

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE

BOROUGH OF BRADLEY BEACH

**701 Main Street
Bradley Beach, New Jersey 07720**

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Presented by

**Joyce M. Wilkins
Chief Financial Officer
Borough of Bradley Beach**

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INTRODUCTORY SECTION – OTHER INFORMATION

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GARY ENGELSTAD, MAYOR
JOYCE M. WILKINS, ADMINISTRATOR
MARY ANN SOLINSKI, MUNICIPAL CLERK

May 21, 2015

The Comprehensive Annual Financial Report for the Borough of Bradley Beach, County of Monmouth, State of New Jersey for the years ended December 31, 2014 and 2013 is submitted herewith and includes financial statements, supplemental schedules and other information. I believe it is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Borough of Bradley Beach as measured by the financial activity of its various funds and account group; and that all disclosures necessary to enable the reader to gain an understanding of the Borough's financial affairs have been included.

The Comprehensive Annual Financial Report (CAFR) is presented in four (4) sections: Introductory, Financial, Statistical and Auditors' Comments and Recommendations. The Introductory Section includes this transmittal letter, the Borough's organizational chart, a roster of officials and list of consultants and advisors. The Financial Section includes the annual financial statements and individual fund financial schedules, as well as the independent auditors' report and 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 Statistical Section includes select financial, economic and demographic information, generally presented on a multi-year basis and is unaudited. The fifth and final section is prepared by the Independent Auditor and contains their required annual comments and recommendations, if any, to the Mayor and Council. Responsibility for completeness and clarity of the report, including disclosures, rests with the Chief Financial Officer and ultimately with the Mayor and Council.

The regulatory basis financial statements have been audited by Wiss and Company, LLP, whose opinion is expressed in the Financial Section. Please note that the independent auditors' report states that the financial statements are presented fairly in conformity with the regulatory basis of accounting as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

NEW JERSEY'S FAMILY RESORT

PRESENT AND FUTURE CHALLENGES

In 2014, our Current Fund, which encompasses the general government functions of the Borough, had revenues exclusive of surplus utilized of \$9,346,877.35, expenditures of \$9,021,537.65 and an increase of \$325,339.70 in fund balance at year-end. The Current Fund revenues increased approximately \$379,949.60 or 4.01% from 2013 levels. Below is a comparison of the Current Fund revenues.

	<u>2014</u>	<u>2013</u>	<u>Increase/ (Decrease)</u>	<u>%</u>
Local Sources:				
Surplus Utilized	\$ 515,000.00	\$ 413,500.00	\$ 101,500.00	24.55
Taxes (1)	6,670,722.50	6,566,736.55	103,985.95	1.58
Delinquent Taxes	259,967.26	182,673.32	77,293.94	42.31
Miscellaneous (3)	1,733,438.26	1,167,279.93	566,158.33	48.50
Non-budget Revenues/Other Items (4)	<u>284,107.74</u>	<u>662,727.29</u>	<u>(378,619.55)</u>	<u>(57.13)</u>
Total Revenues from Local Sources	9,463,235.76	8,992,917.09	470,318.67	5.23
State Aid (2)	355,290.00	355,289.60	0.40	0.00
State and Federal Grants (2)	<u>43,351.59</u>	<u>133,721.06</u>	<u>(90,369.47)</u>	<u>(67.58)</u>
Total Current Fund Revenues	<u>\$ 9,861,877.35</u>	<u>\$ 9,481,927.75</u>	<u>\$ 379,949.60</u>	<u>4.01</u>

1. Current and Delinquent Taxes - This is the collections on taxes levied on all property owners residing in the Borough.
2. State Aid, Federal and State Grants - This represents funds received from the State of New Jersey or the Federal Government in the form of grants or direct aid.
3. Miscellaneous Revenues Anticipated - This represents all of the miscellaneous revenues of the Borough including fees, fines, licenses, interest and other direct charges, except those detailed separately above.
4. Non-Budget Revenue and Other Credits - These are items that are not budgeted as revenue items, however, are included in the overall revenue.

The increase in expenditures in 2014 from 2013 was approximately 6.71% as follows. This was mainly driven by expenditure increases in the areas of general government, deferred charges and statutory expenditures and debt service.

	<u>2014</u>	<u>2013</u>	<u>Increase/ (Decrease)</u>	<u>%</u>
General Government	\$ 992,196.62	\$ 732,000.00	\$ 260,196.62	35.55
Land Use	31,487.60	31,713.00	(225.40)	(0.71)
Code Enforcement	83,720.32	73,043.00	10,677.32	14.62
Insurance	1,170,096.26	1,091,475.00	78,621.26	7.20
Public Safety	2,420,803.45	2,350,780.31	70,023.14	2.98
Public Works	921,993.31	891,306.00	30,687.31	3.44
Health and Human Services	24,860.00	24,860.00		
Parks and Recreation	137,850.00	122,300.00	15,550.00	12.71
Library	365,259.96	376,085.91	(10,825.95)	(2.88)
Utility Expenses and Bulk Purchases	300,025.00	284,320.00	15,705.00	5.52
Contingent	3,700.00	3,700.00		
Deferred Charges and Statutory Expenditures	1,105,063.08	1,002,571.93	102,491.15	10.22
State and Federal Grants	48,351.59	79,046.49	(30,694.90)	(38.83)
Capital Improvements	42,400.00	30,000.00	12,400.00	41.33
Debt Service	1,209,019.53	1,118,103.31	90,916.22	8.13
Reserve for Uncollected Taxes	346,897.25	413,865.73	(66,968.48)	(16.18)
	<u>\$ 9,203,723.97</u>	<u>\$ 8,625,170.68</u>	<u>\$ 578,553.29</u>	<u>6.71%</u>

Our Sewer Utility Operating Fund generated revenues and other income exclusive of Fund Balance appropriated of \$2,110,031.51 and incurred expenditures of \$1,820,586.07. After accounting for \$50,000.00 transferred to the current fund, the fund balance increased by \$239,445.44. This compares to an increase in fund balance in 2013 of \$330,263.90.

Our Beach Utility Operating Fund generated revenues and other income exclusive of Fund Balance appropriated of \$1,813,717.15 and incurred expenditures of \$1,731,700.63 resulting in a net increase of \$82,016.52 in fund balance. The compares to a decrease in fund balance in 2013 of \$53,448.06.

The remainder of this transmittal letter will provide greater details relating to our progress during 2014 and some of our plans for the future.

STATUTORY AUTHORITY

The Borough is organized and administered in accordance with the provisions of New Jersey State Law and consists of an elected Mayor and a four (4) member Council responsible for providing all basic governmental services, except education, to its 4,298 local residents.

The Borough, pursuant to law, has the authority to levy taxes and issue debt.

The Borough, for reporting purposes, is considered an independent government entity.

CASH MANAGEMENT

Bank balances are insured up to \$250,000.00 in the aggregate by the Federal Deposit Insurance Corporation for each bank. In addition, the State of New Jersey Governmental Unit Deposit Protection Act insures the remaining balance of funds on deposit in registered depositories.

The Borough invests all surplus funds for appropriate periods of time as determined by the Chief Financial Officer. During 2014, idle funds were invested in interest bearing checking accounts. All such investments fall within the guidelines set forth by the statutes. Historically, the rate of return on investments is consistent with market rates in this locality.

ACCOUNTING AND BUDGET INFORMATION

Accounting

The Borough maintains an on-line, real-time computerized accounting system to record all financial transactions including tax and sewer receipts and billing, beach revenue, miscellaneous revenue, budget and general ledger and for payroll.

In developing and evaluating the Borough's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of controls should not exceed the benefits expected to be derived; and (2) the evaluation of costs and benefits requires estimates and judgment by management.

During the calendar year, financial reports are prepared monthly. The reports detail the monthly transactions and summarize the balance in the appropriations allocated for goods and services.

Management of the Borough is responsible for establishing and maintaining adequate internal control.

Budget

The Local Budget Law for the State of New Jersey requires every local unit to adopt an Operating Budget in the form required by the Division of Local Government Services Department of Community Affairs of the State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for the payment of current debt service, and the Director is required to review the adequacy of such appropriations, unless a specific amount is required by law. The review function, focusing on anticipated revenues, serves to protect the solvency of all local units.

Section 5:30-4 of the New Jersey Administrative Code provides that every local unit that proposes to spend \$25,000.00 or more on capital equipment, construction or improvements must prepare a Capital Budget. If the Borough's population is less than 10,000, the Capital Improvement Program shall include by title all projects anticipated for the budget year and the two succeeding years, with the estimated costs and the anticipated financing by sources and amounts. A three year Capital Improvement Program was adopted as part of the 2014 Budget.

A Capital Budget Section included with the Annual Budget does not in itself confer any authorization to raise or expend funds. Rather, it is a document used as part of the local unit's planning and management program. Specific authorization to expend funds for purposes described in the Capital Budget must be granted separately, through the adoption of a bond ordinance, by appropriating funds from the Capital Improvement Fund, or other lawful means.

The budget of the Borough is categorized into appropriations by function. Each appropriation represents a service program or division within the Borough. Funds are appropriated to each of the budget lines by the Mayor and Council in accordance with procedures prescribed by the State of New Jersey Local Budget Law.

Distinct appropriations are required for "salaries and wages" and for "other expenses." The Borough delineates each appropriation into sub accounts by budget codes.

The Business Administrator/Chief Financial Officer monitors expenditures throughout the fiscal year to ensure that spending remains within the amounts of funds authorized. Budget modifications are processed in the last two months of the year to transfer funds from one area to another as needed. In addition, appropriation reserves from the immediately preceding fiscal year can be transferred during the first three months of the fiscal year to pay the claims authorized or incurred during said preceding year.

DEBT ADMINISTRATION

The authorized bonded indebtedness of municipalities in the State of New Jersey is limited by statute to an amount equal to 3½% of their equalized value. The equalized valuation basis of the Borough is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements and certain railroad property within its boundaries as annually determined by the State Board of Taxation.

The Borough has managed its debt well and has outstanding net debt equal to 0.682% of its averaged equalized value.

The Borough appropriates funds annually to meet its bonded indebtedness.

PRESENT AND FUTURE CHALLENGES

During the 2014 calendar year, the Borough of Bradley Beach has made progress in a number of operational and financial areas; however, this administration is clearly aware of the issues and problems that continue to demand our attention and improvement. While we take pride in the accomplishments of the past year, we are mindful of the issues that continue to face us.

MAJOR ACTIVITIES AFFECTING BUDGETING/FINANCIAL CONDITIONS

The Borough comprises an area of approximately .70 square miles. Bradley Beach is a shore residential and commercial community.

ACCOUNTABILITY ON 2014 INITIATIVES

A Beach replenishment program took place in the Fall of 2014 by the Army Corp. of Engineers which brought our beach sand back to pre-1992 levels.

In 2014, the Borough replaced a concession at Newark Avenue that had been destroyed by Hurricane Sandy with a new concession trailer that can be removed after each beach season and safely stored on Borough property.

In addition, a new beachfront gazebo and foundation replaced the gazebo that had been destroyed by Hurricane Sandy.

The Evergreen Avenue Sewer Pump Station sustained significant damage as a result of the Hurricane. The pump station is in the final stages of complete restoration. Improvements have been made to mitigate future storm damage.

The Borough had begun to rebuild their dunes in the Fall of 2014 which had been destroyed by Hurricane Sandy. Christmas trees from residents and donation of Christmas trees from many towns provided the basis for rebuilding the dunes.

The Borough continues to receive reimbursement from FEMA due to the devastating effect of Hurricane Sandy. While we have received funds in 2014, we expect to receive additional reimbursement funds into 2015 and possibly thereafter.

The Borough has replaced their antiquated parking meters with modern pay stations that now accept credit cards along with coin and bills. This also allows the Borough to monitor parking spaces more efficiently and effectively.

In 2014, the Borough of Bradley Beach continued to improve the Sewer Infrastructure which is an on-going program. Specifically, the Borough continues to review potential Inflow and Infiltration issues. As a result of the study, the Borough will video tape several streets each year to determine damaged sewer utility lines and determine the best means of remediation.

The Borough and the library have finalized a joint agreement for the financing and installation of an elevator to address handicap accessibility to allow all patrons to utilize the library.

Municipal spending continues to be tightened in every department.

The Borough continues to undertake various initiatives to improve municipal facilities. A new roof and windows have been added to the municipal building. A new roof is planned for the Public Works building.

A new dispatch system in the Police Department was installed in 2014.

In summer months, musical concerts and assorted festivals are held at the beachfront and at Riley Park on Main Street for various age groups. Located in the Borough of Bradley Beach are several restaurants that have been rated as "four star." The Borough participates with NJ Transit in a summer beach promotion.

Borough parks and playgrounds are maintained annually. Road and intersection improvements at various locations are ongoing each year through State Department of Transportation Grants and Monmouth County combined with local funds. A new stop light has been installed at Evergreen Avenue and Memorial Drive.

The Borough has continued a multi-year program to upgrade and expand its technology infrastructure. Improvements include system hardware, office applications, public works information management system, financial system, and connectivity to remote locations.

PROSPECTS FOR THE FUTURE

1. We continue to engage in Interlocal Service Agreements with other towns for services such as court facilities, purchasing and public works functions to cut costs and we continue to explore additional interlocal opportunities.
2. The Borough continues to explore options for alternative health care programs in order to provide a broader range of choice to existing employees and to evaluate scenarios for long-term cost reduction.

ACKNOWLEDGMENTS

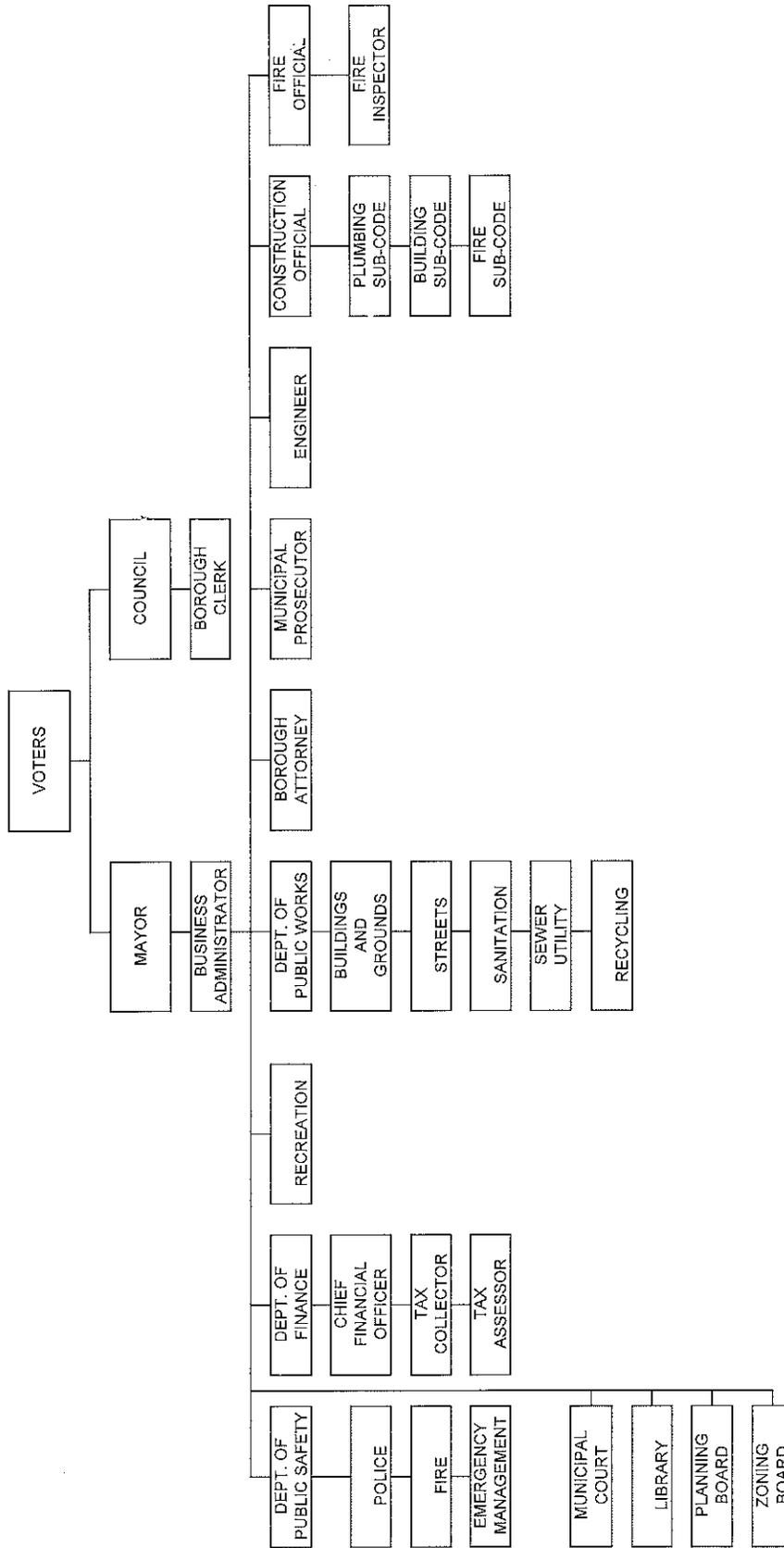
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Administration Department and the Finance Department. I would also like to express my appreciation to the firm of Wiss & Company, LLP for their help and assistance in preparation of the Borough's Comprehensive Annual Financial Report.

Respectfully submitted,

Joyce M. Wilkins

Business Administrator/Chief Financial Officer

BOROUGH OF BRADLEY BEACH
TABLE OF ORGANIZATION



BOROUGH OF BRADLEY BEACH

ROSTER OF OFFICIALS

DECEMBER 31, 2014

Governing Body

Gary Engelstad, Mayor
Harold Cotler, Council President
Salvatore Galassetti, Councilman
Norman Goldfarb, Councilman
Thomas Volante, Councilman

Other Officials

Mary Ann Solinski, Borough Clerk, Registrar of Vital Statistics and Assessment Search Officer
Joyce M. Wilkins, Borough Administrator, Chief Financial Officer, Tax Collector, Sewer Collector and Tax Search Officer
Gail O. Krzyzczuk, Assistant Chief Financial Officer, Deputy Tax Collector, Deputy Sewer Collector
Edward M. Mullane, Tax Assessor
Robert Cahn, Assistant Tax Assessor
Anna Sutphin, Beach Registrar
Bruce Koch, Borough Engineer
Richard B. Thompson, Magistrate
Jason E. Shamy, Borough Prosecutor
Kelly Barrett, Court Administrator
Michele A. Whille, Assistant Deputy Tax Collector, Assistant Deputy Sewer Collector, Deputy Registrar of Vital Statistics, Administrative Assistant
William Schmeling, Qualified Purchasing Agent

**BOROUGH OF BRADLEY BEACH
CONSULTANTS AND ADVISORS
DECEMBER 31, 2014**

AUDIT FIRM

Wiss & Company, LLP

ATTORNEY

Michael DuPont, Esq.

McKenna, Dupont, Higgins, Stone, PC

BOND COUNSEL

John Cantalupo, Esq.

Archer & Greiner, PC

OFFICIAL DEPOSITORIES

PNC Bank

Kearny Federal Savings

FINANCIAL SECTION



A Partner to Grow With

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Bradley Beach
County of Monmouth
Bradley Beach, New Jersey

Report on the Financial Statements

We have audited the accompanying basic financial statements – regulatory basis, which comprise the statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough of Bradley Beach ("Borough"), County of Monmouth, State of New Jersey, as of December 31, 2014 and the related statements of revenues, expenditures and changes in fund balance - regulatory basis, the statements of fund balance – regulatory basis, the statements of operations and changes in operating fund balance – regulatory basis, the statements of revenues – regulatory basis, the statements of expenditures – regulatory basis of the various funds and the related notes to the financial statements for the year then ended as listed in the basic financial statements section of the accompanying table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"). 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.

Auditors' Responsibility

Our responsibility is to express an opinion 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 the requirements prescribed by the Division. Those standards and the requirements prescribed by the Division 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 auditors' 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 Borough'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 Borough'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.

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Bethlehem, PA 18018
484.821.5735

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

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

As described in Note 1, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division.

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 preceding paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2014, or the results of its operations and changes in fund balances for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects the statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough as of December 31, 2014, and the results of its operations and changes in fund balances of such funds - regulatory basis for the year then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds for the year ended December 31, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1 to the financial statements.

Prior Period Financial Statements

The regulatory-basis financial statements of the Borough of Bradley Beach as of December 31, 2013, were audited by other auditors whose report dated April 11, 2014, expressed an unmodified opinion on those regulatory basis financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Restatement of Prior Period Financial Statements

As discussed in Note 2 to the financial statements, the 2013 financial statements have been restated to properly reflect General Capital Fund Ordinance 2013-10 and to adjust amounts previously reported for intergovernmental accounts receivable, deferred charges to future taxation-unfunded, capital improvement fund, unfunded and funded improvement authorizations, estimated proceeds of bonds of notes and bonds and notes authorized but not issued. The prior period financial statements were restated by Wiss & Company, LLP. Wiss & Company, LLP has performed no additional procedures to the prior year financial statements except for the procedures surrounding the accounts being restated. Our opinion is not modified with respect to this matter.

Report on Supplementary Information as Required by the Division in Accordance with the Regulatory-Basis

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information, as identified as exhibits B-5 through FS-8 and the comments and recommendations supplementary information in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the 2014 regulatory - basis financial

statements of the Borough. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Borough's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2015, on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.



David A. Kaplan

Registered Municipal Accountant

No. 433

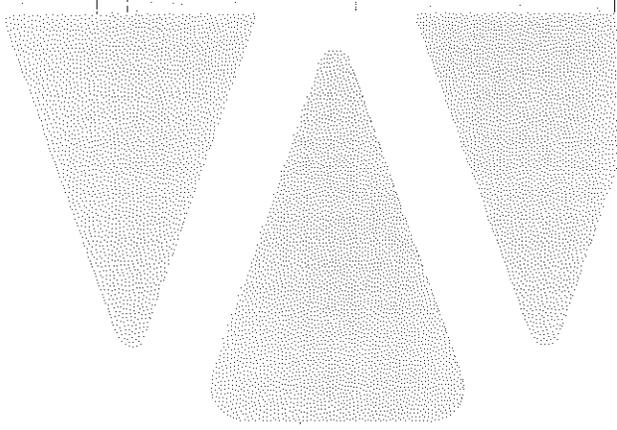


WISS & COMPANY, LLP

Iselin, New Jersey
May 21, 2015



A Partner to Grow With



**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**

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Bradley Beach
County of Monmouth
Bradley Beach, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the regulatory-basis financial statements of the Borough of Bradley Beach ("Borough"), County of Monmouth, New Jersey as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated May 21, 2015, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division.

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 opinion 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



David A. Kaplan
Registered Municipal Accountant
No. 433



WISS & COMPANY, LLP

Iselin, New Jersey
May 21, 2015

BASIC FINANCIAL STATEMENTS

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)

	Governmental Funds				Totals	
	Current	General Capital	Trust Funds	Utilities Operating Capital	General Fixed Assets Account Group	2013 (As restated)
ASSETS AND OTHER DEBITS						
Cash and Cash Equivalents	\$ 3,482,799.90	\$ 3,766,596.41	\$ 788,197.13	\$ 1,577,757.98	\$ 3,368,508.74	\$ 6,912,258.05
Intergovernmental Accounts Receivable		484,735.00				547,500.00
Receivables and Other Assets:						
Delinquent Property Taxes	202,168.19					257,360.32
Consumer Accounts Receivable				80,286.24		98,866.84
Liens Receivable	1,398.32					1,310.20
Other Accounts Receivable	5,090.00		50.00			1,300.00
Revenue Accounts Receivable	19,279.00					15,200.70
Interfunds Receivable	22,958.41		116.19			594.47
Obligations Under Capital Lease - Unfunded				20,223.50		
Deferred Charges		714,000.00				894,000.00
Fixed Capital	711,258.17	5,470,901.25				6,182,159.42
Fixed Capital Authorized and Uncompleted					5,947,744.66	5,839,809.56
Fixed Assets				3,795,975.50		3,736,138.43
Federal and State Grant Fund:					\$ 17,822,109.00	16,811,185.00
Federal and State Grants Receivable	24,196.33					26,727.63
Interfund Receivable	63,109.84				63,109.84	57,176.17
Total Assets and Other Debits	\$ 4,532,258.16	\$ 10,436,232.66	\$ 788,363.32	\$ 1,658,043.62	\$ 13,132,452.40	\$ 41,952,750.99

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)

	Governmental Funds			Trust Funds	Utilities		General Fixed Assets Account Group	Totals	
	Current	General Capital			Operating	Capital		2014	2013 (As restated)
LIABILITIES, RESERVES AND FUND BALANCE									
Liabilities and Reserves:									
Appropriation Reserves	\$ 409,451.81		\$ 116,779.58					\$ 526,231.39	\$ 446,458.88
Other Liabilities and Reserves	1,343,441.30	\$ 473,420.76	767,804.91	400,148.20		412,489.11		3,397,304.28	3,361,435.71
Improvement Authorizations		1,755,771.57				253,011.07		2,008,782.84	2,027,939.12
Reserve for Amortization						4,714,990.34		4,714,990.34	4,411,175.17
Deferred Reserve for Amortization						2,212,891.82		2,212,891.82	1,925,764.39
Interfunds Payable	63,109.84		558.41	20,223.50				106,291.75	57,654.45
Serial Bonds		22,400.00				2,815,838.00		8,014,000.00	4,846,000.00
Bond Anticipation Notes		5,198,162.00				2,661,777.00		4,705,000.00	3,328,176.00
Special Emergency Notes	711,258.17	2,043,223.00						711,258.17	960,018.17
Loans Payable		219,835.25						219,835.25	239,507.45
Capital Lease Obligations Payable		714,000.00		80,286.24				714,000.00	894,000.00
Reserve for Receivables and Other Assets	245,803.92							326,090.16	373,216.46
Federal and State Grant Fund:									
Interfund Payable	116.19							116.19	116.19
Reserve for Encumbrances	35,276.83							35,276.83	35,276.83
Unappropriated/Appropriated Reserves	51,913.15							51,913.15	48,510.78
Total Liabilities and Reserves	2,860,371.21	10,426,812.58	768,363.32	617,437.52		13,070,997.34		27,743,981.97	22,955,249.60
Equity and Other Credits:									
Investment in General Fixed Assets									
Fund Balance	1,671,886.95	9,420.08	-	1,040,606.10		61,455.06		17,822,109.00	16,811,185.00
Total Equity and Other Credits	1,671,886.95	9,420.08	-	1,040,606.10		61,455.06		20,665,477.19	18,997,501.39
Total Liabilities, Reserves and Fund Balance	\$ 4,532,258.16	\$ 10,436,232.66	\$ 768,363.32	\$ 1,658,043.62		\$ 13,132,452.40		\$ 48,349,459.16	\$ 41,952,750.99

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Current Fund		Utility Operating Funds (1)		Variance Favorable/ (Unfavorable)
	Final Budget	Actual	Final Budget	Actual	
Revenues:					
Fund Balance Anticipated	\$ 515,000.00	\$ 515,000.00	\$ 248,978.63	\$ 248,978.63	\$ 243,523.02
Rents			1,775,438.07	2,018,961.09	
Miscellaneous Revenues	1,377,446.33	1,733,438.26	\$ 355,991.93		\$ 234,338.34
State Aid	355,290.00	355,290.00		1,762,208.34	
Federal and State Grants	43,351.59	43,351.59			
	2,291,087.92	2,647,079.85	3,552,286.70	4,030,148.06	477,861.36
Receipts from Delinquent Taxes					
Amount to be Raised by Taxes for Support of Municipal Budget:	170,000.00	259,967.26			
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	6,542,636.05	6,670,722.50			
Budget Totals	9,003,723.97	9,577,769.61	574,045.64		
Non-budget Revenues					
Miscellaneous		40,282.93	40,282.93	24,341.20	24,341.20
Other Credits to Income		5,613.26	5,613.26		
Taxes Allocated to School and County		238,211.55	238,211.55	118,238.03	118,238.03
		8,857,104.94	8,857,104.94		
Total Revenues	\$ 9,003,723.97	\$ 18,718,982.29	\$ 9,715,258.32	\$ 4,172,727.29	\$ 620,440.59

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Current Fund		Variance Favorable/ (Unfavorable)	Utility Operating Funds (1)		Variance Favorable/ (Unfavorable)
	Final Budget	Actual		Final Budget	Actual	
Expenditures:						
Current:						
Within "CAPS":						
General Government	\$ 992,196.62	\$ 992,196.62				
Land Use	31,487.60	31,487.60				
Code Enforcement	83,720.32	83,720.32				
Insurance	1,164,846.26	1,164,846.26				
Public Safety	2,420,803.45	2,420,803.45				
Public Works	921,993.31	921,993.31				
Health and Human Services	24,860.00	24,860.00				
Parks and Recreation	137,850.00	137,850.00				
Utility Expenses and Bulk Purchases	300,025.00	300,025.00				
Contingent	3,700.00	3,700.00				
Deferred Charges and Statutory Expenditures	656,303.08	656,303.08				
Excluded from "CAPS":						
Insurance	5,250.00	5,250.00				
Library	365,259.96	365,259.96				
State and Federal Grants	48,351.59	48,351.59				
Utility Operating				\$ 2,981,990.46	\$ 2,981,990.46	
Capital Improvements	42,400.00	42,400.00		52,500.00	52,500.00	
Debt Service	1,209,019.53	1,209,019.53		345,581.24	345,581.24	
Deferred Charges and Statutory Expenditures	448,760.00	448,760.00		172,215.00	172,215.00	
Reserve for Uncollected Taxes	346,897.25	346,897.25				
Total Budget Expenditures	\$ 9,203,723.97	\$ 9,203,723.97	\$	\$ 3,552,286.70	\$ 3,552,286.70	\$

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Current Fund		Variance Favorable/ (Unfavorable)	Utility Operating Funds (1)		Variance Favorable/ (Unfavorable)
	Final Budget	Actual		Final Budget	Actual	
County and School Taxes		\$ 8,857,104.94	\$ (8,857,104.94)			
Other Expenses		17,813.68	(17,813.68)			
Total Expenditures	\$ 9,203,723.97	18,078,642.59	(8,874,918.62)	\$ 3,552,286.70	\$ 3,552,286.70	
(Deficiency) Excess in Revenues over Expenditures	(200,000.00)	640,339.70	840,339.70	620,440.59	\$ 620,440.59	
Adjustment to Income Before Fund Balance: Expenditures Included Above Which are by Statute Deferred Charges to Budgets of Succeeding Years	200,000.00	200,000.00				
Excess in Revenues over Expenditures/ Statutory Excess to Fund Balance		840,339.70	840,339.70	620,440.59	620,440.59	
Fund Balance, January 1, 2014		1,346,547.25	1,346,547.25	719,144.14	719,144.14	
Decreased By:		2,186,886.95	2,186,886.95	1,339,584.73	1,339,584.73	
Utilization as Anticipated Revenue Transferred to Current Fund as Anticipated Revenue		515,000.00	515,000.00	248,978.63	248,978.63	
Fund Balance, December 31, 2014	\$ -	\$ 1,671,886.95	\$ 1,671,886.95	\$ 1,040,606.10	\$ 1,040,606.10	\$ 1,040,606.10

(1) Beach and Sewer Utility Operating.

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

<u>BALANCE, DECEMBER 31, 2013</u>	\$ 120,000.00
 <u>INCREASED BY</u>	
Bond Sale Proceeds - Premium	<u>2,653.65</u>
	122,653.65
 <u>DECREASED BY</u>	
Anticipated as Beach Utility Operating Fund Revenue	60,000.00
Unfunded improvement authorizations	<u>2,600.00</u>
	62,600.00
 <u>BALANCE, DECEMBER 31, 2014</u>	 \$ <u><u>60,053.65</u></u>

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

<u>BALANCE, DECEMBER 31, 2013</u>	\$ -
<u>INCREASED BY</u>	
Bond Sale Proceeds - Premium	<u>1,401.41</u>
<u>BALANCE, DECEMBER 31, 2014</u>	<u>\$ 1,401.41</u>

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

<u>BALANCE, DECEMBER 31, 2013</u>	\$ 625.00
<u>INCREASED BY</u>	
Bond Sale Proceeds - Premium	<u>8,795.08</u>
<u>BALANCE, DECEMBER 31, 2014</u>	<u>\$ 9,420.08</u>

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

	December 31,	
	2014	2013
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 3,482,799.90	\$ 2,881,090.64
Due from State - Veterans and Senior Citizens	5,090.00	1,250.00
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes	202,168.19	257,360.32
Tax Title Liens Receivable	1,398.32	1,310.20
Revenue Accounts Receivable	19,279.00	15,200.70
Interfunds Receivable:		
Due from Animal Control Trust Fund	558.41	475.40
Due from General Capital	22,400.00	
Deferred Charges - Special Emergencies	711,258.17	960,018.17
Total Current Fund	4,444,951.99	4,116,705.43
Federal and State Grant Fund:		
Federal and State Grants Receivable	24,196.33	26,727.63
Interfund Receivable - Due from Current Fund	63,109.84	57,176.17
Total Federal and State Grant Fund	87,306.17	83,903.80
Total Assets	\$ 4,532,258.16	\$ 4,200,609.23

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

	December 31,	
	<u>2014</u>	<u>2013</u>
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE</u>		
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 409,451.81	\$ 315,529.43
Prepaid Taxes	124,770.20	165,647.19
Special Emergency Notes Payable	711,258.17	960,018.17
Tax Overpayments	11,613.95	66,088.38
Due County for Added and Omitted Taxes	6,685.84	7,423.57
Reserve for Encumbrances	263,576.21	155,153.09
Due to State of New Jersey:		
DCA/Marriage License Fees	1,530.00	2,215.00
Various Reserves	165,464.75	82,708.25
Reserve for Hurricane Sandy	268,425.67	268,425.67
Reserve for State Tax Appeals	50,726.68	6,230.26
Local District School Tax Payable	450,648.00	409,194.00
Interfunds Payable:		
Due to Payroll Fund		2.38
Due to Federal and State Grant Fund	63,109.84	57,176.17
	2,527,261.12	2,495,811.56
Reserve for Receivables and Other Assets	245,803.92	274,346.62
Fund Balance	1,671,886.95	1,346,547.25
Total Current Fund	4,444,951.99	4,116,705.43
Federal and State Grant Fund:		
Reserve for Federal and State Grants:		
Appropriated	47,042.36	46,184.14
Unappropriated	4,870.79	2,326.64
Due to Payroll Fund	116.19	116.19
Reserve for Encumbrances	35,276.83	35,276.83
Total Federal and State Grant Fund	87,306.17	83,903.80
Total Liabilities, Reserves and Fund Balance	\$ 4,532,258.16	\$ 4,200,609.23

See accompanying notes to the basic financial statements.

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

	<u>2014</u>	<u>2013</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 515,000.00	\$ 413,500.00
Miscellaneous Revenues Anticipated	1,733,438.26	1,167,279.93
State Aid	355,290.00	355,289.60
Federal and State Grants	43,351.59	133,721.06
Receipts from Delinquent Taxes	259,967.26	182,673.32
Amount to be Raised by Taxation for Support of		
Municipal Budget	6,670,722.50	6,566,736.55
Non-Budget Revenues	40,282.93	27,639.48
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	232,356.66	618,437.49
Miscellaneous	5,613.26	
Current Appropriations Canceled	5,379.49	741.01
Interfund Liquidation	475.40	909.31
Prior Year' Liabilities Cancelled		15,000.00
Taxes Allocated to School and County Taxes	<u>8,857,104.94</u>	<u>8,857,945.00</u>
 Total Income	 <u>18,718,982.29</u>	 <u>18,339,872.75</u>
 Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	992,196.62	721,693.00
Land Use	31,487.60	31,713.00
Code Enforcement	83,720.32	73,043.00
Insurance	1,164,846.26	1,091,475.00
Public Safety	2,420,803.45	2,350,780.31
Public Works	921,993.31	891,306.00
Health and Human Services	24,860.00	24,860.00
Parks and Recreation	137,850.00	122,300.00
Utility Expenses and Bulk Purchases	300,025.00	284,320.00
Deferred Charges and Statutory Expenditures	656,303.08	672,100.36
Contingent	3,700.00	3,700.00
Excluded from "CAPS":		
General Government		10,307.00
Insurance	5,250.00	
Library	365,259.96	376,085.91
State and Federal Grants	48,351.59	79,046.49
Capital Improvements	42,400.00	30,000.00
Municipal Debt Service	1,209,019.53	1,118,103.31
Deferred Charges and Statutory Expenditures	448,760.00	330,471.57
Reserve for Uncollected Taxes	346,897.25	413,865.73

See accompanying notes to the basic financial statements.

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

	<u>2014</u>	<u>2013</u>
Expenditures (Continued):		
County Taxes	\$ 3,181,792.94	\$ 3,260,372.00
Refund of Prior Years Revenue	17,813.68	21,016.21
Local District School Taxes	<u>5,675,312.00</u>	<u>5,497,573.00</u>
Total Expenditures	<u>18,078,642.59</u>	<u>17,404,131.89</u>
Excess in Revenue Over Expenditures	640,339.70	935,740.86
Adjustment to Income Before Fund Balance:		
Expenditures Included above which are by Statute		
Deferred Charges to Budget of Succeeding Years	<u>200,000.00</u>	<u> </u>
Statutory Excess to Fund Balance	840,339.70	935,740.86
Fund Balance, January 1	<u>1,346,547.25</u>	<u>824,306.39</u>
	2,186,886.95	1,760,047.25
Decreased by:		
Utilized as Anticipated Revenue	<u>515,000.00</u>	<u>413,500.00</u>
Fund Balance, December 31	<u>\$ 1,671,886.95</u>	<u>\$ 1,346,547.25</u>

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	Budget As Modified	Added by N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 515,000.00		\$ 515,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	20,000.00		20,250.00	\$ 250.00
Other	5,400.00		8,533.00	3,133.00
Fees and Permits:				
Other	60,900.00		72,784.54	11,884.54
Construction Code Official Fees	125,000.00		164,029.00	39,029.00
Fines and Costs:				
Municipal Court	280,800.00		367,970.36	87,170.36
Interest and Costs on Taxes	40,000.00		53,779.29	13,779.29
Interest on Investments	900.00		2,367.50	1,467.50
Anticipated Utility Operating Surplus - Sewer Utility	50,000.00		50,000.00	
Cable Television Fees	51,778.00		54,802.00	3,024.00
Concession Rents	72,000.00		53,190.22	(18,809.78)
Parking Meters	40,000.00		54,738.35	14,738.35
	<u>746,778.00</u>		<u>902,444.26</u>	<u>155,666.26</u>
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	11,128.00		2,349.00	(8,779.00)
Energy Receipts Tax	344,162.00		352,941.00	8,779.00
	<u>355,290.00</u>		<u>355,290.00</u>	
Special Items of Revenue Offset with Appropriations:				
Clean Communities Program		\$ 10,647.95	10,647.95	
NJ Corporate Wetlands Restoration Partnership	5,000.00		5,000.00	
Body Armor Replacement Program		2,326.64	2,326.64	
Municipal Alliance on Alcoholism and Drug Abuse Funding	16,127.00		16,127.00	
Green Acres Lot Parking Meters Fees	9,250.00		9,250.00	
	<u>30,377.00</u>	<u>12,974.59</u>	<u>43,351.59</u>	
Special Items of Revenue with Prior Consent of the Director:				
Uniform Fire Safety Act	5,500.00		6,602.38	1,102.38
FEMA - Hurricane Sandy	231,000.00		439,148.89	208,148.89
Insurance Proceeds - Hurricane Sandy		200,000.00	200,000.00	
Verizon Franchise Fees	25,028.55		25,028.55	
Cell Tower Rental Fees	41,108.53		44,525.97	3,417.44
Code Enforcement Permits	37,500.00		47,557.00	10,057.00
Library Payment of Services	2,050.00		2,050.00	
Library Contribution for Down Payment - 2014 Improvement Program	22,400.00			(22,400.00)
Municipal Library Excess Surplus	66,081.25		66,081.21	(0.04)
	<u>430,668.33</u>	<u>200,000.00</u>	<u>830,994.00</u>	<u>200,325.67</u>

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	Budget As <u>Modified</u>	Added by N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	Excess or (Deficit)
Receipts from Delinquent Taxes	\$ 170,000.00	_____	\$ 259,967.26	\$ 89,967.26
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes	6,182,086.09		6,310,172.54	128,086.45
Minimum Library Levy	<u>360,549.96</u>		<u>360,549.96</u>	
	<u>6,542,636.05</u>		<u>6,670,722.50</u>	<u>128,086.45</u>
 Budget Totals	 8,790,749.38	 \$ 212,974.59	 9,577,769.61	 574,045.64
 Non-Budget Revenue			 <u>40,282.93</u>	 <u>40,282.93</u>
	<u>\$ 8,790,749.38</u>	<u>\$ 212,974.59</u>	<u>\$ 9,618,052.54</u>	<u>\$ 614,328.57</u>

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
GENERAL GOVERNMENT FUNCTIONS						
General Administration:						
Salaries and Wages	\$ 55,760.00	\$ 55,050.00	\$ 55,030.57		19.43	
Other Expenses	5,650.00	5,040.00	2,937.18	\$ 1,798.97	303.85	
Human Resources:						
Other Expenses	16,000.00	7,200.00	1,485.00		5,715.00	
Mayor and Council:						
Salaries and Wages	14,400.00	14,400.00	14,400.00			
Other Expenses	10,000.00	10,000.00	8,828.48		1,171.52	
Municipal Clerk:						
Salaries and Wages	117,465.77	117,465.77	116,778.60		687.17	
Other Expenses	62,487.00	46,912.00	28,072.13	16,234.87	2,605.00	
Financial Administration:						
Salaries and Wages	72,550.87	72,550.87	72,079.01		471.86	
Other Expenses	33,653.00	31,653.00	21,533.34	3,761.55	6,358.11	
Audit Services:						
Other Expenses	16,250.00	16,250.00	2,750.00	13,500.00		
Revenue Administration:						
Salaries and Wages	16,455.45	16,455.45	15,253.66		1,201.79	
Other Expenses	11,835.00	11,835.00	9,607.37	94.00	2,133.63	
Tax Assessment Administration:						
Salaries and Wages	24,696.16	24,696.26	24,696.24		0.02	
Other Expenses	19,575.00	19,574.90	18,959.43		615.47	
Reassessment of Real Property						
Legal Services:						
Salaries and Wages	60,000.00	68,800.00	60,000.00		8,800.00	
Other Expenses	8,250.00	27,825.00	20,676.36		7,148.64	
Engineering Services and Costs:						
Other Expenses	15,000.00	10,000.00	4,456.25	1,037.50	4,506.25	
LAND USE ADMINISTRATION						
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board:						
Salaries and Wages	5,093.80	5,093.80	5,061.12		32.68	
Other Expenses	12,800.00	10,300.00	7,147.96	195.00	2,957.04	
Zoning Board of Adjustment:						
Salaries and Wages	5,093.80	5,093.80	5,061.12		32.68	
Other Expenses	5,500.00	11,000.00	9,210.46	42.90	1,746.64	
CODE ENFORCEMENT AND ADMINISTRATION						
Other Code Enforcement Functions (Code						
Enforcement Officer):						
Salaries and Wages	74,253.32	74,253.32	67,296.97		6,956.35	
Other Expenses	9,467.00	9,467.00	6,275.92	3,001.78	189.30	

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
INSURANCE						
Surety Bond Premium	\$ 1,250.00	\$ 1,250.00	\$ 1,071.87	\$	178.13	
Liability Insurance	93,298.78	93,298.78	91,624.42		1,674.36	
Worker Compensation Insurance	129,061.35	129,061.35	126,061.35		3,000.00	
Employee Group Insurance	891,631.00	886,236.13	813,020.08		73,216.05	
Unemployment Insurance	30,000.00	30,000.00	30,000.00			
JIF Insurance Termination Payment	25,000.00	25,000.00	25,000.00			
PUBLIC SAFETY FUNCTIONS						
Police:						
Salaries and Wages	1,944,023.64	1,944,023.64	1,934,708.37		9,315.27	
Other Expenses	119,017.41	119,017.41	92,302.99	\$ 16,968.56	9,745.86	
Police Dispatch/911:						
Salaries and Wages	148,390.00	148,390.00	114,127.89	1,628.18	34,262.11	
Other Expenses	3,600.00	3,600.00	1,971.82			
Office of Emergency Management:						
Salaries and Wages	8,000.00	8,000.00	8,000.00			
Other Expenses	3,500.00	3,500.00	249.34	90.40	3,160.26	
Aid to Volunteer Ambulance Company	25,000.00	25,000.00	25,000.00			
Fire:						
Other Expenses	96,717.00	96,717.00	62,074.46	22,256.41	12,386.13	
Fire Hydrants:						
Other Expenses	36,000.00	36,000.00	25,133.74	2,790.40	8,075.86	
Uniform Fire Safety Act (Ch. 383 P.L. 1983):						
Other Expenses	100.00	100.00			100.00	
Fire Prevention Bureau:						
Salaries and Wages	33,555.40	33,555.40	33,555.32		0.08	
Other Expenses	2,900.00	2,900.00	2,154.45	337.04	408.51	
Municipal Prosecutor:						
Salaries and Wages	17,340.00	17,340.00	17,340.00			
Municipal Court:						
Salaries and Wages	64,680.00	65,405.00	65,403.50	738.52	1.50	
Other Expenses	47,470.00	53,449.87	51,552.08		1,159.27	
Public Defender:						
Salaries and Wages	3,600.00	3,600.00	3,600.00			

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>PUBLIC WORKS FUNCTIONS</u>						
Road Repair and Maintenance:						
Salaries and Wages	\$ 380,934.78	\$ 380,934.78	\$ 344,963.43		\$ 35,971.35	
Other Expenses	114,890.53	114,890.53	88,859.83	\$ 13,900.98	12,129.72	
Solid Waste Collection:						
Garbage and Trash Removal:						
Other Expenses	278,110.00	278,110.00	275,878.11	2,231.89		
Recycling (P.L. 1987 Ch. 74):						
Salaries and Wages	6,720.00	6,720.00	6,720.00			
<u>PUBLIC WORKS FUNCTIONS (CONTINUED)</u>						
<u>Buildings and Grounds:</u>						
Salaries and Wages	18,138.00	18,138.00	6,402.00		11,736.00	
Other Expenses	61,700.00	61,700.00	49,526.71	4,488.13	7,685.16	
Vehicle Maintenance:						
Other Expenses	61,500.00	61,500.00	48,761.95	5,761.17	6,976.88	
Community Services Act:						
Other Expenses	12,000.00	12,000.00	7,500.00		4,500.00	
PEOSHA - Hepatitis "B" Immunization	1,250.00	1,250.00			1,250.00	
<u>HEALTH AND HUMAN SERVICES FUNCTIONS</u>						
Shade Tree Commission:						
Other Expenses	1,850.00	1,850.00			1,850.00	
Environmental Commission:						
Other Expenses	2,800.00	2,800.00	290.00		2,510.00	
Animal Control Services:						
Other Expenses	12,710.00	12,710.00	10,590.00	2,120.00		
Contribution to Social Services Agencies:						
Other Expenses	7,500.00	7,500.00	5,270.00	1,705.00	525.00	
<u>PARK AND RECREATION FUNCTIONS</u>						
Recreation:						
Salaries and Wages	54,000.00	54,000.00	46,398.86		7,601.14	
Other Expenses	42,350.00	42,350.00	25,359.51	1,993.82	14,996.67	
Arts at the Beach	2,500.00	2,800.00	2,796.00		4.00	
Senior Citizen	1,200.00	1,200.00	1,200.00			
Historical Museum Contribution	1,000.00	1,000.00	1,000.00			
Celebration of Public Events:						
Salaries and Wages	250.00	250.00			250.00	
Other Expenses	11,800.00	11,500.00	5,904.44		5,595.56	
Maintenance of Parks:						
Salaries and Wages	5,000.00	5,000.00	3,567.25		1,432.75	
Other Expenses	19,750.00	19,750.00	8,836.47	1,870.98	9,042.55	

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	\$ 65,000.00	\$ 65,000.00	\$ 42,319.94	\$ 3,652.18	\$ 19,027.88	
Street Lighting	80,000.00	80,000.00	54,943.84	6,695.61	18,360.55	
Telephone	27,000.00	27,000.00	18,575.04	1,401.29	7,023.67	
Heat - Gas	30,000.00	30,000.00	26,491.39	3,472.53	36.08	
Gasoline	65,000.00	65,000.00	44,937.80	3,287.27	16,774.93	
Water	18,000.00	18,000.00	14,461.31	552.45	2,986.24	
Telecommunication Costs	15,025.00	15,025.00	15,012.72		12.28	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS						
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
Construction Code Department:						
Salaries and Wages	78,381.50	78,381.50	75,452.26		2,929.24	
Other Expenses	5,062.00	5,062.00	4,694.93	139.00	328.07	
Total Operations within "CAPS"	5,877,782.56	6,077,782.56	5,538,162.64	137,748.38	401,871.54	
	3,700.00	3,700.00			3,700.00	
CONTINGENT						
Total Operations Including Contingent - within "CAPS"	5,881,482.56	6,081,482.56	5,538,162.64	137,748.38	405,571.54	
Detail:						
Salaries and Wages	3,208,772.49	3,217,597.59	3,095,896.17		121,701.42	
Other Expenses (Including Contingent)	2,672,710.07	2,863,884.97	2,442,266.47	137,748.38	283,870.12	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	109,533.00	109,533.00	109,533.00			
Social Security System (O.A.S.I.)	113,000.00	113,000.00	110,652.90		2,347.10	
Consolidated Police and Firemen's Pension Fund	19,917.36	19,917.36	19,917.36			
Police and Firemen's Retirement System of New Jersey	413,691.00	413,691.00	413,691.00			
Administrative Fees (PFRS)	161.72	161.72	161.72			
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	656,303.08	656,303.08	653,955.98		2,347.10	
Total General Appropriations for Municipal Purposes within "CAPS"	6,537,785.64	6,737,785.64	6,192,118.62	137,748.38	407,918.64	\$

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
OPERATIONS - EXCLUDED FROM "CAPS"						
Other Operations - Excluded from "CAPS":						
Maintenance of Free Public Library	\$ 365,259.96	\$ 365,259.96	\$ 337,461.79	\$ 26,265.00	\$ 1,533.17	
Insurance:						
Employee Group Insurance	5,250.00	5,250.00	5,250.00			
Total Other Operations - Excluded from "CAPS"	<u>370,509.96</u>	<u>370,509.96</u>	<u>342,711.79</u>	<u>26,265.00</u>	<u>1,533.17</u>	
Public and Private Programs Offset by Revenues:						
Alliance to Prevent Alcoholism & Drug Abuse:						
Grant Portion	16,127.00	16,127.00	16,102.00	25.00		
Matching Portion	5,000.00	5,000.00	5,000.00			
NJLIM Educational Foundation Grant	5,000.00	5,000.00	5,000.00			
Clean Communities	10,647.95	10,647.95	10,647.95			
Body Armor Replacement	2,326.64	2,326.64	2,326.64			
Green Acres Lot, Meters, Parks and Playgrounds	9,250.00	9,250.00	3,920.00	5,330.00		
Matching Portion						
Total Public and Private Programs Offset by Revenues	<u>35,377.00</u>	<u>48,351.59</u>	<u>42,996.59</u>	<u>5,355.00</u>		
Total Operations - Excluded from "CAPS"	<u>405,886.96</u>	<u>418,861.55</u>	<u>385,708.38</u>	<u>31,620.00</u>	<u>1,533.17</u>	
Detail:						
Salaries and Wages						
Other Expenses	405,886.96	418,861.55	385,708.38	31,620.00	1,533.17	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	29,900.00	29,900.00	29,900.00			
DPW Building Roof	12,500.00	12,500.00	12,500.00			
Total Capital Improvements Excluded from "CAPS"	<u>42,400.00</u>	<u>42,400.00</u>	<u>42,400.00</u>			

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	\$ 710,957.00	\$ 720,318.12	\$ 720,318.12			
Payment of Bond Anticipation Notes and Capital Notes	25,127.00	25,127.00	19,749.00		\$	5,378.00
Interest on Bonds	196,928.50	197,759.31	197,757.82			1.49
Interest on Notes	8,729.63	27,178.24	27,178.24			
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	24,364.47	19,672.20	19,672.20			
Interest on Interlocal Service Obligations	10,191.93					
Interest on Special Emergency Notes	18,448.61					
Capital Lease Obligations:						
Principal	180,000.00	180,000.00	180,000.00			
Interest	34,272.39	38,964.66	38,964.66			
Total Municipal Debt Service - Excluded from "CAPS"	1,209,019.53	1,209,019.53	1,203,640.04			5,379.49
DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"						
Special Emergency 5 Years - Hurricane Sandy (N.J.S. 40A:4-53)	231,250.00	431,250.00	431,250.00			
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	17,510.00	17,510.00	17,510.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	248,760.00	448,760.00	448,760.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,906,066.49	2,119,041.08	2,080,508.42	\$ 31,620.00	\$ 1,533.17	5,379.49
Total General Appropriations - Excluded from "CAPS"	1,906,066.49	2,119,041.08	2,080,508.42	31,620.00	1,533.17	5,379.49
Subtotal General Appropriations	8,443,852.13	8,856,826.72	8,272,627.04	169,368.38	409,451.81	5,379.49
RESERVE FOR UNCOLLECTED TAXES	346,897.25	346,897.25	346,897.25			
Total General Appropriations	\$ 8,790,749.38	\$ 9,203,723.97	\$ 8,619,524.29	\$ 169,368.38	\$ 409,451.81	\$ 5,379.49
Detail:						
Adopted Budget	\$ 8,790,749.38					
Added by N.J.S.A. 40A:4-87	212,974.59					
Added by N.J.S.A. 40A:4-53	200,000.00					
		\$ 9,203,723.97				

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
TRUST FUNDS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

	Payroll		Animal Control		Other	
	2014	2013	2014	2013	2014	2013
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 20,734.55	\$ 16,994.76	\$ 4,415.41	\$ 4,710.40	\$ 738,095.33	\$ 616,326.25
Interfund Receivable:						
Due from Current Fund	116.19	2.38				
Due from Federal and State Grant Fund		116.19				
Other Receivable					50.00	50.00
Total Assets	<u>\$ 20,850.74</u>	<u>\$ 17,113.33</u>	<u>\$ 4,415.41</u>	<u>\$ 4,710.40</u>	<u>\$ 738,145.33</u>	<u>\$ 616,376.25</u>
<u>LIABILITIES AND RESERVES</u>						
Interfund Payable:						
Due to Current Fund			\$ 558.41	\$ 475.40	\$ 130.00	\$ 130.00
Reserve for Encumbrances					147,379.09	142,950.69
Reserve for New Jersey Unemployment Compensation						
Payroll Deductions Payable	\$ 20,850.74	\$ 17,113.33	3,857.00	4,235.00	590,636.24	473,295.56
Reserves						
Total Liabilities and Reserves	<u>\$ 20,850.74</u>	<u>\$ 17,113.33</u>	<u>\$ 4,415.41</u>	<u>\$ 4,710.40</u>	<u>\$ 738,145.33</u>	<u>\$ 616,376.25</u>

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
TRUST FUNDS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
REGULATORY BASIS

AS OF DECEMBER 31, 2014 AND 2013

	Public Assistance		Tourism		Totals	
	2014	2013	2014	2013	2014	2013
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 4,888.42	\$ 4,887.93	\$ 63.42	\$ 3,360.77	\$ 768,197.13	\$ 646,280.11
Interfund Receivable:						
Due from Current Fund						2.38
Due from Federal and State Grant Fund				116.19	116.19	116.19
Other Receivable				50.00	50.00	50.00
Total Assets	<u>\$ 4,888.42</u>	<u>\$ 4,887.93</u>	<u>\$ 63.42</u>	<u>\$ 3,360.77</u>	<u>\$ 768,363.32</u>	<u>\$ 646,448.68</u>
<u>LIABILITIES AND RESERVES</u>						
Interfund Payable:						
Due to Current Fund					\$ 558.41	\$ 475.40
Reserve for Encumbrances					130.00	130.00
Reserve for New Jersey Unemployment Compensation				147,379.09	142,950.69	142,950.69
Payroll Deductions Payable				20,850.74	17,113.33	17,113.33
Reserves	\$ 4,888.42	\$ 4,887.93	\$ 63.42	\$ 3,360.77	599,445.08	485,779.26
Total Liabilities and Reserves	<u>\$ 4,888.42</u>	<u>\$ 4,887.93</u>	<u>\$ 63.42</u>	<u>\$ 3,360.77</u>	<u>\$ 768,363.32</u>	<u>\$ 646,448.68</u>

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

	December 31,	
	<u>2014</u>	<u>2013</u>
		(As restated)
ASSETS		
Cash and Cash Equivalents	\$ 3,766,596.41	\$ 783,801.91
Intergovernmental Accounts Receivable	484,735.00	547,500.00
Deferred Charges to Future Taxation:		
Funded	5,417,997.25	4,338,626.45
Unfunded	52,904.00	1,454,676.00
	<u>5,470,901.25</u>	<u>5,793,302.45</u>
Obligations Under Capital Lease - Unfunded	714,000.00	894,000.00
Total Assets	<u>\$ 10,436,232.66</u>	<u>\$ 8,018,604.36</u>
LIABILITIES, RESERVES AND FUND BALANCE		
Serial Bonds	\$ 5,198,162.00	\$ 4,099,119.00
Bond Anticipation Notes	2,043,223.00	976,176.00
Capital Lease Obligations Payable - Principal	714,000.00	894,000.00
Due to State of New Jersey - Green Trust Loan	219,835.25	239,507.45
Interfund Payable-		
Due to Current Fund	22,400.00	
Other Liabilities and Reserves:		
Capital Improvement Fund	41,778.76	71,678.76
Reserve for Encumbrances	337,876.17	65,589.76
Reserve for Fletcher Lake Improvements, Unappropriated	20.00	20.00
Reserve for Recreation Building, Unappropriated	1,231.86	1,231.86
Reserve for Payment of Bonds	9,742.40	9,742.40
Reserve of Sylvan Lake Aerator	4,500.00	4,500.00
Reserve for Interlocal Agreement - Salt Dome	11,808.57	11,808.57
Reserve for Preliminary Costs - Solar Panels	500.00	500.00
Reserve for NJLM Sustainable Grant	1,009.01	1,828.61
Reserve for Regional Contribution Agreement - Interest Income	19,599.98	19,599.98
Reserve for Library Accessibility	22,854.01	12,854.01
Reserve for PW Roof Repairs	12,500.00	
Reserve for Dispatch Recorder System		15,000.00
Reserve for Surveillance System	10,000.00	10,000.00
	<u>473,420.76</u>	<u>224,353.95</u>
Improvement Authorizations:		
Funded	1,702,867.56	780,023.61
Unfunded	52,904.01	804,799.35
	<u>1,755,771.57</u>	<u>1,584,822.96</u>
Fund Balance	9,420.08	625.00
Total Liabilities, Reserves and Fund Balance	<u>\$ 10,436,232.66</u>	<u>\$ 8,018,604.36</u>

There were Bonds and Notes Authorized But Not Issued of \$52,904.00 and \$149,500.00 at December 31, 2014 and 2013, respectively.

**BOROUGH OF BRADLEY BEACH
COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013**

	<u>Beach Utility</u>		<u>Sewer Utility</u>		<u>Totals</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
ASSETS						
Operating Fund:						
Cash and Cash Equivalents	\$ 662,708.61	\$ 557,678.75	\$ 915,048.77	\$ 690,282.82	\$ 1,577,757.38	\$ 1,247,961.57
Consumer Accounts Receivable	<u>80,286.24</u>		<u>80,286.24</u>	<u>98,869.84</u>	<u>80,286.24</u>	<u>98,869.84</u>
Total Assets	<u>\$ 662,708.61</u>	<u>\$ 557,678.75</u>	<u>\$ 995,335.01</u>	<u>\$ 789,152.66</u>	<u>\$ 1,658,043.62</u>	<u>\$ 1,346,831.41</u>
LIABILITIES, RESERVES AND FUND BALANCE						
Operating Fund:						
Liabilities:						
Appropriation Reserves	\$ 69,919.62	\$ 51,811.19	\$ 46,859.96	\$ 79,118.26	\$ 116,779.58	\$ 130,929.45
Other Liabilities and Reserves:						
Reserve for Encumbrances	35,631.10	54,402.33	37,604.25	29,844.03	73,235.35	84,246.36
Reserve for Utilization of Banked Time	13,500.00	6,000.00	27,101.48	16,101.48	40,601.48	22,101.48
Reserve for Beach Enhancement Donations	4,705.53	4,705.53			4,705.53	4,705.53
Prepaid Bathing Badges	163,125.00	159,940.00			163,125.00	159,940.00
Sewer Rent Overpayments			706.41	3,466.29	706.41	3,466.29
Prepaid Sewer Rents			62,848.82	61,270.52	62,848.82	61,270.52
Accrued Interest on Bonds and Notes	9,471.21	18,453.07	9,612.39	9,612.22	19,083.60	28,065.29
Due to Lienholder			6.81	6.81	6.81	6.81
Due to Beach Utility Capital Fund	20,223.00		0.50	0.50	20,223.00	0.50
Due to Sewer Utility Capital Fund			24,831.50	24,831.50	35,835.20	34,085.20
Various Reserves	<u>11,003.70</u>	<u>9,253.70</u>	<u>162,712.16</u>	<u>145,133.35</u>	<u>420,371.70</u>	<u>397,887.98</u>
Reserve for Receivables			<u>80,286.24</u>	<u>98,869.84</u>	<u>80,286.24</u>	<u>98,869.84</u>
Fund Balance	<u>335,129.45</u>	<u>253,112.93</u>	<u>705,476.65</u>	<u>466,031.21</u>	<u>1,040,606.10</u>	<u>719,144.14</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 662,708.61</u>	<u>\$ 557,678.75</u>	<u>\$ 995,335.01</u>	<u>\$ 789,152.66</u>	<u>\$ 1,658,043.62</u>	<u>\$ 1,346,831.41</u>

See accompanying notes to the basic financial statements.

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

	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized:		
Operating Fund Balance Appropriated	\$ 203,830.63	\$ 260,610.27
Bathing Badges	1,500,124.00	1,328,088.11
Concession Rents	53,190.22	35,433.75
Parking Meters	51,362.42	39,698.97
Beach Locker Fees	56,800.00	36,475.00
Miniature Golf Course Fees	36,225.00	35,000.00
Interest on Investments	1,040.41	1,436.19
Beach Capital Fund Balance	60,000.00	
Increase in Bathing Badges		50,000.00
Lifeguard Tournament Fees		10,250.00
Non-budget Revenue	12,983.47	16,593.75
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>41,991.63</u>	<u>74,936.44</u>
Total Income	<u>2,017,547.78</u>	<u>1,888,522.48</u>
Expenditures:		
Operating:		
Salaries and Wages	944,020.00	872,462.42
Other Expenses	553,144.45	448,144.00
Capital Improvements	20,000.00	60,000.00
Debt Service	129,036.18	121,753.85
Deferred Charges and Statutory Expenditures	<u>85,500.00</u>	<u>179,000.00</u>
Total Expenditures	<u>1,731,700.63</u>	<u>1,681,360.27</u>
Statutory Excess to Fund Balance	285,847.15	207,162.21
Fund Balance, January 1	<u>253,112.93</u>	<u>306,560.99</u>
	538,960.08	513,723.20
Decreased by:		
Utilization as Anticipated Revenue	<u>203,830.63</u>	<u>260,610.27</u>
Fund Balance, December 31	<u><u>\$ 335,129.45</u></u>	<u><u>\$ 253,112.93</u></u>

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH
 BEACH UTILITY OPERATING FUND
 STATEMENT OF EXPENDITURES
 REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2014**

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
OPERATING					
Salaries and Wages	\$ 944,020.00	\$ 944,020.00	\$ 915,613.85		\$ 28,406.15
Other Expenses	578,867.45	553,144.45	480,347.38	\$ 35,631.10	37,165.97
Total Operating	<u>1,522,887.45</u>	<u>1,497,164.45</u>	<u>1,395,961.23</u>	<u>35,631.10</u>	<u>65,572.12</u>
CAPITAL IMPROVEMENTS					
Capital Outlay	20,000.00	20,000.00	16,392.30		3,607.70
Total Capital Improvements	<u>20,000.00</u>	<u>20,000.00</u>	<u>16,392.30</u>		<u>3,607.70</u>
DEBT SERVICE					
Payment of Bond Principal	85,000.00	85,000.00	85,000.00		
Payment of Bond Anticipation Notes and Capital Notes		20,223.00	20,223.00		
Interest on Bonds	19,560.83	19,560.83	19,560.83		
Interest on Notes	4,252.35	4,252.35	4,252.35		
Total Debt Service	<u>108,813.18</u>	<u>129,036.18</u>	<u>129,036.18</u>		
STATUTORY EXPENDITURES					
Contribution to:					
Social Security System (O.A.S.I.)	65,000.00	70,500.00	69,760.20		739.80
Unemployment Compensation Insurance	15,000.00	15,000.00	15,000.00		
Total Statutory Expenditures	<u>80,000.00</u>	<u>85,500.00</u>	<u>84,760.20</u>		<u>739.80</u>
Total Beach Utility Appropriations	\$ <u>1,731,700.63</u>	\$ <u>1,731,700.63</u>	\$ <u>1,626,149.91</u>	\$ <u>35,631.10</u>	\$ <u>69,919.62</u>

See accompanying notes to the basic financial statements.

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

	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized:		
Operating Fund Balance Appropriated	\$ 45,148.00	\$ 82,801.00
Rents	2,018,961.09	1,791,745.77
Rents Rate Increase		200,000.00
Non-budget Revenue	14,824.02	12,788.20
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>76,246.40</u>	<u>148,530.93</u>
Total Income	<u>2,155,179.51</u>	<u>2,235,865.90</u>
Expenditures:		
Operating:		
Salaries and Wages	306,671.01	297,103.00
Other Expenses	1,178,155.00	1,151,705.00
Capital Improvements	32,500.00	75,000.00
Debt Service	216,545.06	221,025.00
Deferred Charges and Statutory Expenditures	<u>86,715.00</u>	<u>77,968.00</u>
Total Expenditures	<u>1,820,586.07</u>	<u>1,822,801.00</u>
Statutory Excess to Fund Balance	334,593.44	413,064.90
Fund Balance, January 1	<u>466,031.21</u>	<u>135,767.31</u>
	800,624.65	548,832.21
Decreased by:		
Utilization as Anticipated Revenue	45,148.00	82,801.00
Anticipated as Revenue in Current Fund Budget	<u>50,000.00</u>	<u> </u>
	<u>95,148.00</u>	<u>82,801.00</u>
Fund Balance, December 31	<u>\$ 705,476.65</u>	<u>\$ 466,031.21</u>

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Operating Fund Balance Anticipated	\$ 45,148.00	\$ 45,148.00	
Rents	<u>1,775,438.07</u>	<u>2,018,961.09</u>	\$ <u>243,523.02</u>
	1,820,586.07	2,064,109.09	243,523.02
Non-Budget Revenue	<u> </u>	<u>14,824.02</u>	<u>14,824.02</u>
	<u>\$ 1,820,586.07</u>	<u>\$ 2,078,933.11</u>	<u>\$ 258,347.04</u>

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
OPERATING					
Salaries and Wages	\$ 306,671.01	\$ 306,671.01	\$ 303,082.87	\$ 3,000.00	\$ 588.14
Other Expenses	346,007.00	346,007.00	267,791.55	34,604.25	43,611.20
Sewer Service Agreement with the Neptune Township Sewerage Authority	<u>832,148.00</u>	<u>832,148.00</u>	<u>832,148.00</u>		
Total Operating	<u>1,484,826.01</u>	<u>1,484,826.01</u>	<u>1,403,022.42</u>	<u>37,604.25</u>	<u>44,199.34</u>
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	20,000.00	20,000.00	20,000.00		
Capital Outlay	<u>12,500.00</u>	<u>12,500.00</u>	<u>12,500.00</u>		
Total Capital Improvements	<u>32,500.00</u>	<u>32,500.00</u>	<u>32,500.00</u>		
DEBT SERVICE					
Payment of Bond Principal	191,043.00	191,043.00	191,043.00		
Interest on Bonds	19,094.06	19,094.06	19,094.06		
Interest on Notes	<u>6,408.00</u>	<u>6,408.00</u>	<u>6,408.00</u>		
Total Debt Service	<u>216,545.06</u>	<u>216,545.06</u>	<u>216,545.06</u>		
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	36,715.00	36,715.00	36,710.00		5.00
Social Security System (O.A.S.I.)	25,000.00	25,000.00	22,344.38		2,655.62
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	<u>25,000.00</u>	<u>25,000.00</u>	<u>25,000.00</u>		
Total Deferred Charges and Statutory Expenditures	<u>86,715.00</u>	<u>86,715.00</u>	<u>84,054.38</u>		<u>2,660.62</u>
Total Sewer Utility Appropriations	<u>\$ 1,820,586.07</u>	<u>\$ 1,820,586.07</u>	<u>\$ 1,736,121.86</u>	<u>\$ 37,604.25</u>	<u>\$ 46,859.96</u>

See accompanying notes to the basic financial statements.

**BOROUGH OF BRADLEY BEACH
COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
BEACH UTILITY AND SEWER UTILITY CAPITAL FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013**

	Beach Utility Capital Fund 2014	Beach Utility Capital Fund 2013	Sewer Utility Capital Fund 2014	Sewer Utility Capital Fund 2013	Total 2014	Total 2013
ASSETS						
Cash and Cash Equivalents	\$ 2,206,950.24	\$ 905,416.86	\$ 1,161,558.50	\$ 447,706.96	\$ 3,368,508.74	\$ 1,353,123.82
Interfunds Receivable:						
Due from Beach Utility Operating Fund	20,223.00		0.50	0.50	20,223.00	0.50
Due from Sewer Utility Operating Fund			0.50		0.50	
Fixed Capital	2,654,702.81	2,619,860.51	3,293,041.85	3,219,949.05	5,947,744.66	5,839,809.56
Fixed Capital Authorized and Uncompleted	2,804,975.50	2,684,975.50	991,000.00	1,071,162.93	3,795,975.50	3,736,138.43
	5,459,678.31	5,284,836.01	4,284,041.85	4,291,111.98	9,743,720.16	9,575,947.99
Total Assets	\$ 7,666,851.55	\$ 6,190,252.87	\$ 5,445,600.85	\$ 4,738,819.44	\$ 13,132,452.40	\$ 10,929,072.31
LIABILITIES, RESERVES AND FUND BALANCE						
Serial Bonds	\$ 1,805,000.00	\$ 365,000.00	\$ 1,010,838.00	\$ 381,881.00	\$ 2,815,838.00	\$ 746,881.00
Bond Anticipation Notes	1,751,777.00	1,632,000.00	910,000.00	720,000.00	2,661,777.00	2,352,000.00
Improvement Authorizations:						
Funded	245,171.38	83,439.06	7,839.69	112,741.17	253,011.07	83,439.06
Unfunded		246,935.93				359,677.10
	245,171.38	330,374.99	7,839.69	112,741.17	253,011.07	443,116.16
Capital Improvement Fund	22,899.61	24,660.11	171,251.94	151,251.94	194,151.55	175,912.05
Reserve for Encumbrances	137,271.60	432,981.76	2,146.34	321,241.78	139,417.94	754,223.54
Reserve for Roof Repairs			12,500.00		12,500.00	
Reserve for Payment of Bonds			56,419.62		56,419.62	
Reserve for Upgrade to Public Safety Station	10,000.00				10,000.00	
	170,171.21	457,641.87	242,317.90	472,493.72	412,489.11	930,135.59
Reserve for Amortization	1,612,786.49	1,482,944.19	3,102,203.85	2,918,230.98	4,714,990.34	4,411,175.17
Deferred Reserve for Amortization	2,041,891.82	1,782,291.82	171,000.00	133,472.57	2,212,891.82	1,925,764.39
Fund Balance	60,053.65	120,000.00	1,401.41		61,455.06	120,000.00
Total Liabilities, Reserves and Fund Balance	\$ 7,666,851.55	\$ 6,190,252.87	\$ 5,445,600.85	\$ 4,738,819.44	\$ 13,132,452.40	\$ 10,929,072.31

There were no Bonds and Notes Authorized but not issued in the Beach Utility Capital Fund or the Sewer Utility Capital Fund as of December 31, 2014. The Beach Utility Capital Fund and Sewer Utility Capital Fund had \$2,600.00 and \$137,527.43, respectively of Bonds and Notes Authorized but not issued at December 31, 2013.

See accompanying notes to the basic financial statements.

BOROUGH OF BRADLEY BEACH
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS
REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

	December 31,	
	<u>2014</u>	<u>2013</u>
General Fixed Assets:		
Land	\$ 3,708,400.00	\$ 3,708,400.00
Buildings	9,431,238.00	9,023,362.00
Equipment	1,706,756.00	1,780,979.00
Vehicles	<u>2,975,715.00</u>	<u>2,298,444.00</u>
	<u>\$ 17,822,109.00</u>	<u>\$ 16,811,185.00</u>
Investment in General Fixed Assets	<u>\$ 17,822,109.00</u>	<u>\$ 16,811,185.00</u>
	<u>\$ 17,822,109.00</u>	<u>\$ 16,811,185.00</u>

See accompanying notes to the basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

1. Summary of Significant Accounting Policies

Reporting Entity

The Governmental Accounting Standards Board (GASB) has established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division") requires the financial statements of the Borough of Bradley Beach ("Borough") to be reported separately.

The Borough is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough do not include the operations of the municipal library or the local school district, inasmuch as their activities are administered by separate boards.

Entity-wide and Fund Financial Statements

The entity-wide financial statements (i.e., the combined statement of assets, liabilities, reserves and fund balance - regulatory basis and the combined statement of revenues, expenses and changes in fund balance - budget and actual - regulatory basis) report information on all of the activities of the Borough.

Separate fund financial statements are reported for each fund following the entity-wide financial statements.

Description of Funds

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

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 financial transactions and accounts of the Borough are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operations of a specific government activity.

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

1. Summary of Significant Accounting Policies (continued)

As required by the Division, the Borough accounts for its financial transactions through the following individual funds and account group:

Current Fund – records resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund – records the receipts, custodianship and disbursement of monies in accordance with the purpose for which each reserve was established.

General Capital Fund – records the receipt and disbursement of funds for the acquisition of general infrastructure and other capital facilities, other than those acquired through the Current Fund. General bonds and notes payable are recorded in this fund offset by deferred charges to future taxation.

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

Sewer Utility Operating and Capital Funds – account for the operation and acquisition of capital facilities of the municipally-owned sewer utility.

Public Assistance Trust Fund - account for the receipt and disbursement of assistance funds.

General Fixed Assets Account Group – utilized to account for land, buildings, machinery, equipment and vehicles that have been acquired by other governmental funds, other than utility funds.

Basis of Accounting

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

A modified accrual basis of accounting is followed with minor exceptions.

Revenues – are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the comparative statements of assets, liabilities, reserves and fund balance - regulatory basis of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

1. Summary of Significant Accounting Policies (continued)

Expenditures – are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Borough's statutory appropriation reserve balance. GAAP requires expenditures in the Current Fund 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.

Appropriation Reserves – unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis. Appropriation reserves are not established under GAAP.

Encumbrances – contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Deferred Charges – the 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 Current Fund, Beach Utility Fund or Sewer Utility Fund comparative statements of assets, liabilities and fund balance - regulatory basis. 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.

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

1. Summary of Significant Accounting Policies (continued)

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

Sale of Municipal Assets – the proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

Interfunds – the advances from 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. Interfund receivables in the other funds are not offset by reserves. 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 cost of inventories are not included on the various comparative statements of assets, liabilities and fund balance - regulatory basis. GAAP does not require the establishment of an offsetting reserve.

Fixed Capital – Beach and Sewer Utility – the property and equipment purchased by the Beach Utility Fund and Sewer Utility Fund are recorded in its capital account at cost and is adjusted for dispositions and abandonments. The amount reported for reserve for amortization of fixed capital acquired on the combined comparative statements of assets, liabilities, reserves and fund balance - regulatory basis of the Beach Utility and Sewer Utility Capital Funds represent the aggregate charges (capital outlay and debt service) to the operating budget and reserve for capital outlay for the costs of the acquisitions of property and equipment and proceeds from grants-in-aid. The Beach Utility and Sewer Utility do not record depreciation of property and equipment.

GAAP does not require the establishment of a reserve for amortization of fixed capital, whereas it does require the recognition of depreciation of property and equipment by the Beach Utility and Sewer Utility Fund.

Fixed Assets – Current Fund and General Capital Fund – the property and equipment purchased by the Current Fund and the General Capital Fund are recorded as expenditures at the time of purchase and are capitalized in the General Fixed Assets Account Group.

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

1. Summary of Significant Accounting Policies (continued)

Regulatory-Basis Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the basic financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

Comparative Data

Comparative data for the prior year has been presented in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Subsequent Events

The Borough has reviewed and evaluated all events and transactions from December 31, 2014 through May 21, 2015, the date that the financial statements were available for issuance. The effects of those events and transactions that provide additional pertinent information about conditions that existed at December 31, 2014 have been recognized in the accompanying financial statements.

2. Restatements of Financial Statements

The Borough restated its financial statements for the year ended December 31, 2013 to reflect a bond ordinance in the general capital fund which had been adopted in 2013 but went unrecorded. The Borough did not properly account for this bond ordinance in the prior year financial statements. The current year restatement corrects the prior year presentation by recording Ordinance 13-10. The effects on the General Capital Fund Comparative statements of assets, liabilities, reserves and fund balance - regulatory basis are depicted by the table which follows below:

	<u>Previously Reported</u>	<u>Adjustment</u>	<u>Revised</u>
Intergovernmental Accounts Receivable	297,500.00	250,000.00	547,500.00
Deferred Charges to Future Taxation, Unfunded	1,357,676.00	97,000.00	1,454,676.00
Capital Improvement Fund	79,678.76	(8,000.00)	71,678.76
Improvement Authorizations, Funded	522,023.61	258,000.00	780,023.61
Improvement Authorizations, Unfunded	707,799.35	97,000.00	804,799.35
Estimated Proceeds Bonds and Notes	52,500.00	97,000.00	149,500.00
Bonds and Notes Authorized but not Issued	52,500.00	97,000.00	149,500.00

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

3. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds; or

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

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

Cash and cash equivalents include petty cash, change funds, amounts on deposit and short-term investments with original maturities of three months or less. Investments are stated at cost, which approximates fair value.

As of December 31, 2014 and 2013, cash and cash equivalents of the Borough consisted of checking and money market accounts and a special emergency self-funded note.

The carrying amount of the Borough's deposits at December 31, 2014 was \$12,963,310.00 (excludes petty cash) and the bank balance was \$13,133,635.00. Of this amount, \$500,000.00 was covered by federal depository insurance and the remaining \$12,633,635.00 was covered by a collateral pool maintained by the bank as required by New Jersey Statutes in accordance with the New Jersey Governmental Unit Deposit Protection Act ("GUDPA").

The carrying amount of the Borough's deposits at December 31, 2013 was \$6,911,708.05 (excludes petty cash) and the bank balance was \$6,958,525.74. Of this amount, \$500,000.00 was covered by federal depository insurance and the remaining \$6,458,525.74 was covered by a collateral pool maintained by the bank as required by New Jersey Statutes in accordance with the New Jersey Governmental Unit Deposit Protection Act ("GUDPA").

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

3. Deposits and Investments (continued)

GASB Statement No. 40 requires that the Borough disclose whether its deposits are exposed to custodial credit risk (risk that in the event of failure of the counterparty, the Borough would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized (securities are not pledged to the depositor), collateralized with the securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the Borough. The Borough does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the Borough's deposits were fully collateralized by funds held by the financial institution, but not in the name of the Borough. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

New Jersey statutes permit the Borough to purchase the following types of securities.

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds and other obligations of the Borough or bonds or other obligations of school districts, which are part of the Borough or school districts located within the Borough.
- d. Bonds or other obligations, having a maturity date of not more than twelve months from the date of purchase, which are approved by the New Jersey Department of Treasury, Division of Investments.
- e. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- f. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- g. Bonds and other obligations of the Borough or bonds or other obligations of school districts, which are part of the Borough or school districts located within the Borough.
- h. Bonds or other obligations, having a maturity date of not more than twelve months from the date of purchase, which are approved by the New Jersey Department of Treasury, Division of Investments.

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

3. Deposits and Investments (continued)

Investments (continued)

Custodial Credit Risk: All of the Borough's investments are insured or registered in the Borough's name or held by an entity as its agent in the Borough's name. The Borough does not have a policy for custodial credit risk for its investments.

Concentration of Credit Risk: The Borough places no limit on the amount the Borough may invest in any one issuer.

Credit Risk: The Borough does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosures be made as to the credit rating of all debt security investments except for obligations of the U.S. Government or investments guaranteed by the U.S. Government.

Interest Rate Risk: The Borough does not have a policy to limit interest rate risk, however, its practice is typically to invest in investments with short maturities.

During 2014 and 2013, the Borough had no investments.

4. School Debt

The Borough of Bradley Beach Board of Education is a Type II School District. As such, the members of the Board of Education are elected by the citizens of the Borough and school appropriations are set by a Board of Education. Bonds and notes authorized by voter referendum to finance capital expenditures are general obligations of the Board of Education and, as such, are reported on the comparative statements of assets, liabilities and fund balance - regulatory basis of the Board of Education.

5. Long-Term Debt

The Local Bond Law governs that issuance of bonds to finance general municipal capital expenditures. All bonds issued by the Borough are general obligations bonds backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, must be paid off within ten years or retired by the issuance of bonds.

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

5. Long-Term Debt (continued)

The following represents bonds outstanding:

General Capital Fund:

\$913,200.00 General Refunding 2002 Bonds, Series 2006 through the MCIA - Final maturity of \$105,000.00 on August 1, 2015, at an interest rate of 5.00%.	\$ 105,000.00
\$1,916,919.00 General Refunding 2000 Bonds, Series 2007 through the MCIA - Annual maturities from \$316,000.00 to \$346,162.00 through December 2016 all at an interest rate of 5.00%.	662,162.00
\$3,733,000 General Improvement Bonds, Series 2007 through the MCIA - Annual maturities from \$276,000.00 to \$363,000.00 through December 2021 at interest rates ranging from 4.00% to 5.25%.	2,238,000.00
\$383,000.00 General Improvement Term Bond, Series 2007 - through the MCIA of \$383,000.00 due in December 2022 at an annual interest rate of 4.25%.	383,000.00
\$1,030,000.00 General Improvement Bonds, Series 2014 - through the MCIA Annual maturities ranging from \$45,000.00 to \$90,000.00 at annual interest rates ranging from 3.00% to 5.00%.	1,030,000.00
\$780,000.00 Library Improvement Bonds, Series 2014 - through the MCIA Annual maturities ranging from \$25,000.00 to \$65,000.00 at annual interest rates ranging from 3.00% to 5.00%.	<u>780,000.00</u>
	\$ <u>5,198,162.00</u>

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

5. Long-Term Debt (continued)

Beach Utility Capital Fund:

Beach Utility Capital Fund:

\$746,000.00 Beach Improvement Bonds, Series 2007 through the MCIA - Annual maturities from \$89,000.00 to \$98,000.00 through December 2017 at an interest rate of 5.00%. \$ 280,000.00

\$1,525,000.00 Beach Improvement Bonds, Series 2014 through the MCIA - Annual maturities from \$85,000.00 to \$155,000.00 through December 2027 at interest rates ranging from 3.00% to 5.00%. 1,525,000.00

\$ 1,805,000.00

Sewer Utility Capital Fund:

\$584,000.00 Sewer Improvement Bonds, Series 2007 through the MCIA - Final annual maturity from \$86,000.00 in December 2015 at an interest rate of 5.00%. \$ 86,000.00

\$523,081.00 Sewer Refunding 2000 Bonds, Series 2007 through the MCIA - Final annual maturity of \$104,838.00 in December 2015 at an interest rate of 5.00%. 104,838.00

\$820,000.00 Sewer Improvement Bonds, Series 2014 through the MCIA - Annual maturities from \$30,000.00 to \$60,000.00 through December 2034 at an interest rates ranging from 3.00% to 5.00%. 820,000.00

1,010,838.00

Grand Total \$ 8,014,000.00

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

5. Long-Term Debt (continued)

The following summarizes the changes in long-term debt for 2014 and 2013.

<u>Type</u>	<u>January 1, 2014</u>	<u>Issued</u>	<u>Payments</u>	<u>December 31, 2014</u>
General Improvements	\$ 4,099,119.00	\$ 1,810,000.00	\$ 710,957.00	\$ 5,198,162.00
Beach Improvements	365,000.00	1,525,000.00	85,000.00	1,805,000.00
Sewer Improvements	<u>381,881.00</u>	<u>820,000.00</u>	<u>191,043.00</u>	<u>1,010,838.00</u>
	<u>\$ 4,846,000.00</u>	<u>\$ 4,155,000.00</u>	<u>\$ 987,000.00</u>	<u>\$ 8,014,000.00</u>

<u>Type</u>	<u>January 1, 2013</u>	<u>Payments</u>	<u>December 31, 2013</u>
General Improvements	\$ 4,745,119.00	\$ 646,000.00	\$ 4,099,119.00
Beach Improvements	446,000.00	81,000.00	365,000.00
Sewer Improvements	<u>569,881.00</u>	<u>188,000.00</u>	<u>381,881.00</u>
	<u>\$ 5,761,000.00</u>	<u>\$ 915,000.00</u>	<u>\$ 4,846,000.00</u>

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

Equalized valuation basis* - December 31, 2014	<u>\$ 1,099,705,205.33</u>
3 1/2% of equalized valuation basis	\$ 38,489,682.19
Net debt	<u>7,504,381.85</u>
Remaining borrowing power	<u>\$ 30,985,300.34</u>

* Equalized valuation basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the Borough of the last three (3) preceding years.

Summary of Statutory Debt Condition (Annual Debt Statement)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.682%.

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

5. Long-Term Debt (continued)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 1,313,000.00	\$ 1,313,000.00	\$ None
Sewer Utility Debt	1,920,838.00	1,920,838.00	None
Beach Utility Debt	3,556,777.00	3,556,777.00	None
General Debt	<u>7,514,124.25</u>	<u>9,742.40</u>	<u>7,504,381.85</u>
	<u>\$ 14,304,739.25</u>	<u>\$ 6,800,357.40</u>	<u>\$ 7,504,381.85</u>

Net debt \$7,504,381.85 divided by equalized valuation basis per N.J.S. 40A:2-2, as amended, \$1,099,705,205.33 equals 0.682%.

Summary of Municipal Debt (excluding Type II School Debt)

The Borough's debt is summarized as follows:

	<u>2014</u>	<u>2013</u>
Issued:		
General:		
Bonds and notes	\$ 7,241,385.00	\$ 5,075,294.98
Green trust loans	219,835.25	239,507.45
Sewer Utility:		
Bonds and Notes	1,920,838.00	1,101,881.00
Beach Utility:		
Bonds and Notes	<u>3,556,777.00</u>	<u>1,997,000.00</u>
Total issued	<u>12,938,835.25</u>	<u>8,413,683.43</u>
Less: Reserve for payment of bonds	<u>9,742.40</u>	<u>9,742.40</u>
Net debt issued	12,929,092.85	8,403,941.03
Authorized but not issued:		
General:		
Bonds and notes	52,904.00	52,500.00
Sewer Utility:		
Bonds and notes	-	137,527.43
Beach Utility:		
Bonds and notes	-	<u>2,600.00</u>
Total authorized but not issued	<u>52,904.00</u>	<u>192,627.43</u>
Net bonds and notes issued and authorized but not issued	<u>\$ 12,981,996.85</u>	<u>\$ 8,596,568.46</u>

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

5. Long-Term Debt (continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

Calendar Years	General Capital Fund		
	Principal	Interest	Total
2015	\$ 837,162.00	\$ 236,550.34	\$ 1,073,712.34
2016	716,000.00	202,022.50	918,022.50
2017	379,000.00	168,422.50	547,422.50
2018	394,000.00	150,222.40	544,222.40
2019	416,000.00	130,475.00	546,475.00
2020-2024	1,546,000.00	383,397.50	1,929,397.50
2025-2029	580,000.00	139,000.00	719,000.00
2030-2034	330,000.00	30,975.00	360,975.00
	<u>\$ 5,198,162.00</u>	<u>\$ 1,441,065.24</u>	<u>\$ 6,639,227.24</u>

Calendar Years	Beach Utility Capital Fund			Sewer Utility Capital Fund			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2015	\$ 174,000.00	\$ 78,170.42	\$ 252,170.42	\$ 220,838.00	\$ 42,680.21	\$ 263,518.21	\$ 1,589,400.97
2016	188,000.00	75,550.00	263,550.00	30,000.00	34,500.00	64,500.00	1,246,072.50
2017	193,000.00	68,050.00	261,050.00	30,000.00	33,600.00	63,600.00	872,072.50
2018	100,000.00	59,350.00	159,350.00	30,000.00	32,400.00	62,400.00	765,972.40
2019	105,000.00	55,350.00	160,350.00	30,000.00	31,200.00	61,200.00	768,025.00
2020-2024	605,000.00	202,650.00	807,650.00	170,000.00	135,450.00	305,450.00	3,042,497.50
2025-2029	440,000.00	179,750.00	619,750.00	220,000.00	88,250.00	308,250.00	1,647,000.00
2030-2034				280,000.00	31,050.00	311,050.00	672,025.00
	<u>\$ 1,805,000.00</u>	<u>\$ 718,870.42</u>	<u>\$ 2,523,870.42</u>	<u>\$ 1,010,838.00</u>	<u>\$ 429,130.21</u>	<u>\$ 1,439,968.21</u>	<u>\$ 10,603,065.87</u>

Green Trust Loan Agreements

Year	Principal	Interest	Total
2015	\$ 20,067.62	\$ 4,296.86	\$ 24,364.48
2016	20,470.97	3,893.51	24,364.48
2017	20,882.44	3,482.04	24,364.48
2018	21,302.18	3,062.30	24,364.48
2019	21,730.35	2,634.13	24,364.48
sub-total	<u>104,453.56</u>	<u>17,368.84</u>	<u>121,822.40</u>
2020	22,167.13	2,197.35	24,364.48
2021	22,612.68	1,751.79	24,364.47
2022	23,067.20	1,297.28	24,364.48
2023	23,530.85	833.63	24,364.48
2024	24,003.83	240.04	24,243.87
sub-total	<u>115,381.69</u>	<u>6,320.09</u>	<u>121,701.78</u>
	<u>\$ 219,835.25</u>	<u>\$ 23,688.93</u>	<u>\$ 243,524.18</u>

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

5. Long-Term Debt (continued)

Bond anticipation notes

<u>Fund</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital	0.76%	1/22/15	\$ 2,043,223.00
Sewer Utility Capital	0.76%	1/22/15	190,000.00
Sewer Utility Capital	0.80%	1/22/15	720,000.00
Beach Utility Capital	0.76%	1/22/15	301,777.00
Beach Utility Capital	0.80%	1/22/15	<u>1,450,000.00</u>
			<u>\$ 4,705,000.00</u>

Special emergency notes

<u>Description</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Hurricane Sandy	1.04%	11/12/15	\$ 493,750.00
Severance Liability	1.25%	7/22/15	200,000.00
Severance Liability	0.00%	12/31/15	<u>17,508.17</u>
			<u>\$ 711,258.17</u>

6. Fund Balances Appropriated

The following fund balances at December 31, 2014 were appropriated in the 2015 budget:

Current Fund	\$ 735,626.00
Sewer Utility Operating Fund	132,685.40
Beach Utility Operating Fund	277,905.20

The following fund balances at December 31, 2013 were appropriated in the 2014 budget:

Current Fund	\$ 515,000.00
Sewer Utility Operating Fund	45,148.00
Beach Utility Operating Fund	203,830.63

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

7. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County and local school district. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the comparative statements of assets, liabilities and fund balance - regulatory basis of the Borough's Current Fund.

Taxes collected in advance are recorded as cash liabilities in the financial statements and are as follows:

	Balance December 31	
	2014	2013
Prepaid taxes	<u>\$ 124,770.20</u>	<u>\$ 165,647.19</u>

8. Pension Plans

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

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, the PERS and PFRS bill the Borough annually at an actuarially determined rate for its required contribution. The current rate is 6.92% and 10%, respectively, of annual covered payroll. The contribution requirements of plan members and the Borough are established and may be amended by the Board of Trustees of the respective plan. The Borough's contributions to the PERS for the years ended December 31, 2014, 2013 and 2012 were \$146,243, \$144,984 and \$148,362, respectively, equal to the required contributions for each year. The Borough's contributions to the PFRS for the years ended December 31, 2014, 2013 and 2012 were \$413,691, \$409,874 and \$389,080, respectively, equal to the required contributions for each year.

**Other Post-Retirement Benefits Other Than Pension
State Health Benefits Program (SHBP)**

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 Pension and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

8. Pension Plans – (continued)

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. 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 <http://www.state.nj.us/treasury/pensions/audit-rpts-2013/sbhp-2013.pdf>.

Plan Coverage: All active employees, including their dependents, are eligible to participate in the SHBP, upon completion of a sixty day waiting period. Retirees with twenty five years or more of active service with the Borough are also eligible to participate in the SHBP.

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

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Borough on a monthly basis. Eligible employees and retirees have the option of choosing from six medical benefit plans (NJ Direct15, NJ Direct10, Aetna, Freedom10, Aetna Freedom15, Aetna HMO or Horizon HMO) with rates ranging from \$679.97 for a single participant to \$1,849.42 for family coverage.

The Borough's contributions to SHBP for post-retirement benefits for the years ended December 31, 2014 and 2013 were \$434,551.44 and \$435,224.74, respectively, which equaled the required contributions for each year.

9. Compensated Absences

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Borough's liability related to unused 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 would approximate \$1,452,273.40 and \$1,350,000.00 at December 31, 2014 and December 31, 2013 respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements. As of December 31, 2014 and 2013, \$133,606.65 and \$84,450.15, respectively, was set aside in the current and utility operating funds for the payment of compensated absences.

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

10. Tax Appeals

There are several tax appeals pending before the State Tax Court of New Jersey requesting a reduction of assessments for the year 2014 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, which may be funded from tax revenues, through the establishment of a reserve or by the issuance of refunding bonds per N.J.S. 40A:2-51. The Borough has made a provision from tax revenues, in the amount of \$50,726.68 for these appeals in the event that the tax reductions are granted. In accordance with the National Council on Governmental Accounting Statement 4, *Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences*, the Borough charges to current fund operations or a reduction of current tax collections, all state board judgments rendered during the year which will be paid from expendable available resources. The Borough's share of the County taxes paid on any successful tax appeal would result in appropriate reductions applied against the County tax levy of the following year.

11. Commitments and Contingencies

The Borough receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes.

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

The Borough is involved in certain legal proceedings, the resolution and impact on the financial statements of which, individually or in the aggregate, in the opinion of management as advised by legal counsel, would not be significant to the accompanying financial statements.

12. Risk Management

The Borough participates in a Joint Insurance Fund ("JIF"), which currently serves as administrator of the Borough's insurance program. The joint insurance pool is a public utility risk pool currently operating as a common risk management and insurance program for municipalities in New Jersey. The JIF covers all Borough claims in excess of various deductibles and is funded by Borough budget appropriations to pay for premiums that are assessed annually. The JIF is expected to be self-sustaining through member premiums, of which the Borough portion is reported as expenditure in the Borough's financial statements. In addition, the Borough is not aware of any claims pending that have a demand in excess of these coverages. There have been no settlements which exceeded insurance coverage for each of the past three fiscal years.

13. Deferred Compensation

The Borough of Bradley Beach offers its employees a Deferred Compensation Plan, created in accordance with the provisions of N.J.S. 43:15B-1 et.seq. and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer of a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

13. Deferred Compensation (continued)

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The administrators for the Borough of Bradley Beach Deferred Compensation Plan are MetLife and Nationwide Financial.

The plan's assets are not the property of the Borough and therefore are not presented in the financial statements.

14. Interfund Receivables and Payables

The following are reflected as interfund receivables and payables on the various statements of assets, liabilities, reserves and fund balance – regulatory basis:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 22,958.41	\$ 63,109.84
Federal and State Grant	63,109.84	116.19
General Capital		22,400.00
Animal Control Trust		558.41
Sewer Utility Operating		0.50
Sewer Utility Capital	0.50	
Beach Utility Operating		20,223.00
Beach Utility Capital	20,223.00	
Payroll Trust	<u>116.19</u>	<u> </u>
	\$ <u>106,407.94</u>	\$ <u>106,407.94</u>

The interfund between the Current and Federal and State Grant Funds arose from the grant activity and the relationship between these two funds. The interfund between the Current Fund and the General Capital Fund arose from the down payments on improvements appropriation not being paid to the General Capital Fund during the year.

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

15. Segment Information for Utility Operating Enterprise Funds

The Borough maintains two enterprise funds that provide sewer service and beachfront operations. Segment information for the years ended December 31, 2014 and 2013 are:

	<u>Year ended December 31, 2014</u>		
	<u>Beach Utility</u>	<u>Sewer Utility</u>	<u>Total Enterprise Fund</u>
Revenue and Other Income Realized:			
Operating Fund Balance Appropriated	\$ 203,830.63	\$ 45,148.00	\$ 248,978.63
Rents		2,018,961.09	2,018,961.09
Bathing Badges	1,500,124.00		1,500,124.00
Miscellaneous Revenues	<u>271,601.52</u>	<u>14,824.02</u>	<u>286,425.54</u>
Budget Totals	1,975,556.15	2,078,933.11	4,054,489.26
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	<u>41,991.63</u>	<u>76,246.40</u>	<u>118,238.03</u>
Total Revenues	<u>2,017,547.78</u>	<u>2,155,179.51</u>	<u>4,172,727.29</u>
Expenditures:			
Operating	1,497,164.45	1,484,826.01	2,981,990.46
Debt Service	129,036.18	216,545.06	345,581.24
Deferred Charges and Statutory Expenditures	85,500.00	86,715.00	172,215.00
Capital Improvements	<u>20,000.00</u>	<u>32,500.00</u>	<u>52,500.00</u>
Total Expenditures	<u>1,731,700.63</u>	<u>1,820,586.07</u>	<u>3,552,286.70</u>
Statutory Excess to Fund Balance	285,847.15	334,593.44	620,440.59
Fund Balance, January 1	<u>253,112.93</u>	<u>466,031.21</u>	<u>719,144.14</u>
	538,960.08	800,624.65	1,339,584.73
Decreased by:			
Transferred to Current Fund as Anticipated Revenue		50,000.00	50,000.00
Utilization as Anticipated Revenue	<u>203,830.63</u>	<u>45,148.00</u>	<u>248,978.63</u>
Fund Balance, December 31	<u>\$ 335,129.45</u>	<u>\$ 705,476.65</u>	<u>\$ 1,040,606.10</u>

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

15. Segment Information for Utility Operating Enterprise Funds – (continued)

	<u>Year ended December 31, 2013</u>		
	<u>Beach Utility</u>	<u>Sewer Utility</u>	<u>Total Enterprise Fund</u>
Revenue and Other Income Realized:			
Operating Fund Balance Appropriated	\$ 260,610.27	\$ 82,801.00	\$ 343,411.27
Rents		1,991,745.77	1,991,745.77
Bathing Badges	1,378,088.11		1,378,088.11
Miscellaneous Revenues	<u>158,293.91</u>		<u>158,293.91</u>
Budget Totals	1,796,992.29	2,074,546.77	3,871,539.06
Other Credits to Income:			
Non-budget Revenue	16,593.75	12,788.20	29,381.95
Unexpended Balance of Appropriation Reserves	<u>74,936.44</u>	<u>148,530.93</u>	<u>223,467.37</u>
Total Revenues	<u>1,888,522.48</u>	<u>2,235,865.90</u>	<u>4,124,388.38</u>
Expenditures:			
Operating	1,320,606.42	1,448,808.00	2,769,414.42
Debt Service	121,753.85	221,025.00	342,778.85
Deferred Charges and Statutory Expenditures	179,000.00	77,968.00	256,968.00
Capital Improvements	<u>60,000.00</u>	<u>75,000.00</u>	<u>135,000.00</u>
Total Expenditures	<u>1,681,360.27</u>	<u>1,822,801.00</u>	<u>3,504,161.27</u>
Statutory Excess to Fund Balance	207,162.21	413,064.90	620,227.11
Fund Balance, January 1	<u>306,560.99</u>	<u>135,767.31</u>	<u>442,328.30</u>
	513,723.20	548,832.21	1,062,555.41
Decreased by:			
Utilization as Anticipated Revenue	<u>260,610.27</u>	<u>82,801.00</u>	<u>343,411.27</u>
Fund Balance, December 31	<u>\$ 253,112.93</u>	<u>\$ 466,031.21</u>	<u>\$ 719,144.14</u>

16. Leases

Monmouth County Improvement Authority (MCIA) – The Borough entered into various capital equipment lease programs with MCIA. The leases are for various equipment that is owned by the MCIA and to which the Borough has a bargain purchase option at the end of the lease period in the amount of \$1.00.

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

16. Leases – (continued)

Year Ending Dec. 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 172,000.00	\$ 29,297.50	\$ 201,297.50
2016	179,000.00	22,417.50	201,417.50
2017	66,000.00	15,537.50	81,537.50
2018	69,000.00	12,452.50	81,452.50
2019	64,000.00	9,300.00	73,300.00
2020-2023	<u>164,000.00</u>	<u>16,380.00</u>	<u>180,380.00</u>
	<u>\$ 714,000.00</u>	<u>\$ 105,385.00</u>	<u>\$ 819,385.00</u>

17. Local District School Taxes

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

The Borough raises its share of Local District School Taxes on a school year basis and has elected to defer these taxes as follows:

	Local District School Taxes Balance, December 31		
	<u>2014</u>	<u>2013</u>	<u>Increase</u>
Balance of Tax	\$ 3,026,832.00	\$ 2,985,378.00	\$ 41,454.00
Deferred Portion	<u>2,576,184.00</u>	<u>2,576,184.00</u>	
Tax Payable	<u>\$ 450,648.00</u>	<u>\$ 409,194.00</u>	<u>\$ 41,454.00</u>

Borough of Bradley Beach

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

18. GASB to be Implemented in the 2015 Fiscal Year

In June, 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 (“GASB No. 68”). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. The requirements of this Statement are effective for financial statements for periods ending on or after June 30, 2015. The Borough has not completed the process of evaluating the impact that will result from adopting GASB No. 68.

19. Deferred Charges to be raised in Succeeding Years’ Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charges are shown on the Comparative Statement of Assets, Liabilities, Reserves and Fund Balance as follows:

	<u>Balance December 31, 2014</u>	<u>2015 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Current Fund:			
Special Emergency Authorizations Per N.J.S.A. 40A:4-53	\$ <u>711,258.17</u>	\$ <u>152,091.50</u>	\$ <u>559,166.67</u>

COMBINING AND INDIVIDUAL FUND STATEMENTS –
SUPPLEMENTARY INFORMATION

CURRENT FUND

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance December 31, 2013	Tax Levy	Added Taxes	2013 Collections	2014 Collections	State Share Senior Citizens and Veterans Deductions Allowed	Transferred to Tax Title Liens Receivable	Adjusted, Remitted, or Canceled	Balance December 31, 2014
2013	\$ 257,360.32	\$ 15,393,055.15	\$ 73,433.95	\$ 165,647.19	\$ 253,083.88	\$ 36,750.00	\$ 88.12	\$ 37,579.04	\$ 4,276.44
2014	\$ 257,360.32	\$ 15,393,055.15	\$ 73,433.95	\$ 165,647.19	\$ 15,028,533.00	\$ 36,750.00	\$ 88.12	\$ 37,579.04	\$ 197,891.75
	<u>\$ 257,360.32</u>	<u>\$ 15,393,055.15</u>	<u>\$ 73,433.95</u>	<u>\$ 165,647.19</u>	<u>\$ 15,281,616.88</u>	<u>\$ 36,750.00</u>	<u>\$ 88.12</u>	<u>\$ 37,579.04</u>	<u>\$ 202,168.19</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

ANALYSIS OF 2014 PROPERTY TAX LEVY

Tax Yield:
General Purpose Tax \$ 15,393,055.15

TAX LEVY

Local School District Tax:
Levy School Year July 1, 2014 to June 30, 2015 \$ 5,675,312.00

County Taxes:
County Tax \$ 2,955,586.87
County Open Space Tax 161,140.74
County Health Tax 58,379.49 3,175,107.10

8,850,419.10

Local Tax for Municipal Purposes 6,542,636.05

Total Tax Levy \$ 15,393,055.15

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF TAX TITLE LIENS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2013</u>	\$ 1,310.20
<u>INCREASED BY</u>	
Transferred from Taxes Receivable	<u>88.12</u>
<u>BALANCE, DECEMBER 31, 2014</u>	<u>\$ 1,398.32</u>

**BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF DEFERRED CHARGES**

<u>Date</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Amount Authorized</u>	<u>Balance December 31, 2013</u>	<u>Added in 2014</u>	<u>Decreased in 2014</u>	<u>Balance December 31, 2014</u>
9/14/2010	Special Emergency Authorization (N.J.S.A. 40A:4-53) - Severance	\$ 87,548.17	\$ 17,510.00	\$ 35,018.17	\$	\$ 17,510.00	\$ 17,508.17
11/8/2012	Special Emergency Authorization (N.J.S.A. 40A:4-53) - Hurricane Sandy	1,250,000.00	250,000.00	925,000.00		431,250.00	493,750.00
11/12/2014	Special Emergency Authorization (N.J.S.A. 40A:4-53) - Revaluation	200,000.00	40,000.00		\$ 200,000.00		200,000.00
				<u>\$ 960,018.17</u>	<u>\$ 200,000.00</u>	<u>\$ 448,760.00</u>	<u>\$ 711,258.17</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance December 31, 2013		Reserve for Encumbrances	Transfers	Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves						
Salaries and Wages:							
Operations Within "CAPS":							
General Administration	\$ 153.11			\$	153.11		153.11
Municipal Clerk	961.24				961.24		961.24
Financial Administration	2.44				2.44		2.44
Revenue Administration	247.19				247.19		247.19
Tax Assessment Administration	0.08				0.08		0.08
Planning Board	98.00				98.00		98.00
Zoning Board of Adjustment	98.00				98.00		98.00
Other Code Enforcement Functions (Code Enforcement Officer)							
Police	917.32			917.32			917.32
Police Dispatch/911	21,465.77			21,465.77			21,465.77
Office of Emergency Management	4,097.48			4,097.48			4,097.48
Fire	5,395.08			5,395.08			5,395.08
Fire Prevention Bureau	700.00			700.00			700.00
Municipal Court	0.72			0.72			0.72
Public Defender (P.L. 1997, C. 256)	956.50	\$ 50.00	(50.00)	956.50			956.50
Road Repair and Maintenance	50.00		50.00	50.00			50.00
Buildings and Grounds	2.93			2.93			2.93
Recreation	3,881.90		(2,725.00)	1,156.90			1,156.90
Celebration of Public Events	521.23			521.23			521.23
Construction Code Department	250.00			250.00			250.00
Construction Code Department	171.94			171.94			171.94
Total Salaries and Wages	39,920.93	50.00	(2,725.00)	37,245.93			37,245.93
Other Expenses:							
Operations Within "CAPS":							
General Administration	975.91	275.61		1,251.52	\$ 331.76		919.76
Human Resources	14,427.00	759.00	(1,000.00)	14,186.00	759.00		13,427.00
Mayor and Council	2,328.06	186.73	(1,500.00)	1,014.79	186.73		828.06
Municipal Clerk	2,845.50	15,236.33	(2,000.00)	16,081.83	1,436.33		14,645.50
Financial Administration	3,218.82	1,802.59		5,021.41	323.16		4,698.25

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance		Reserve for	Transfers	Balance After Transfers	Paid or Charged	Balance Lapsed
	December 31, 2013	Appropriation Reserves					
Other Expenses (Continued):							
Operations Within "CAPS" (Continued):							
Audit Services	\$ 13,500.00		\$ 128.15	\$ (1,000.00)	\$ 13,500.00	\$ 13,500.00	\$ 732.58
Revenue Administration	2,012.58				1,140.73	408.15	528.36
Tax Assessment Administration	780.16		222.75		1,002.91	474.55	189.60
Legal Services	853.00		526.50		1,379.50	1,189.90	10,481.75
Engineering Services and Costs	13,581.75			(3,100.00)	10,481.75		
Municipal Land Use Law (N.J.S.A. 40:55D-1):							
Planning Board	1,146.76			1,000.00	2,146.76		
Zoning Board of Adjustment	169.34		6.07		175.41	175.41	
Code Enforcement Officer	0.28		1,245.39		1,245.67	114.45	1,131.22
Surety Bond Premium	100.76		12.37		113.13	12.37	100.76
Liability Insurance	1.18				1.18		1.18
Worker Compensation Insurance	1.17				1.17		1.17
Employee Group Insurance	56,316.42				56,316.42	52,171.86	4,144.56
Police	3,389.23				6,986.58	4,450.89	2,535.69
Police Dispatch/911	3,639.79			(1,100.00)	2,770.37	1,878.31	892.06
Office of Emergency Management			4,697.35		3,665.15	25.36	3,639.79
Aid to Volunteer Ambulance Company			2,770.37		4,000.00		4,000.00
Fire	5,831.64		46,507.94		52,339.58	48,965.35	3,374.23
Fire Hydrants	2,486.27		5,569.33		8,055.60	5,569.33	2,486.27
Uniform Fire Safety Act (Ch. 383 P.L. 1983)	30.00				30.00		30.00
Fire Prevention Bureau	264.37				264.37	75.00	189.37
Municipal Court	7,706.79		136.47		7,843.26	1,243.27	6,599.99
Road Repair and Maintenance	6,334.84		13,568.29	(6,400.00)	13,503.13	12,605.13	898.00
Solid Waste Collection:							
Garbage and Trash Removal	70,968.81		578.00		71,546.81	12,989.11	58,557.70

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance December 31, 2013		Balance After Transfers		Balance Lapsed	
	Appropriation Reserves	Reserve for Encumbrances	Transfers	Paid or Charged	Paid or Charged	Lapsed
Other Expenses (Continued):						
Operations - Excluded from "CAPS" (Continued):						
Buildings and Grounds	\$ 290.49	\$ 1,962.46	\$ 2,725.00	\$ 4,834.38	\$ 143.57	
Vehicle Maintenance	247.34	8,525.77	1,100.00	9,101.46	771.65	
Community Services Act	4,400.00	100.00			4,500.00	
PEOSHA Hepatitis B Immunization	636.00				636.00	
Safety Regulations Coordinator	500.00				500.00	
Shade Tree Commission	1,480.25				1,480.25	
Environmental Commission	2,290.00				2,290.00	
Animal Control Services	1,061.00	1,061.00		1,059.00	2.00	
Contribution to Social Services Agencies	215.00	1,705.00		1,705.00	215.00	
Recreation	495.42	1,574.81		689.61	1,380.62	
Celebration of Public Events	1,412.43	146.74		100.00	1,459.17	
Arts at the Beach	42.24	1,196.00		1,196.00	42.24	
Maintenance of Parks	2,346.21	4,421.25	14,000.00	15,526.02	5,241.44	
Electricity	1,075.29	9,305.35		9,305.35	1,075.29	
Street Lighting	2,406.11	16,385.64		16,385.64	2,406.11	
Telephone	1,573.22	1,555.57		1,729.81	1,398.98	
Heat - Gas	26.64	3,777.48		3,777.48	26.64	
Gasoline	9,017.22	2,938.70		2,938.70	9,017.22	
Water	40.75	1,487.77		1,487.77	40.75	
Telecommunication Costs	9.58			9.58	9.58	

**BOROUGH OF BRADLEY BEACH
 CURRENT FUND
 STATEMENT OF 2013 APPROPRIATION RESERVES**

	Appropriation Reserves	Balance December 31, 2013	Reserve for Encumbrances	Transfers	Balance After Transfers	Paid or Charged	Balance Lapsed
Other Expenses (Continued):							
Operations Within "CAPS" (Continued):							
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):	\$ 126.77	\$	138.54	\$	265.31	138.54	126.77
Construction Code Department	3,700.00				3,700.00		3,700.00
Contingent							
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":							
Statutory Expenditures:							
Contribution to:							
Public Employees' Retirement System	11,857.00				11,857.00		11,857.00
Social Security System (O.A.S.I.)	8,956.88				8,956.88		8,956.88
Operations - Excluded from "CAPS":							
Other Operations - Excluded from "CAPS":	1,752.51				1,752.51	1,752.51	0.72
Maintenance of Free Public Library	0.72				0.72		
Police and Firemen's Retirement System of NJ							
Interlocal Municipal Service Agreements:							
Computer Answering Network	2,800.00				2,800.00		2,800.00
Capital Improvements - Excluded From "CAPS":							
Library Accessibility Program	5,000.00				5,000.00	5,000.00	
Total Other Expenses	275,608.50		154,536.68	\$ 2,725.00	432,870.18	237,759.45	195,110.73
Grand Total	\$ 315,529.43	\$	154,586.68	\$ -	\$ 470,116.11	\$ 237,759.45	\$ 232,356.66

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE

BALANCE, DECEMBER 31, 2013

School Taxes Payable	\$ 409,194.00	
Deferred School Taxes	<u>2,576,184.00</u>	\$ 2,985,378.00

INCREASED BY

Levy - School Year July 1, 2014 to June 30, 2015		<u>5,675,312.00</u>
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		8,660,690.00
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DECREASED BY

Cash Disbursed		<u>5,633,858.00</u>
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BALANCE, DECEMBER 31, 2014

School Taxes Payable	\$ 450,648.00	
Deferred School Taxes	<u>2,576,184.00</u>	\$ <u>3,026,832.00</u>

2014 LIABILITY FOR LOCAL DISTRICT SCHOOL TAX

2014 School Taxes Paid		\$ 5,633,858.00
Less: School Taxes Payable, December 31, 2013		<u>409,194.00</u>

		5,224,664.00
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Add: School Taxes Payable, December 31, 2014		<u>450,648.00</u>
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AMOUNT CHARGED TO 2014 OPERATIONS

		<u>\$ 5,675,312.00</u>
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**BOROUGH OF BRADLEY BEACH
FEDERAL AND STATE GRANT FUND
STATEMENT OF GRANTS RECEIVABLE**

Grant	Balance December 31, 2013	2014 Budget Revenue Realized	Added By N.J.S.A. 40A:4-87	Unappropriated Reserve Applied	Receipt	Balance December 31, 2014
State:						
Alliance to Prevent Alcoholism and Drug Abuse:						
2011	\$ 453.52					453.52
2012	200.00					200.00
2013	14,877.00				\$ 14,716.50	160.50
2014		\$ 16,127.00			3,941.80	12,185.20
NJLM Education Foundation		5,000.00			5,000.00	
Body Armor Replacement Fund - 2014			\$ 2,326.64	\$ 2,326.64		
Clean Communities Grant			10,647.95		10,647.95	
Green Acres Lot Parking Meter Fees	11,197.11	9,250.00			9,250.00	11,197.11
Total State Grants Receivable	26,727.63	30,377.00	12,974.59	2,326.64	43,556.25	24,196.33
Local:						
Hurricane Sandy Related Insurance Proceeds			200,000.00		200,000.00	
Total Local Grants Receivable			200,000.00		200,000.00	
Total Grants Receivable	\$ 26,727.63	\$ 30,377.00	\$ 212,974.59	\$ 2,326.64	\$ 243,556.25	\$ 24,196.33

**BOROUGH OF BRADLEY BEACH
FEDERAL AND STATE GRANT FUND
STATEMENT OF APPROPRIATED RESERVES**

	Balance December 31, 2013	2014 Budget Appropriations	Transferred from Appropriation by 40A:4-87	Expended	Balance December 31, 2014
State:					
Drunk Driving Enforcement Fund	\$ 5,907.12			\$ 3,263.16	\$ 2,643.96
Drunk Driving Enforcement Fund - 2013	3,103.91				3,103.91
Alcohol Education and Rehabilitation Fund - 2013	377.74			531.91	377.74
Bullet Proof Vest Program	690.18				158.27
Fletcher Lake - Phase I	5,745.00				5,745.00
NJ Wetlands Restoration - 2013	376.93			235.02	141.91
Alliance to Prevent Alcoholism and Drug Abuse:					
Grant Portion	827.70				827.70
Grant Portion - 2013	2,160.50			1,250.00	910.50
Grant Portion - 2014		\$ 16,127.00		12,941.80	3,185.20
Matching Portion	1,420.69				1,420.69
Matching Portion - 2013	2,013.83				2,013.83
Matching Portion - 2014		5,000.00		3,102.84	1,897.16
Green Acres Parking Meters - 2009	7,885.00				7,885.00
Green Acres Lot Parking Meter Fees - 2010	10,328.31				10,328.31
Green Acres Lot Parking Meter Fees - 2011	19.75				19.75
Green Acres Lot Parking Meter Fees - 2013	2,639.83				2,639.83
Green Acres Lot Parking Meter Fees - 2014	452.78			8,194.05	1,055.95
NJ Corporation Wetlands Restoration					452.78
NJ Clean Communities Program			\$ 10,647.95	10,647.95	
Body Armor Replacement Program			2,326.64	2,326.64	
NJLM Ed Foundation Grant		5,000.00		5,000.00	
Green Acres Lot Parking Meter Fees - 2012	2,234.87				2,234.87
Total State Programs	46,184.14	35,377.00	12,974.59	47,493.37	47,042.36
Local:					
Insurance Proceeds - Hurricane Sandy			200,000.00	200,000.00	
Total Local Programs			200,000.00	200,000.00	
	\$ 46,184.14	\$ 35,377.00	\$ 212,974.59	\$ 247,493.37	\$ 47,042.36

BOROUGH OF BRADLEY BEACH
FEDERAL AND STATE GRANT FUND
STATEMENT OF UNAPPROPRIATED RESERVES

<u>Grant</u>	Balance December 31, 2013	Receipts	Transferred to 2014 Budget Revenue	Balance December 31, 2014
Body Armor Replacement Program	\$ 2,326.64	\$ 1,933.97	\$ 2,326.64	\$ 1,933.97
Drunk Driving Enforcement Fund		2,818.66		2,818.66
Municipal Court Alcohol Education		118.16		118.16
	<u>\$ 2,326.64</u>	<u>\$ 4,870.79</u>	<u>\$ 2,326.64</u>	<u>\$ 4,870.79</u>

State:

TRUST FUNDS

BOROUGH OF BRADLEY BEACH
TRUST OTHER FUND
STATEMENT OF VARIOUS RESERVES

	Balance December 31, 2013	Increased by Receipts	Decreased by Disbursements	Balance December 31, 2014
Recycling Program (per N.J.S. 40A:4-39)	\$ 31,033.80	\$ 170.77		\$ 31,204.57
Insurance Commission (per N.J.S.A. 40A:4-39)	1,368.22			1,368.22
Public Library	849.43			849.43
Parking Offenses Adjudication Act (per N.J.S.A. 40A:4-39)	2,009.53	886.00	879.00	2,016.53
Escrow Fees (per N.J.S. 40A:4-39)	34,996.16	33,861.39	45,445.80	23,411.75
Alcohol and Drug Abuse Alliance (per N.J.S. 40A:4-39)	442.93	0.04		442.97
Law Enforcement Trust	17,668.70	580.52		18,249.22
Relocation Assistance (N.J.S.A. 40A:4-39)	1,069.01	4.27		1,073.28
Fire Prevention Fees (N.J.S.A. 40A:4-39)	2,228.13	93.09		2,321.22
Public Defender Fees (N.J.S.A. 40A:4-39)	2,380.80	2,995.12	2,250.00	3,125.92
Shade Tree	2,646.01		0.01	2,646.00
Tax Sale Premiums	155,325.00	251,500.00	138,525.00	268,300.00
Outside Employment	25,733.00	225,950.80	172,200.50	79,483.30
Redemption of Tax Title Liens	6,558.41		6,558.41	
Street Opening Deposit	2,330.50	1,500.00		3,830.50
Building Rental	225.00		225.00	
Bid Monies	2,450.00		450.00	2,000.00
Insurance	41,924.06	27,334.44		69,258.50
Reserve for Auto Accidents	133.58		133.58	
Light Pole	182.00			182.00
Junior Lifeguard Program		11,006.04	2,427.92	8,578.12
Scholarships	1,651.26			1,651.26
Concession Security	23,241.91	1,011.41	0.91	24,252.41
Miscellaneous	7,294.21	375,626.44	370,031.30	12,889.35
Library Surplus Transfer	66,081.21		66,081.21	
Memorial Day Parade/Craft Fair	30,705.90	54,272.95	64,126.65	20,852.20
Arts Council Donations	179.35	3,352.00	3,469.31	62.04
Beach Fountain	3,532.40			3,532.40
OEM Trust	1,000.00			1,000.00
Snow Removal For Prior Year	8,055.05			8,055.05
	<u>\$ 473,295.56</u>	<u>\$ 990,145.28</u>	<u>\$ 872,804.60</u>	<u>\$ 590,636.24</u>

BOROUGH OF BRADLEY BEACH
TRUST OTHER FUND
STATEMENT OF RESERVE FOR NEW JERSEY UNEMPLOYMENT
COMPENSATION INSURANCE

<u>BALANCE, DECEMBER 31, 2013</u>		\$ 142,950.69
<u>INCREASED BY</u>		
Budget Appropriations:		
Current Fund	\$ 30,000.00	
Beach Utility Operating Fund	15,000.00	
Sewer Utility Operating Fund	25,000.00	
Interest Earned on Investments and Deposits	<u>11.18</u>	<u>70,011.18</u>
		212,961.87
<u>DECREASED BY</u>		
Unemployment Compensation Claims/Charges Paid		<u>65,582.78</u>
<u>BALANCE, DECEMBER 31, 2014</u>		<u>\$ 147,379.09</u>

BOROUGH OF BRADLEY BEACH
ANIMAL CONTROL TRUST FUND
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

<u>BALANCE, DECEMBER 31, 2013</u>		\$ 4,235.00
 <u>INCREASED BY</u>		
Dog License Fees Collected	\$ 2,667.00	
Late Fees and Other	<u>30.00</u>	<u>2,697.00</u>
		6,932.00
 <u>DECREASED BY</u>		
Expenditures Under R.S. 4:19-15.11	2,516.59	
Statutory Excess - Due to Current Fund	<u>558.41</u>	<u>3,075.00</u>
 <u>BALANCE, DECEMBER 31, 2014</u>		 <u><u>\$ 3,857.00</u></u>

LICENSES COLLECTED

<u>Year</u>	<u>Amount</u>
2013	\$ 1,799.00
2012	<u>2,058.00</u>
	 <u><u>\$ 3,857.00</u></u>

AUDITOR'S NOTE

R.S. 4:19-15.11

"There shall be transferred from such special account to the general funds of the Municipality any amounts then in such account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding."

BOROUGH OF BRADLEY BEACH
TOURISM TRUST FUND
STATEMENT OF RESERVE FOR TOURISM

<u>BALANCE, DECEMBER 31, 2013</u>		\$	3,360.77
<u>INCREASED BY</u>			
Cash Receipts	\$	42,950.00	
Interest Earned		<u>0.81</u>	<u>42,950.81</u>
			46,311.58
<u>DECREASED BY</u>			
Cash Disbursed			<u>46,248.16</u>
<u>BALANCE, DECEMBER 31, 2014</u>		\$	<u>63.42</u>

GENERAL CAPITAL FUND

**BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2014**

Ordinance Number	Description	Receipts				Disbursements				Balance December 31, 2014
		Balance December 31, 2013 (As restated)	Serial Bonds	Grant Proceeds	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	
		\$ 625.00	\$ 8,795.08		\$ 29,900.00					\$ 9,420.08
	Capital Fund Balance	71,678.76								41,778.76
	Capital Improvement Fund	19,599.88								19,599.88
	Reserve for Regional Contribution Agreement - Interest Income	(62,600.00)		\$ 62,600.00						
	Due from State of New Jersey - Department of Transportation	(225,000.00)								(225,000.00)
	Due from State of New Jersey - Department of Transportation	(250,000.00)								(250,000.00)
	Due from County of Monmouth: Community Development Block Grant (Ord. 11-08/11-21)	(20,000.00)								(9,735.00)
	Open Space Grant (Ord. 11-09)	65,599.78			22,400.00				\$ 10,295.00	22,400.00
	Reserve for Encumbrances	9,742.40								337,876.17
	Reserve for Payment of Bonds	11,808.57								2,043,223.00
	Reserve for Interlocal Agreement - Salt Dome	4,500.00								1,698.57
	Reserve for Sylvan Lake Aerator	500.00								4,500.00
	Reserve for Solar Panels	20.00			12,500.00					500.00
	Reserve for Roof Repairs	1,231.86								20.00
	Reserve for Fire Station	1,828.61								1,231.86
	Reserve for Recreation Building, Unappropriated	1,828.61								1,098.01
	Reserve for NJLUL 2010 Sustainable Grant	12,654.01			10,000.00					22,854.01
	Reserve for Library Accessibility	15,000.00								10,000.00
	Reserve for Dispatch Recorder System	10,000.00					15,000.00			10,000.00
	Reserve for Surveillance System									
99-04	Development and Implementation of a Housing Rehabilitation Program	101,420.56				\$ 86,164.80				15,255.76
03-23/04-12	Renovation of the Police and Administration Areas	154,092.51				15,800.00	50.21		9,967.94	148,200.14
04-05	Repair and/or Replacement of the Filume at Fletcher Lake and the Extension of the Outfall Pipe	12,534.64								12,534.64
05-07/06-06	Upgrades to the Emergency Communication System	45,811.09				18,690.17		7,685.72		18,065.19

**BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2014**

Ordinance Number	Description	Receipts				Disbursements				Balance December 31, 2014		
		Balance December 31, 2013 (As restated)	Serial Bonds	Grant Proceeds	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous		Transfers To	Transfers From
05-227 08-07/06-18	Various Road Improvements - Fifth Avenue	\$ 3,183.15										\$ 3,183.15
06-19	Fletcher Lake Flume Improvements	2,877.46										2,877.46
08-21	Sylvan Lake Bulk Heading Phase II	9,075.90										9,075.90
07-16/ 09-05/11-22	Acquisition and Installation of Solar Panels	2,544.35								\$ 1,420.00		3,864.35
08-06	Replacement of the Sylvan Lake Bulkhead - Phase IV Improvements	28,688.07	\$ 174,825.00				\$ 265.75	\$ 174,825.00		\$ 174,825.00		28,434.32
08-07	Various 200B Roadway Improvements	14,326.32	119,238.00				268.75	119,238.00		119,238.00		14,062.57
08-13	Acquisition of Load and Pack Vehicle	0.01	34,666.00					34,666.00		34,666.00		0.01
08-10	Monmouth County Improvement Authority Lease Program	2,500.00										2,500.00
10-05/11-18 12-07	Various 2010 Roadway Improvements	82,332.89	289,873.00				265.75	303,239.00		289,873.00		82,068.94
11-08/11-21 12-08	Various 2011 Roadway Improvements	38,116.46	195,724.00				265.75	162,474.00		228,974.00		37,852.71
11-08	Various Improvements to Lake Terrace Park	20,835.80	20,000.00				5,733.41	20,000.00		30,265.00		4,827.38
13-01/13-10	LaReine Ave Road Improvements	688,983.86	239,000.00				33,878.10	142,000.00		490,093.07		402,212.79
14-06	Improvements to Library		855,200.00				5,078.62			855,200.00		854,921.38
14-11	Police communication equipment		134,696.00				76,482.71			184,898.42		22,830.87
		\$ 783,901.91	\$ 2,052,016.08	\$ 52,500.00	\$ 2,645,223.00	\$ 74,800.00	\$ 242,842.81	\$ 956,427.00	\$ 41,276.77	\$ 2,482,057.25	\$ 2,482,057.25	\$ 8,786,656.41

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

	<u>State of New Jersey</u>	<u>Monmouth County</u>
	<u>Department of Transportation</u>	<u>Open</u>
	Ordinance <u>10-05/11-18/12-07</u>	Space Grant <u>Ordinance 11-09</u>
Ordinance <u>13-01</u>	Ordinance <u>13-10</u>	Ordinance <u>11-09</u>
Total	Total	Total
BALANCE, DECEMBER 31, 2013 (As restated)	\$ 547,500.00 \$ 225,000.00 \$ 52,500.00 \$ 250,000.00 \$	20,000.00
<u>INCREASED BY</u>		
Grants Awarded	547,500.00 225,000.00 52,500.00 250,000.00	20,000.00
<u>DECREASED BY</u>		
Cash Receipt	52,500.00 52,500.00	
Cancelled	10,265.00	10,265.00
BALANCE, DECEMBER 31, 2014	\$ 484,735.00 \$ 225,000.00 \$ - \$ 250,000.00 \$	9,735.00
Detail:		
Unreserved	\$ 484,735.00 \$ 225,000.00 \$ - \$ 250,000.00 \$	9,735.00
	\$ 484,735.00 \$ 225,000.00 \$ - \$ 250,000.00 \$	9,735.00

**BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION, UNFUNDED**

Ordinance Date/ Number	Improvements	Balance December 31, 2013 (As restated)	2014 Authorizations	2014 Budget Appropriation	Transferred to Deferred Charges Funded	Cancelled	Balance December 31, 2014	Analysis of Balance December 31, 2014 Unexpended Improvement Authorizations
07-09	Capital Lease Guarantee	\$ 52,000.00					\$ 52,000.00	\$ 52,000.00
08-06	Replacement of Sylvan Head Bulkhead - Phase IV	182,050.00	\$ 6,725.00	\$ 174,825.00			500.00	500.00
08-07	Various 2008 Roadway Improvements	123,826.00	4,567.00	119,239.00				
09-13	Acquisition of Load and Pack Vehicle	39,000.00	4,334.00	34,666.00				
09-10	Monmouth County Improvement Authority Lease Program	329,000.00				329,000.00		
10-05/11-18/12-07	Various 2010 Roadway Improvements	273,050.00	3,077.00	269,973.00				
11-08/11-21/12-09	Various 2011 Roadway Improvements	196,750.00	1,026.00	195,724.00				
11-09	Various improvements to Lake Terrace	20,000.00		20,000.00				
13-01/13-10	LaReine Ave. Road Improvements	239,000.00		239,000.00				
14-06	Improvements to the Library		\$ 855,200.00	855,200.00				
14-11	Acquisition and Installation of Police Communication System		135,000.00	134,596.00			404.00	404.00
		\$ 1,454,676.00	\$ 990,200.00	\$ 2,043,223.00	\$ 329,000.00	\$ 52,904.00	\$ 52,904.00	\$ 52,904.00

Detail:
Improvement Authorizations Unfunded \$ 52,904.01
Less: Unexpended Balance of Bond Anticipation Notes 0.01
\$ 52,904.00

**BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF SERIAL BONDS**

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding December 31, 2014	Interest Rate	Balance December 31, 2013	Increased	Decreased	Balance December 31, 2014
Refunding - 2002 Bonds	04/03/06	\$ 913,200.00	8/1/15	5.00%	\$ 206,000.00		\$ 101,000.00	\$ 105,000.00
Refunding - 2000 Bonds	04/15/07	1,916,919.00	12/1/15	5.00%				
			12/1/16	5.00%	1,009,119.00		346,957.00	662,162.00
General Improvements Bonds	12/13/07	3,733,000.00	12/1/15	5.00%				
			12/1/16	5.00%				
			12/1/17	5.00%				
			12/1/18	5.25%				
			12/1/19	4.00%				
			12/1/20	4.00%				
General Improvement Term Bond	12/13/07	383,000.00	12/1/21	5.25%	2,501,000.00		263,000.00	2,238,000.00
			12/1/22	4.25%	383,000.00			383,000.00
General Improvement Bonds	12/24/14	1,030,000.00	12/1/15	3.00%				
			12/1/16	3.00%	45,000.00			
			12/1/17	4.00%	45,000.00			
			12/1/18	4.00%	50,000.00			
			12/1/19	4.00%	55,000.00			
			12/1/20	4.00%	55,000.00			
			12/1/21	5.00%	60,000.00			
			12/1/22	5.00%	60,000.00			
			12/1/23	5.00%	65,000.00			
			12/1/24	5.00%	65,000.00			
			12/1/25	5.00%	70,000.00			
			12/1/26	5.00%	75,000.00			
			12/1/27	5.00%	80,000.00			
		12/1/28	5.00%	80,000.00				
		12/1/29	5.00%	85,000.00				
		12/1/30	5.00%	90,000.00				
					\$ 1,030,000.00			1,030,000.00

**BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF DUE TO STATE OF NEW JERSEY - GREEN TRUST LOAN**

Purpose	Date of Issue	Amount of Issue	Maturity of Loan Outstanding		Interest Rate	Balance December 31, 2013	Decreased	Balance December 31, 2014
			Date	Amount				
Parks, Playground and Recreation Improvements - Green Trust Loan	9/22/04	\$ 400,000.00	3/22/2015	\$ 9,983.89	2.00%	\$ 239,507.45	\$ 19,672.20	\$ 219,835.25
			9/22/2015	10,083.73				
			3/22/2016	10,184.56				
			9/22/2016	10,286.41				
			3/22/2017	10,389.27				
			9/22/2017	10,493.17				
			3/22/2018	10,598.10				
			9/22/2018	10,704.08				
			3/22/2019	10,811.12				
			9/22/2019	10,919.23				
			3/22/2020	11,028.42				
			9/22/2020	11,138.71				
			3/22/2021	11,250.09				
			9/22/2021	11,362.59				
		3/22/2022	11,476.22					
		9/22/2022	11,590.98					
		3/22/2023	11,706.89					
		9/22/2023	11,823.96					
		3/22/2024	11,942.20					
		9/22/2024	12,061.63					
						\$ 239,507.45	\$ 19,672.20	\$ 219,835.25

**BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Description	Date	Ordinance Amount	Balance December 31, 2013 (As restated)		2014 Authorizations		Cancellation of Reserve for Encumbrances	Paid or Charged	Cancellation	Balance December 31, 2014	
				Funded	Unfunded	Deferred Charges to Future Taxation	Capital Improvement Fund				Funded	Unfunded
06-21	Sylvan Lake Bulk Heading Phase III	12/29/06	\$ 150,000.00	\$ 9,075.90							\$ 9,075.90	\$ 52,000.00
07-09	Capital Lease Guarantee	07/24/07	120,000.00		52,000.00							
07-16/ 09-5 /11-22	Acquisition and Installation of Solar Panels (NJ BPU \$88,000)	10/09/07	291,511.91	2,544.35							3,984.35	
08-06	Replacement of Sylvan Head Bulkhead - Phase IV (CDBG \$194,000)	06/10/08	400,000.00		29,198.07		\$ 1,420.00		263.75		28,434.32	500.00
08-07	Various 2008 Roadway Improvements (NJDOT \$160,000)	06/10/08	330,000.00		14,326.32				263.75		14,062.57	
09-13	Acquisition of Load and Pack Vehicle	11/10/09	41,000.00		0.01							0.01
09-10	Monmouth County Improvement Authority Lease Program	07/28/09	27,500.00	2,500.00	329,000.00				329,000.00		2,500.00	
10-05/ 11-18/12-07	Various 2010 Roadway Improvements NJDOT \$210,000	Var	497,000.00		82,332.69				263.75		82,068.94	
11-08/ 11-21/12-08	Various 2011 Roadway Improvements	Var	640,000.00		38,116.46				263.75		37,852.71	
11-09	Improvements to Lake Terrace Park	11/09/11	60,000.00		20,825.80				5,753.41	\$ 10,265.00	4,827.39	
13-01/13-10	LaReine Ave Road Improvements	02/27/13	375,000.00	447,953.96	239,000.00				284,771.17		402,212.79	
2014-06	Improvements to the Library	03/11/14	900,000.00				\$ 855,200.00	\$ 44,800.00	5,078.62		894,921.38	
2014-11	Police Communications Equipment	04/22/14	150,000.00				135,000.00	15,000.00	126,775.13		22,820.87	404.00
				\$ 760,023.61	\$ 804,799.35	\$ 990,200.00	\$ 59,800.00	\$ 59,800.00	\$ 551,174.23	\$ 339,265.00	\$ 1,702,867.56	\$ 52,904.01

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND

<u>BALANCE, DECEMBER 31, 2013 (As restated)</u>	\$ 71,678.76
<u>INCREASED BY</u>	
2014 Budget Appropriation	<u>29,900.00</u>
	101,578.76
<u>DECREASED BY</u>	
Appropriated to Finance Improvement Authorizations	<u>59,800.00</u>
<u>BALANCE, DECEMBER 31, 2014</u>	<u>\$ 41,778.76</u>

**BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2014</u>
08-06	Replacement of Sylvan Head Bulkhead - Phase IV	8/11/2009	8/8/2013 6/19/2014	8/8/2014 1/22/2015	0.900% 0.760%	\$ 181,550.00	\$ 174,825.00	\$ 181,550.00	\$ 174,825.00
08-07	Various 2008 Roadway Improvements	8/11/2009	8/8/2013 6/19/2014	8/8/2014 1/22/2015	0.900% 0.760%	123,826.00	119,239.00	123,826.00	119,239.00
09-13	Acquisition of Load and Pack Vehicle	8/8/2011	8/8/2013 6/19/2014	8/8/2014 1/22/2015	0.900% 0.760%	39,000.00	34,666.00	39,000.00	34,666.00
10-05/11-18 12-07	Various 2010 Roadway Improvements	8/8/2011	8/8/2013 6/19/2014	8/8/2014 1/22/2015	0.900% 0.760%	306,300.00	269,973.00	306,300.00	269,973.00
11-08/11-21 12-09	Various 2011 Roadway Improvements	8/8/2011	8/8/2013 6/19/2014	8/8/2014 1/22/2015	0.900% 0.760%	163,500.00	195,724.00	163,500.00	195,724.00
11-09	Various Improvements to Lake Terrace Park	8/8/2012	8/8/2013 6/19/2014	8/8/2014 1/22/2015	0.900% 0.760%	20,000.00	20,000.00	20,000.00	20,000.00
13-01/13-10	LaReine Ave. Road Improvements	8/8/2013	8/8/2013 6/19/2014	8/8/2014 1/22/2015	0.900% 0.760%	142,000.00	239,000.00	142,000.00	239,000.00
14-06	Improvements to the Library	6/19/2014	6/19/2014	1/22/2015	0.760%	855,200.00	855,200.00		855,200.00
14-11	Police Communication System	6/19/2014	6/19/2014	1/22/2015	0.760%	134,596.00	134,596.00		134,596.00
						<u>\$ 976,176.00</u>	<u>\$ 2,043,223.00</u>	<u>\$ 976,176.00</u>	<u>\$ 2,043,223.00</u>

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvements</u>	Balance December 31, 2013 (As restated)	2014 Authorizations	Bond Anticipation Notes Issued	Balance December 31, 2014
07-09	Capital Lease Guarantee	\$ 52,000.00			\$ 52,000.00
08-06	Replacement of Sylvan Head Bulkhead - Phase IV	500.00			500.00
13-01/13-10	LaReine Ave. Road Improvements	97,000.00		\$ 97,000.00	
14-06	Improvements to the Library		\$ 855,200.00	855,200.00	
14-11	Acquisition and Installation of Police Communications Equipment		135,000.00	134,596.00	404.00
		<u>\$ 149,500.00</u>	<u>\$ 990,200.00</u>	<u>\$ 1,086,796.00</u>	<u>\$ 52,904.00</u>

BEACH UTILITY OPERATING FUND

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance December 31, 2013		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>			
<u>OPERATING</u>					
Salaries and Wages	\$ 32,238.63	\$	\$ 32,238.63	\$ 345.00	\$ 31,893.63
Other Expenses	6,926.36	\$ 40,952.33	47,878.69	45,426.89	2,451.80
<u>CAPITAL IMPROVEMENTS</u>					
Capital Outlay	8,115.43	13,450.00	21,565.43	18,450.00	3,115.43
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	<u>4,530.77</u>		<u>4,530.77</u>		<u>4,530.77</u>
	\$ <u>51,811.19</u>	\$ <u>54,402.33</u>	\$ <u>106,213.52</u>	\$ <u>64,221.89</u>	\$ <u>41,991.63</u>

**BOROUGH OF BRADLEY BEACH
 BEACH UTILITY OPERATING FUND
 STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES**

<u>BALANCE, DECEMBER 31, 2013</u>	\$ 18,453.07
<u>INCREASED BY</u>	
Budget Appropriations:	
Interest on Bonds	\$ 19,560.83
Interest on Notes	<u>4,252.35</u>
	23,813.18
	42,266.25
<u>DECREASED BY</u>	
Cash Disbursed	<u>32,795.04</u>
<u>BALANCE, DECEMBER 31, 2014</u>	<u>\$ 9,471.21</u>

ANALYSIS OF BALANCE

<u>Description</u>	Amount Outstanding December 31, 2014	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Accrual Period</u>	<u>Accrual</u>
Serial Bonds - 2007	\$ 280,000.00	5.00%	12/01/14	12/31/14	30 Days	\$ 1,166.67
Serial Bonds - 2014	1,525,000.00	3.00%	12/24/14	12/31/14	7 Days	889.58
Bond Anticipation Notes #13-02	1,450,000.00	0.80%	04/22/14	12/31/14	252 Days	8,023.33
Bond Anticipation Notes #09-13/10-02/14-05	301,777.00	0.76%	06/19/14	12/31/14	145 Days	<u>1,223.20</u>
						11,302.79
Less: Shortfall to be Raised in Subsequent Year's Budget						<u>(1,831.58)</u>
						<u>\$ 9,471.21</u>

SEWER UTILITY OPERATING FUND

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2013</u>		\$ 98,869.84
<u>INCREASED BY</u>		
Sewer Charges Levied		<u>2,003,843.78</u>
		2,102,713.62
<u>DECREASED BY</u>		
Receipts	\$ 1,957,690.57	
Overpayments and Prepayments Applied	61,270.52	
Transfer to Sewer Liens	<u>3,466.29</u>	<u>2,022,427.38</u>
<u>BALANCE, DECEMBER 31, 2014</u>		<u>\$ 80,286.24</u>

**BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF 2013 APPROPRIATION RESERVES**

	Balance December 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances		
<u>OPERATING</u>				
Salaries and Wages	\$ 1,936.90	\$ 1,936.90		\$ 1,936.90
Other Expenses	47,392.72	77,236.75	\$ 32,715.89	44,520.86
Sewer Service Agreement with the Neptune Township Sewerage Authority	28,066.00	28,066.00		28,066.00
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>				
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	1,722.64	1,722.64		1,722.64
	\$ 79,118.26	\$ 29,844.03	\$ 32,715.89	\$ 76,246.40

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES

BALANCE, DECEMBER 31, 2013 \$ 9,612.22

INCREASED BY

Budget Appropriations:		
Interest on Bonds	\$ 19,094.06	
Interest on Notes	<u>6,408.00</u>	<u>25,502.06</u>
		35,114.28

DECREASED BY

Cash Disbursed		<u>25,501.89</u>
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BALANCE, DECEMBER 31, 2014 \$ 9,612.39

ANALYSIS OF BALANCE

	Amount Outstanding December 31, 2014	Interest Rate	From	To	Accrual Period	Accrual
Serial Bonds - 2007	\$ 104,838.00	5.00%	12/01/14	12/31/14	30 Days	\$ 436.83
Serial Bonds - 2007	86,000.00	5.00%	12/01/14	12/31/14	30 Days	358.33
Serial Bonds - 2014	820,000.00	3.00%	12/24/14	12/31/14	7 days	<u>478.33</u>
						1,273.49
Bond Anticipation Note #12-13/13-06	910,000.00	0.80%	04/23/14	12/31/14	192 days	<u>5,015.11</u>
						6,288.60
Add: Excess to be utilized in succeeding year's budget						<u>3,323.79</u>
						<u>\$9,612.39</u>

BEACH UTILITY CAPITAL FUND

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL

<u>BALANCE, DECEMBER 31, 2013</u>	\$ 2,619,860.51
<u>INCREASED BY</u>	
Capital Outlay 2014 Appropriations	16,392.30
Capital Outlay 2013 Appropriations Reserve	<u>18,450.00</u>
<u>BALANCE, DECEMBER 31, 2014</u>	<u>\$ 2,654,702.81</u>

Detail:

Beach Cleaning Equipment	\$ 75,000.00
Pavilion Roof	9,169.17
Computer System	6,500.00
Improvement to the Public Beach Front - 1993	1,850,154.00
Modification to Groin Fields	285,352.05
Improvement to Second Ave. Pump Station	80,000.00
Improvement to the Public Beach Front - 1999	30,000.00
Repair and/or Replacement of the Flume at Fletcher Lake and the Extension of the Outfall Pipe	41,124.50
Acquisition of a Beach Tractor	30,357.74
Capital Outlay Appropriations:	
2002	8,311.89
2003	8,000.00
2004	4,070.00
2005	5,000.00
2006	22,000.00
2007	7,199.34
2008	902.03
2009	17,591.76
2010	11,490.00
2011	56,421.66
2012	44,331.80
2013	26,884.57
2014	16,392.30
2013 Appropriation Reserve	<u>18,450.00</u>
	<u>\$ 2,654,702.81</u>

**BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

<u>Ordinance Number</u>	<u>Description</u>	<u>Date Authorized</u>	<u>Amount</u>	<u>Balance December 31, 2013</u>	<u>Fixed Capital Authorized</u>	<u>Balance December 31, 2014</u>
00-09	Beach Erosion Control Project	8/8/2000/ 10/11/2011	\$ 398,000.00	\$ 128,000.00	\$	\$ 128,000.00
04-05	Repair and/or Replacement of the Flume at Fletcher Lake and the Extension of the Outfall Pipe	3/22/2004	43,500.00	2,375.50		2,375.50
06-17	Various Beachfront Improvements	11/28/2006	750,000.00	750,000.00		750,000.00
09-13	Acquisition of a Load and Pack Vehicle	11/10/2009	124,000.00	124,000.00		124,000.00
10-02	Concession Trailer	2/23/2010	60,600.00	60,600.00		60,600.00
13-02	Various Beach Improvements	2/27/2013	1,600,000.00	1,600,000.00		1,600,000.00
14-05	Parking Meter Pay Station Installation	6/19/2014	140,000.00		\$ 140,000.00	140,000.00
				\$ 2,664,975.50	\$ 140,000.00	\$ 2,804,975.50

**BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF SERIAL BONDS**

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding December 31, 2014	Interest Rate	Balance December 31, 2013	Increased	Decreased	Balance December 31, 2014
Beach Improvement Bonds	12/13/07	\$ 746,000.00	\$ 89,000.00	5.00%	\$ 365,000.00		\$ 85,000.00	\$ 280,000.00
	12/01/16		93,000.00					
	12/01/17		98,000.00					
Beach Improvement Bonds	12/24/14	1,525,000.00	85,000.00	3.00%				
			95,000.00	3.00%				
			95,000.00	4.00%				
			100,000.00	4.00%				
			105,000.00	4.00%				
			110,000.00	4.00%				
			115,000.00	5.00%				
			120,000.00	5.00%				
			125,000.00	5.00%				
			135,000.00	5.00%				
		140,000.00	5.00%					
		145,000.00	5.00%					
			155,000.00	5.00%				
					\$ 1,525,000.00			1,525,000.00
					\$ 365,000.00	\$ 1,525,000.00	\$ 85,000.00	\$ 1,805,000.00

**BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Description	Ordinance Date	Ordinance Amount	Balance December 31, 2013		2014 Authorization	Encumbrances Payable Cancelled	Paid or Charged	Balance December 31, 2014	
				Funded	Unfunded				Funded	Unfunded
00-09	Beach Erosion Control Project (County of Monmouth Grant - \$241,769.00)	8/8/2000	\$ 640,000.00	\$ 76,730.81			\$ 5,000.00	\$ 37,111.30	\$ 44,619.51	
04-05	Repair and/or Replacement of the Flume at Fletcher Lake and the Extension of the Outfall Pipe			2,375.50					2,375.50	
06-17	Various Beachfront Improvements	11/28/2006	750,000.00	1,972.88			546.71		2,519.59	
09-13	Acquisition of a Load and Pack Vehicle	11/10/2009	124,000.00		\$ 3,565.41			263.75	3,301.66	
10-02	Concession Trailer	2/25/2010	60,600.00		2,372.03			263.75	2,108.28	
12-09	Beach Rake Acquisition	7/10/2012	45,000.00						2,359.87	
13-02	Various Beach Improvements	2/27/2013	1,600,000.00		240,998.49		184,298.61	262,562.68	162,714.42	
14-05	Parking Meter Pay Station Installation	2/27/2014	140,000.00			\$ 140,000.00		114,827.45	25,172.55	
				\$ 83,439.06	\$ 246,935.93	\$ 140,000.00	189,845.32	\$ 415,048.93	\$ 245,171.38	\$ -

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND

<u>BALANCE, DECEMBER 31, 2013</u>	\$ 24,660.11
<u>DECREASED BY</u> Disbursed	<u>1,760.50</u>
<u>BALANCE, DECEMBER 31, 2014</u>	\$ <u>22,899.61</u>

**BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES**

<u>Ordinance Number</u>	<u>Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2014</u>
09-13	Acquisition of a Load and Pack Vehicle	08/08/11	08/08/13 06/19/14	08/08/14 01/22/15	0.90% 0.76%	\$ 122,000.00	\$ 108,444.00	\$ 122,000.00	\$ 108,444.00
10-02	Concession Trailer	08/08/11	08/08/13 06/19/14	08/08/14 01/22/15	0.90% 0.76%	60,000.00	53,333.00	60,000.00	53,333.00
13-02	Various Beach Improvements	04/23/13	04/23/13 04/22/14	04/23/14 01/22/15	0.89% 0.80%	1,450,000.00	1,450,000.00	1,450,000.00	1,450,000.00
14-05	Parking Meter Pay Station Installation	06/19/14	06/19/14	01/22/15	0.76%		140,000.00		140,000.00
						<u>\$ 1,632,000.00</u>	<u>\$ 1,751,777.00</u>	<u>\$ 1,632,000.00</u>	<u>\$ 1,751,777.00</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2013</u>	<u>2014 Authorization</u>	<u>Funded by Fund Balance</u>	<u>Bond Anticipation Note Issued</u>	<u>Balance December 31, 2014</u>
09-13	Acquisition of a Load and Pack Vehicle	\$ 2,000.00		\$ 2,000.00		
10-02	Concession Trailer	600.00		600.00		
14-05	Parking Meter Pay Station Installation		\$ 140,000.00		\$ 140,000.00	
		<u>\$ 2,600.00</u>	<u>\$ 140,000.00</u>	<u>\$ 2,600.00</u>	<u>\$ 140,000.00</u>	<u>\$ -</u>

SEWER UTILITY CAPITAL FUND

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL

<u>BALANCE, DECEMBER 31, 2013</u>	\$ 3,219,949.05
 <u>INCREASED BY</u>	
Transfer from Fixed Capital Authorized and Uncompleted	60,592.80
Capital Outlay 2014 Appropriations	<u>12,500.00</u>
 <u>BALANCE, DECEMBER 31, 2014</u>	 \$ <u><u>3,293,041.85</u></u>
 Detail:	
Improvement of Sewer System, Stage I - 1973	\$ 100,000.00
Improvement of Sewer System, Stage II - 1976	690,267.47
Improvement of Sewer System, Stage II - 1981	30,718.44
Improvement of Sewer System, Stage II - 1981	257,244.41
Improvement of Sewer System - 1998	73,257.61
Purchase of Equipment - 1994	39,814.00
Purchase of Jet Sewer Cleaner - 1992	19,000.00
Computer System - 1995	9,750.00
Improvement to Municipal Sewer Building	35,543.02
Improvements to the Pump Station- 1996	294,666.45
Improvements to the Pump Station- 1997	93,665.00
Sewer Utility Improvements - 1999	282,005.65
Sewer Utility Improvements - 2000	297,425.54
Improvement of Sewer System - 2000	200,000.00
Improvement of Sewer System - 2001	230,000.00
Sanitary Sewer Pump Station Reahabilitation - 2006	322,469.33
Sewer Evaluation, Cleaning and Rehabilitation	265,621.91
Capital Outlay - 2006 Appropriations	25,542.40
Capital Outlay - 2007 Appropriations Reserves	13,550.62
Capital Outlay - 2013 Appropriation Reserve	<u>12,500.00</u>
	 \$ <u><u>3,293,041.85</u></u>

**BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

<u>Ordinance Number</u>	<u>Description</u>	<u>Date Authorized</u>	<u>Amount</u>	<u>Balance December 31, 2013</u>	<u>Cancellation of Authorizations</u>	<u>Transferred to Fixed Capital</u>	<u>Balance December 31, 2014</u>
01-06/07-12	Improvements to the Sanitary Sewer System	07/10/01, 08/14/07	\$ 230,000.00	\$ 18,156.95	\$ 18,156.95		
06-10	Sanitary Sewer Pump Station Rehabilitation	04/11/06	325,000.00	192.04	192.04		
06-11/07-15	Sewer Evaluation, Cleaning and Rehabilitation	05/09/06, 10/09/07	285,000.00	61,813.94	1,221.14	\$ 60,592.80	
12-13/ 13-06	Reconstruction of Sewer Pump Station	11/28/12 05/28/13	791,000.00	991,000.00			\$ 991,000.00
				<u>\$ 1,071,162.93</u>	<u>\$ 19,570.13</u>	<u>\$ 60,592.80</u>	<u>\$ 991,000.00</u>

**BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF SERIAL BONDS**

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding December 31, 2014	Interest Rate	Balance December 31, 2013	Increased	Decreased	Balance December 31, 2014
Sewer Refunding - 2000 Bonds	04/15/07	\$ 523,081.00	12/01/15 \$ 104,838.00	5.00%	\$ 213,881.00	\$ 109,043.00	\$	104,838.00
Sewer Improvement Bonds	12/13/07	584,000.00	12/01/15 86,000.00	5.00%	168,000.00	82,000.00		86,000.00
Sewer Improvement Bonds	12/24/14	820,000.00	12/01/15 30,000.00	3.00%				
			12/01/16 30,000.00	3.00%				
			12/01/17 30,000.00	4.00%				
			12/01/18 30,000.00	4.00%				
			12/01/19 30,000.00	4.00%				
			12/01/20 30,000.00	4.00%				
			12/01/21 30,000.00	5.00%				
			12/01/22 35,000.00	5.00%				
			12/01/23 35,000.00	5.00%				
			12/01/24 40,000.00	5.00%				
			12/01/25 40,000.00	5.00%				
			12/01/26 40,000.00	5.00%				
			12/01/27 45,000.00	5.00%				
			12/01/28 45,000.00	5.00%				
			12/01/29 50,000.00	5.00%				
			12/01/30 50,000.00	5.00%				
			12/01/31 55,000.00	4.00%				
			12/01/32 55,000.00	4.00%				
			12/01/33 60,000.00	3.25%				
			12/01/34 60,000.00	3.25%				
					\$ 820,000.00			820,000.00
					\$ 381,881.00	\$ 820,000.00	\$ 191,043.00	\$ 1,010,838.00

**BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Description	Date	Ordinance Amount	Balance December 31, 2013		Paid or Charged	Cancelled	Balance December 31, 2014	
				Funded	Unfunded			Funded	Unfunded
12-13/ 13-06	Reconstruction of Sewer Pump Station	11/28/12/ 05/28/13	\$ 791,000.00	\$ 112,741.17	\$ 114,124.45	\$ 9,222.97	\$ 7,839.69		
				\$ 112,741.17	\$ 114,124.45	\$ 9,222.97	\$ 7,839.69		

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND

<u>BALANCE, DECEMBER 31, 2013</u>	\$ 151,251.94
<u>INCREASED BY</u>	
2014 Budget Appropriation	<u>20,000.00</u>
<u>BALANCE, DECEMBER 31, 2014</u>	\$ <u>171,251.94</u>

**BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES**

<u>Ordinance Number</u>	<u>Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31, 2014</u>
12-13/13-06	Reconstruction of Sewer Pump Station	04/23/13	04/22/14	01/22/15	0.80%	\$ 720,000.00	\$ 910,000.00	\$ 720,000.00	\$ 910,000.00
						\$ 720,000.00	\$ 910,000.00	\$ 720,000.00	\$ 910,000.00

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance</u> <u>Number</u>	<u>Improvement</u> <u>Description</u>	<u>Balance</u> <u>December 31,</u> <u>2013</u>	<u>Budget</u> <u>Appropriation</u>	<u>Bond</u> <u>Anticipation</u> <u>Notes</u> <u>Issued</u>	<u>Balance</u> <u>December 31,</u> <u>2014</u>
12-13/13-06	Reconstruction of Sewer Pump Station	\$ 137,527.43	\$ 52,472.57	\$ 190,000.00	\$ -
		<u>\$ 137,527.43</u>	<u>\$ 52,472.57</u>	<u>\$ 190,000.00</u>	<u>\$ -</u>

OTHER INFORMATION (UNAUDITED)
STATISTICAL SECTION

BOROUGH OF BRADLEY BEACH
CURRENT FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)
UNAUDITED

Function	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government	\$ 992,196.62	\$ 732,000.00	\$ 820,667.13	\$ 609,865.64	\$ 575,943.92	\$ 626,149.00	\$ 522,953.76	\$ 511,335.16	\$ 485,738.67	\$ 561,354.69
Land Use	31,487.60	31,713.00	20,792.00	19,050.00	15,050.00	26,300.00	23,750.00	22,150.00	23,450.00	18,400.00
Code Enforcement	83,720.32	73,043.00	89,045.62	87,678.00	123,937.00	130,357.00	120,822.00	117,090.00	107,966.00	95,363.00
Insurance	1,170,096.26	1,091,475.00	1,112,853.14	967,182.00	929,364.99	876,820.00	841,180.00	850,282.00	827,114.00	808,976.00
Public Safety	2,420,803.45	2,350,780.31	2,361,299.38	2,335,279.51	2,386,501.50	2,236,717.09	2,258,798.36	2,126,430.41	2,112,182.00	2,072,849.04
Public Works	921,993.31	891,306.00	2,012,070.34	962,089.00	852,082.76	939,529.91	895,292.00	958,277.00	916,209.00	880,717.46
Health and Human Services	24,860.00	24,860.00	24,760.00	24,292.00	23,612.00	24,235.00	19,515.00	16,340.00	13,573.00	41,092.00
Parks and Recreation	137,850.00	122,300.00	131,400.00	119,780.00	106,885.00	120,115.00	113,100.00	111,100.00	103,685.00	95,185.00
Library	365,259.96	376,085.91	379,763.32	387,890.88	392,692.74	388,693.22	379,425.00	349,288.30	293,587.00	235,886.40
Utility Expenses and Bulk Purchases	300,025.00	284,320.00	337,100.00	338,130.00	295,100.00	333,100.00	342,050.00	256,100.00	236,100.00	230,100.00
Deferred Charges and Statutory Expenditures	1,105,063.08	1,002,571.93	679,163.52	707,312.70	566,171.73	579,476.75	576,220.47	422,892.85	341,844.00	257,007.02
State and Federal Grants	48,351.59	79,046.49	88,180.72	55,503.68	50,652.64	49,103.35	54,992.39	22,894.02	15,129.61	20,417.58
Capital Improvements	42,400.00	30,000.00	73,065.78	92,500.00	22,163.20	50,000.00	50,000.00	20,000.00	107,500.00	73,000.00
Debt Service	1,209,019.53	1,118,103.31	1,113,993.81	1,042,034.98	1,077,292.29	1,037,091.62	915,224.62	854,748.00	666,663.00	627,047.00
Reserve for Uncollected Taxes	346,997.25	413,865.73	305,242.79	286,003.15	279,000.66	336,895.60	332,037.64	316,869.18	292,704.42	275,893.57
Contingent	3,700.00	3,700.00	3,700.00	3,700.00	3,700.00	3,700.00	3,700.00	3,700.00	3,700.00	3,700.00
	\$ 9,203,723.97	\$ 8,625,170.68	\$ 9,563,077.53	\$ 8,038,291.54	\$ 7,700,150.43	\$ 7,756,277.54	\$ 7,449,061.24	\$ 6,959,476.92	\$ 6,547,165.70	\$ 6,296,988.76

Appropriations divided between inside "CAPS" and outside "CAPS" have been combined.

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)
UNAUDITED

Function	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Operating	\$ 1,484,826.01	\$ 1,448,808.00	\$ 1,485,835.52	\$ 1,373,018.50	\$ 1,383,860.97	\$ 1,331,441.50	\$ 1,247,282.00	\$ 1,154,781.00	\$ 1,120,861.00	\$ 1,052,072.00
Capital Improvements	32,500.00	75,000.00	105,000.00	40,000.00	6,000.00	25,000.00	25,000.00	45,000.00	60,000.00	40,000.00
Debt Service	216,545.06	221,025.00	224,921.00	230,465.61	232,799.00	221,892.50	224,210.00	168,175.00	144,195.00	138,330.00
Deferred Charges and Statutory Expenditures	86,715.00	77,968.00	79,065.00	66,201.28	66,457.00	66,560.00	49,313.00	38,718.00	33,701.00	22,200.00
Other								203.64		
	<u>\$ 1,820,586.07</u>	<u>\$ 1,822,801.00</u>	<u>\$ 1,894,821.52</u>	<u>\$ 1,709,685.39</u>	<u>\$ 1,689,116.97</u>	<u>\$ 1,634,894.00</u>	<u>\$ 1,545,805.00</u>	<u>\$ 1,406,877.64</u>	<u>\$ 1,358,757.00</u>	<u>\$ 1,252,602.00</u>

**BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)
UNAUDITED**

Function	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Operating	\$ 1,497,164.45	\$ 872,462.42	\$ 1,350,223.92	\$ 1,282,476.00	\$ 1,187,357.50	\$ 1,090,450.00	\$ 1,017,499.00	\$ 979,805.00	\$ 985,996.00	\$ 813,580.00
Capital Improvements	20,000.00	448,144.00	56,000.00	82,500.00	11,490.00	19,000.00	18,300.00	18,563.00	32,000.00	5,000.00
Debt Service	129,036.18	60,000.00	108,055.00	102,800.00	193,260.00	194,818.00	195,787.00	148,851.00	117,416.00	116,327.00
Deferred Charges and Statutory Expenditures	85,500.00	121,753.85	76,565.36	75,500.00	64,978.00	65,978.00	63,400.00	54,200.00	46,000.00	38,000.00
Other							22.00	714.00		123.56
	<u>\$ 1,731,700.63</u>	<u>\$ 1,502,360.27</u>	<u>\$ 1,590,844.28</u>	<u>\$ 1,543,276.00</u>	<u>\$ 1,457,085.50</u>	<u>\$ 1,370,246.00</u>	<u>\$ 1,295,008.00</u>	<u>\$ 1,202,133.00</u>	<u>\$ 1,181,412.00</u>	<u>\$ 973,030.56</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND REVENUES BY SOURCE
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)
UNAUDITED

Source	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Surplus Anticipated	\$ 515,000.00	\$ 413,500.00	\$ 421,312.00	\$ 465,000.00	\$ 400,000.00	\$ 636,000.00	\$ 725,000.00	\$ 626,000.00	\$ 380,000.00	\$ 380,000.00
Taxes (1)	6,670,722.50	6,566,736.55	6,556,648.27	6,218,381.96	6,093,667.07	5,790,339.69	5,460,995.79	4,958,175.24	4,660,318.37	4,259,728.91
Delinquent Taxes	259,967.26	182,673.32	194,965.92	207,038.76	160,598.53	132,383.83	137,198.86	200,769.40	109,748.86	136,720.49
Miscellaneous	1,733,438.26	1,167,279.93	974,922.56	901,509.87	773,518.23	805,486.53	961,869.57	1,042,053.03	958,823.71	1,075,036.27
State Aid	355,290.00	355,289.60	355,290.00	355,290.00	355,119.02	455,208.00	485,500.00	532,298.00	547,208.00	547,208.00
State and Federal Grants	43,351.59	133,721.06	75,920.62	49,243.68	44,392.94	40,384.04	51,492.39	22,894.02	10,629.61	20,417.58
Non-budget Revenues and Other Items	40,282.93	27,639.48	97,183.41	113,105.60	38,729.49	21,617.03	26,850.35	264,114.44	311,809.65	162,510.81
	<u>\$ 9,618,052.54</u>	<u>\$ 8,846,839.94</u>	<u>\$ 8,676,242.78</u>	<u>\$ 8,309,669.87</u>	<u>\$ 7,866,025.28</u>	<u>\$ 7,881,419.12</u>	<u>\$ 7,868,906.96</u>	<u>\$ 7,646,304.13</u>	<u>\$ 6,978,538.20</u>	<u>\$ 6,581,622.06</u>

(1) Excludes tax allocated to county and school.

BOROUGH OF BRADLEY BEACH
PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUATION
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Municipal</u>	<u>Regular</u>	<u>County Open Space</u>	<u>Health</u>	<u>School</u>	<u>Total</u>	<u>Collection Rates Current</u>	<u>Delinquent Taxes as Percent of Levy</u>
2014	\$ 0.588	\$ 0.266	\$ 0.015	\$ 0.005	\$ 0.510	\$ 1.384	98.72%	1.28%
2013	0.580	0.270	0.015	0.005	0.499	1.369	98.31%	1.68%
2012	0.573	0.260	0.015	0.005	0.465	1.318	98.77%	1.22%
2011	0.541	0.259	0.016	0.005	0.448	1.269	98.92%	1.37%
2010	0.531	0.253	0.016	0.005	0.444	1.249	98.53%	1.56%
2009	0.497	0.238	0.016	0.005	0.439	1.195	98.94%	1.29%
2008	0.470	0.230	0.015	0.004	0.464	1.183	98.91%	1.06%
2007	0.428	0.226	0.014	0.005	0.466	1.139	98.72%	1.05%
2006 *	0.409	0.212	0.012	0.004	0.455	1.092	98.04%	1.61%
2005	0.909	0.482	0.029	0.000	1.063	2.483	99.00%	0.96%

Source: Tax Collector.

* Revaluation Effective for 2006.

BOROUGH OF BRADLEY BEACH
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year Ended</u> <u>December 31,</u>	<u>Net</u> <u>Tax Levy</u>	<u>Current Tax</u> <u>Collections</u>	<u>Percentage</u> <u>of Collections</u>
2014	\$ 15,428,910.06	\$ 15,230,930.19	98.72%
2013	15,268,796.59	15,010,815.82	98.31%
2012	14,895,965.81	14,713,120.70	98.77%
2011	14,374,032.60	14,220,379.01	98.92%
2010	14,172,010.53	13,964,893.94	98.53%
2009	13,464,479.97	13,322,316.24	98.94%
2008	13,318,243.93	13,172,421.06	98.91%
2007	12,792,723.14	12,629,086.23	98.72%
2006	12,268,270.67	12,027,402.29	98.04%
2005	11,116,893.12	11,005,787.16	99.00%

BOROUGH OF BRADLEY BEACH
DELINQUENT TAXES AND TAX TITLE LIENS
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year Ended</u> <u>December 31,</u>	<u>Amount of</u> <u>Tax Title Liens</u>	<u>Amount of</u> <u>Delinquent</u> <u>Taxes</u>	<u>Total</u> <u>Delinquent</u>	<u>Percentage</u> <u>of Tax Levy</u>
2014	\$ 1,398.32	\$ 202,168.19	\$ 203,566.51	1.32%
2013	1,310.20	257,360.32	258,670.52	1.69%
2012	689.75	182,718.43	183,408.18	1.23%
2011	523.68	196,942.55	197,466.23	1.37%
2010	282.18	220,314.88	220,597.06	1.56%
2009	274.68	173,804.19	174,078.87	1.29%
2008	267.50	141,148.83	141,416.33	1.06%
2007	260.40	134,596.94	134,857.34	1.05%
2006	253.56	196,941.27	197,194.83	0.96%
2005	247.01	107,106.22	107,353.23	1.26%

BOROUGH OF BRADLEY BEACH
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year Ended</u> <u>December 31,</u>	<u>Aggregate</u> <u>Assessed</u> <u>Valuations</u> <u>of Real</u> <u>Property</u>	<u>Estimated</u> <u>Full Cash</u> <u>Valuations</u>	<u>Percentage of</u> <u>Net Assessed</u> <u>to Estimated</u> <u>Full Cash</u> <u>Valuations</u>
2014	\$ 1,112,381,900	\$ 1,072,588,854	103.71%
2013	1,121,780,200	1,116,643,639	100.46%
2012	1,133,446,516	1,128,256,536	100.46%
2011	1,138,122,273	1,139,261,535	99.90%
2010	1,130,522,544	1,163,687,642	97.15%
2009	1,126,294,100	1,177,639,168	95.64%
2008	1,123,044,400	1,165,709,363	96.34%
2007	1,118,334,200	1,137,906,186	98.28%
2006*	1,115,000,500	1,047,440,582	106.45%
2005	444,922,400	880,511,379	50.53%

Source: Table of Equalized Valuations, State of New Jersey, Division of Taxation.

* Revaluation Effective for 2006.

BOROUGH OF BRADLEY BEACH
SCHEDULE OF TEN LARGEST TAXPAYERS
FOR 2014
UNAUDITED

<u>Taxpayer</u>	<u>Assessed Value - 2014</u>	<u>As a Percent of Net Assessed Valuation Taxable</u>
Bradley Beach Village, LLC	\$ 6,800,000	0.60 %
Bardis, Spyros and Angela	3,725,700	0.33
Mariner 5 Associates, LLC	3,300,000	0.29
Simonsen, Richard and Francine	3,213,100	0.28
Rega Bradley Beach, LLC	2,800,000	0.25
G & D Properties, LLC	2,765,400	0.24
Sitt, Eddit & Anita	2,653,000	0.23
Ocean Beach Apartments, LLC	2,625,000	0.23
Terrace Lake Apartments, LLC	2,604,600	0.23
Point Properties 2003, LLC	<u>2,600,000</u>	<u>0.23</u>
	<u>\$ 33,086,800</u>	<u>2.91 %</u>

Source: Municipal Tax Collector.

BOROUGH OF BRADLEY BEACH
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014
UNAUDITED

Average Equalized Valuation Basis	\$ <u>1,099,705,205.00</u>
Borrowing Margin - 3½% of Average Equalized Valuation	\$ 38,489,682.18
Net Debt	<u>7,504,381.85</u>
Remaining Borrowing Power	<u>\$ 30,985,300.33</u>

<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
\$ <u>14,307,339.25</u>	\$ <u>6,802,957.40</u>	\$ 7,504,381.85

Overlapping Debt Apportioned to the Municipality: County of Monmouth (1)	<u>Net Debt</u>	<u>Overlapping Percentage</u>	<u>Net Debt</u>
	\$ 428,759,489.85	1.08562%	<u>4,654,700.18</u>
			<u>\$ 12,159,082.03</u>

Source: (1) County of Monmouth, Annual Debt Statement and Abstract of Ratables

BOROUGH OF BRADLEY BEACH
RATIO OF BONDED DEBT, BOND ANTICIPATION NOTES AND
LOANS TO EQUALIZED VALUE AND DEBT PER CAPITA
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year Ended</u> <u>December 31.</u>	<u>Borough</u> <u>Population (1)</u>	<u>Equalized</u> <u>Valuation (2)</u>	<u>Net</u> <u>Debt (3)</u>	<u>Ratio of</u> <u>Net Debt to</u> <u>Equalized</u> <u>Valuation</u>	<u>Net</u> <u>Debt Per</u> <u>Capita</u>
2014	4,298	\$ 1,072,588,854.00	\$ 7,504,381.85	0.70%	\$ 1,746.02
2013	4,298	1,116,643,639.26	5,357,560.03	0.48%	1,246.52
2012	4,298	1,128,256,535.93	7,129,565.05	0.63%	1,658.81
2011	4,298	1,138,837,237.00	6,543,517.33	0.57%	1,522.46
2010	4,298	1,163,201,544.00	6,784,785.73	0.58%	1,578.59
2009	4,793	1,177,639,168.00	7,204,710.85	0.61%	1,503.17
2008	4,793	1,165,709,363.00	7,844,934.10	0.67%	1,636.75
2007	4,793	1,137,906,186.00	8,020,186.12	0.70%	1,673.31
2006	4,793	1,047,440,582.00	8,339,749.77	0.80%	1,739.99
2005	4,793	880,511,379.00	5,369,932.28	0.61%	1,120.37
2004	4,793	707,344,523.00	5,427,933.80	0.77%	1,132.47

(1) Based on the US 2000/2010 Census.

(2) Per the State of New Jersey only Real Property included.

(3) Per Annual Debt Statement - Includes Self-Liquidating Net Debt.

BOROUGH OF BRADLEY BEACH
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR BONDED DEBT, BOND ANTICIPATION NOTES AND LOANS (1)
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt</u> <u>Service</u>	<u>Total</u> <u>Current Fund</u> <u>Governmental</u> <u>Fund Expenditures</u>	<u>Ratio of</u> <u>Debt Service to</u> <u>Current Fund</u> <u>Expenditures</u>
2014	\$ 939,739.32	\$ 263,900.72	\$ 1,203,640.04	\$ 8,788,892.67	13.70%
2013	825,196.58	292,166.72	1,117,363.30	8,308,900.24	13.45%
2012	816,630.60	297,293.42	1,113,924.02	8,971,235.79 (2)	12.42%
2011	734,606.10	307,262.84	1,041,868.94	7,664,236.06	13.59%
2010	733,177.19	343,058.06	1,076,235.25	7,700,150.43	13.98%
2009	658,853.00	361,103.55	1,019,956.55	7,758,277.54	13.15%
2008	533,570.77	375,636.44	909,207.21	7,449,061.24	12.21%
2007	495,413.48	347,064.59	842,478.07	6,959,476.92	12.11%
2006	418,758.19	241,438.48	660,196.67	6,547,165.70	10.08%
2005	366,066.27	258,614.77	624,681.04	6,296,988.76	9.92%

(1) Excludes Sewer and Beach Utilities Debt.

(2) 2012 Governmental Fund Expenditures Include \$1,250,000 Special Emergency for Hurricane Sandy

BOROUGH OF BRADLEY BEACH
CALCULATION OF "SELF-LIQUIDATING PURPOSE" PER N.J.S. 40A:2-45
SEWER UTILITY OPERATING FUND
UNAUDITED

Cash Receipts from Fees, Rents or Other Charges		\$ 2,078,933.11
Deductions:		
Operating and Maintenance Cost	\$ 1,571,541.01	
Debt Service	<u>216,545.06</u>	
Total Deductions		<u>1,788,086.07</u>
Excess in Revenue		<u>\$ 290,847.04</u>

Source: Annual Debt Statement

BOROUGH OF BRADLEY BEACH
CALCULATION OF "SELF-LIQUIDATING PURPOSE" PER N.J.S. 40A:2-45
BEACH UTILITY OPERATING FUND
UNAUDITED

Cash Receipts from Fees, Rents or Other Charges		\$ 1,975,556.15
Deductions:		
Operating and Maintenance Cost	\$ 1,582,664.45	
Debt Service	<u>129,036.18</u>	
Total Deductions		<u>1,711,700.63</u>
Excess in Revenue		<u>\$ 263,855.52</u>

Source: Annual Debt Statement

BOROUGH OF BRADLEY BEACH
DEMOGRAPHIC STATISTICS
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year Ended</u> <u>December 31,</u>	<u>Population</u>	<u>Unemployment</u> <u>Rate</u> (1)	<u>Per Capita</u> <u>Income</u> (1)
2014	4,298	5.2%	\$ 40,976
2013	4,298	6.1%	40,624
2012	4,298	8.5%	N/A
2011	4,298	8.6%	34,802
2010	4,298	8.3%	31,307
2009	4,793	8.5%	25,438
2008	4,793	7.0%	25,438
2007	4,793	5.8%	25,438
2006	4,793	6.3%	25,438
2005	4,793	6.5%	25,438

(1) Monmouth County Planning Board (Census).

BOROUGH OF BRADLEY BEACH
MISCELLANEOUS STATISTICS
DECEMBER 31, 2014
UNAUDITED

Date of Incorporation	March 1893
Form of Government	Small Municipality
Area	0.70 square miles
Employees:	
Administrative	7
Police	17
Public Works	10
Other - Part-time and Seasonal	<u>96</u>
Total Employees	<u>130</u>

Source: Borough Records.

COMMENTS AND RECOMMENDATIONS

**GENERAL COMMENTS
DECEMBER 31, 2014**

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

The Municipality appointed William Schmeling as their Qualified Purchasing Agent "QPA" during 2013 and renewed his appointment in 2014. Accordingly, the bid threshold was set at \$36,000.

The Governing Body of the Municipality has the responsibility of determining whether any contract or agreement might result in violation of the statute. When a question arises, the Borough Counsel's opinion should be sought before a commitment is made.

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.

Our examination of expenditures on a test basis did not reveal any individual payments, contracts or agreements in excess of \$36,000.00 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

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

Collection of Interest on Delinquent Taxes and Sewer Charges

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

The Borough adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and the Council of the Borough of Bradley Beach as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears after December 31st, an additional penalty of 6% shall be charged against the delinquency, all such payments to be calculated from the date the tax, assessment or charge was payable until the date of actual payment. This shall apply to all existing tax sale certificates held by the Borough of Bradley Beach.

Collection of Interest on Delinquent Taxes and Sewer Charges - (Continued)

2. As to Tax Sale Certificates, the Tax Collector is hereby authorized and directed to collect 2% when the taxes, interest and costs shall exceed the sum of \$200.00. When the taxes, interest and costs shall exceed the sum of \$5,000.00, such additional sum shall be equal to 4% of such amount paid; and when that sum exceeds \$10,000.00, such additional sum shall be equal to 6% of such amount paid. This shall apply to all existing tax sale certificates held by the Borough of Bradley Beach.

The Borough also adopted the following resolution authorizing interest to be charged on delinquent Sewer charges:

1. The Sewer Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of Sewer Utility charges becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears after December 31st, an additional penalty of 6% shall be charged against the delinquency, all such payments to be calculated from the date the tax, assessment or charge was payable until the date of actual payment. This shall apply to all existing tax sale certificates held by the Borough of Bradley Beach.
2. As to Tax Sale Certificates, the Tax Collector is hereby authorized and directed to collect 2% when the taxes, interest and costs shall exceed the sum of \$200.00. When the taxes, interest and costs shall exceed the sum of \$5,000.00, such additional sum shall be equal to 4% of such amount paid; and when that sum exceeds \$10,000.00, such additional sum shall be equal to 6% of such amount paid. This shall apply to all existing tax sale certificates held by the Borough of Bradley Beach.

Our examination of the Tax and Sewer Collector's records on a test basis, indicated interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The detail of all unpaid taxes for 2014 and prior years and tax title liens is being properly carried in the Tax Collector's records. An abstract taken from these records as of December 31, 2014, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report.

The last tax sale was held on July 10, 2014, and the sale was complete.

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

The number of tax title liens receivable on December 31st of the last three (3) years (2012-2014) was two (2) for each year.

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis. However, these liens are minimal and probably unknown property owners. All of the liens at December 31, 2014 have

Delinquent Taxes and Tax Title Liens – (Continued)

been in existence for greater than three years. Aggregate outstanding lien balances are not material.

Delinquent Sewer Rents

The detail of all unpaid Sewer rents for 2014 and Sewer liens is being properly carried in the Sewer Collector's records. An abstract taken from these records as of December 31, 2014, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report.

Beach Utility Revenue

The revenues for bathing badges for seasonal, half season, daily and other were verified to the cash receipts records. The unused badges retained for audit purposes were verified to the Borough's control detail and compared to total badges purchased for sale by the Borough and to the net revenues generated without exception.

Cash and Cash Equivalents

The cash balances in all funds were verified by independent certifications obtained from the depositories as at December 31, 2014. Supplemental bank reconciliations were reviewed as of February 28, 2015.

Cash counts were made at various dates in selected departments of the Borough.

The change funds and petty cash funds were counted.

Revenues

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were reconciled to the records maintained to the extent deemed necessary. Several deposits tested were not made within 48 hours of receipt. However, these deposits were isolated and were made within a reasonable period of time after receipt.

Expenditures

The vouchers for all funds were examined on a test basis to the extent deemed necessary to determine that they carried the properly executed certifications as required by statute. Our examination of expenditures revealed compliance with procedures and requirements have been adhered to, except as follows.

Finding:

Condition: Our examination of paid invoices revealed several instances where payments were made before purchase orders were processed and approved. Additionally, we noted an instance where an encumbrance was required but not made.

Cause: Confirming orders generally are made when the urgency of the need for the goods or services does not allow for the required purchasing procedures to be adhered to. All of the confirming orders our testing revealed were of this nature.

Criteria: Internal Control.

Client Response: Management is aware that confirming orders are not the norm. Every effort to minimize these type of orders is being made. Open purchase orders at year end will be reviewed to ensure that all purchases requiring an encumbrance at year end be so encumbered.

Recommendation: It is recommended that the Borough's purchasing procedures with respect to purchase orders and encumbrances be adhered to.

Payroll

An examination was made of the employees' compensation records for the year 2014 on a test basis to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance. No exceptions were noted in those items tested.

The Borough uses an outside vendor for processing of both net pay and withholdings. A (SOC 1) Report on Internal Control of Service Organizations was on file.

Our examination of the payroll did not cover verification of the validity and reasonableness of the allocation of salaries for individuals whose job encompasses activities that relate to more than one of the Borough's Operating Funds or Departments. The allocation of salaries for individuals whose duties encompass more than one fund or appropriation is done at the sole discretion of the management of the Borough. It is proper and legal to allocate salaries amongst funds as long as the duties of the individuals relate to the costs charged to the fund or function.

Miscellaneous Comments

The confirmation received from the Local School District Board of Education verified the current school taxes payable at December 31, 2014.

Construction Code Official

Based on our testing, the Borough is in compliance with the NJAC 5:23-4.17.

Regional Contribution Agreement

The Borough entered into an agreement with the Township of Wall to rehabilitate ninety-five (95) housing units over five (5) years. The agreement provided for \$1,900,000.00 to be contributed by the Township of Wall, all of which has been received. A separate audit report will be filed and be available for inspection at the Borough Municipal Building.

Library

The Borough provides, annually, budget appropriations for the library, which receives their appropriation from the Borough on a quarterly basis and has their own independent audit.

Trust Other Fund

The Trust Other Fund various reserves reflect a Miscellaneous Reserve that includes minor amounts of funds related to security deposits and other refundable items. All other reserves tested were properly authorized by Dedication by Rider pursuant to N.J.S.A. 40A:4-39.

Surety Bonds

The surety bonds covering the Tax Collector, Sewer and Beach Utility Revenue Collectors and Municipal Court employees were tested for adequacy of coverage and were determined to be sufficient. Continuation notices were also examined for each surety bond in effect during 2014 and for the blanket honesty coverage.

Federal and State Grants

There are several grants receivable and appropriated reserves that are in excess of two (2) years old that should be reviewed for utilization or refund to the grant source. This matter should be reviewed by the Business Administrator and the specific grant coordinators.

Bank Reconciliations

Finding:

Condition: Our examination of the Borough's bank reconciliations revealed that they are all manually prepared and that the preparer does not sign and date each reconciliation. There is also no evidence of supervisory approval on each bank reconciliation. Finally, we noted instances where bank reconciliations were not in proof by immaterial amounts.

Cause: The Borough has followed past practice in preparing and approving bank reconciliations.

Criteria: Internal Control.

Client Response: Management is aware that accurate, timely, reviewed bank reconciliations that agree with general ledger control totals are one of the key controls of the Borough. All bank reconciliations will be prepared according to the corrective action plan directive.

Recommendation: It is recommended that all bank reconciliations be prepared accurately and be initialed denoting completion and review.

Other Matters

It is suggested that the various matters referred throughout this report, which require definite action, be referred to the officials directly concerned.

A formal exit conference, in accordance with auditing standards generally accepted in the United States of America, has been held with appropriate Borough Officials and employees.

Follow-up on Prior Year's Recommendations

In accordance with Government Auditing Standards, our procedures included a review of all prior year's recommendations including findings. A corrective action plan was adopted for 2013 audit recommendations. The corrective actions were effective and there are no repeated audit recommendations.

Appreciation

We desire to express our appreciation for the cooperation received from the Borough Officials and employees and the courtesies extended to us during the course of the audit.

**RECOMMENDATIONS
DECEMBER 31, 2014**

It is recommended that:

2014-1. The Borough's purchasing procedures with respect to purchase orders and encumbrances be adhered to.

2014-2. That all bank reconciliations be prepared accurately and be initialed denoting completion and review.

The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.