December 31, 2014 - Due To / (From)	A		\$ (92.47)
Increased by:			
Receipts	A-4	26,092.47	
Deductions Disallowed by Tax Collector			
2015 Taxes		1,000.00	
2014 Taxes		1,000.00	
		28,092.47	
			28,000.00
Decreased by:			
2015 Tax Duplicate		26,500.00	
2015 Deduction Allowed by Tax Collector		1,250.00	
		27,750.00	
Balance December 31, 2015 - Due To / (From)	A		\$ 250.00

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2015**

Year	Balance December 31, 2014	2015 Levy	2014 Collected	2015 Collected	Due From State of New Jersey	Cancelled	Overpayment Applied/(Created)	Transfer to Tax Title Liens	Balance December 31, 2015
2013	\$ 5,840.06	\$ -	\$ -	\$ 5,840.06	\$ -	\$ -	\$ -	\$ -	\$ -
2014	246,129.46	-	-	246,328.30	(1,000.00)	-	250.00	-	551.16
2015	-	5,234,825.34	33,709.95	4,955,383.30	26,750.00	19,487.26	(3,795.95)	2,584.18	200,706.60
Total	251,969.52	5,234,825.34	33,709.95	5,207,551.66	25,750.00	19,487.26	(3,545.95)	2,584.18	201,257.76

ANALYSIS OF 2015 PROPERTY TAX LEVY

General Purpose Tax	\$ 5,206,194.76
Added & Omitted Taxes (54:4-6 et seq)	<u>28,630.58</u>
Total	\$ <u>5,234,825.34</u>
Tax Levy:	
Local District School Tax	\$ 1,651,062.00
Regional District School Tax	921,902.00
County Taxes	969,621.24
Local Tax for Municipal Purposes	1,668,917.90
Add: Additional Taxes Levied	<u>23,322.20</u>
Total	\$ <u>5,234,825.34</u>

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>		
Balance December 31, 2014	A	\$	3,717.20
Increased by:			
Interest & Costs on Taxes		603.88	
Transfers From Taxes Receivable	A-6	2,584.18	3,188.06
		<hr/>	
Balance December 31, 2015	A	\$	<u>6,905.26</u>

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance December 31, <u>2014</u>	<u>Accrued</u>	<u>Collected</u>	Balance December 31, <u>2015</u>
Licenses				
Alcoholic Beverages	\$ -	\$ 5,188.00	\$ 5,188.00	\$ -
Fees and Permits	-	22,786.00	22,786.00	-
Fines and Costs				
Municipal Court	4,113.17	41,585.24	43,278.03	2,420.38
Interest and Costs on Taxes	-	47,889.17	47,889.17	-
Parking Meters	-	2,993.00	2,993.00	-
Interest on Investments and Deposits	-	1,538.34	1,538.34	-
Beach Revenues	-	18,000.00	18,000.00	-
Parking Lot Fees	-	3,955.00	3,955.00	-
Cable Franchise Fees		-	-	-
State Aid:				
Consolidated Municipal Property Tax Relief	-	4,212.00	4,212.00	-
Energy Receipts Tax	-	139,449.00	139,449.00	-
Uniform Construction Code Fees	-	78,426.00	78,426.00	-
Beach and Boardwalk Operations		21,919.75	21,919.75	
Interlocal Agreement: Pine Beach Police Chief		86,621.50	86,621.50	-
Cell Tower Lease	-	50,373.22	50,373.22	-
Reserve for Debt Service		84,270.81	84,270.81	-
		<hr/>		
	\$ 4,113.17	\$ 609,207.03	\$ 610,899.82	\$ 2,420.38
	<hr/>			

	<u>Reference</u>		
	A		
	A-2		
			A
Receipts	A-4	\$	526,363.67
Interfunds	A-12	84,536.15	
		<hr/>	
		\$	<u>610,899.82</u>

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES - SPECIAL EMERGENCY AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Date</u>	<u>Purpose</u>	Net Amount Authorized	1/5 of Net Amount Authorized	Balance December 31, 2014	Added In 2015	Raised In 2015 Budget	Balance December 31, 2015
11/20/2012	Recovery from Sandy	\$ 556,934.00	\$ 111,386.80	\$ 41,486.00	\$ -	\$ 41,486.00	\$ -
4/15/2015	Reassessment of Real Property	73,350.00	14,670.00	-	73,350.00		73,350.00
	Total			\$ 41,486.00	\$ 73,350.00	\$ 41,486.00	\$ 73,350.00

Reference

A

A-3

A-3

A

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</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	\$ 3,619.79	\$ 48.24	\$ 3,668.03	\$ 464.57	\$ 3,203.46
Mayor and Council					
Other Expenses	370.24	-	370.24	-	370.24
Municipal Clerk					
Other Expenses	2,067.18	-	2,067.18	-	2,067.18
Financial Administration					
Other Expenses	265.00	100.00	365.00	100.00	265.00
Audit Services					
Other Expenses	6,000.00	-	6,000.00	-	6,000.00
Collection of Taxes					
Other Expenses	1,038.18	-	1,038.18	-	1,038.18
Assessment of Taxes					
Salaries and Wages	57.99	-	57.99	-	57.99
Other Expenses	1,056.57	-	1,056.57	-	1,056.57
Legal Services and Costs					
Other Expenses	22,715.36	-	22,715.36	10,196.80	12,518.56
Engineering Services					
Other Expenses	4,743.79	-	4,743.79	1,225.00	3,518.79
Planning Board/Board of Adjustment					
Salaries and Wages	30.86	-	30.86	-	30.86
Other Expenses	8,632.84	-	8,632.84	1,260.48	7,372.36
Insurance					
General Liability	1,895.61	-	1,895.61	-	1,895.61
Workers Compensation	9.92	-	9.92	-	9.92
Employee Group Insurance	1,672.36	-	1,672.36	-	1,672.36
Public Safety Functions					
Police					
Salaries and Wages	24,224.91	-	24,224.91	-	24,224.91
Other Expenses	10,843.00	6,448.65	17,291.65	5,804.06	11,487.59
Emergency Management Services					
Other Expenses	1,062.89	-	1,062.89	-	1,062.89
Aid to Volunteer Fire Company					
Other Expenses	1,262.43	-	1,262.43	-	1,262.43
Aid to Volunteer Ambulance Company					
Other Expenses	3,541.67	-	3,541.67	-	3,541.67
Fire					
Other Expenses	-	5,525.09	5,525.09	5,525.09	-
Municipal Court					
Salaries and Wages	8,056.61	-	8,056.61	-	8,056.61
Other Expenses	3,316.34	90.95	3,407.29	90.95	3,316.34
Uniform Fire Subcode Official					
Other Expenses	403.00	-	403.00	-	403.00

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</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	2,313.88	-	2,313.88	-	2,313.88
Other Expenses	4,709.63	851.31	5,560.94	1,170.43	4,390.51
Beachfront Maintenance					
Salaries and Wages			-	-	-
Other Expenses	844.39	287.80	1,132.19	216.38	915.81
Solid Waste Collection					
Salaries and Wages	301.72	-	301.72	-	301.72
Other Expenses	595.07	-	595.07	-	595.07
Public Buildings and Grounds					
Salaries and Wages	992.68	-	992.68	-	992.68
Other Expenses	7,328.61	12,613.90	19,942.51	11,812.30	8,130.21
Park and Recreation Functions					
Board of Recreation Commissioners					
Other Expenses	100.41	-	100.41	-	100.41
Beach Patrol					
Salaries and Wages	7,000.00	-	7,000.00	-	7,000.00
Other Expenses	2,631.11	-	2,631.11	-	2,631.11
Solid Waste Disposal Costs					
Disposal Costs					
Other Expenses	19,916.07	-	19,916.07	5,419.08	14,496.99
Contract	8,250.33	-	8,250.33	8,250.00	0.33
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Code Enforcement Official					
Salaries and Wages	1,394.94	-	1,394.94	-	1,394.94
Other Expenses	4,047.06	1,000.00	5,047.06	1,000.00	4,047.06
Unclassified					
Utilities:					
Electricity	13,836.04	-	13,836.04	987.55	12,848.49
Street Lighting	10,634.75	-	10,634.75	1,633.73	9,001.02
Telephone	7,286.92	347.63	7,634.55	1,351.65	6,282.90
Natural Gas and Propane	5,382.80	669.72	6,052.52	2,038.80	4,013.72
Gasoline	8,843.59	2,000.00	10,843.59	1,680.20	9,163.39
Total Operations within Caps	213,296.54	29,983.29	243,279.83	60,227.07	183,052.76
STATUTORY EXPENDITURES WITHIN CAPS					
Contribution to:					
Social Security System	13,688.99	-	13,688.99	-	13,688.99
Public Employees Retirement System	1,871.67	-	1,871.67	719.97	1,151.70
Unemployment Insurance	1,000.00	-	1,000.00	272.54	727.46
Total Statutory Expenditures within Caps	16,560.66	-	16,560.66	992.51	15,568.15
Total Appropriations within Caps	229,857.20	29,983.29	259,840.49	61,219.58	198,620.91

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATIONS EXCLUDED FROM CAPS					
Beach Patrol					
Salaries and Wages	392.74	-	392.74	-	392.74
	\$ 230,249.94	\$ 29,983.29	\$ 260,233.23	\$ 61,219.58	\$ 199,013.65
	<u>Reference</u>				
	A	A			A-1
Cash Expenditures	A-4			\$ 57,222.58	
Accounts Payable	A			<u>3,997.00</u>	
				<u>\$ 61,219.58</u>	

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>		
Balance December 31, 2014	A	\$	5,674.54
Increased by:			
County Tax	A-6	\$	816,185.03
County Library Tax	A-6		88,378.57
County Health Tax	A-6		31,805.74
County Open Space Tax	A-6		27,943.52
Added and Omitted Taxes	A-6		5,308.38
			<u>969,621.24</u>
Subtotal			975,295.78
Decreased by:			
Cash Disbursements	A-4		<u>969,987.40</u>
Balance December 31, 2015	A	\$	<u><u>5,308.38</u></u>

**SCHEDULE OF SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

		<u>Local School District</u>	<u>Regional High School</u>
School Tax Payable	A	\$ 170,314.37	\$ 10,867.54
School Tax Deferred	A	-	344,674.11
			<u>355,541.65</u>
Balance December 31, 2014		170,314.37	355,541.65
Increased by:			
2015 Tax Levy	A-6	<u>1,651,062.00</u>	<u>921,902.00</u>
Subtotal		1,821,376.37	1,277,443.65
Decreased by:			
Cash Disbursements	A-4	<u>1,644,388.50</u>	<u>921,936.95</u>
School Tax Payable	A	176,987.87	10,832.59
School Tax Deferred	A	-	344,674.11
			<u>355,506.70</u>
Balance December 31, 2015		<u>\$ 176,987.87</u>	<u>\$ 355,506.70</u>

**BOROUGH OF OCEAN GATE
CURRENT FUND
SCHEDULE OF INTERFUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Reference	Total (Memo Only)	Grant Fund	Other Trust Fund	General Capital Fund	Sewer Operating Fund	Water Operating Fund
Balance December 31, 2014 - (Due From)/ Due to	\$ (445.30)	\$ (47,725.55)	\$ 10,365.35	\$ -	\$ 36,914.90	\$ -
Increased by:						
Receipts	69,141.06	31,960.95	265.21	-	36,914.90	-
Transferred from 2015 Budget Appropriations	312,373.24	312,373.24	-	-	-	-
Total Increases	381,514.30	344,334.19	265.21	-	36,914.90	-
Total Increases and Balances	381,069.00	296,608.64	10,630.56	-	73,829.80	-
Decreased by:						
Disbursed	25,232.66	-	-	0.13	12,616.26	12,616.27
Interest on Deposits	265.25	-	265.25	-	-	-
Grant Disbursements	64,655.33	64,655.33	-	-	-	-
2015 Budgeted Revenue	392,743.05	308,472.24	-	84,270.81	-	-
Total Decreases	482,896.29	373,127.57	265.25	84,270.94	12,616.26	12,616.27
Balance December 31, 2015 - (Due From)/ Due to	\$ (101,827.29)	\$ (76,518.93)	\$ 10,365.31	\$ (84,270.94)	\$ 61,213.54	\$ (12,616.27)

**BOROUGH OF OCEAN GATE
FEDERAL AND STATE GRANT FUND
STATE, FEDERAL AND OTHER GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Revenue</u>	<u>Received</u>	Balance December 31, <u>2015</u>
Alcohol Education and Rehabilitation Fund	\$ -	\$ 353.60	\$ 353.60	\$ -
Body Armor Fund	-	1,089.36	1,089.36	-
Clean Communities	-	4,520.84	4,520.84	-
Community Development Block Grant	4,413.36	33,000.00	497.00	36,916.36
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	-	-	-	-
966 Reimbursement Program	11,957.21	-	9,679.45	2,277.76
FEMA Reimbursement	-	2,017.72	2,017.72	-
Municipal Alliance Trust	30,186.14	15,605.00	12,602.98	33,188.16
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	375,707.66	-	-	375,707.66
Asbury Avenue	-	250,000.00	-	250,000.00
Ocean County Recycling Grant	-	-	-	-
Office of Emergency Management				
E.O.C. Renovation Grant	2,126.02	-	-	2,126.02
Recycling Tonnage Grant	4,458.58	685.72	-	5,144.30
Watershed Repair Program	4,588.46	-	-	4,588.46
Wind Scholarship Grant	350.00	-	-	350.00
	<u>\$ 610,349.59</u>	<u>\$ 308,472.24</u>	<u>\$ 31,960.95</u>	<u>\$ 886,860.88</u>

Reference

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, 2015**

	2015						Balance December 31, 2015
	Balance December 31, 2014	Prior Year Encumbrances	Budget Appropriations	Appropriation By 40A:4-87	Paid or Charged	Encumbrances Payable	
Alcohol Education and Rehabilitation Fund	\$ 2,459.06	\$ -	\$ -	\$ 353.60	\$ -	\$ -	\$ 2,812.66
Body Armor Fund	2,259.06	-	-	1,089.36	-	917.00	2,431.42
Clean Communities Program	3,340.18	-	-	4,520.84	1,919.80	-	5,941.22
Community Development Block Grant	8,225.86	-	-	33,000.00	33,000.00	-	8,225.86
Cops in Shops	1,200.00	-	-	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	2,131.90	-	-	-	902.12	-	1,229.78
FEMA Reimbursement	-	-	-	2,017.72	2,017.72	-	-
966 Reimbursement Program	2,121.66	8,460.80	-	-	8,304.70	-	2,277.76
Hazardous Waste Grant	12,814.82	-	-	-	2,318.47	-	10,496.35
Municipal Alliance Grant	-	-	-	-	-	-	-
Grant Portion	26,759.96	252.00	15,605.00	-	11,770.57	-	30,846.39
Matching Portion	3,409.67	-	3,901.00	-	3,221.95	-	4,088.72
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	-	-	-	-	-	-	-
Asbury Avenue	373,607.66	-	-	250,000.00	-	-	373,607.66
Office of Emergency Management	-	-	-	-	-	-	250,000.00
E.O.C. Renovation Grant	40.92	-	-	-	-	-	40.92
Police Accreditation	50.30	-	-	-	-	-	50.30
Recycling Tonnage Grant	11,368.77	-	-	685.72	-	-	12,054.49
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	\$ 553,911.24	\$ 8,712.80	\$ 19,506.00	\$ 292,867.24	\$ 64,655.33	\$ 917.00	\$ 809,424.95

Reference

A A A-3 A-4, A-13 A A

TRUST FUND

This page intentionally left blank.

**BOROUGH OF OCEAN GATE
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>	<u>Animal Control</u>	<u>Other Trust</u>
Balance December 31, 2014	B	\$ 1,460.79	\$ 145,353.55
Increased by Receipts:			
Current Fund Appropriation	A-3	\$ 3,500.00	\$ -
Dog License Fees	B-2	1,026.40	-
Due to State of New Jersey	B-2	216.60	-
Interfunds	B-4	-	15.17
Miscellaneous Reserves	B-5	-	329,648.78
		<u>4,743.00</u>	<u>329,663.95</u>
Total Increases		<u>4,743.00</u>	<u>329,663.95</u>
Total Increases & Balances		<u>6,203.79</u>	<u>475,017.50</u>
Decreased by Disbursements:			
Expenditures Under R.S.4:19-15.11	B-2	3,726.14	-
Due to State of New Jersey	B-3	223.60	-
Interfunds	B-4	-	15.21
Miscellaneous Reserves	B-5	-	280,496.60
		<u>3,949.74</u>	<u>280,511.81</u>
Total Disbursements		<u>3,949.74</u>	<u>280,511.81</u>
Balance December 31, 2015	B	<u>\$ 2,254.05</u>	<u>\$ 194,505.69</u>

**BOROUGH OF OCEAN GATE
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 1,439.19
Increased by:		
2015 Dog License Fees Collected	\$ 1,243.00	
Budget Appropriation	3,500.00	4,743.00
Subtotal		6,182.19
Decreased by:		
Expenditures (R.S.4:19-15.11)		3,942.74
Balance December 31, 2015		\$ 2,239.45

LICENSE FEES COLLECTED

2013	\$ 1,379.27
2014	1,244.00
Total	\$ 2,623.27

**SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 21.60
Increased by:		
2015 Dog License Fees Collected		216.60
Subtotal		238.20
Decreased by:		
Expenditures (R.S.4:19-15.11)		223.60
Balance December 31, 2015		\$ 14.60

**BOROUGH OF OCEAN GATE
TRUST FUND
SCHEDULE OF INTERFUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Current <u>Fund</u>
Balance December 31, 2014 (Due From), Due To	\$ (10,365.35)
Increased by:	
Disbursements	<u>15.17</u>
Subtotal	(10,350.18)
Decreased by:	
Receipts	<u>15.21</u>
Balance December 31, 2015	<u><u>\$ (10,365.39)</u></u>

**BOROUGH OF OCEAN GATE
TRUST FUND - OTHER
SCHEDULE OF MISCELLANEOUS TRUST RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Increased By <u>Receipts</u>	Decreased By <u>Disbursements</u>	Balance December 31, <u>2015</u>
Board of Recreation Commission	\$ 10,931.83	\$ 1,978.30	\$ 1,700.00	\$ 11,210.13
Boardwalk Improvements	4,102.06	1.27	-	4,103.33
Developers Escrow	10,406.04	48,099.92	25,444.33	33,061.63
Jason Marles Memorial Foundation	2,464.65	0.71	-	2,465.36
Municipal Alliance	3,357.83	0.91	119.27	3,239.47
Outside Employment of Off-Duty Police Officers	14,526.46	86,710.50	89,945.75	11,291.21
Parking Offenses Adjudication Act	870.50	74.00	-	944.50
Premium on Tax Sale	95,100.00	83,400.00	63,600.00	114,900.00
Public Defender	1,838.80	229.50	-	2,068.30
Recreation Building	234.00	-	-	234.00
Security Deposit	10,500.00	-	-	10,500.00
Third Party Tax Title Lien	1,386.73	109,153.67	99,687.25	10,853.15
Total	\$ 155,718.90	\$ 329,648.78	\$ 280,496.60	\$ 204,871.08
<u>Reference</u>	B	B-1	B-1	B

GENERAL CAPITAL FUND

This page intentionally left blank.

**BOROUGH OF OCEAN GATE
GENERAL CAPITAL FUND
SCHEDULE OF CHANGE IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>	
Balance December 31, 2015 & 2014	C	<u>\$ 843.57</u>

**SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	C			\$ 154,738.63
Increased by:				
Current Fund Budget Appropriation:				
Capital Improvement Fund	C-5	\$ 17,710.00		
Proceeds From Bond Anticipation Notes	C-8	569,027.63		
Interest Earned	C-3	47.45	<u>586,785.08</u>	
Subtotal				741,523.71
Decreased by:				
Improvement Authorizations	C-7	5,304.94		
Redemption of Bond Anticipation Notes	C-8	569,027.63		
Due to Current Fund - Interest Earned	C-3	47.32	<u>574,379.89</u>	
Balance December 31, 2015	C			<u>\$ 167,143.82</u>

**BOROUGH OF OCEAN GATE
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND INVESTMENTS AT DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT AUTHORIZATIONS	Balance (Overdraft) December 31, 2014		Receipts		Disbursements		Transfers		Balance (Overdraft) December 31, 2015	
		\$	843.57	\$	-	\$	-	\$	-		
											Miscellaneous
Capital Surplus (Fund Balance)		\$	843.57	\$	-	\$	-	\$	-	\$	843.57
Capital Improvement Fund			8,559.81		17,710.00		-		-		26,269.81
Grant Receivable			(89,456.08)		-		-		-		(89,456.08)
Reserve for Capital Projects			1,999.00		-		-		-		1,999.00
Reserve for Donations			10,517.00		-		-		-		10,517.00
Reserve for Debt Service			84,270.81		-		-		84,270.81		-
Ord. 581/577-13 - Reserve for Payment of BAN's Interfunds:			104,871.56		-		-		-		104,871.56
Current Fund			47.45		-		-		-		47.45
Water Utility Capital Fund			(2,483.62)		-		-		84,270.81		(2,483.62)
ORDINANCE NUMBER	IMPROVEMENT AUTHORIZATIONS										
362-93	General Improvements		(50,000.00)		-		-		-		(50,000.00)
451-01	Construction of a New Municipal Building		64,485.50		-		-		-		64,485.50
464-02	Supplementing Bond Ordinance 01-461 - Beach In		7,260.87		-		-		-		7,260.87
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
554-11	Reconstruction of Wildwood Avenue Pier		19,383.98		-		-		-		19,383.98
576-13	Various Capital Improvements		11,146.69		-		5,304.94		-		5,841.75
Subtotal General Improvements			35,616.58		-		5,304.94		-		30,311.64

Total Analysis of Cash	Reference	C, C-2	C-2	C-7	C-2	A-13	A-13	C, C-2				
\$ 154,738.63	\$	17,757.45	\$	5,304.94	\$	47.32	\$	84,270.81	\$	84,270.81	\$	167,143.82

**BOROUGH OF OCEAN GATE
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>	
Balance December 31, 2014	C	\$ 1,376,000.00
Decreased by:		
2015 Budget Appropriations to Pay Bonds	C-9	<u>135,000.00</u>
Balance December 31, 2015	C	<u><u>\$ 1,241,000.00</u></u>

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	C	\$ 8,559.81
Increased by:		
2015 Budget Appropriation	A-3	<u>17,710.00</u>
Balance December 31, 2015	C	<u><u>\$ 26,269.81</u></u>

**BOROUGH OF OCEAN GATE
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Description	Analysis of Balance					Unexpended Improvement Authorizations
		Balance December 31, 2014	Payment of BANs/Bonds Issued	Balance December 31, 2015	Bond Anticipation Notes	Expenditures	
362-93	General Improvements	\$ 50,000.00	\$ -	\$ 50,000.00	\$ -	\$ 50,000.00	\$ -
481-04	Stone Harbor Avenue Road Improvements	21,304.01	-	21,304.01	-	21,304.01	-
520-07	Demolition of Old Municipal Building	97,685.00	(4,095.00)	93,590.00	93,590.00	-	-
528-08	Construction and Installation of One or More Municipal Wind Turbine Electrical Generating Stations	196,427.00	(6,633.00)	189,794.00	-	-	-
546-10	Boardwalk Repairs	25,104.50	(1,500.00)	23,604.50	24,000.00	-	-
554-11	Reconstruction of Wildwood Avenue Pier	160,085.00	(10,915.00)	149,170.00	149,170.00	-	-
576-13	Various Capital Improvements	83,633.00	-	83,633.00	83,600.00	-	33.00
581/577-13	Various Capital Improvements - Super Storm Sandy	1,884,454.94	(2,017.00)	1,882,437.94	1,986,914.00	-	-
Total		\$ 2,518,693.45	\$ (25,160.00)	\$ 2,493,533.45	\$ 2,527,068.00	\$ 71,304.01	\$ 33.00

Reference

C

C

C-8

Improvement Authorizations - Unfunded
Less: Unexpended Proceeds of Bond Anticipation Notes: \$ 29,902.28

Ordinance Number	Description	Reference	Amount
520-07	Demolition of Old Municipal Building		\$ 4,643.55
554-11	Reconstruction of Wildwood Avenue Pier		19,383.98
576-13	Various Capital Improvements		5,841.75
			<u>29,869.28</u>
			<u>\$ 33.00</u>

Bond Anticipation Notes Expenditures \$ 2,527,068.00
Unexpended Improvement Authorizations 71,304.01
Less: Overfunded Ordinances: \$ 2,598,405.01

Ordinance Number	Description	Amount
546-10	Boardwalk Repairs	395.50
581/577-13	Various Capital Improvements - Super Storm Sandy	104,476.06
		<u>104,871.56</u>
		<u>\$ 2,493,533.45</u>

**BOROUGH OF OCEAN GATE
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVED AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance 12/31/2014		Paid or Charged	Balance 12/31/2015	
				Funded	Unfunded		Funded	Unfunded
451-01	Construction of a New Municipal Building	02/13/01	2,000,000.00	\$ 64,485.50	\$ -	\$ -	\$ 64,485.50	\$ -
464-02	Supplementing Bond Ordinance 01-461 - Beach Improvement	02/01/02	135,000.00	7,260.87	-	-	7,260.87	-
520-07	Demolition of Old Municipal Building	09/28/05	125,000.00	-	4,643.55	-	-	4,643.55
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	-	11,179.69	5,304.94	-	5,874.75
Total Improvement Authorizations				\$ 71,746.37	\$ 35,207.22	\$ 5,304.94	\$ 71,746.37	\$ 29,902.28

Reference

C

C

C-4

C

C

**BOROUGH OF OCEAN GATE
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Description	Original Date of Issue	Issue Date	Maturity	Interest Rate	Balance December 31, 2014	Issued	Matured	Balance December 31, 2015
520-07	Demolition of Old Municipal Building	06/20/07	05/23/14	05/22/15	0.989%	97,685.00	-	97,685.00	-
		06/20/07	05/21/15	05/20/16	1.000%	-	93,590.00	-	93,590.00
528-08	Construction & Installation of Municipal Wind Turbine Electrical Generating Station	06/18/09	05/23/14	05/22/15	0.989%	196,427.00	-	196,427.00	-
		06/18/09	05/21/15	05/20/16	1.000%	-	189,794.00	-	189,794.00
546-10	Boardwalk Repairs	10/29/10	05/23/14	05/22/15	0.989%	25,500.00	-	25,500.00	-
		10/29/10	05/21/15	05/20/16	1.000%	-	24,000.00	-	24,000.00
554-11	Reconstruction of Wildwood Avenue Pier	05/25/11	05/23/14	05/22/15	0.989%	160,085.00	-	160,085.00	-
		05/25/11	05/21/15	05/20/16	1.000%	-	149,170.00	-	149,170.00
576-13	Various Capital Improvements	06/07/13	05/23/14	05/22/15	0.989%	83,600.00	-	83,600.00	-
		06/07/13	05/21/15	05/20/16	1.179%	-	83,600.00	-	83,600.00
581/577-13	Various Capital Improvements - Super Storm Sandy	12/19/13	12/19/14	12/18/15	0.830%	1,988,931.00	-	1,988,931.00	-
		12/19/13	12/18/15	12/16/16	0.900%	-	1,986,914.00	-	1,986,914.00
Total						\$ 2,552,228.00	\$ 2,527,068.00	\$ 2,552,228.00	\$ 2,527,068.00

REFERENCE

	C	C-2	C
Paid By Budget Appropriation			
Non - Cash Rollover	1,958,040.37	-	\$ 23,143.00
Renewal	569,027.63	569,027.63	569,027.63
	<u>\$ 2,527,068.00</u>	<u>\$ 2,552,228.00</u>	<u>\$ 2,552,228.00</u>

**BOROUGH OF OCEAN GATE
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Decreased By Principal Paid</u>	<u>Balance December 31, 2015</u>
			<u>Outstanding December 31, 2015</u>	<u>Amount</u>				
General Obligation Bonds	03/01/03	\$ 2,611,000.00	03/01/16	135,000.00	4.125%			
			03/01/17	140,000.00	4.125%			
			03/01/18	146,000.00	4.125%			
			03/01/19	150,000.00	4.125%			
			03/01/20	160,000.00	4.125%			
			03/01/21	165,000.00	4.125%			
			03/01/22	170,000.00	4.125%			
			03/01/23	175,000.00	4.125%			
						\$ 1,376,000.00	\$ 135,000.00	\$ 1,241,000.00

Reference

C

Paid by Budget Appropriation	\$ 135,000.00
Total	\$ 135,000.00

**BOROUGH OF OCEAN GATE
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2014 and 2015</u>
362-93	General Improvements	\$ 50,000.00
481-04	Stone Harbor Avenue Road Improvements	21,304.01
576-13	Various Capital Improvements	<u>33.00</u>
	Total	<u>\$ 71,337.01</u>
	<u>Reference</u>	C

WATER UTILITY FUND

This page intentionally left blank.

**BOROUGH OF OCEAN GATE
WATER UTILITY OPERATING FUND
SCHEDULE OF WATER UTILITY CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2014	D	\$ 321,546.85	\$ 327,018.14
Increased by Receipts:			
Consumer Accounts Receivable	D-6	\$ 336,814.60	-
Insurance Reimbursement	D-2	57,506.57	-
Miscellaneous Revenue	D-2	8,069.88	-
Rent Overpayments		1,540.38	-
Bond Anticipation Notes	D-17	-	444,303.00
Interfunds	D-7	105.24	105.54
		<u>404,036.67</u>	<u>444,408.54</u>
Decreased by Disbursements:			
2014 Budget Appropriations	D-3	334,671.24	-
Appropriation Reserves	D-10	1,621.11	-
Bond Anticipation Notes	D-17	-	444,303.00
Interfunds	D-7	12,616.27	105.24
Refund of Overpayments	D-1	160.00	-
Improvement Authorizations	D-13	-	4,226.48
		<u>349,068.62</u>	<u>448,634.72</u>
Balance December 31, 2015	D	<u>\$ 376,514.90</u>	<u>\$ 322,791.96</u>

**BOROUGH OF OCEAN GATE
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>			
Balance December 31, 2014	D		\$	40,600.75
Increased by:				
Service Charges Levied		\$	339,450.00	
Overpayments Created	D		1,185.64	<u>340,635.64</u>
Subtotal				381,236.39
Decreased by:				
Collections	D-4	\$	336,814.60	
Overpayments Applied	D		3,857.85	
Cancellations & Adjustments			3,420.43	<u>344,092.88</u>
Balance December 31, 2015	D		\$	<u><u>37,143.51</u></u>

**WATER UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS**

		<u>Total</u>	<u>Current Fund</u>	<u>Water Utility Capital Fund</u>
Balance December 31, 2014 - Due From/(Due To)	D	\$ 125,946.75	\$ -	\$ 125,946.75
Increased by:				
Miscellaneous Revenue	D-4	105.54	-	<u>105.54</u>
Subtotal		126,052.29	-	126,052.29
Decreased by:				
Disbursements	D-4	(12,616.27)	(12,616.27)	-
Receipts	D-4	(105.24)	-	<u>(105.24)</u>
Balance December 31, 2015 - Due From/(Due To)	D	<u>\$ 113,330.78</u>	<u>\$ (12,616.27)</u>	<u>\$ 125,947.05</u>

**BOROUGH OF OCEAN GATE
 WATER UTILITY OPERATING FUND
 SCHEDULE OF 2014 APPROPRIATION RESERVES
 FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 11,150.51	\$ -	\$ 11,150.51	\$ -	\$ 11,150.51
Other Expenses	39,289.11	1,148.47	40,437.58	1,621.11	38,816.47
Statutory Expenditures:					
Contributiond to:					
Social Security System	467.74	-	467.74	-	467.74
	<u>\$ 50,907.36</u>	<u>\$ 1,148.47</u>	<u>\$ 52,055.83</u>	<u>\$ 1,621.11</u>	<u>\$ 50,434.72</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, 2015**

	<u>Reference</u>	
Balance December 31, 2014	D	\$ 5,928.14
Increased by:		
Interest Accrued		<u>18,673.84</u>
Subtotal		24,601.98
Decreased by:		
Disbursements		<u>18,942.15</u>
Balance December 31, 2015	D	<u><u>\$ 5,659.83</u></u>

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

Balance December 31, 2015 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, 2015**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance - December 31, 2014		2015 Authorizations	Expended	Balance - December 31, 2015	
				Funded	Unfunded			Funded	Unfunded
83-257, 83-266	Improvements to Water Utility System, Improvements to Water Supply and Distribution System	2/8/1983 8/23/1983	370,000.00 640,000.00	- \$	152.01 \$	- -	- -	- \$	152.01 1,121.45
86-285 93-366	General Improvements General Improvements to the Water Utility System	1/28/1986 5/25/1993	37,000.00 100,000.00	- -	1,121.45 11,654.45	- -	- -	- -	- 11,654.45
94-382, 95-398	Purchase and Installation of Water Meters, Acquisition and Installation of Water Meters	12/27/1994 12/28/1995	150,000.00 95,000.00	8,146.63 8,146.63	- -	- -	- -	8,146.63 8,146.63	- -
09-539 09-540	Rehabilitation of the East Arverne Avenue Elevated Storage Tank Construction and Installation of One or More Municipal Wind Turbine Electrical Generating Stations	5/24/2009 5/24/2009	550,000.00 550,000.00	- 3,633.13	70,243.82 115,821.00	- -	- -	- 3,633.13	70,243.82 115,821.00
12-568 15-598	Repair, Replacement, Reconstruction of Certain Portions of the Borough Water Treatment System, Delivery System, Valves and Fire Hydrants Water Infrastructure Improvements And Other Related Expenses	11/20/2012 11/10/2015	450,000.00 1,150,000.00	- -	323,739.66 -	- 1,150,000.00	4,226.48 -	- -	319,513.18 1,150,000.00
Total				\$ 11,779.76	\$ 522,732.39	\$ 1,150,000.00	\$ 4,226.48	\$ 11,779.76	\$ 1,668,505.91
				Reference	D	D	D-4	D	D

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>		
Balance December 31, 2014	D		\$ 1,115,099.54
Increased by:			
Paid by Operating Budget:			
Serial Bonds	D-16	15,000.00	
USDA Loan	D-18	8,600.90	
Deobligation of NJEIT Loans	D-19, D-20	4,137.00	<u>27,737.90</u>
Balance December 31, 2015	D		<u>\$ 1,142,837.44</u>

**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	D		\$ 348,357.75
Increased by:			
Paydown on NJEIT Loan	D-19,20,21,22		32,037.97
Paydown on BAN	D-17		<u>5,697.00</u>
Balance December 31, 2015	D		<u>\$ 386,092.72</u>

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
SCHEDULE OF WATER UTILITY SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2015		Balance December 31, 2014	Paid by Budget Appropriation	Balance December 31, 2015
			Date	Amount			
Acquisition of Water Meters	3/1/2003	\$ 199,000	3/01/2016-17	15,000.00	\$ 59,000.00	\$ 15,000.00	\$ 44,000.00
			3/1/2018	14,000.00			

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2014	Increased	Decreased	Balance December 31, 2015
12-568	Repair, Replacement, Reconstruction of Certain Portions of the Borough Water Treatment System, Delivery System, Valves and Fire Hydrants	12/27/2012	12/19/2014	12/19/2015	0.83%	\$ 450,000.00	\$ -	\$ 450,000.00	\$ -
		12/27/2012	12/18/2015	12/16/2016	0.90%	-	444,303.00	-	-
						<u>\$ 450,000.00</u>	<u>\$ 444,303.00</u>	<u>\$ 450,000.00</u>	<u>\$ 444,303.00</u>

Reference	D	D-4	D-4	D
Paid by Budget Appropriation				
Renewal	D-3			
	D-4			
				\$ 5,697.00
				<u>444,303.00</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, 2015**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2014	Paid by Budget Appropriation	Balance Dec. 31, 2015
			Outstanding Date	Amount				
Water System Improvements	2/19/1987	\$ 270,000.00	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%	\$ 143,660.00	\$ 8,600.90	\$ 135,059.10

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN- WATER TANK
FOR THE YEAR ENDED DECEMBER 31, 2015**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2014	Paid by Budget Appropriation	Deobligation of Funds	Balance Dec. 31, 2015
			Outstanding Date	Amount Dec. 31, 2015					
Water Tank	2/18/2010	\$ 110,640.01	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%				
						\$ 91,456.15	\$ 4,940.72	\$ 1,034.00	\$ 85,481.43

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE FUND LOAN- WATER TANK
FOR THE YEAR ENDED DECEMBER 31, 2015**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2014	Paid by Budget Appropriation	Deobligation of Funds	Balance Dec. 31, 2015
			Date	Amount					
Water Tank	2/18/2010	\$ 309,273.00	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%	\$ 248,522.97	\$ 16,568.19	\$ 3,103.00	\$ 228,851.78

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN- WIND TURBINE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2014	Paid by Budget Appropriation	Balance Dec. 31, 2015
			Outstanding Dec. 31, 2015	Amount				
Wind Turbine	3/10/2010	\$ 111,769.00	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%				
						\$ 91,933.10	\$ 5,064.49	\$ 86,868.61

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE FUND LOAN- WIND TURBINE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2014	Paid by Budget Appropriation	Balance Dec. 31, 2015
			Date	Amount				
Wind Turbine	1/08/2010	\$ 104,470.00	2/01/2016	1,821.52	0.00%			
			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					
					0.00%	\$ 81,968.67	\$ 5,464.57	\$ 76,504.10

**BOROUGH OF OCEAN GATE
WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2014</u>	Improvement <u>Authorizations</u>	Balance December 31, <u>2015</u>
76-191 83-257, 83-266	Improvements to Municipal Water Distribution System Improvements to Water Utility System, Improvements to Water Supply and Distribution System	\$ 9,535.10	\$ -	\$ 9,535.10
86-285	General Improvements	3,080.73	-	3,080.73
92-352	General Improvements to the Water Utility System	8,378.55	-	8,378.55
93-366	General Improvements to the Water Utility System	32,500.00	-	32,500.00
09-539	Rehabilitation of the East Arverne Avenue Elevated Storage Tank	39,187.00	-	39,187.00
09-540	Construction and Installation of One or More Municipal Wind Turbine Electrical Generating Stations	130,086.99	-	130,086.99
15-598	Water Infrastructure Improvements	115,821.00	-	115,821.00
		-	1,150,000.00	1,150,000.00
		<u>\$ 338,589.37</u>	<u>\$ 1,150,000.00</u>	<u>\$ 1,488,589.37</u>

Reference D D-13 D

This page intentionally left blank.

SEWER UTILITY FUND

This page intentionally left blank.

**BOROUGH OF OCEAN GATE
SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER UTILITY CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2014	S	\$ 268,301.56	\$ 31,303.01
Increased by Receipts:			
Consumer Accounts Receivable	S-6	\$ 467,407.57	-
Sewer Overpayments		4,546.75	-
Miscellaneous Revenue	S-2	6,713.92	-
Bond Anticipation Notes	S-17	-	-
NJ Environmental Trust Loan	S-18	-	-
Interfunds	S-7	2,841.78	9.40
		<u>481,510.02</u>	<u>9.40</u>
Decreased by Disbursements:			
2014 Budget Appropriations	S-3	490,598.94	-
Appropriation Reserves	S-10	2,717.40	-
Refund of Overpayments		301.02	-
Bond Anticipation Notes	S-17	-	-
Interfunds	S-7	36,914.90	11.24
		<u>530,532.26</u>	<u>11.24</u>
Balance December 31, 2015	S	<u>\$ 219,279.32</u>	<u>\$ 31,301.17</u>

**BOROUGH OF OCEAN GATE
SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Receipts		Disbursements		Balance December 31, <u>2015</u>
		Miscellaneous		Miscellaneous		
Capital Improvement Fund	\$ 67,500.00	\$ -	\$ -	\$ -	\$ -	\$ 67,500.00
Interfunds:						
Sewer Utility Operating Fund	1.87	9.40		11.24		0.03
Improvement Authorizations:						
Ordinance <u>Number</u>						
09-538						
Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project	1.14	-	-	-	-	1.14
13-572						
Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project	(36,200.00)	-	-	-	-	(36,200.00)
Total	\$ 31,303.01	\$ 9.40	\$ 11.24	\$ 11.24	\$ 31,301.17	

Reference
S S S-4,S-7 S-4,S-7 S

**BOROUGH OF OCEAN GATE
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>		
Balance December 31, 2014	S		\$ 46,036.44
Increased by:			
2014 Sewer Rents		\$ 473,680.37	
Overpayments Created		3,311.98	476,992.35
			<hr/>
Subtotal			523,028.79
Decreased by:			
Collections	S-2,S-4	\$ 467,407.57	
Overpayments Applied	S	3,194.78	
Cancellations & Adjustments		5,856.01	476,458.36
			<hr/>
Balance December 31, 2015	S		<u>\$ 46,570.43</u>

SCHEDULE OF INTERFUNDS

		<u>Total</u>	<u>Current Fund</u>	<u>Sewer Utility Capital Fund</u>
Balance December 31, 2014 - Due From	S	\$ 36,916.77	\$ 36,914.90	\$ 1.87
Increased by:				
Disbursements	S-4	36,914.90	36,914.90	-
Miscellaneous Revenue	S-2	9.40	-	9.40
				<hr/>
Subtotal		73,841.07	73,829.80	11.27
Decreased by:				
Budget Transfer		10,000.00	10,000.00	-
Receipts	S-4	2,627.50	2,616.26	11.24
				<hr/>
Balance December 31, 2015 - Due From	S	<u>61,213.57</u>	<u>61,213.54</u>	<u>0.03</u>

**BOROUGH OF OCEAN GATE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014 and 2015</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>2014 and 2015</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 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 14,705.57	\$ 11,705.57	\$ -	\$ 11,705.57
Other Expenses	6.16	3,006.16	2,717.40	288.76
Statutory Expenditures:				
Contribution to:				
Social Security System	781.40	781.40	-	781.40
	<u>\$ 15,493.13</u>	<u>\$ 15,493.13</u>	<u>\$ 2,717.40</u>	<u>\$ 12,775.73</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, 2015**

	<u>Reference</u>	
Balance December 31, 2014	S	\$ 5,601.38
Increased by:		
Interest Accrued		<u>26,804.98</u>
Subtotal		32,406.36
Decreased by:		
Disbursements	S-4	<u>27,433.12</u>
Balance December 31, 2015	S	<u><u>\$ 4,973.24</u></u>

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

	<u>Reference</u>	
Balance December 31, 2014 and 2015	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, 2015**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance December 31, 2014		Balance December 31, 2015	
				Funded	Unfunded	Funded	Unfunded
09-538	Sanitary Sewer Rehabilitation Infiltration Inflow Correction Project	5/24/2009	450,000.00	\$ 63,342.14	\$ 215,581.00	\$ 63,342.14	\$ 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				\$ 63,342.14	\$ 226,881.00	\$ 63,342.14	\$ 226,881.00

Reference

S

S

S-4

S

S

EXHIBIT S-14

**SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Reference	
Balance December 31, 2014	S	\$ 2,782,599.65
Increased by:		
USDA Loan	S-15	\$ 63,699.03
NJEIT Loan	S-17	8,868.75
Deobligation of NJEIT Loan	S-17	46,110.00
Balance December 31, 2015	S	<u>\$ 2,901,277.43</u>

**BOROUGH OF OCEAN GATE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER UTILITY USDA LOAN
FOR THE YEAR ENDED DECEMBER 31, 2015**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2014	Paid by Budget Appropriation	Balance Dec. 31, 2015
			Date	Amount				
Construction of Sewer Collection System	10/19/1981	\$ 1,505,400.00	4/19/2016	33,048.79	5.00%			
			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					
					\$ 519,347.14	\$ 63,699.03	\$ 455,648.11	

**BOROUGH OF OCEAN GATE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN - SEWER IMPROVEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2014	Paid by Budget Appropriation	Balance Dec. 31, 2015
			Date	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	\$ -

**BOROUGH OF OCEAN GATE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE FUND LOAN - SEWER IMPROVEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2014	Issued	Paid by Budget Appropriation	Deobligation of Funds	Balance Dec. 31, 2015	
			Outstanding Date	Amount							
Sewer Improvements	5/21/2014	\$ 174,419.00	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	4,146.50							
						0.00%	\$ 168,506.50	\$ -	\$ 8,868.75	\$ 46,110.00	\$ 113,527.75

**BOROUGH OF OCEAN GATE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJEIT LOAN RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Reference

Balance December 31, 2015 and 2014	S	<u>\$ 63,341.00</u>
------------------------------------	---	---------------------

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2014 & 2015</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>\$ 263,081.00</u>

This page intentionally left blank.

**BOROUGH OF OCEAN GATE
COUNTY OF OCEAN**

PART II

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

This page intentionally left blank.



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, 2015. 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 \$36,000 for the period of January 1, 2015 to June 30, 2015, and \$40,000 for the period of July 1, 2015 to December 31, 2015, except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

The minutes indicate that 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

A test was conducted to determine that expenditures greater than \$5,400 for the period of January 1, 2015 to June 30, 2015, and expenditures greater than \$6,000 for the period of July 1, 2015 to December 31, 2015, obtained solicitation of quotes. No exceptions were noted.

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, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“NOW, THEREFORE, BE IT RESOLVED, by the Borough Council of the Borough of Ocean Gate, New Jersey, that:

1. That the Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 becoming delinquent after due date and 18% per annum of any amount of taxes in excess of \$1,500.00 becoming delinquent after the due date, subject to any abatement of discount for the late payment of taxes as provided by law; and, if a delinquency is of excess of \$10,000.00 and remains in arrears beyond December 31st of the tax year, an additional penalty of 6% shall be charged against the delinquency.
2. Effective January 1, 2015, there will be a ten (10)-day grace period for quarterly tax payments made by cash, check or money order.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date, as set forth in paragraph one of this resolution.

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 30, 2015 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
2015	3
2014	2
2013	2

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/Recommendations

***15-01 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.

***15-02 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.

Findings/Recommendations (continued)

***15-03 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.

15-04 Finding – During a test of disbursements, we observed four (4) checks from the Tax Collector Redemption account were signed by the CFO prior to issuance.

Criteria – Good business practice is to segregate the duties of processing and approving disbursements

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

15-05 Finding – Contracts were awarded for engineering services associated with the Borough’s water main replacement project and for emergency repair services associated with one of the Borough’s wind turbines. Although Borough Council discussed the contracts during Council meetings, votes were not taken to approve the resolutions and contracts.

Criteria – N.J.S.A. 40A:11-4.3(a) states that, “In order to initiate competitive contracting, the governing body shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in section 1 of P.L.1999, c.440 (C.40A:11-4.1) are desired to be contracted.”

Recommendation – We recommend that resolutions be approved by Borough Council prior to execution of all contracts.

OFFICIALS IN OFFICE AND SURETY BONDS

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

NAME	TITLE	AMOUNT OF BOND
Paul J. Kennedy	Mayor, Administrator	
Brian DiStefano	Councilman, Council President	
David Kendrick	Councilman	
Mark Haug	Councilman	
Alex Martinez	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 Gallipoli	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.

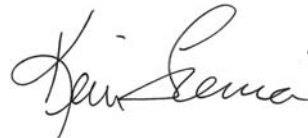
Acknowledgment

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.

A handwritten signature in black ink, appearing to read "Kevin P. Frenia". The signature is written in a cursive style with a large initial "K".

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

May 16, 2016
Toms River, New Jersey