

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE

BOROUGH OF BRADLEY BEACH

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

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Presented by

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

BOROUGH OF BRADLEY BEACH
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Page</u>
 <u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	1-7
Table of Organization	8
Roster of Officials	9
Consultants and Advisors	10
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report	11-12
 <u>Exhibit</u>	
<u>Number</u>	
 <u>GENERAL PURPOSE FINANCIAL STATEMENTS</u>	
A-1 Combined Statement of Assets, Liabilities, Reserves and Fund Balance - All Fund Types and Accounts - Regulatory Basis	13-14
A-2 Combined Statement of Revenues, Expenses and Changes in Fund Balance - Budget and Actual - Current, Beach Utility and Sewer Utility Operating Funds - Regulatory Basis	15-17
A-3 Statement of Fund Balance - Sewer Utility Capital Fund - Regulatory Basis	18
A-4 Statement of Fund Balance - General Capital Fund - Regulatory Basis	19
Notes to Financial Statements	20-52
 <u>COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS</u>	
Current Fund:	
B-1 Comparative Statement of Assets, Liabilities and Fund Balance - Regulatory Basis	53-54
B-2 Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	55-56
B-3 Statement of Revenues - Regulatory Basis	57-58
B-4 Statement of Expenditures - Regulatory Basis	59-64
B-5 Statement of Taxes Receivable and Analysis of Property Tax Levy	65-66

BOROUGH OF BRADLEY BEACH
TABLE OF CONTENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

<u>Exhibit</u>		<u>Page</u>
<u>Number</u>		
<u>FINANCIAL SECTION (CONTINUED)</u>		
<u>COMBINING AND INDIVIDUAL FUND AND ACCOUNT</u>		
<u>GROUP STATEMENTS (CONTINUED)</u>		
	Current Fund (Continued):	
B-6	Statement of Tax Title Liens Receivable	67
B-7	Statement of Deferred Charges	68
B-8	Statement of 2011 Appropriation Reserves	69-71
B-9	Statement of Local District School Tax Payable	72
B-10	Statement of Grants Receivable - Federal and State Grant Fund	73
B-11	Statement of Appropriated Reserves - Federal and State Grant Fund	74
B-12	Statement of Unappropriated Reserves - Federal and State Grant Fund	75
	Trust Funds:	
C-1	Comparative Statement of Assets, Liabilities and Reserves - Regulatory Basis	76-77
C-2	Analysis of Cash and Cash Equivalents - Trust Assessment Fund	78
C-3	Statement of Various Reserves - Trust Other Fund	79
C-4	Statement of Reserve for New Jersey Unemployment Compensation Insurance	80
C-5	Statement of Reserve for Animal Control Expenditures	81
C-6	Statement of Assessments Receivable	82
C-7	Statement of Reserve for Tourism	83
	General Capital Fund:	
D-1	Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	84-85
D-2	Analysis of Cash and Cash Equivalents	86-87
D-3	Statement of Intergovernmental Accounts Receivable	88
D-4	Statement of Deferred Charges to Future Taxation, Unfunded	89
D-5	Statement of Serial Bonds	90
D-6	Statement of Due to State of New Jersey - Green Trust Loan	91
D-7	Statement of Improvement Authorizations	92-93
D-8	Statement of Capital Improvement Fund	94
D-9	Statement of Bond Anticipation Notes	95
D-10	Statement of Bonds and Notes Authorized but not Issued	96

BOROUGH OF BRADLEY BEACH
TABLE OF CONTENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

		<u>Page</u>
<u>FINANCIAL SECTION (CONTINUED)</u>		
<u>Exhibit</u>		
<u>Number</u>		
 <u>COMBINING AND INDIVIDUAL FUND AND ACCOUNT</u> <u>GROUP STATEMENTS (CONTINUED)</u>		
	Utility Operating Funds - Combined Statements:	
E-1	Combined Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Beach Utility and Sewer Utility Operating Funds - Regulatory Basis	97
	Beach Utility Operating Fund:	
EB-1	Comparative Statement of Operations and Change in Operating Fund Balance - Regulatory Basis	98
EB-2	Statement of Revenues - Regulatory Basis	99
EB-3	Statement of Expenditures - Regulatory Basis	100
EB-4	Statement of 2011 Appropriation Reserves	101
EB-5	Statement of Accrued Interest on Bonds	102
	Sewer Utility Operating Fund:	
ES-1	Comparative Statement of Operations and Change in Operating Fund Balance - Regulatory Basis	103
ES-2	Statement of Revenues - Regulatory Basis	104
ES-3	Statement of Expenditures - Regulatory Basis	105
ES-4	Statement of Consumer Accounts Receivable	106
ES-5	Statement of 2011 Appropriation Reserves	107
ES-6	Statement of Accrued Interest on Bonds	108
	Utility Capital Funds - Combined Statements:	
F-1	Combined Comparative Statement of Assets, Liabilities and Reserves - Beach Utility and Sewer Utility Capital Funds - Regulatory Basis	109
	Beach Utility Capital Fund:	
FB-1	Analysis of Cash and Cash Equivalents	110
FB-2	Statement of Fixed Capital	111
FB-3	Statement of Fixed Capital Authorized and Uncompleted	112
FB-4	Statement of Serial Bonds	113
FB-5	Statement of Improvement Authorizations	114
FB-6	Statement of Capital Improvement Fund	115
FB-7	Statement of Bond Anticipation Notes	116
FB-8	Statement of Bonds and Notes Authorized but not Issued	117

BOROUGH OF BRADLEY BEACH
TABLE OF CONTENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Page

FINANCIAL SECTION (CONTINUED)

Exhibit
Number

COMBINING AND INDIVIDUAL FUND AND ACCOUNT
GROUP STATEMENTS (CONTINUED)

Sewer Utility Capital Fund:		
FS-1	Analysis of Cash and Cash Equivalents	118
FS-2	Statement of Fixed Capital	119
FS-3	Statement of Fixed Capital Authorized and Uncompleted	120
FS-4	Statement of Serial Bonds	121
FS-5	Statement of Improvement Authorizations	122
FS-6	Statement of Capital Improvement Fund	123
FS-7	Statement of Bonds and Notes Authorized but not Issued	124
General Fixed Assets:		
G-1	Comparative Statements of General Fixed Assets	125

STATISTICAL SECTION

Exhibit
Number

H-1	Current Fund Expenditures by Function	126
H-2	Sewer Utility Operating Fund Expenditures by Function	127
H-3	Beach Utility Operating Fund Expenditures by Function	128
H-4	Current Fund Revenues by Source	129
H-5	Property Tax Rates Per \$100 of Assessed Valuation	130
H-6	Municipal Property Tax Levies and Collections	131
H-7	Delinquent Taxes and Tax Title Liens	132
H-8	Assessed and Estimated Actual Value of Taxable Property	133
H-9	Schedule of Ten Largest Taxpayers	134
H-10	Computation of Legal Debt Margin	135
H-11	Ratio of Bonded Debt, Bond Anticipation Notes and Loans to Equalized Value and Debt Per Capita	136
H-12	Ratio of Annual Debt Service Expenditures for Bonded Debt, Bond Anticipation Notes and Loans	137
H-13	Calculation of "Self-Liquidating Purpose" Per N.J.S. 40A:2-45 Sewer Utility Operating Fund	138
H-14	Calculation of "Self-Liquidating Purpose" Per N.J.S. 40A:2-45 Beach Utility Operating Fund	139
H-15	Demographic Statistics	140
H-16	Miscellaneous Statistics	141

BOROUGH OF BRADLEY BEACH
TABLE OF CONTENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Page</u>
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	142-143
 <u>AUDITOR'S COMMENTS AND RECOMMENDATIONS</u>	
General Comments:	
Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4	144
Collection of Interest on Delinquent Taxes, Sewer Charges and Assessments	145-146
Delinquent Taxes and Tax Title Liens	146
Delinquent Sewer Rents	146
Beach Utility Revenue	146-147
Cash and Cash Equivalents	147
Revenues	147
Expenditures	147
Payroll	148
Other Comments:	
Miscellaneous Comments	149-150
Improvement Authorizations	150
Other Matters	150
Summary Status of Prior Year's Recommendations	150
Appreciation	150
Recommendations	151

INTRODUCTORY SECTION

April 1, 2013

The Comprehensive Annual Financial Report for the Borough of Bradley Beach, County of Monmouth, State of New Jersey for the year ended December 31, 2012 is submitted herewith and includes financial statements and supplemental schedules. 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 groups; 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 Auditor's Comments and Recommendations. The Introductory Section includes this transmittal letter, the Borough's organizational chart and a roster of officials. The Financial Section includes the annual financial statements and individual fund financial schedules, as well as the independent auditors' report. The Statistical Section includes select financial, economic and demographic information, generally presented on a multi-year basis. 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 David A. Kaplan, CPA, RMA of DAK CPA, Certified Public Accountants, whose opinion is expressed in the Financial Section. Please note that the independent auditors' report is unqualified and 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.

PRESENT AND FUTURE CHALLENGES

In 2012, our Current Fund, which encompasses the general government functions of the Borough, had revenues exclusive of surplus utilized of \$8,584,828.18, expenditures of \$8,303,077.53 and an increase of \$281,750.65 in fund balance at year-end. The Current Fund revenues increased approximately \$600,114.13 or 7.13% from 2011 levels. Below is a comparison of the Current Fund revenues.

	<u>2012</u>	<u>2011</u>	<u>Increase/ (Decrease)</u>	<u>%</u>
Local Sources:				
Surplus Utilized	\$ 421,312.00	\$ 465,000.00	\$ (43,688.00)	(9.40)
Taxes (1)	6,556,648.27	6,218,381.96	338,266.31	5.44%
Delinquent Taxes	194,965.92	207,038.76	(12,072.84)	(5.83)
Miscellaneous	974,922.56	901,609.87	73,312.69	8.13
Non-budget Revenues and Other Items	<u>436,979.43</u>	<u>219,360.40</u>	<u>217,619.03</u>	<u>99.21</u>
Total Revenues from Local Sources	\$ 8,584,828.18	\$ 8,011,390.99	\$ 573,437.19	7.16
State Aid	355,290.00	355,290.00		
State and Federal Grants	<u>75,920.62</u>	<u>49,243.68</u>	<u>26,676.94</u>	<u>54.17</u>
Total Current Fund Revenues	<u>\$ 9,016,038.80</u>	<u>\$ 8,415,924.67</u>	<u>\$ 600,114.13</u>	<u>7.13</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 2012 from 2011 was approximately 18.84% as follows. The 2012 \$1,250,000 Special Emergency for Recovery from Hurricane Sandy accounts for the majority of this increase.

	2012	2011	Increase/ (Decrease)	%
General Government	\$ 820,667.13	\$ 609,865.64	\$ 210,801.49	34.57
Land Use	20,792.00	19,050.00	1,742.00	9.14
Code Enforcement	89,045.62	87,678.00	1,367.62	1.56
Insurance	1,112,853.14	967,182.00	145,671.14	15.06
Public Safety	2,361,289.38	2,335,279.51	26,009.87	1.11
Public Works	2,012,070.34	962,089.00	1,049,981.34	109.14
Health and Human Services	24,760.00	24,292.00	468.00	1.93
Parks and Recreation	131,400.00	119,780.00	11,620.00	9.70
Library	379,753.32	387,890.88	(8,137.56)	(2.10)
Utility Expenses and Bulk Purchases	337,100.00	338,130.00	(1,030.00)	(0.30)
Contingent	3,700.00	3,700.00		
Deferred Charges and				
Statutory Expenditures	679,163.52	707,312.70	(28,149.18)	(3.98)
State and Federal Grants	88,180.72	55,503.68	32,677.04	58.87
Capital Improvements	73,065.76	92,500.00	(19,434.24)	(21.01)
Debt Service	1,113,993.81	1,042,034.98	71,958.83	6.91
Reserve for Uncollected Taxes	305,242.79	286,003.15	19,239.64	6.73
	<u>\$ 9,553,077.53</u>	<u>\$ 8,038,291.54</u>	<u>\$ 1,514,785.99</u>	<u>18.84%</u>

Our Sewer Utility Operating Fund generated revenues exclusive of Fund Balance appropriated of \$1,854,722.52 and incurred expenses of \$1,894,821.52 resulting in a net decrease of \$40,099.00 in fund balance. This compares to a decrease in fund balance in 2011 of \$23,950.64.

Our Beach Utility Operating Fund generated revenues exclusive of Fund Balance appropriated of \$1,646,689.38 and incurred expenses of \$1,590,844.28 resulting in a net increase of \$55,845.10 in fund balance. The increase in expenses from 2011 to 2012 was 3.08%.

The remainder of this transmittal letter will provide greater details relating to our progress during 2012 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.

In accordance with generally accepted accounting principles, as prescribed by the Governmental Accounting Standards Board, 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 2012, idle funds were invested in certificates of deposit as well as 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 an adequate internal control structure.

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 bud get 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 2009 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 and Chief Financial Officer monitor 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.

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 0.624% of its averaged equalized value.

The Borough appropriates funds annually to meet its bonded indebtedness.

PRESENT AND FUTURE CHALLENGES

During the 2012 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 2012 INITIATIVES

The arrival of Hurricane Sandy at the end of October, 2012, had and continues to have an enormous effect on the Borough. While our concrete paver boardwalk, for the most part, remained intact, our concession stands, beach badge booths, beachfront restrooms, entrance stairways, benches, etc. sustained damage. In addition, the Borough has lost a significant amount of beach sand.

The Borough has been working diligently to restore or replace those damages or destroyed items and expects to be ready to open on a timely basis for our 2013 beach season.

The Evergreen Avenue Sewer Pump Station sustained significant damage as a result of the Hurricane. The Borough is in the process of restoring, replacing and upgrading the facility to mitigate future damages.

The Borough's Office of Emergency Management has worked diligently to submit information timely to FEMA for recovery of a portion of allowed expenses from Hurricane Sandy.

In 2012, the Borough of Bradley Beach continued to improve the Sewer Infrastructure which is an ongoing program. Specifically, the Borough continues to review potential Inflow and Infiltration issues. An engineering report will be available in 2013.

Municipal spending continues to be tightened in every department.

The Borough has undertaken various initiatives to improve municipal facilities. The Borough maintains solar panel arrays on several municipal buildings to reduce energy costs and energy increase compliance with sustainable energy programs. The Department of Public Works has completed its renovations allowing for a more efficient operation.

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 began participation in a three year pilot project to provide jitney service for regional visitors traveling between train station and beachfront destinations.

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.

The Borough continues to maintain agreements with the Monmouth County Improvement Authority ("MCIA") to lease equipment for the Borough at a low interest rate. Financing will once again be available in 2013.

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.

Contract negotiations with collective bargaining units include provisions for employee participation in health care costs, and reflect State mandates regarding 2% levy increases.

PROSPECTS FOR THE FUTURE

1. We engage in Interlocal Service Agreements with other towns to cut costs and are exploring additional interlocal services to include court facilities, purchasing and public works functions.
2. The Borough has undertaken steps to revise its Joint Insurance Fund provider. Proposed changes will include expanded procedures for risk management and loss control.
3. 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.
4. The Borough continues to invest in modest upgrades to various municipal facilities to support daily and seasonal operations. Work is in process to enhance the floor plan of Borough offices for more efficient operation and for more user-friendly departmental access for residents.
5. Work is underway to address accessibility concerns at the Borough library.

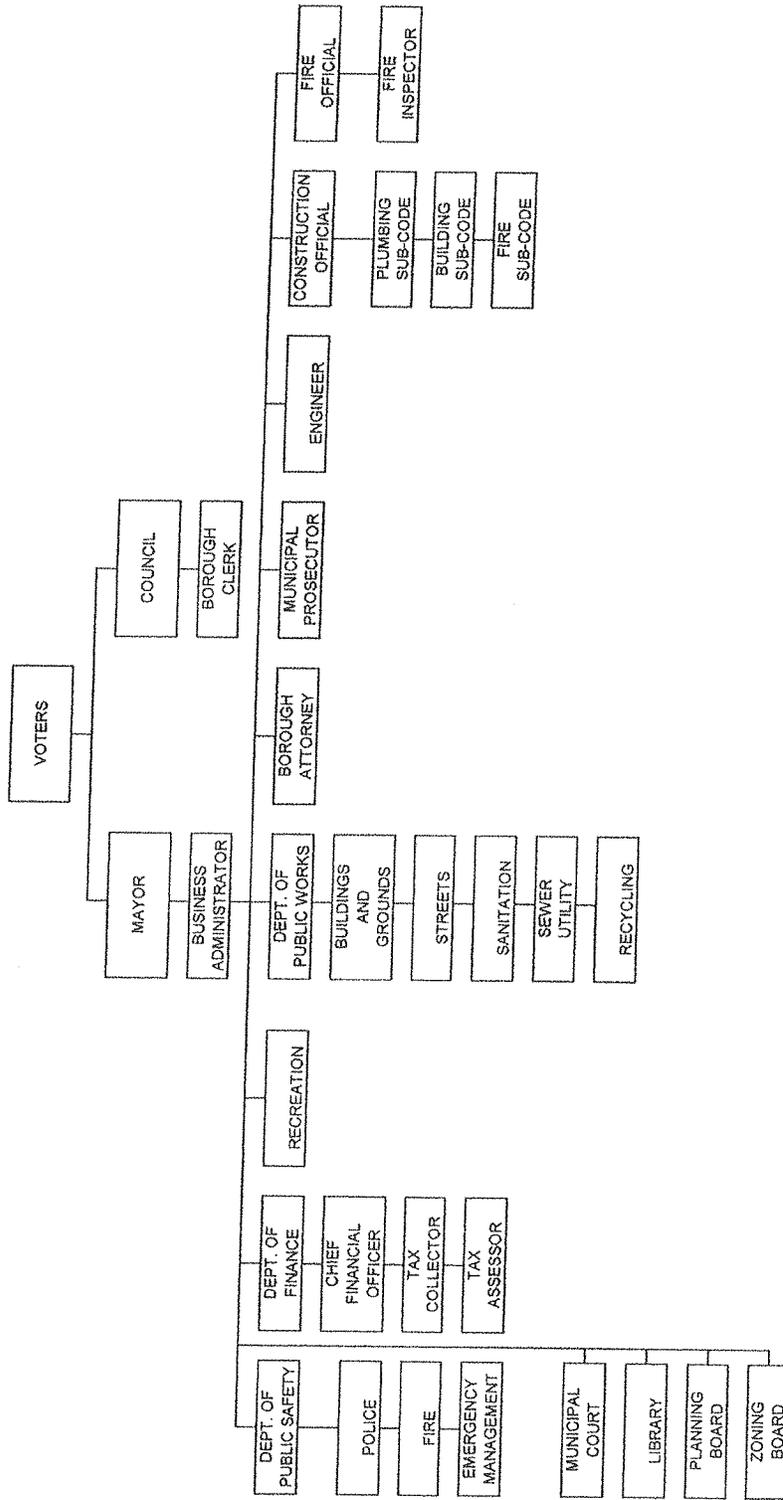
ACKNOWLEDGMENTS

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 DAK CPA 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, 2012

Governing Body

Julie Schreck, Mayor

Salvatore A. Galassetti, Council President

Harold Cotler, Councilman

Gary Engelstad, Councilman

Patrick D' Angelo, Councilman

Other Officials

Gail O'Reilly, Business Administrator (Through December 31, 2012)

Mary Ann Solinski, Borough Clerk, Registrar of Vital Statistics and Assessment Search Officer

Joyce M. Wilkins, Chief Financial Officer, Tax Collector, Sewer Collector and Tax Search Officer

Gail O. Krzyzyczuk, 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

George D. McGill, Esq. Borough Attorney

Michele A. Whille, Assistant Deputy Tax Collector, Assistant Deputy Sewer Collector, Deputy Registrar of Vital Statistics, Administrative Assistant

BOROUGH OF BRADLEY BEACH

CONSULTANTS AND ADVISORS

DECEMBER 31, 2012

AUDIT FIRM

David A. Kaplan, CPA, RMA

DAK CPA

ATTORNEY

George D. McGill, Esq.

Pringle Quinn Anzano, PC

BOND COUNSEL

Wilentz, Goldman & Spitzer, PA

OFFICIAL DEPOSITORIES

PNC Bank

Kearny Federal Savings

FINANCIAL SECTION

GENERAL PURPOSE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements-regulatory basis of the various funds and account groups and the related notes to the financial statements of the Borough of Bradley Beach (the "Borough") as of and for the year ended December 31, 2012 as listed in 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 financial reporting provisions of the Division of Local Government Services (the "DLGS"). Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements as prescribed by the DLGS. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

As described in Note 1, the financial statements are prepared by the Borough on the basis of financial reporting provisions of the DLGS, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the DLGS. The effect on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion of the U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph 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, 2012, the changes in the financial position, or, where applicable, its cash flows for the year then ended.

Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the various funds and account groups of the Borough as of December 31, 2012, and the results of its operations and changes in fund balance of the individual funds for the year then ended and the statements of revenues and the statements of expenditures for the year ended December 31, 2012, on the basis of financial reporting provisions of the DLGS, as described in Note 1.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 7 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

Our audit was conducted for the purpose of forming an opinion on the financial statements-regulatory basis of the Borough taken as a whole. The accompanying financial information listed as supplementary schedules and comments sections in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements-regulatory basis. The accompanying financial information listed as supplementary schedules and comments sections in the table of contents are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements-regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the financial statements-regulatory basis, including comparing and reconciling such information directly to the underlying accounting records and other records used to prepare the financial statements-regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and comments section are fairly stated in all material respects in relation to the financial statements-regulatory basis as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2013, on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.



David A. Kaplan, CPA

Registered Municipal Accountant #433

DAK CPA

Long Branch, New Jersey
April 1, 2013

DAK CPA, Certified Public Accountants

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
DECEMBER 31, 2012
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2011)

	Governmental Funds			Trust Funds	Utilities		General Fixed Assets Account	Totals	
	Current	General Capital			Operating	Capital		2012	2011
ASSETS AND OTHER DEBITS									
Cash and Cash Equivalents	\$ 3,108,442.60	\$ 541,763.43	\$ 491,323.61	\$ 972,322.32	\$ 600,547.03		\$ 5,714,388.99	\$ 4,747,060.06	
Intergovernmental Accounts Receivable		327,047.00					327,047.00	660,797.00	
Receivables and Other Assets:									
Delinquent Property Taxes	182,718.43						182,718.43	196,942.55	
Consumer Accounts Receivable				81,674.35			81,674.35	75,914.84	
Liens Receivable	689.75						689.75	523.68	
Other Accounts Receivable	18,631.06		50.00				18,681.06	20,681.58	
Interfunds Receivable	909.31	21.22	594.46	13,998.63	23,941.91		39,465.53	1,776.48	
Obligations Under Capital Lease - Unfunded									
Deferred Charges	1,302,528.17	588,600.00					588,600.00	767,000.00	
Assessments Receivable		6,230,899.03					7,533,427.20	6,801,417.80	
Fixed Capital									
Fixed Assets					8,419,063.42		8,419,063.42	7,527,309.96	
Federal and State Grant Fund:							16,108,556.00	15,506,040.00	
Federal and State Grants Receivable	14,683.83								
Deferred Charges							14,683.83	21,696.61	
Interfund Receivable	63,185.57						63,185.57	360.00	
Total Assets and Other Debits	\$ 4,691,788.72	\$ 7,688,330.68	\$ 491,968.07	\$ 1,067,995.30	\$ 9,043,552.36		\$ 39,092,191.13	\$ 36,386,933.58	

See Notes to Financial Statements.

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
DECEMBER 31, 2012
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2011)

	Governmental Funds				Trust Funds	Utilities	General Fixed Assets Account	Totals	
	Current	General Capital	Operating	Capital				2012	2011
LIABILITIES, RESERVES AND FUND BALANCE									
Liabilities and Reserves:									
Appropriation Reserves:	\$ 551,771.95	\$	\$ 223,788.73	\$			\$	\$ 805,560.68	\$ 530,995.85
Other Liabilities and Reserves	1,639,813.01	206,005.17	296,262.51	151,546.60	491,058.78			2,784,686.05	2,074,235.47
Improve ment Authorizations		1,043,701.48		1,529,071.14				2,572,772.62	2,745,327.65
Reserve for Amortization				4,115,290.60				4,115,290.60	3,748,551.14
Deferred Reserve for Amortization				2,035,764.39				2,035,764.39	1,912,281.82
Interfunds Payable	63,801.25		23,941.41	13,998.63	909.31			102,650.60	61,189.50
Serial Bonds		4,745,119.00		1,015,881.00				5,761,000.00	6,635,000.00
Bond Anticipation Notes		845,488.00		182,000.00				1,027,488.00	709,000.00
Special Emergency Notes	1,302,528.17							1,302,528.17	70,038.17
Loans Payable		258,792.03						258,792.03	277,696.63
Capital Lease Obligations Payable		588,600.00						588,600.00	767,000.00
Reserve for Receivables and Other Assets	201,698.55		81,674.35					283,372.90	294,539.13
Federal and State Grant Fund:									
Reserve for Encumbrances									
Unappropriated/Appropriated Reserves	77,869.40								3,000.00
Total Liabilities and Reserves	3,867,482.33	7,687,705.68	625,667.00	9,043,552.36	491,968.07			21,716,375.44	19,907,334.99
Equity and Other Credits:									
Investment in General Fixed Assets	824,306.39	625.00	442,328.30				16,108,566.00	16,108,566.00	15,506,040.00
Fund Balance	824,306.39	625.00	442,328.30				1,267,259.69	1,267,259.69	973,558.59
Total Equity and Other Credits							16,108,566.00	17,375,815.69	16,479,598.59
Total Liabilities, Reserves and Fund Balance	\$ 4,691,788.72	\$ 7,688,330.68	\$ 1,067,995.30	\$ 9,043,552.36	\$ 491,968.07		\$ 16,108,566.00	\$ 39,092,191.13	\$ 36,386,933.58

See Notes to Financial Statements.

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Current Fund			Utility Operating Funds (1)		
	Final Budget	Actual	Variance Favorable/ (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:						
Fund Balance Anticipated	\$ 421,312.00	\$ 421,312.00	\$	\$ 345,003.52	\$ 345,003.52	\$
Rents	786,357.15	974,922.56	188,565.41	1,760,000.00	1,742,955.77	(17,044.23)
Miscellaneous Revenues	355,290.00	355,290.00		1,380,662.28	1,574,196.23	193,533.95
State Aid	75,920.61	75,920.61				
Federal and State Grants						
	1,638,879.76	1,827,445.17	188,565.41	3,485,665.80	3,662,155.52	176,489.72
Receipts from Delinquent Taxes	180,000.00	194,965.92	14,965.92			
Amount to be Raised by Taxes for Support of Municipal Budget:						
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	6,484,197.77	6,556,648.27	72,450.50			
Budget Totals	8,303,077.53	8,579,059.36	275,981.83	3,485,665.80	3,662,155.52	176,489.72
Non-budget Revenues						
Other Credits to Income		97,183.41	97,183.41		2,661.50	2,661.50
Taxes Allocated to School and County		329,876.18	329,876.18		181,598.40	181,598.40
		8,461,715.22	8,461,715.22			
Total Revenues	\$ 8,303,077.53	\$ 17,467,834.17	\$ 9,164,756.64	\$ 3,485,665.80	\$ 3,846,415.42	\$ 360,749.62

See Notes to Financial Statements.

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Current Fund			Utility Operating Funds (1)		
	Final Budget	Actual	Variance Favorable/ (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures:						
Current:						
Within "CAPS":						
General Government	\$ 804,840.13	\$ 804,840.13	\$	\$	\$	\$
Land Use	20,792.00	20,792.00				
Code Enforcement	89,045.62	89,045.62				
Insurance	1,067,031.14	1,067,031.14				
Public Safety	2,361,289.38	2,361,289.38				
Public Works	2,012,070.34	2,012,070.34				
Health and Human Services	24,760.00	24,760.00				
Parks and Recreation	131,400.00	131,400.00				
Utility Expenses and Bulk Purchases	337,100.00	337,100.00				
Contingent	3,700.00	3,700.00				
Deferred Charges and Statutory Expenditures	661,653.52	661,653.52				
Excluded from "CAPS":						
General Government	15,827.00	15,827.00				
Insurance	45,822.00	45,822.00				
Library	379,753.32	379,753.32				
State and Federal Grants	88,180.72	88,180.72				
Utility Operating:						
Capital Improvements	73,065.76	73,065.76		2,836,059.44	2,836,059.44	
Debt Service	1,113,993.81	1,113,993.81		161,000.00	161,000.00	
Deferred Charges and Statutory Expenditures	17,510.00	17,510.00		332,976.00	332,976.00	
Reserve for Uncollected Taxes	305,242.79	305,242.79		155,630.36	155,630.36	
Total Budget Expenditures	\$ 9,553,077.53	\$ 9,553,077.53	\$	\$ 3,485,665.80	\$ 3,485,665.80	\$

See Notes to Financial Statements.

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Current Fund		Variance Favorable/ (Unfavorable)	Utility Operating Funds (1)		
	Final Budget	Actual		Final Budget	Actual	Variance Favorable/ (Unfavorable)
County and School Taxes	\$	\$ 8,461,715.22	\$ (8,461,715.22)	\$	\$	\$
Total Expenditures	9,553,077.53	18,014,792.75	(8,461,715.22)	3,485,665.80	3,485,665.80	
Excess/(Deficit) in Revenues over Expenditures	\$ (1,250,000.00)	\$ (546,958.58)	\$ 703,041.42	\$	\$ 360,749.62	\$ 360,749.62
Adjustment to Income Before Fund Balance: Expenditures Included Above Which are by Statute Deferred Charges to Budgets of Succeeding Years		1,250,000.00	(1,250,000.00)			
Excess in Revenues over Expenditures/ Statutory Excess to Fund Balance	(1,250,000.00)	703,041.42	(546,958.58)		360,749.62	360,749.62
Fund Balance, January 1, 2012		542,576.96		426,582.20	426,582.20	
Decreased By: Utilization as Anticipated Revenue	(1,250,000.00)	1,245,618.38	(546,958.58)	426,582.20	787,331.82	360,749.62
Fund Balance, December 31, 2012	421,312.00	421,312.00			345,003.52	345,003.52
	\$ (1,671,312.00)	\$ 824,306.38	\$ (546,958.58)	\$ 426,582.20	\$ 442,328.30	\$ 15,746.10

(1) Beach and Sewer Utility Operating.

See Notes to Financial Statements.

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

Exhibit A-3

<u>BALANCE, DECEMBER 31, 2011</u>	\$ 2,262.67
<u>DECREASED BY</u>	
Anticipated as Beach Utility Operating Fund Revenue	\$ <u>2,262.67</u>

See Notes to Financial Statements.

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

INCREASED BY

Premium on Sale of Notes

\$ 650.00

BALANCE, DECEMBER 31, 2012

\$ 650.00

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Reporting Entity - The Borough of Bradley Beach (the "Borough") is located in Monmouth County, along the New Jersey coastline, approximately 60 miles south of the City of New York. The population, according to the 2010 census, is 4,298. The Borough operates under the small mayor-council form of government. The Mayor is a voting member of the Governing Body.
- B. Description of Funds - The Governmental Accounting Standards Board (GASB) is the recognized standard setting body for establishing governmental accounting and financial reporting principles. The GASB establishes fund types to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The accounting policies of the Borough conform to the accounting principles applicable to municipalities that have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 regulatory method of accounting, the Borough accounts for its financial transactions through the following separate funds that differ from the fund structure required by accounting principles generally accepted in the United States of America.

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Fund - The receipt, disbursement and custodianship of monies in accordance with the purpose for which each reserve was created are maintained in Trust Funds. These include the Animal Control Trust Fund and Trust Other Fund.

General Capital Fund - The receipt and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as related long-term debt accounts.

Utilities Funds - Sewer and Beach Utilities are treated as separate entities. Each maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Public Assistance Trust Fund - Receipts and disbursements of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes are maintained in the Public Assistance Trust Fund.

Payroll Trust Fund - Net salaries, certain payroll deductions and social security contributions of municipal and utility operations are deposited into bank accounts of the Payroll Fund. Other deductions are retained by the operating funds and paid directly there from. A Payroll Fund does not exist under GAAP.

General Fixed Assets - These accounts reflect estimated valuations of land, buildings and certain moveable fixed assets of the Borough as discussed under the caption of "Basis of Accounting".

- C. Basis of Accounting - The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from accounting principles generally accepted in the United States of America. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as:

Property Taxes and Other Revenue - Property Taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

Expenditures - Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts that may have been canceled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves".

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures (Continued)

Grant appropriations are charged upon budget adoption to create spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget Appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Reserve for Encumbrances - As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

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

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Property Acquired for Taxes - Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the general fixed assets account at market value on the date of acquisition.

Interfund Accounts Receivable - Interfund Accounts Receivable in the Current Fund are generally recorded with offsetting reserves that are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfund Accounts Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfund Accounts Receivable of one fund are offset with Interfund Accounts Payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies - Materials and supplies purchased by all funds are recorded as expenditures. An annual inventory of materials and supplies for the Sewer and Beach utilities is required, by regulation, to be prepared by Borough personnel for inclusion on the Sewer and Beach Utility Operating Fund balance sheets. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

Fixed Assets

General - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Borough has developed a fixed asset accounting and reporting system. GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

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

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Assets (Continued)

General (Continued)

Acquisition of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Borough.

Utilities - Capital acquisitions, including utility infrastructure costs of the Sewer and Beach Utilities, are recorded at cost upon purchase or project completion in the Fixed Capital account of the utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include moveable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Fixed Asset Group of Accounts. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Fixed Capital Accounts reflected herein are recorded in the records of the municipality and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only. Detailed records are not maintained.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Total Columns on Combined Statements - Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

D. Basic Financial Statements - The GASB Codification also defines the financial statements of a governmental unit to be presented in the general-purpose 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.

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

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

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities that mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities that mature within two years provided, however, the arbitrage maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

A. Cash and Cash Equivalents (Continued)

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey ("GUDPA"), public depositories are required 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 \$25,000,000.00.

B. Investments

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS and the New Jersey Arbitrage Rebate Management Program.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

- New Jersey State Cash Management Fund.

- Repurchase agreements of fully collateralized securities, subject to special conditions.

In addition, a variety of State laws permit local governments to invest in a wide range of obligations issued by State governments and its agencies.

C. Risk Category

As of December 31, 2012, the Borough had funds on deposit in checking, statement savings accounts and a Certificate of Deposit. The amount of the Borough's Cash and Cash Equivalents as of December 31, 2012 was \$5,714,398.99. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 as amended by GASB Statement No. 40. There were no securities categorized as investments as defined by GASB Statements No. 3 and 40.

The deposits of the Borough are covered by the FDIC up to \$250,000 per account and where applicable by GUDPA.

The Borough places no limit on the amount they may invest in any on issuer.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 3. TAXES AND TAX TITLE LIENS RECEIVABLE

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Borough, County, Special Improvement District and Schools purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the Board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and is calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000.00 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes became in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

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

Comparative Schedule of Tax Rates

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax Rate	<u>\$ 1.318</u>	<u>\$ 1.269</u>	<u>\$ 1.249</u>	<u>\$ 1.195</u>	<u>\$ 1.183</u>
Apportionment of Tax Rates:					
Municipal	0.573	0.541	0.531	0.497	0.470
County Open Space	0.015	0.016	0.016	0.016	0.015
County Regular	0.260	0.259	0.253	0.238	0.230
County Health	0.005	0.005	0.005	0.005	0.004
Local School	0.465	0.448	0.444	0.439	0.464

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 3. TAXES AND TAX TITLE LIENS RECEIVABLE (CONTINUED)

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2012	\$ 1,133,446,516.00
2011	1,138,122,273.00
2010	1,130,522,544.00
2009	1,126,734,335.00
2008	1,123,415,854.00

* Revaluation

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2012	\$ 14,895,965.81	\$ 14,713,120.70	98.77%
2011	14,374,032.60	14,220,379.01	98.93%
2010	14,120,227.42	13,964,893.94	98.90%
2009	13,464,479.97	13,282,316.24	98.65%
2008	13,318,243.93	13,172,421.06	98.91%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>
2012	\$ 689.75	\$ 182,718.43	\$ 183,408.18
2011	523.68	196,942.55	197,466.23
2010	282.18	220,314.88	220,597.06
2009	274.68	173,804.19	174,078.87
2008	267.50	141,148.83	141,416.33

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 4. UTILITY RECEIVABLES AND COLLECTIONS

The Borough operates a Sewer Utility and a Beach Utility.

Comparison of Sewer Utility Levies and Collections

The Borough's Sewer Utility customers are billed based on usage quarterly on a cycle basis.

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2012	\$ 1,804,206.73	\$ 1,742,955.77
2011	1,659,771.11	1,656,673.35
2010	1,601,433.94	1,584,559.12
2009	1,513,644.99	1,505,870.15
2008	1,439,976.00	1,456,618.88

* Cash collections include amounts that were levied in prior years.

Any unpaid levies are subject to the same provision as unpaid taxes under the provision of the New Jersey Statutes.

The Borough last increased their sewer user rates in 2012.

Comparison of Beach Utility Collections

The Borough's Beach Utility customers pay for daily and seasonal badges.

<u>Year</u>	<u>Cash Collections</u>
2012	\$ 1,373,817.00
2011	1,303,485.50
2010	1,312,321.00
2009	1,162,187.10
2008	992,805.00

The Borough last increased their beach badge rates in 2009.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 5. FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of each year and the amounts utilized in the subsequent year's budget.

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Transferred to Current Fund as Revenue in Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>				
2012	\$ 824,327.61	\$ 413,500.00 *	\$ N/A	50.16%
2011	542,576.96	421,312.00	N/A	77.65%
2010	634,193.83	465,000.00	N/A	73.32%
2009	555,250.55	400,000.00	N/A	72.04%
2008	789,395.65	636,000.00	N/A	80.57%
<u>Sewer Utility Operating Fund</u>				
2012	\$ 135,767.31	\$ 82,801.00 *	\$ N/A	60.99%
2011	175,866.31	134,821.52	N/A	76.66%
2010	199,816.95	159,685.00	N/A	79.92%
2009	200,155.60	152,303.00	N/A	76.09%
2008	276,058.82	117,894.00	N/A	42.71%
<u>Beach Utility Operating Fund</u>				
2012	\$ 306,560.99	\$ 260,610.27 *	\$ N/A	85.01%
2011	250,715.89	210,000.00	N/A	83.76%
2010	283,349.96	243,176.00	N/A	85.82%
2009	198,711.64	163,445.00	N/A	82.25%
2008	174,824.88	160,646.00	None	91.89%

* As per the introduced 2013 budget.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 6. PENSION PLANS

Description of Systems

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Pension Fund (PFRS). In addition, the Borough contributes to the Consolidated Police and Firemen's Pension Fund. These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System are considered cost sharing multiple-employer plans.

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after eight to ten years of service and twenty-five years for health care coverage. Members are eligible for retirement at age sixty with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age sixty with twenty-five or more years of credited service. Anyone who retires early and is under age fifty-five receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age fifty-five).

Police and Firemen's Retirement System

The Police and Firemen's Retirement System (PFRS) was established July 1, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 6. PENSION PLANS (CONTINUED)

Consolidated Police and Firemen's Pension Fund

The Consolidated Police and Firemen's Retirement System (CPFERS) is a closed system with no active members and was established in January 1952 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944.

Contributions Required to be Made

Employee contributions for 2012 were 6.5% of the employee's base wages for PERS through October 1 and 6.64% thereafter and ten (10%) percent for PFRS. Employer's contributions are actuarially determined annually by the Division of Pensions. The Borough's contributions to the plans for the past three (3) years were all made timely and are as follows:

PERS				
Borough				
Year	Liability		Net Cost	Employees
	Normal	Accrued		
2012	\$ 49,454.00	\$ 98,908.00	\$ 148,362.00	\$ 93,636.15
2011	50,130.00	79,879.00	130,009.00	76,847.55
2010	50,599.00	65,014.00	115,613.00	78,615.96

PFRS				
Borough				
Year	Liability		Net Cost	Employees
	Normal	Accrued		
2012	\$ 183,060.00	\$ 206,020.00	\$ 389,080.00	\$ 177,965.70
2011	242,573.00	194,505.00	437,078.00	151,446.28
2010	183,002.00	130,376.00	313,378.00	139,472.33

* Legislation was enacted that changed the actuarial assumptions and valuation method of the System and, as a result, credits were applied to the Borough's liability.

Post-Employment Retirement Benefits

The Public Employees Retirement System and Police and Firemen's Retirement System provide certain post-employment retirement benefits.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 7. OTHER POST EMPLOYMENT RETIREMENT BENEFITS

In addition to the pension benefits described in Note 6, the Borough provides post retirement healthcare benefits for employees who retire with 25 years or more of service and their dependents. Benefits consist of full medical coverage as if the individuals were still employed, until they become eligible for Medicare, at which time Medicare becomes the primary insurer and the Borough plan becomes the secondary insurer.

Plan Description – New Jersey State Health Benefits Program ("NJSHBP")

The NJSHBP as of July 1, 2011, the last valuation date, had active "local employees" statewide of 44,380 and 29,467 retired members. The Borough had 40 active and 26 retired employees for a total of 66.

The Borough contributes to the NJSHBP, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. NJSHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. NJSHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. In accordance with GASB Statement No's. 43 and 45, the NJSHBP has been determined to be a cost-sharing multiple-employer plan. GASB Statement No. 45 does not require the accrual of reserves to fund the ultimate payment of the retirees health benefit obligation that is being earned.

The NJSHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the NJSHBP. In the early 1980's, the Borough authorized participation in the NJSHBP's post-retirement benefit program through resolution.

The New Jersey State Health Benefits ("NJSHB") Commission is the executive body established by statute to be responsible for the operation of the NJSHBP. 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 NJSHBP and an annual actuarial valuation report. Those reports may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-july2011.pdf.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 7. OTHER POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The NJSHB Commission sets the employer contribution rate based on the annual required contribution (ARC) of the employers as established in an annual rate recommendation report.

Contributions to pay for the health premiums of participating retirees in the NJSHBP are billed to the Borough on a monthly basis. The number of employees covered and approximate cost for the past three years were as follows:

<u>Fiscal Year</u>	<u>Number of Employees</u>	<u>Employer's Cost</u>
2012	26	\$ 397,640.22
2011	26	330,055.63
2010	26	304,033.43

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 8. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or refunded by the issuance of bonds.

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2010</u>
Issued:			
General:			
Bonds and Loans	\$ 5,003,911.03	\$ 5,630,829.63	\$ 6,250,235.73
Bond Anticipation Notes	845,488.00	527,000.00	328,000.00
Sewer Utility:			
Bonds	569,881.00	758,867.00	944,993.00
Beach Utility:			
Bonds	446,000.00	523,000.00	596,000.00
Bond Anticipation Notes	<u>182,000.00</u>	<u>182,000.00</u>	
Total Issued	<u>7,047,280.03</u>	<u>7,621,696.63</u>	<u>8,119,228.73</u>
Less:			
Reserve for Payment of Bonds	<u>9,742.40</u>	<u>9,433.90</u>	<u>5,600.00</u>
Total Deductions	<u>9,742.40</u>	<u>9,433.90</u>	<u>5,600.00</u>
Net Debt Issued	<u>7,037,537.63</u>	<u>7,612,262.73</u>	<u>8,113,628.73</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	52,500.00	244,550.00	212,150.00
Sewer Utility:			
Bonds and Notes	667,527.43	None	None
Beach Utility:			
Bonds and Notes	<u>402,600.00</u>	<u>402,600.00</u>	<u>426,000.00</u>
Total Authorized But Not Issued	<u>1,122,627.43</u>	<u>647,150.00</u>	<u>638,150.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 8,160,165.06</u>	<u>\$ 8,259,412.73</u>	<u>\$ 8,751,778.73</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 8. MUNICIPAL DEBT (CONTINUED)

Summary of Statutory Debt Condition, Annual Debt Statement

The summarized statement of debt condition that follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 0.624%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 1,548,000.00	\$ 1,548,000.00	\$ None
Sewer Utility Debt	1,237,408.43	0.00	1,237,408.43
Beach Utility Debt	1,030,600.00	1,030,600.00	None
General Debt	5,901,899.03	9,742.40	5,892,156.63
	\$ 9,717,907.46	\$ 2,588,342.40	\$ 7,129,565.06

Net Debt \$7,129,565.06 divided by Equalized Valuation basis per N.J.S. 40A:2-2 As Amended, \$1,143,262,545.33 equals 0.624%. The Annual Debt Statement has been filed.

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

3½% of Equalized Valuation Basis (Municipal)	\$ 40,014,189.09
Net Debt	7,129,565.06
Remaining Borrowing Power	\$ 32,884,624.03

Schedule of Changes in Long-Term Debt

	December 31, 2011	Payments	December 31, 2012
General Improvements	\$ 5,353,133.00	\$ 608,014.00	\$ 4,745,119.00
Beach Improvements	523,000.00	77,000.00	446,000.00
Sewer Improvements	758,867.00	188,986.00	569,881.00
	\$ 6,635,000.00	\$ 874,000.00	\$ 5,761,000.00

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 8. MUNICIPAL DEBT (CONTINUED)

School Debt Deduction

School debt is deductible up to the extent of 3.0% of the Average Equalized Assessed Valuation of real property for the Local School District.

Calculation of "Self-Liquidating Purpose", Sewer Utility Per N.J.S. 40A:2-45

Cash Receipts for Fees, Rents or Other Charges for the Year		\$ 1,810,920.77
Deductions:		
Operating and Maintenance Costs	\$ 1,875,648.79	
Debt Service	<u>223,886.00</u>	<u>2,099,534.79</u>
Deficit in Revenue		<u>\$ 288,614.02</u>

Calculation of "Self-Liquidating Purpose", Beach Utility Per N.J.S. 40A:2-45

Cash Receipts for Fees, Rents or Other Charges for the Year		\$ 1,782,437.35
Deductions:		
Operating and Maintenance Costs	\$ 1,427,789.00	
Debt Service	<u>107,055.00</u>	<u>1,534,844.00</u>
Excess in Revenue		<u>\$ 247,593.35</u>

There being an excess in revenue for the Beach Utility, the fund was self-liquidating and therefore, all the related debt is deductible for purposes of the annual debt statement and resultant net debt calculation. The Sewer Utility was not self-liquidating and received no deduction for purposes of the annual debt statement.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 8. MUNICIPAL DEBT (CONTINUED)

There were bond anticipation notes outstanding as follows:

<u>Fund</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital	1.75%	08/08/13	\$ 845,488.00
Beach Utility Capital	1.75%	08/08/13	<u>182,000.00</u>
			<u>\$ 1,027,488.00</u>

In addition, there were special emergency notes outstanding at December 31, 2012 of \$1,302,528.17. \$52,528.17 of these notes were issued with no interest rate. The Borough's Beach Utility Capital Fund "purchased" these notes. The remainder of the notes carry an interest rate of 1.14% and mature December 20, 2013.

Long Term Debt

General Capital Fund:

\$913,200.00 General Refunding 2002 Bonds, Series 2006 through the MCIA - Annual maturities from \$96,000.00 to \$105,000.00 through August 2015, all at an interest rate of 5%.	\$ 302,000.00
\$1,916,919.00 General Refunding 2000 Bonds, Series 2007 through the MCIA - Annual maturities from \$300,000.00 to \$349,057.00 through December 2016 at interest rates ranging from 4% to 5%.	1,309,119.00
\$3,733,000 General Improvement Bonds, Series 2007 through the MCIA - Annual maturities from \$250,000.00 to \$363,000.00 through December 2021 at interest rates ranging from 4% to 5.25%.	2,751,000.00 **
\$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%.	<u>383,000.00</u>
	<u>\$ 4,745,119.00</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 8. MUNICIPAL DEBT (CONTINUED)

Long Term Debt (Continued)

Beach Utility Capital Fund:

\$746,000.00 Beach Improvement Bonds, Series 2007 through the MCIA - Annual maturities from \$81,000.00 to \$98,000.00 through December 2017 at an interest rate of 5%.

\$ 446,000.00

Sewer Utility Capital Fund:

\$584,000.00 Sewer Improvement Bonds, Series 2007 through the MCIA - Annual maturities from \$78,000.00 to \$86,000.00 through December 2015 at an interest rate of 5%.

\$ 246,000.00

\$523,081.00 Sewer Refunding 2000 Bonds, Series 2007 through the MCIA - Annual maturities from \$104,838.00 to \$110,000.00 through December 2015 at interest rates ranging from 4% to 5%.

323,881.00

\$ 569,881.00

Grand Total

\$ 5,761,000.00

Redemption** Optional Redemption - Series 2007 Bonds maturing on or before December 1, 2017 shall not be subject to redemption prior to their respective maturity dates. Series 2007 Bonds maturing on or after December 1, 2018 shall be subject to redemption prior to their respective maturity dates, on or after December 1, 2017 at the option of the Borough, at a redemption price equal to 100% of the principal amount then outstanding and accrued interest to the redemption date.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 8. MUNICIPAL DEBT (CONTINUED)

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

Calendar Year	General Capital Fund			Beach Utility Capital Fund			Sewer Utility Capital Fund			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2013	\$ 646,000.00	\$ 226,228.44	\$ 872,228.44	\$ 81,000.00	\$ 22,300.00	\$ 103,300.00	\$ 188,000.00	\$ 27,394.06	\$ 215,394.06	\$ 1,190,922.50
2014	710,957.00	196,928.44	907,885.44	85,000.00	18,250.00	103,250.00	191,043.00	19,094.06	210,137.06	1,221,272.50
2015	727,162.00	161,380.62	888,542.62	89,000.00	14,000.00	103,000.00	190,838.00	9,541.88	200,379.88	1,191,922.50
2016	606,000.00	125,022.50	731,022.50	93,000.00	9,550.00	102,550.00	190,838.00	9,541.88	200,379.88	1,033,952.38
2017	304,000.00	94,722.50	398,722.50	98,000.00	4,900.00	102,900.00				501,622.50
sub-total	<u>3,602,133.00</u>	<u>1,058,131.48</u>	<u>4,660,264.48</u>	<u>446,000.00</u>	<u>69,000.00</u>	<u>515,000.00</u>	<u>760,719.00</u>	<u>65,571.88</u>	<u>826,290.88</u>	<u>5,139,692.38</u>
2018	319,000.00	79,522.40	398,522.40							398,522.40
2019	336,000.00	62,775.00	398,775.00							398,775.00
2020	350,000.00	49,335.00	399,335.00							399,335.00
2021	363,000.00	35,335.00	398,335.00							398,335.00
2022	383,000.00	16,277.50	399,277.50							399,277.50
sub-total	<u>1,751,000.00</u>	<u>243,244.90</u>	<u>1,994,244.90</u>							<u>1,994,244.90</u>
	<u>\$ 5,353,133.00</u>	<u>\$ 1,301,376.38</u>	<u>\$ 6,654,509.38</u>							
				<u>\$ 446,000.00</u>	<u>\$ 69,000.00</u>	<u>\$ 515,000.00</u>	<u>\$ 760,719.00</u>	<u>\$ 65,571.88</u>	<u>\$ 826,290.88</u>	<u>\$ 7,133,937.28</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 8. MUNICIPAL DEBT (CONTINUED)

Green Trust Loan Agreements

The Borough has indebtedness related to the State of New Jersey Green Trust Loan Program. The repayments are at an interest rate of 2% and are as follows:

Year	Park Improvements		Total
	Principal	Interest	
2013	\$ 19,284.58	\$ 5,079.90	\$ 24,364.48
2014	19,672.20	4,692.27	24,364.47
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
sub-total	<u>100,377.81</u>	<u>21,444.58</u>	<u>121,822.39</u>
2018	21,302.18	3,062.30	24,364.48
2019	21,730.35	2,634.13	24,364.48
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
sub-total	<u>110,879.54</u>	<u>10,942.85</u>	<u>121,822.39</u>
2023	23,530.85	833.63	24,364.48
2024	24,003.83	240.04	24,243.87
sub-total	<u>47,534.68</u>	<u>1,073.67</u>	<u>48,608.35</u>
	<u>\$ 258,792.03</u>	<u>\$ 33,461.10</u>	<u>\$ 292,253.13</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 8. MUNICIPAL DEBT (CONTINUED)

Bonds and Notes Authorized but not Issued

At December 31, 2012, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	\$	52,500.00
Beach Utility Capital Fund		402,600.00
Sewer Utility Capital Fund		<u>667,527.43</u>
	\$	<u><u>1,122,627.43</u></u>

Note 9. INTERFUND RECEIVABLES AND PAYABLES

The following are reflected as interfund receivables and payables on the various balance sheets:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 909.31	\$ 63,801.25
Federal and State Grant	63,185.57	
Animal Control Trust		909.31
Trust Other	594.46	
Sewer Utility Operating Fund		23,941.41
Beach Utility Operating Fund	13,998.63	
General Capital	21.22	
Sewer Utility Capital Fund	<u>23,941.41</u>	<u>13,998.63</u>
	<u>\$ 102,650.60</u>	<u>\$ 102,650.60</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 Animal Control Trust Fund and Current Fund interfund arose from the excess in the Reserve for Animal Control Fund Expenditures at December 31, 2012. Interfunds between utility capital and utility operating funds arose from grant activity and appropriations.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 10. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charges are shown on the Balance Sheets as follows:

	Balance December 31, <u>2012</u>	2013 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
Current Fund:			
Special Emergency Authorizations Per N.J.S.A. 40A:4-53	\$ <u>1,302,528.17</u>	\$ <u>267,510.00</u>	\$ <u>1,035,018.17</u>

The appropriations in the 2013 budget are as required by statute.

Note 11. 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		
	2012	2011	Increase/ (Decrease)
Balance of Tax	\$ 2,811,438.00	\$ 2,721,906.00	\$ 89,532.00
Deferred Portion	2,476,184.00	2,476,184.00	
Tax Payable	\$ 335,254.00	\$ 245,722.00	\$ 89,532.00

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 12. 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.

The Borough is obligated under four (5) separate lease agreements with the MCIA entered into in the years 2003, 2007, 2009 and two leases in 2011. Interest and principal are provided for in the Current Fund budget excluded from CAPS as part of the debt service appropriation.

Year Ending Dec. 31,	Excluded from "CAPS"		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 148,600.00	\$ 22,637.50	\$ 171,237.50
2014	119,000.00	16,887.50	135,887.50
2015	110,000.00	12,127.50	122,127.50
2016	93,000.00	7,727.50	100,727.50
2017	26,000.00	2,932.50	28,932.50
Thereafter	92,000.00	9,820.00	101,820.00
	\$ 588,600.00	\$ 72,132.50	\$ 660,732.50

Continuing Disclosure Requirements

As a result of the lease agreements with the Monmouth County Improvement Authority, the Borough is obligated to comply with the Securities and Exchange Commission Rule 15c2-12 related to the Annual Continuing Disclosure Requirement, which has been done for 2011.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 13. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If an eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and adjusted for membership earnings or losses. It is a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employee's Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge. Notwithstanding the foregoing requirements other employees who hold a professional license or certificate or meet other exceptions are permitted to remain in PERS.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 13. DEFINED CONTRIBUTION RETIREMENT PROGRAM (CONTINUED)

Contributions Required and Made

Contributions made by employees for DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

Contributions to the plan were as follows:

<u>Fiscal Year</u>	<u>Employer</u>	<u>Employee</u>
2012	N/A	N/A
2011	N/A	N/A
2010	N/A	N/A

The plan had no withholdings nor contributions during the last three years.

Note 14. DEFERRED COMPENSATION PLAN

The Borough 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 a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

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. 5:3-37.

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 plan was adopted by Resolution on September 22, 1998.

The administrator for the Borough's Deferred Compensation Plan is the Public Employees Benefit Service Company (PEBSCO) and MetLife.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 15. RISK MANAGEMENT

The Borough, together with other governmental units, are members of the Middlesex County Municipal Joint Insurance Fund (the "Fund"). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. In addition, the Fund has obtained cost effective reinsurance and excess liability coverages for participant local units.

For the year ended December 31, 2012, the Fund provided coverage for Property, Boiler and Machinery, Automobile Liability, General Liability, Workmen's Compensation and a Public Employee Blanket Bond.

The Borough has contracted with a private insurance carrier related to public officials' surety bond coverage and public officials' liability insurance. The coverage is subject to certain policy limits and deductible amounts. The coverage is designed to minimize the impact of any potential losses to the Borough for matters that may have been caused or related to the Borough or its employees.

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and prior two years:

<u>Year Ended</u> <u>December 31,</u>	<u>Interest</u> <u>Earned</u>	<u>Borough and</u> <u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2012	\$ 5.40	\$ 46,073.68	\$ 41,599.27	\$ 55,686.43
2011	20.99	40,971.59	35,054.46	51,206.62
2010	27.89	25,000.00	14,824.98	45,268.50

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 16. SERVICE AGREEMENT AND REQUIRED RESERVE

In accordance with the service agreement between the Township of Neptune Sewerage Authority (the "TNSA") and the Borough, the Borough must maintain a reserve equal to 2% of its annual obligation to the TNSA. This 2% reserve is held and invested by the TNSA on behalf of the Borough.

The total sewer rent reserve balance at December 31, 2012 exceeded the rent reserve requirement as described above.

The rent reserve on deposit at TNSA is not under the Borough's control nor is the reserve an asset of the Borough and, therefore, is not included on the Borough's Balance Sheet.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 17. SEGMENT INFORMATION FOR UTILITY OPERATING ENTERPRISE FUNDS

The Borough maintains two enterprise funds that provide sewer service and beachfront operations. Segment information for the year ended December 31, 2012 is as follows:

	<u>Beach Utility</u>	<u>Sewer Utility</u>	<u>Total Enterprise Fund</u>
Revenue and Other Income Realized:			
Operating Fund Balance Appropriated	\$ 210,182.00	\$ 134,821.52	\$ 345,003.52
Rents		1,742,955.77	1,742,955.77
Bathing Badges	1,373,817.00		1,373,817.00
Miscellaneous Revenues	204,453.34		204,453.34
	<hr/>	<hr/>	<hr/>
Budget Totals	1,788,452.34	1,877,777.29	3,666,229.63
Other Credits to Income:			
Non-budget Revenue	2,661.50	29,248.78	31,910.28
Unexpended Balance of Appropriation Reserves	65,757.54	82,517.97	148,275.51
	<hr/>	<hr/>	<hr/>
Total Revenues	1,856,871.38	1,989,544.04	3,846,415.42
Expenditures:			
Operating	1,350,223.92	1,485,835.52	2,836,059.44
Debt Service	108,055.00	224,921.00	332,976.00
Deferred Charges and Statutory Expenditures	76,565.36	79,065.00	155,630.36
Capital Improvements	56,000.00	105,000.00	161,000.00
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,590,844.28	1,894,821.52	3,485,665.80
Statutory Excess to Fund Balance	266,027.10	94,722.52	360,749.62
Fund Balance, January 1	250,715.89	175,566.31	426,282.20
	<hr/>	<hr/>	<hr/>
Decreased by:			
Utilization as Anticipated Revenue	516,742.99	270,288.83	787,031.82
	<hr/>	<hr/>	<hr/>
Fund Balance, December 31	\$ 306,560.99	\$ 135,467.31	\$ 442,028.30

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 18. CONTINGENT LIABILITIES

A. Compensated Absences

The Borough has contractual agreements with two (2) separate collective bargaining units and also an ordinance covering non-union employees for compensation of unused sick pay, upon retirement, they are as follows:

Public Works Employees and Non-Union Employees - Each unused sick day shall be capped at \$150.00 per unused sick day. Employees will receive upon their twenty-five (25) year retirement of \$50.00 per day for each day of unused sick time not to exceed fifty (50) days.

Police - The cash at separation for accumulated sick time for employees hired after January 1, 2001 shall not exceed 150 days value and shall be paid at the pay scale of the individual officer at the time of retirement of said officer. This limitation shall not apply to any bargaining unit member hired prior to January 1, 2001.

Liability - The Borough's total liability for sick time as of December 31, 2012, at fully vested contractual limits, is \$927,186.10. Although not an immediate liability of the Borough, the likelihood of this entire amount becoming due and payable at any time in the near future is remote.

Additional Liability - In addition, the potential exists that the Borough may have in the event that an employee is out of work on an extended illness and because of the nature of their position may have to be temporarily replaced which could potentially result ultimately in additional cost to the Borough.

B. Litigation

The Borough Attorney's representation has revealed that there are no matters of litigation pending that in the event of an adverse outcome that would have a material impact on the financial condition of the Borough.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 18. CONTINGENT LIABILITIES (CONTINUED)

C. Health Benefits

The Borough is a participant in the New Jersey State Health Benefits Plan (the "Plan") for medical coverage for its employees and their families. In 1992, the Plan allowed participating municipalities the option to defer one month's premium payment until such time when the municipality elected to terminate the Plan coverage. The Borough of Bradley Beach elected to defer the one-month payment and did not provide for twelve payments in the 1992 Municipal Budget. It is our opinion that this deferred payment represents a contingent liability of the Borough. The Borough has not terminated its Plan coverage as of the date of this report.

D. Grants

The Borough of Bradley Beach participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Borough is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

E. Reserve for State Tax Appeals

The Borough has a Reserve for State Tax Appeals at December 31, 2012 of \$14,630.00, which represents an estimate for several tax appeals that are pending for 2012. In the event the appeals are awarded in excess of that amount, then a charge to Fund Balance/(Operations) will be needed.

Note 19. SUBSEQUENT EVENTS

All events occurring through the date of the independent auditor's report, April 1, 2013 have been considered for disclosure as subsequent events.

Three bond Ordinances were introduced after December 31, 2012 and through the date of this report. \$375,000 was approved for LaReine Avenue Reconstruction, \$245,000 was approved to purchase and install pay station parking meters and \$1,600,000 was approved for Beachfront Improvements in response to damage caused by the October 29, 2012 Hurricane Sandy. Insurance claims and reimbursements from FEMA are being actively pursued.

BOROUGH OF BRADLEY BEACH
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2012 AND 2011

	December 31,	
	2012	2011
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 3,108,442.60	\$ 1,825,742.92
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes	182,718.43	196,942.55
Tax Title Liens Receivable	689.75	523.68
Other Accounts Receivable	1,250.00	1,250.00
Revenue Accounts Receivable	17,381.06	19,381.58
Interfunds Receivable:		
Due from Animal Control Trust Fund	909.31	1,776.48
Due from Payroll Fund		
Deferred Charges - Special Emergencies	1,302,528.17	70,038.17
Total Current Fund	4,613,919.32	2,115,655.38
Federal and State Grant Fund:		
Federal and State Grants Receivable	14,683.83	21,696.61
Deferred Charges		360.00
Interfund Receivable - Due from Current Fund	63,185.57	59,413.02
Total Federal and State Grant Fund	77,869.40	81,469.63
Total Assets	\$ 4,691,788.72	\$ 2,197,125.01

BOROUGH OF BRADLEY BEACH
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2012 AND 2011

	December 31,	
	2012	2011
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE</u>		
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 581,771.95	\$ 373,889.44
Prepaid Taxes	153,735.10	154,093.82
Special Emergency Notes Payable	1,302,528.17	70,038.17
Tax Overpayments	21,147.56	19,062.83
Due County for Added and Omitted Taxes	9,842.77	5,983.45
Reserve for Encumbrances	590,695.95	271,694.26
Due to State of New Jersey:		
DCA/Marriage License Fees	1,113.00	1,033.00
Various Reserves	87,821.91	127,452.23
Reserve for Hurricane Sandy	425,572.72	
Reserve for State Tax Appeals	14,630.00	26,071.91
Local District School Tax Payable	335,254.00	245,722.00
Interfunds Payable:		
Due to General Capital Fund	21.22	
Due to Payroll Fund	594.46	
Due to Federal and State Grant Fund	63,185.57	59,413.02
	3,587,914.38	1,354,454.13
Reserve for Receivables and Other Assets	201,698.55	218,624.29
Fund Balance	824,306.39	542,576.96
Total Current Fund	4,613,919.32	2,115,655.38
Federal and State Grant Fund:		
Reserve for Federal and State Grants:		
Appropriated	70,789.75	53,389.19
Unappropriated	7,079.65	25,080.44
Reserve for Encumbrances	3,000.00	3,000.00
Total Federal and State Grant Fund	77,869.40	81,469.63
Total Liabilities, Reserves and Fund Balance	\$ 4,691,788.72	\$ 2,197,125.01

BOROUGH OF BRADLEY BEACH
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 421,312.00	\$ 465,000.00
Miscellaneous Revenues Anticipated	974,922.56	901,609.87
State Aid	355,290.00	355,290.00
Federal and State Grants	75,920.62	49,243.68
Receipts from Delinquent Taxes	194,965.92	207,038.76
Amount to be Raised by Taxation for Support of		
Municipal Budget	6,556,648.27	6,218,381.96
Non-Budget Revenues	97,183.41	113,105.60
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	325,029.91	104,634.22
Current Appropriations Canceled	69.79	166.04
Interfund Liquidation	1,776.48	1,454.54
Prior Year' Liabilities Cancelled	3,000.00	
Taxes Allocated to School and County Taxes	<u>8,461,715.22</u>	<u>8,288,000.20</u>
 Total Income	 <u>17,467,834.18</u>	 <u>16,703,924.87</u>
 Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	804,840.13	594,145.64
Land Use	20,792.00	19,050.00
Code Enforcement	89,045.62	87,678.00
Insurance	1,067,031.14	945,005.00
Public Safety	2,361,289.38	2,335,279.51
Public Works	2,012,070.34	962,089.00
Health and Human Services	24,760.00	24,292.00
Parks and Recreation	131,400.00	119,780.00
Utility Expenses and Bulk Purchases	337,100.00	338,130.00
Deferred Charges and Statutory Expenditures	661,653.52	689,802.70
Contingent	3,700.00	3,700.00
Excluded from "CAPS":		
General Government	15,827.00	15,720.00
Insurance	45,822.00	22,177.00
Library	379,753.32	387,890.88
State and Federal Grants	88,180.72	55,503.68
Capital Improvements	73,065.76	92,500.00
Municipal Debt Service	1,113,993.81	1,042,034.98
Deferred Charges and Statutory Expenditures	17,510.00	17,510.00
Reserve for Uncollected Taxes	305,242.79	286,003.15

BOROUGH OF BRADLEY BEACH
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Expenditures (Continued):		
County Taxes	\$ 3,190,226.22	\$ 3,184,399.20
Local District School Taxes	5,271,489.00	5,103,601.00
Cancellation of Federal and State Grant Receivable - Net	<u> </u>	<u>4,250.00</u>
Total Expenditures	<u>18,014,792.75</u>	<u>16,330,541.74</u>
Excess/(Deficit) in Revenue Over/(Under) Expenditures	(546,958.57)	373,383.13
Adjustment to Income Before Fund Balance:		
Expenditures Included above which are by Statute Deferred Charges to Budget of Succeeding Years	<u>1,250,000.00</u>	<u> </u>
Statutory Excess to Fund Balance	703,041.43	373,383.13
Fund Balance, January 1	<u>542,576.96</u>	<u>634,193.83</u>
	1,245,618.39	1,007,576.96
Decreased by:		
Utilized as Anticipated Revenue	<u>421,312.00</u>	<u>465,000.00</u>
Fund Balance, December 31	<u>\$ 824,306.39</u>	<u>\$ 542,576.96</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	Budget As Modified	Added by N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 421,312.00	\$ _____	\$ 421,312.00	\$ _____
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ 20,000.00	\$ _____	\$ 20,000.00	\$ _____
Other	11,000.00	_____	12,185.00	1,185.00
Fees and Permits:				
Other	63,984.00	_____	80,580.75	16,596.75
Construction Code Official Fees	83,000.00	_____	128,153.00	45,153.00
Fines and Costs:				
Municipal Court	240,000.00	_____	319,795.03	79,795.03
Interest and Costs on Taxes	38,000.00	_____	45,575.95	7,575.95
Interest on Investments	2,500.00	_____	1,690.58	(809.42)
Cable Television Fees	56,224.00	_____	56,224.00	_____
Concession Rents	45,000.00	_____	57,600.00	12,600.00
Parking Meters	25,000.00	_____	32,915.37	7,915.37
	<u>\$ 584,708.00</u>	<u>\$ _____</u>	<u>\$ 754,719.68</u>	<u>\$ 170,011.68</u>
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	11,128.00	_____	11,128.00	_____
Energy Receipts Tax	344,162.00	_____	344,162.00	_____
	<u>\$ 355,290.00</u>	<u>\$ _____</u>	<u>\$ 355,290.00</u>	<u>_____</u>
Special Items of Revenue Offset with Appropriations:				
Drunk Driving Enforcement Fund	_____	\$ 13,006.90	\$ 13,006.90	_____
Clean Communities Program	\$ 19,681.59	_____	19,681.59	_____
Body Armor Replacement Program	_____	1,863.22	1,863.22	_____
TRC Energy EEBCG	11,694.41	_____	11,694.41	_____
Municipal Alliance on Alcoholism and Drug Abuse Funding	13,038.00	_____	13,038.00	_____
NJ Corporation Wetlands Restoration	4,000.00	_____	4,000.00	_____
Green Acres Lot Parking Meters Fees	12,636.50	_____	12,636.50	_____
	<u>\$ 61,050.50</u>	<u>\$ 14,870.12</u>	<u>\$ 75,920.62</u>	<u>_____</u>
Special Items of Revenue with Prior Consent of the Director:				
Uniform Fire Safety Act	\$ 5,268.81	\$ _____	\$ 5,726.17	\$ 457.36
Code Enforcement Permits	31,000.00	_____	47,699.95	16,699.95
Verizon Franchise Fees	17,383.08	_____	17,383.08	_____
Cell Tower Rental Fees	39,987.12	_____	40,483.65	496.53
Assessment Trust Fund Balance	2,136.76	_____	2,136.76	_____
Library Payment of Services	5,950.00	_____	6,850.00	900.00
Municipal Library Excess Surplus	99,923.27	_____	99,923.27	_____
	<u>\$ 201,649.04</u>	<u>\$ _____</u>	<u>\$ 220,202.88</u>	<u>\$ 18,553.84</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	Budget As Modified	Added by N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Receipts from Delinquent Taxes	\$ 180,000.00	\$ _____	\$ 194,965.92	\$ 14,965.92
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes	\$ 6,104,444.25	\$ _____	\$ 6,176,894.75	\$ 72,450.50
Minimum Library Levy	379,753.52	_____	379,753.52	_____
	<u>6,484,197.77</u>	_____	<u>6,556,648.27</u>	<u>72,450.50</u>
Budget Totals	\$ 8,288,207.31	\$ 14,870.12	\$ 8,579,059.37	\$ 275,981.94
Non-Budget Revenue	_____	_____	97,183.41	97,183.41
	<u>\$ 8,288,207.31</u>	<u>\$ 14,870.12</u>	<u>\$ 8,676,242.78</u>	<u>\$ 373,165.35</u>

**BOROUGH OF BRADLEY BEACH
 CURRENT FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2012**

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
GENERAL GOVERNMENT FUNCTIONS						
General Administration:						
Salaries and Wages	\$ 100,864.20	\$ 100,864.20	\$ 97,495.82	\$	\$ 3,468.38	\$
Other Expenses	6,200.00	6,200.00	3,119.83	1,263.67	1,816.50	
Human Resources:						
Other Expenses:	21,000.00	21,000.00	4,768.00	13,307.00	2,925.00	
Mayor and Council:						
Salaries and Wages	14,400.00	14,400.00	14,400.00			
Other Expenses	18,900.00	18,900.00	2,236.52	28.00	15,632.48	
Municipal Clerk:						
Salaries and Wages	93,806.35	94,291.70	94,090.68		201.02	
Other Expenses	46,650.00	46,164.65	25,578.57	10,202.68	10,383.40	
Codification of Ordinances						
Financial Administration:						
Salaries and Wages	61,637.04	61,637.04	61,567.45		49.59	
Other Expenses	34,653.00	34,653.00	22,328.95	4,779.43	7,544.62	
Audit Services:						
Other Expenses	11,500.00	11,500.00		11,500.00		
Revenue Administration:						
Salaries and Wages	11,050.15	11,050.15	10,179.82		870.23	
Other Expenses	12,965.00	12,965.00	9,228.74		3,756.26	
Tax Assessment Administration:						
Salaries and Wages	23,738.46	23,738.46	23,737.20		1.26	
Other Expenses	2,725.00	2,725.00	602.81	1,035.72	1,086.47	
Legal Services:						
Other Expenses	61,170.00	61,170.00	45,265.00	14,625.00	1,280.00	
Engineering Services and Costs:						
Other Expenses	20,000.00	20,000.00	2,318.25	978.00	16,703.75	
LAND USE ADMINISTRATION						
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board:						
Salaries and Wages	4,896.00	4,896.00	4,896.00			
Other Expenses	3,625.00	3,625.00	1,661.23		1,963.77	
Zoning Board of Adjustment:						
Salaries and Wages	4,896.00	4,896.00	4,896.00			
Other Expenses	7,375.00	7,375.00	3,468.97		3,906.03	
CODE ENFORCEMENT AND ADMINISTRATION						
Other Code Enforcement Functions (Code Enforcement Officer):						
Salaries and Wages	80,815.62	79,215.62	61,607.67		17,607.95	
Other Expenses	8,230.00	9,830.00	7,857.58	1,954.82		17.60

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
INSURANCE						
Surety Bond Premium	\$ 1,150.00	\$ 1,150.00	\$ 896.87	\$	\$ 253.13	\$
Liability Insurance	84,103.00	84,103.00	84,103.00			
Worker Compensation Insurance	149,472.00	149,472.00	124,683.07		24,788.93	
Employee Group Insurance	799,906.14	799,906.14	683,633.21	43,448.93	72,824.00	
Unemployment Insurance	10,000.00	10,000.00	10,000.00			
JIF Insurance Termination Payment	22,400.00	22,400.00	21,748.50		651.50	
PUBLIC SAFETY FUNCTIONS						
Police:						
Salaries and Wages	1,779,736.12	1,779,736.12	1,757,369.97		22,366.15	
Other Expenses	108,319.00	105,912.00	89,323.41	8,843.02	7,745.57	
Police Dispatch/911:						
Salaries and Wages	133,481.60	133,481.60	130,143.12		3,338.48	
Other Expenses	4,300.00	4,300.00	2,069.37	1,066.06	1,144.57	
Office of Emergency Management:						
Salaries and Wages	2,000.00	2,000.00	1,999.92		0.08	
Other Expenses	7,026.94	7,026.94	288.21	25.29	6,713.44	
Hurricane Sandy Relief		1,250,000.00	934,916.16	315,083.84		
Aid to Volunteer Ambulance Company	31,362.37	31,362.37	31,362.37			
Fire:						
Salaries and Wages	700.00	700.00			700.00	
Other Expenses	100,317.95	100,317.95	42,736.29	52,381.51	5,200.15	
Fire Hydrants:						
Other Expenses	36,000.00	36,000.00	30,608.76		5,391.24	
Uniform Fire Safety Act (Ch. 363 P.L. 1983):						
Other Expenses	100.00	100.00		100.00		
Fire Prevention Bureau:						
Salaries and Wages	32,252.40	32,252.40	32,252.40			
Other Expenses	3,100.00	3,100.00	2,697.62	75.45	326.93	
Municipal Prosecutor:						
Salaries and Wages	17,340.00	17,340.00	17,340.00			
Municipal Court:						
Salaries and Wages	111,451.10	111,451.10	106,700.42		4,750.68	
Other Expenses	35,359.83	35,359.83	30,818.98	2,409.85	2,131.00	
Public Defender:						
Salaries and Wages	3,600.00	3,600.00	3,500.00	100.00		

**BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012**

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
PUBLIC WORKS FUNCTIONS						
Road Repair and Maintenance:						
Salaries and Wages	\$ 306,779.16	\$ 306,779.16	\$ 300,498.30		\$ 6,280.86	
Other Expenses	92,175.00	92,175.00	55,103.70	2,926.25	\$ 34,145.05	
Solid Waste Collection:						
Garbage and Trash Removal:						
Other Expenses	351,080.00	351,080.00	257,887.59	15,000.00	78,192.41	
Recycling (P.L. 1987 Ch. 74):						
Salaries and Wages	6,720.00	6,720.00	6,720.00			
Buildings and Grounds:						
Salaries and Wages	18,078.18	18,078.18	11,569.68		6,508.50	
Other Expenses	49,400.00	49,400.00	46,570.82	2,047.50	781.68	
Vehicle Maintenance:						
Other Expenses	60,538.00	62,838.00	43,168.37	8,203.50	13,466.13	
Community Services Act:						
Other Expenses	12,000.00	12,000.00	7,750.00	4,250.00	1,000.00	
PEOSHA - Hepatitis "B" Immunization	1,000.00	1,000.00				
HEALTH AND HUMAN SERVICES FUNCTIONS						
Shade Tree Commission:						
Other Expenses	1,850.00	1,850.00	913.68		936.32	
Environmental Commission:						
Other Expenses	2,800.00	2,800.00	155.70		2,644.30	
Animal Control Services:						
Other Expenses	12,710.00	12,710.00	11,649.00	1,061.00		
Contribution to Social Services Agencies:						
Other Expenses	7,400.00	7,400.00	5,270.00	2,105.00	25.00	
PARK AND RECREATION FUNCTIONS						
Recreation:						
Salaries and Wages	43,420.00	43,420.00	42,450.14		969.86	
Other Expenses	40,875.00	40,875.00	26,852.98	2,606.29	11,215.75	
Arts at the Beach	2,500.00	2,500.00	2,479.99		20.01	
Senior Citizen	1,200.00	1,200.00	1,200.00			
Celebration of Public Events:						
Salaries and Wages	250.00	250.00				
Other Expenses	11,500.00	11,500.00	9,277.50		2,222.50	
Maintenance of Parks:						
Salaries and Wages	13,755.00	13,755.00			13,755.00	
Other Expenses	18,100.00	18,100.00	8,620.97	1,081.88	8,397.15	

**BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012**

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	\$ 90,000.00	\$ 90,000.00	\$ 39,528.62	\$ 4,200.00	\$ 46,271.38	\$
Street Lighting	90,000.00	90,000.00	85,172.44	6,500.00	16,327.56	
Telephone	32,000.00	32,000.00	28,198.42	2,372.94	1,428.54	
Heat - Gas	30,000.00	30,000.00	14,328.15	2,637.66	13,034.19	
Gasoline	75,000.00	75,000.00	48,960.87	2,053.34	23,965.79	
Water	17,000.00	17,000.00	13,451.00		3,549.00	
Telecommunication Costs	3,100.00	3,100.00	3,064.08	35.92		
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES IN J.A.C. 5:23-4.17)						
Construction Code Department:						
Salaries and Wages	76,500.00	76,500.00	73,172.78		3,327.22	
Other Expenses	6,190.00	6,190.00	6,061.06		108.94	
Total Operations within "CAPS"	\$ 5,598,435.61	\$ 5,848,326.61	\$ 5,770,615.66	\$ 538,310.55	\$ 539,402.40	\$
	3,700.00	3,700.00			3,700.00	
CONTINGENT						
Total Operations Including Contingent - within "CAPS"	\$ 5,602,135.61	\$ 5,852,026.61	\$ 5,770,615.66	\$ 538,310.55	\$ 543,102.40	\$
Detail:						
Salaries and Wages	\$ 2,942,287.38	\$ 2,941,172.73	\$ 2,866,607.47	\$ 100.00	\$ 84,465.26	\$
Other Expenses (Including Contingent)	2,659,848.23	3,910,855.88	2,914,008.19	538,210.55	458,637.14	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
Deferred Charges:						
Overexpenditure of Appropriated Grant Fund	360.00	360.00	360.00			
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	118,360.50	118,360.50	111,034.00		7,326.50	
Social Security System (O.A.S.I.)	118,000.00	118,000.00	99,892.29		18,007.71	
Consolidated Police and Firemen's Pension Fund	21,542.02	21,542.02	21,542.02			
Police and Firemen's Retirement System of NJ	403,331.00	403,331.00	403,331.00			
Administrative Fees (PPRS)	60.00	60.00	56.94		3.06	
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	\$ 661,653.52	\$ 661,653.52	\$ 636,316.25	\$	\$ 25,337.27	\$
Total General Appropriations for Municipal Purposes within "CAPS"	\$ 6,263,789.13	\$ 7,513,682.13	\$ 6,406,931.91	\$ 538,310.55	\$ 568,439.67	\$

**BOROUGH OF BRADLEY BEACH
 CURRENT FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2012**

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
OPERATIONS - EXCLUDED FROM "CAPS"						
Other Operations - Excluded from "CAPS":						
Maintenance of Free Public Library	\$ 379,763.32	\$ 379,753.32	\$ 343,964.51	\$ 35,788.81	\$	\$
Employee Group Insurance	45,822.00	45,822.00	45,822.00			
Total Other Operations - Excluded from "CAPS"	\$ 425,575.32	\$ 425,575.32	\$ 389,786.51	\$ 35,788.81	\$	\$
Interlocal Municipal Service Agreements:						
County of Monmouth - 911 Services (P. S.A.P.)	\$ 4,600.00	\$ 4,707.00	\$	\$ 4,706.19	\$ 0.81	\$
Computer Answering Network	5,600.00	5,600.00				
Total Interlocal Municipal Service Agreements	\$ 10,200.00	\$ 10,307.00	\$ 5,600.00	\$ 4,706.19	\$ 0.81	\$
Additional Appropriations Offset by Revenues (N.J.S. 40A-4-45.3h)						
Fire Prevention Bureau:						
Other Expenses	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$	\$	\$
Code Enforcement Functions:	3,920.00	3,920.00	3,920.00			
Other Expenses	5,520.00	5,520.00	5,520.00			
Public and Private Programs Offset by Revenues:						
2012 Alliance to Prevent Alcoholism & Drug Abuse:						
Grant Portion:						
March Portion:	\$ 13,038.00	\$ 13,038.00	\$ 11,738.01	\$ 1,299.99	\$	\$
Clean Communities Program	3,260.00	3,260.00	2,798.74	461.26		
New Jersey Corporation Wetlands Restoration	19,681.59	19,681.59	19,681.59			
Drunk Driving Enforcement Grant	4,000.00	4,000.00	4,000.00			
Body Armor Replacement	13,006.90	13,006.90	13,006.90			
Green Acres Lot, Parking Meters, Parks and Playgrounds	1,863.32	1,863.32	1,863.32			
Shore EZ Ride	12,636.50	12,636.50	12,636.50			
March Portion:						
TRC Energy - EBCG	\$ 4,000.00	\$ 4,000.00	\$ 872.72	\$ 3,127.00	\$ 0.28	\$
Local Match for Grants	11,694.41	11,694.41	11,694.41			
Total Public and Private Programs Offset by Revenues	\$ 73,310.50	\$ 88,180.72	\$ 78,282.19	\$ 4,885.25	\$ 5,000.28	\$

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
Total Operations - Excluded from "CAPS"	\$ 514,605.82	\$ 529,583.04	\$ 479,198.70	\$ 45,383.25	\$ 5,001.09	\$
Detail:						
Salaries and Wages						
Other Expenses						
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$	\$	\$
Capital Outlay - NEP Salt Dome	10,000.00	10,000.00	10,000.00	\$	\$	\$
Snow Fencing Replacement	8,065.76	8,065.76	\$	\$	8,065.76	\$
Interior Renovations	15,000.00	15,000.00	12,732.42	2,002.15	265.43	\$
Dispatch Recorder System	15,000.00	15,000.00	15,000.00	\$	\$	\$
Surveillance Cameras	10,000.00	10,000.00	10,000.00	\$	\$	\$
Library Accessibility Program	5,000.00	5,000.00	\$	5,000.00	\$	\$
Total Capital Improvements Excluded from "CAPS"	\$ 73,065.76	\$ 73,065.76	\$ 57,732.42	\$ 7,002.15	\$ 8,331.19	\$
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	\$ 608,014.00	\$ 608,014.00	\$ 608,014.00	\$	\$	\$
Payment of Bond Anticipation Notes and Capital Notes	11,312.00	11,312.00	11,312.00	\$	\$	\$
Interest on Bonds	253,848.98	253,848.98	253,848.98	\$	\$	0.00
Interest on Notes	11,646.70	11,646.70	11,645.90	\$	\$	0.80
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	24,374.48	24,374.48	24,364.48	\$	\$	10.00
Capital Lease Obligations Approved Prior to 7/1/2007						
Principal	32,400.00	32,400.00	32,400.00	\$	\$	\$
Interest	2,862.60	2,862.60	2,861.48	\$	\$	1.12
Capital Lease Obligations Approved After 7/1/2007						
Principal	146,000.00	146,000.00	146,000.00	\$	\$	\$
Interest	23,535.05	23,535.05	23,477.18	\$	\$	57.87
Total Municipal Debt Service - Excluded from "CAPS"	\$ 1,113,993.81	\$ 1,113,993.81	\$ 1,113,924.02	\$	\$	\$ 68.79
DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"						
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"	\$ 17,510.00	\$ 17,510.00	\$ 17,510.00	\$	\$	\$
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 1,719,175.39	\$ 1,734,152.61	\$ 1,688,365.14	\$ 52,385.40	\$ 13,332.28	\$ 68.79
Subtotal General Appropriations	\$ 7,982,984.52	\$ 9,247,854.74	\$ 8,075,297.05	\$ 590,695.95	\$ 581,771.95	\$ 68.79
RESERVE FOR UNCOLLECTED TAXES						
Total General Appropriations	\$ 8,288,207.31	\$ 9,553,077.53	\$ 8,380,539.84	\$ 590,695.95	\$ 581,771.95	\$ 68.79
Detail:						
Adopted Budget	\$ 8,288,207.31					
Added by N.J.S.A. 40A:4-37	14,870.22					
Added by N.J.S.A. 40A:4-53	1,250,000.00					
		\$ 9,553,077.53				

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

Year	Balance December 31, 2011	Tax Levy	Added Taxes	2011 Collections	2012 Collections	State Share Senior Citizens and Veterans Deductions Allowed	Transferred to Tax Title Liens Receivable	Adjusted, Remitted, or Canceled	Balance December 31, 2012
2010	\$ 37.30		\$ 2,252.09		\$ 194,965.92			\$ 4,189.33	\$ 37.30
2011	196,905.25								2.09
	196,942.55		2,252.09		194,965.92			4,189.33	39.39
2012		14,927,137.06	59,578.34	154,093.82	14,516,026.88	43,000.00	166.07	90,749.59	182,679.04
	\$ 196,942.55	\$ 14,927,137.06	\$ 61,830.43	\$ 154,093.82	\$ 14,710,992.80	\$ 43,000.00	\$ 166.07	\$ 94,938.92	\$ 182,718.43

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

ANALYSIS OF 2012 PROPERTY TAX LEVY

Tax Yield:

General Purpose Tax		\$ 14,927,137.06
Added Taxes (54:4-63.1 et. seq.)		<u>59,578.34</u>
		<u>\$ 14,986,715.40</u>

TAX LEVY

Local School District Tax:

Levy School Year July 1, 2012 to June 30, 2013		\$ 5,271,489.00
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County Taxes:

County Tax	\$ 2,950,470.84	
County Open Space Tax	171,067.16	
County Health Tax	58,845.45	
Due County for Added Taxes	<u>9,842.77</u>	<u>3,190,226.22</u>

\$ 8,461,715.22

Local Tax for Municipal Purposes	\$ 6,484,197.77	
Additional Tax Levied	<u>40,802.41</u>	

Total Local Tax for Municipal Purposes Levied 6,525,000.18

Total Tax Levy \$ 14,986,715.40

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

<u>BALANCE, DECEMBER 31, 2011</u>	\$	523.68
<u>INCREASED BY</u>		
Transferred from Taxes Receivable		<u>166.07</u>
<u>BALANCE, DECEMBER 31, 2012</u>	\$	<u>689.75</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, 2011</u>	<u>Added in 2012</u>	<u>Raised in 2012</u>	<u>Balance December 31, 2012</u>
9/14/2010	Special Emergency Authorization (N.J.S.A. 40A:4-53) - Severance	\$ 87,548.17	\$ 17,510.00	\$ 70,038.17	\$	\$ 17,510.00	\$ 52,528.17
11/8/2012	Special Emergency Authorization (N.J.S.A. 40A:4-53) - Hurricane Sandy	1,250,000.00	250,000.00		1,250,000.00		1,250,000.00
				<u>\$ 70,038.17</u>	<u>\$ 1,250,000.00</u>	<u>\$ 17,510.00</u>	<u>\$ 1,302,528.17</u>

**BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF 2011 APPROPRIATION RESERVES**

	Balance December 31, 2011	Appropriation Reserves	Encumbrances	Transfers	Balance After Transfers	Paid or Charged	Balance Unexpended
Salaries and Wages:							
Operations Within "CAPS":							
General Administration							
Municipal Clerk		174.18			174.18	635.22	9,817.18
Financial Administration		1.36			1.36		1.36
Revenue Administration		265.20			265.20		265.20
Other Code Enforcement Functions (Code Enforcement Officer)							
Police		12,991.39			12,991.39		12,991.39
Police Dispatch/911		1,186.95			1,186.95		1,186.95
Office of Emergency Management		9,149.38			9,149.38		9,149.38
Fire		0.08			0.08		0.08
Fire Prevention Bureau		1,200.00			1,200.00		1,200.00
Municipal Prosecutor		0.05			0.05		0.05
Municipal Court		0.08			0.08		0.08
Public Defender (P.L. 1997, C. 256)		1,483.95			1,483.95	736.25	747.70
Road Repair and Maintenance		2,500.00			2,500.00		2,500.00
Buildings and Grounds		33,229.39			33,229.39	15,054.89	18,174.50
Recreation		12,175.00			12,175.00		12,175.00
Celebration of Public Events		217.37			217.37		217.37
Maintenance of Parks		250.00			250.00		250.00
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):		8,755.00			8,755.00		8,755.00
Construction Code Department							
Total Salaries and Wages		<u>3,621.20</u>			<u>3,621.20</u>		<u>3,621.20</u>
		\$ 97,652.98	\$	\$	\$ 97,652.98	\$ 16,426.36	\$ 81,226.62
Other Expenses:							
Operations Within "CAPS":							
General Administration							
Human Resources		81.66	175.00		256.66	175.00	81.66
Mayor and Council		1,489.00	2,300.00		3,789.00	2,280.00	1,509.00
Municipal Clerk		5,472.23	4,782.75		10,254.98	4,782.75	5,472.23
Financial Administration		6,941.72	7,431.37		14,373.09	6,826.96	7,546.13
Audit Services		7,452.67	5,855.12		13,307.79	4,571.20	8,736.59
Revenue Administration		11,500.00	11,500.00		23,000.00	11,500.00	11,500.00
Revenue Administration		1,676.66	168.53		1,845.19	168.53	1,676.66

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF 2011 APPROPRIATION RESERVES

	Balance December 31, 2011	Reserve for Encumbrances	Transfers	Balance After Transfers	Paid or Charged	Balance Unaudited
\$	\$	\$	\$	\$	\$	\$
Tax Assessment Administration	4,679.75	803.32		58,500.00	58,500.00	54.74
Legal Services	748.97			12,785.00	5,820.50	6,964.50
Engineering Services and Costs	1,254.22			748.97	273.12	475.85
Municipal Land Use Law (N.J.S.A. 40:55D-1):	2,036.13	740.23		1,254.22		1,254.22
Planning Board	165.00			2,776.36	739.30	2,037.06
Zoning Board of Adjustment	77,279.65			165.00		165.00
Code Enforcement Officer	1,482.36			77,279.65	31,082.69	46,196.96
Worker Compensation Insurance	2,259.39			11,419.47	8,088.64	3,330.83
Employee Group Insurance	659.29			2,259.39		2,259.39
Police	15,414.73			2,780.36	2,018.71	761.65
Other Expenses - Continued	1,032.62			66,717.73	47,473.75	19,243.98
Police Dispatch/911	0.45			6,558.38	5,525.76	1,032.62
Office of Emergency Management	18.30			64.45	64.00	0.45
Fire	1,120.93			2,016.50	2,016.50	18.30
Fire Hydrants	1,182.19			1,424.40	1,042.44	381.96
Uniform Fire Safety Act (Ch. 363 P.L. 1983)	25,056.08			30,067.87	27,607.26	2,460.61
Fire Prevention Bureau	13,300.00			27,729.48	10,375.47	17,354.01
Fire Prevention Court	2,015.83			19,300.00	13,300.00	13,300.00
Municipal Court	9,244.67			3,923.07	1,150.74	2,772.33
Road Repair and Maintenance	250.00			15,796.75	7,245.68	8,551.07
Solid Waste Collection:	1,000.00			250.00		250.00
Garbage and Trash Removal	1,721.73			1,000.00		1,000.00
Recycling	265.60			1,721.73		1,721.73
Buildings and Grounds	0.24			2,800.00	2,534.40	265.60
Vehicle Maintenance	50.00			1,038.48	1,038.48	0.24
Community Services Act	3,054.84			1,038.72	1,705.00	50.00
PEOSH Hepatitis B Immunization	25.64			5,536.81	2,639.16	2,897.65
Shade Tree Commission	5,188.90			325.54		325.54
Environmental Commission	24,083.67			7,445.36	2,256.46	5,188.90
Animal Control Services	20,349.94			24,682.20	936.52	23,745.68
Contribution to Social Services Agencies	3,736.50			27,116.24	13,480.57	13,635.67
Recreation	4,182.06			5,966.27	2,229.77	3,736.50
Celebration of Public Events	391.13			5,212.94	2,030.88	4,182.06
Maintenance of Parks	127.76			2,588.03	2,196.90	391.13
Electricity	35.92			1,204.01	1,076.25	127.76
Street Lighting				35.92		35.92
Telephone						
Heat - Gas						
Gasoline						
Water						
Telecommunication Costs						
Uniform Construction Code - Appropriations Offset						
by Dedicated Revenues (N.J.A.C. 5:23-4.17):						

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF 2011 APPROPRIATION RESERVES

	Balance	December 31, 2011	Reserve for	Transfers	Balance	Paid or	Balance
		Appropriation	Encumbrances		After	Charged	Lapsed
		Reserves	\$	\$	Transfers	\$	\$
Construction Code Department		456.14	607.21		1,063.35	607.21	456.14
Contingent		3,700.00			3,700.00	239.97	3,460.03
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":							
Statutory Expenditures:							
Contribution to:							
Public Employees' Retirement System		0.25			0.25		0.25
Social Security System (O.A.S.I.)		18,864.42			18,864.42		18,864.42
Consolidated Police and Firemen's Pension Fund		2.94			2.94		2.94
Administrative Fees (PFRS)		3.26			3.26		3.26
Maintenance of Free Public Library		98.31			98.31		
Interlocal Municipal Service Agreements:				31,368.05	31,466.36	31,466.36	
County of Monmouth - 911 Services (P.S.A.P.)							
Additional Appropriations Offset by Revenues:							
Fire Prevention Bureau		7.03			7.03		7.03
Code Enforcement Functions		1,120.00			1,120.00	16.00	1,104.00
Public and Private Programs Offset by Revenues:							
Local Match for Grants		2,660.00			2,680.00	488.00	2,192.00
Capital Improvements - Excluded From "CAPS"		3,000.00			3,000.00		3,000.00
Skid - Steer		3,520.94			3,520.94		3,520.94
Total Other Expenses		\$ 276,236.46	\$ 272,641.08	\$	\$ 548,877.54	\$ 305,074.25	\$ 243,803.29
Grand Total		\$ 373,889.44	\$ 272,641.08	\$	\$ 646,530.52	\$ 321,500.61	\$ 325,029.91

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

<u>BALANCE, DECEMBER 31, 2011</u>		
School Taxes Payable	\$ 245,722.00	
Deferred School Taxes	<u>2,476,184.00</u>	\$ 2,721,906.00
 <u>INCREASED BY</u>		
Levy - School Year July 1, 2012 to June 30, 2013		<u>5,271,489.00</u>
		7,993,395.00
 <u>DECREASED BY</u>		
Cash Disbursed		<u>5,181,957.00</u>
 <u>BALANCE, DECEMBER 31, 2012</u>		
School Taxes Payable	\$ 335,254.00	
Deferred School Taxes	<u>2,476,184.00</u>	\$ <u>2,811,438.00</u>
 <u>2012 LIABILITY FOR LOCAL DISTRICT SCHOOL TAX</u>		
2012 School Taxes Paid		\$ 5,181,957.00
Less: School Taxes Payable, December 31, 2011		<u>245,722.00</u>
		4,936,235.00
Add: School Taxes Payable, December 31, 2012		<u>335,254.00</u>
 <u>AMOUNT CHARGED TO OPERATIONS</u>		 <u>\$ 5,271,489.00</u>

**BOROUGH OF BRADLEY BEACH
FEDERAL AND STATE GRANT FUND
STATEMENT OF GRANTS RECEIVABLE**

<u>Grant</u>	Balance December 31, 2011	2012 Budget Revenue Realized	Added By N.J.S.A. 40A:4-87	Unappropriated Reserve Applied	Cancelled	Receipt	Balance December 31, 2012
State:							
Drunk Driving Enforcement Fund	\$	\$	\$ 13,006.90	\$	\$	\$ 13,006.90	\$
Body Armor Replacement Fund			1,863.32				
Alliance to Prevent Alcoholism and Drug Abuse:							
2008							
2009	634.13						
2010	38.51				634.13		
2011	300.11				38.51		
2012	10,025.00				300.11		
NJ Corporation Wetlands Restoration	7,000.00	13,038.00				9,571.48	453.52
TRC Energy EEBCG		4,000.00				1,025.00	12,013.00
Community Forestry Survey BSF		11,694.41		11,694.41		4,000.00	
Clean Communities Grant						7,000.00	
Green Acres Lot Parking Meter Fees	2,217.31	19,681.59		9,825.76		9,855.83	
NJ Community Forestry Grant	1,481.55	12,636.50				12,636.50	2,217.31
Total State Grants Receivable	\$ 21,696.61	\$ 61,050.50	\$ 14,870.22	\$ 23,383.49	\$ 2,454.30	\$ 57,095.71	\$ 14,683.83
Total Grants Receivable	\$ 21,696.61	\$ 61,050.50	\$ 14,870.22	\$ 23,383.49	\$ 2,454.30	\$ 57,095.71	\$ 14,683.83

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

	Balance December 31, 2011	Transferred from 2012 Budget Appropriations	Appropriation by 40A:4-87	Expended	Cancelled	Balance December 31, 2012
Federal:						
FEMA Snow Fencing	\$ 8,065.76	\$	\$	7,801.50	\$	\$ 264.26
COPS Grant - 2010	1,193.50					1,193.50
	<u>9,259.26</u>			<u>7,801.50</u>		<u>1,457.76</u>
State:						
Drunk Driving Enforcement Fund	\$ 8,359.14	\$	\$ 13,006.90	2,625.95	\$	\$ 18,740.09
Clean Communities Grant	3,067.94			2,912.78		155.16
Clean Communities Grant - 2012		19,681.59		13,813.07		5,868.52
Alcohol Education and Rehabilitation Fund	117.80					117.80
Shore Ez Ride: Matching Portion		4,000.00		4,000.00		
Fletcher Lake - Phase I	5,745.00					5,745.00
TRC Energy EEBCG		11,694.41		11,694.41		
Alliance to Prevent Alcoholism and Drug Abuse:						
Grant Portion	4,804.21					
Matching Portion	70.99			8,574.28	971.75	8,296.18
SLAHEOP Grant	315.00	3,260.00		1,909.30	1.00	1,420.69
Green Acres Parking Meters	7,885.00					315.00
Body Armor Replacement	1,755.11		1,863.32	1,810.25		7,885.00
Cool Cities Community Stewardship						1,808.18
Tree Planting Grant	180.13					180.13
Green Acres Lot Parking Meter Fees	10,348.06					10,348.06
NJ Corporation Wetlands Restoration		4,000.00				4,000.00
Green Acres Lot Parking Meter Fees - 2012		12,636.50		8,184.32		4,452.18
NJ Community Forestry Grant	1,481.55				1,481.55	
	<u>44,129.93</u>	<u>68,310.50</u>	<u>14,870.22</u>	<u>55,524.36</u>	<u>2,454.30</u>	<u>69,331.99</u>
	\$ 53,389.19	\$ 68,310.50	\$ 14,870.22	\$ 63,325.86	\$ 2,454.30	\$ 70,789.75

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

<u>Grant</u>	Balance December 31, 2011	Transferred to 2012 Budget Revenue	Receipt	Balance December 31, 2012
Body Armor Replacement Program	\$ 0.44	\$	\$	0.44
Bullet Proof Vest Program	1,696.51			1,696.51
Body Armor Replacement Program - 2011	1,863.32	1,863.32		
Body Armor Replacement Program - 2012			1,901.05	1,901.05
TRC Energy EEBCG - 2010	11,694.41	11,694.41		
Drunk Driving Enforcement Fund - 2012			3,103.91	3,103.91
Alcohol Education and Rehabilitation - 2012			377.74	377.74
Clean Communities	<u>9,825.76</u>	<u>9,825.76</u>		
	\$ <u>25,080.44</u>	\$ <u>23,383.49</u>	\$ <u>5,382.70</u>	\$ <u>7,079.65</u>

State:

TRUST FUNDS

BOROUGH OF BRADLEY BEACH
TRUST FUNDS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
REGULATORY BASIS
AS OF DECEMBER 31, 2012 AND 2011

	<u>Payroll</u>	<u>Animal Control</u>		<u>Other</u>
	<u>2012</u>	<u>2012</u>	<u>2011</u>	<u>2011</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 17,142.15	\$ 5,269.31	\$ 6,206.48	\$ 614,730.79
Interfund Receivable:				
Due from Current Fund				
Due from Employee	594.46			
Other Receivable				
Total Assets	<u>\$ 17,736.61</u>	<u>\$ 5,269.31</u>	<u>\$ 6,206.48</u>	<u>\$ 614,780.79</u>
<u>LIABILITIES AND RESERVES</u>				
Other Liabilities and Reserves:				
Interfund Payable:				
Due to Current Fund				
Due to Employee	\$	\$ 909.31	\$ 1,776.48	\$
Reserve for Encumbrances				
Serial Bonds				
Reserve for New Jersey Unemployment Compensation				
Payroll Deductions Payable	17,736.61			51,206.62
Due to Employee				
Assessment Overpayments				
Due to State of New Jersey Reserves				
Fund Balance				
Total Liabilities and Reserves	<u>\$ 17,736.61</u>	<u>\$ 5,269.31</u>	<u>\$ 6,206.48</u>	<u>\$ 614,780.79</u>

BOROUGH OF BRADLEY BEACH
TRUST FUNDS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
REGULATORY BASIS
AS OF DECEMBER 31, 2012 AND 2011

	<u>Public Assistance</u>	<u>Trust Assessment</u>	<u>Tourism</u>	<u>Totals</u>
	<u>2012</u>	<u>2012</u>	<u>2012</u>	<u>(Memorandum Only)</u>
	<u>2011</u>	<u>2011</u>	<u>2011</u>	<u>2011</u>
ASSETS				
Cash and Cash Equivalents	\$ 4,887.44	\$ 2,136.76	\$ 24,970.03	\$ 27,994.23
Interfund Receivable:				
Due from Current Fund	\$ 4,887.44		\$ 23,518.91	\$ 28,406.35
Due from Employee				594.46
Other Receivable				50.00
Total Assets	<u>\$ 4,887.44</u>	<u>\$ 2,136.76</u>	<u>\$ 24,970.03</u>	<u>\$ 27,994.23</u>
LIABILITIES AND RESERVES				
Other Liabilities and Reserves:				
Interfund Payable:				
Due to Current Fund	\$	\$	\$	\$ 1,776.48
Due to Employee	\$	\$	\$	2,264.52
Reserve for Encumbrances			2,134.52	
Serial Bonds				
Reserve for New Jersey Unemployment Compensation			22,835.51	415,371.20
Payroll Deductions Payable	4,887.44			55,686.43
Due to Employee	4,887.44			17,736.61
Assessment Overpayments				
Due to State of New Jersey Reserves				
Fund Balance	<u>\$ 4,887.44</u>	<u>\$ 2,136.76</u>	<u>\$ 24,970.03</u>	<u>\$ 27,994.23</u>
Total Liabilities and Reserves	<u>\$ 4,887.44</u>	<u>\$ 2,136.76</u>	<u>\$ 24,970.03</u>	<u>\$ 27,994.23</u>

BOROUGH OF BRADLEY BEACH
TRUST ASSESSMENT FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS

	Balance December 31, 2011	Cash Receipts	Cash Disbursements	Transfer From	To	Balance December 31, 2012
Due (from)/to Current Fund Fund Balance	\$ 2,136.76	\$ 10.29	\$ 2,147.05	\$ 2,136.76	\$ 2,136.76	\$
	<u>\$ 2,136.76</u>	<u>\$ 10.29</u>	<u>\$ 2,147.05</u>	<u>\$ 2,136.76</u>	<u>\$ 2,136.76</u>	<u>\$</u>

BOROUGH OF BRADLEY BEACH
TRUST OTHER FUND
STATEMENT OF VARIOUS RESERVES

	Balance December 31, 2011	Increased by Receipts	Decreased by Encumbrances	Disbursements	Balance December 31, 2012
Recycling Program (per N.J.S. 40A:4-39)	\$ 20,245.99	\$ 4,625.28			\$ 24,871.27
Insurance Commission (per N.J.S.A. 40A:4-39)	1,368.10	0.12			1,368.22
Public Library	12,003.33	549.10		10,012.81	2,539.62
Parking Offenses Adjudication Act (per N.J.S.A. 40A:4-39)	945.53	926.00		850.00	1,021.53
Escrow Fees (per N.J.S. 40A:4-39)	38,578.66	28,868.54	130.00	37,131.51	30,185.69
Alcohol and Drug Abuse Alliance (per N.J.S. 40A:4-39)	417.83	0.06			417.89
Law Enforcement Trust	18,508.04	4,989.14			23,497.18
Relocation Assistance (N.J.S.A. 40A:4-39)	1,058.06	4.97			1,063.03
Fire Prevention Fees (N.J.S.A. 40A:4-39)	7,600.91	1,180.58		6,328.92	2,452.57
Public Defender Fees (N.J.S.A. 40A:4-39)	783.57	2,458.57		1,000.00	2,242.14
Shade Tree	2,446.01	200.00			2,646.01
Tax Sale Preiums	87,525.00	68,800.00		111,800.00	44,525.00
Outside Employment	6,950.00	82,442.50		87,102.50	2,290.00
Redemption of Tax Title Liens	8,895.48			923.33	7,972.15
Street Opening Deposit	14,500.00	500.00		10,219.50	4,780.50
Building Rental	225.00				225.00
Bid Monies	8,450.00				8,450.00
Insurance	45,432.19			3,508.13	41,924.06
Reserve for Auto Accidents	133.58				133.58
Light Pole	182.00				182.00
Library Renovation	25,605.54	118.21		25,723.75	
Scholarships	1,651.26				1,651.26
Concession Security	10,584.70	1,008.57			11,593.27
Miscellaneous	3,666.32	400.09			4,066.41
Library Suplus Transfer	232,085.78	35,451.00		99,923.27	132,162.51
Memorial Day Parade/Craft Fair	13,731.29	1,050.00		27,389.33	21,792.96
Arts Council Donations		1,000.00		870.65	179.35
OEM Trust		8,055.05			1,000.00
Snow Removal For Prior Year					8,055.05
	\$ 563,574.17	\$ 242,627.78	\$ 130.00	\$ 422,783.70	\$ 383,288.25

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

<u>BALANCE, DECEMBER 31, 2011</u>		\$	51,206.62
<u>INCREASED BY</u>			
Budget Appropriation	\$		35,000.00
Employee's Deductions			11,073.68
Interest Earned on Investments and Deposits			5.40
			<u>46,079.08</u>
		\$	97,285.70
<u>DECREASED BY</u>			
Unemployment Compensation Claims/Charges Paid			<u>41,599.27</u>
<u>BALANCE, DECEMBER 31, 2012</u>		\$	<u><u>55,686.43</u></u>

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

<u>BALANCE, DECEMBER 31, 2011</u>		\$ 4,424.00
<u>INCREASED BY</u>		
Dog License Fees Collected	\$ 2,177.00	
Late Fees and Other	<u>1,471.20</u>	<u>3,648.20</u>
		8,072.20
<u>DECREASED BY</u>		
Expenditures Under R.S. 4:19-15.11	\$ 1,865.72	
Statutory Excess - Due to Current Fund	<u>1,776.48</u>	<u>3,642.20</u>
<u>BALANCE, DECEMBER 31, 2012</u>		<u>\$ 4,430.00</u>

LICENSES COLLECTED

<u>Year</u>	<u>Amount</u>
2010	\$ 2,247.00
2011	<u>2,183.00</u>
	<u>\$ 4,430.00</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
TRUST ASSESSMENT FUND
STATEMENT OF ASSESSMENTS RECEIVABLE

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Balance December 31, 2011</u>	<u>Collections</u>
98-18/99-04/ 02-01	Road and Sidewalk Improvements	04/01/01	10	\$ 2,136.76	\$ 2,136.76

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

<u>BALANCE, DECEMBER 31, 2011</u>		\$ 23,518.91
<u>INCREASED BY</u>		
Cash Receipts	\$ 51,800.00	
Interest Earned	<u>4.58</u>	<u>51,804.58</u>
		\$ 75,323.49
<u>DECREASED BY</u>		
Cash Disbursed	\$ 50,353.46	
Reserve for Encumbrances	<u>2,134.52</u>	<u>52,487.98</u>
<u>BALANCE, DECEMBER 31, 2012</u>		<u>\$ 22,835.51</u>

GENERAL CAPITAL FUND

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2012 AND 2011

	December 31,	
	2012	2011
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ <u>541,763.43</u>	\$ <u>854,526.72</u>
Intergovernmental Accounts Receivable	<u>327,047.00</u>	<u>660,797.00</u>
Deferred Charges to Future Taxation:		
Funded	5,003,911.03	5,630,829.63
Unfunded	<u>1,226,988.00</u>	<u>1,100,550.00</u>
	<u>6,230,899.03</u>	<u>6,731,379.63</u>
Interfund Receivable:		
Due from Current Fund	<u>21.22</u>	<u> </u>
Obligations Under Capital Lease - Unfunded	<u>588,600.00</u>	<u>767,000.00</u>
Total Assets	<u>\$ <u>7,688,330.68</u></u>	<u>\$ <u>9,013,703.35</u></u>

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2012 AND 2011

	December 31,	
	2012	2011
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE</u>		
Serial Bonds	\$ 4,745,119.00	\$ 5,353,133.00
Bond Anticipation Notes	845,488.00	527,000.00
Capital Lease Obligations Payable - Principal	588,600.00	767,000.00
Due to State of New Jersey - Green Trust Loan	258,792.03	277,696.63
Other Liabilities and Reserves:		
Capital Improvement Fund	62,678.76	59,928.76
Reserve for Encumbrances	52,320.00	83,639.75
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	9,168.90
Reserve of Sylvan Lake Aerator	4,500.00	4,500.00
Reserve for Interlocal Agreement - Salt Dome	11,808.57	12,000.00
Reserve for Preliminary Costs - Solar Panels	500.00	500.00
Reserve for NJLM Sustainable Grant	5,000.00	5,000.00
Reserve for Regional Contribution Agreement -		
Interest Income	19,599.98	19,522.20
Reserve for Library Accessibility	13,603.60	35,000.00
Reserve for Dispatch Recorder System	15,000.00	
Reserve for Surveillance System	10,000.00	
	206,005.17	230,511.47
Improvement Authorizations:		
Funded	475,356.13	1,085,654.25
Unfunded	568,345.35	772,708.00
	1,043,701.48	1,858,362.25
Fund Balance	625.00	
Total Liabilities, Reserves and Fund Balance	\$ 7,688,330.68	\$ 9,013,703.35

There were Bonds and Notes Authorized But Not Issued of \$52,500.00 at December 31, 2012.

**BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS**

	Balance		Receipts			Disbursements		Transfers		Balance December 31, 2012
	December 31, 2011	\$	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Capital Fund Balance	59,928.76	\$		625.00						625.00
Capital Improvement Fund	(20,000.00)			10,000.00						62,678.76
Reserve for Regional Contribution Agreement - Interest Income	19,522.20			77.78						19,599.98
Due to/(from) Current Fund				371.27						(21.22)
Due from State of New Jersey - Department of Transportation	(445,000.00)			333,750.00		392.49				(111,250.00)
Due from County of Monmouth:										
Community Development Block Grant (Ord. 11-08/11-21)	(195,797.00)									(195,797.00)
Open Space Grant (Ord. 11-09)	(20,000.00)									(20,000.00)
Reserve for Encumbrances	83,639.75									52,320.00
Reserve for Payment of Bonds	9,168.90			573.50				6,714.15	25,865.50	52,320.00
Reserve for Interlocal Agreement - Salt Dome	12,000.00			10,000.00						9,742.40
Reserve for Sylvan Lake Aerator	4,500.00									11,808.57
Reserve for Solar Panels	500.00									4,500.00
Reserve for Fletcher Lake Imp. Unappropriated	20.00									500.00
Reserve for Recreation Building, Unappropriated	1,231.86									20.00
Reserve for N.J.L.M 2010 Sustainable Grant	5,000.00									1,231.86
Reserve for Library Accessibility	35,000.00			15,000.00				16,300.00		5,000.00
Reserve for Dispatch Recorder System				10,000.00						13,603.60
Reserve for Surveillance Camera						5,086.40				15,000.00
Ordinance Number										10,000.00
98-04	Development and Implementation of a Housing Rehabilitation Program									
03-23/04-12	Renovation of the Police and Administration Areas	102,295.56			675.00					101,420.56
06-16		284,567.14			18,171.50					266,395.64
04-05	Repair and/or Replacement of the Flume at Fletcher Lake and the Extension of the Outfall Pipe	12,534.64								12,534.64
06-07/06-06	Upgrades to the Emergency Communication System	44,532.68								44,532.68

**BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS**

Ordinance Number	Description	Receipts		Disbursements		Transfers From	Transfers To	Balance December 31, 2012
		Balance December 31, 2011	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations			
		\$ 4,450.55	\$	\$	1,257.40	\$	\$	\$ 3,193.15
05-22/ 06-07/06-18	Various Road Improvements - Fifth Avenue	2,877.46						2,877.46
06-19	Fletcher Lake Flume Improvements	9,075.90						9,075.90
06-21	Sylvan Lake Bulk Heading Phase III	52,597.35			10,206.75	9,565.50		32,826.10
07-16/ 09-05/11-22	Acquisition and Installation of Solar Panels	29,673.58			666.31			29,207.27
08-06	Replacement of the Sylvan Lake Bulkhead - Phase IV	8,637.45			516.08		6,714.15	14,835.52
08-07	Various 2008 Roadway Improvements	646.97			646.96			0.01
09-13	Acquisition of Load and Pack Vehicle	2,500.00						2,500.00
09-10	Monmouth County Improvement Authority Lease Program							
10-06/11-18 12-07	Various 2010 Roadway Improvements	287,024.62	153,050.00		362,732.73		5,500.00	82,841.89
11-08/11-21 12-08	Various 2011 Roadway Improvements	408,839.60	156,760.00		528,713.94		1,750.00	36,625.66
11-09	Various Improvements to Lake Terrace Park	34,358.75	20,000.00		33,023.75			21,335.00
		\$ 854,526.72	\$ 329,800.00	\$ 380,397.55	\$ 955,809.42	\$ 66,151.42	\$ 39,829.55	\$ 541,763.43

Bracketed () Amount Denotes Deficit.

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

		State of New Jersey	Monmouth County						
		Department of Transportation	Community	Development	Open				
		Ordinance	Block Grant	Space	Grant				
		11-08/11-21	Ordinance	11-08/11-21	11-09				
		10-05/11-18/12-07	11-08/11-21	11-08/11-21	Ordinance				
<u>BALANCE, DECEMBER 31, 2011</u>	\$	640,797.00	\$ 235,000.00	\$ 210,000.00	\$ 195,797.00	\$	20,000.00		
<u>DECREASED BY</u>									
Cash Receipt		333,750.00	176,250.00	157,500.00					
<u>BALANCE, DECEMBER 31, 2012</u>	\$	<u>327,047.00</u>	<u>\$ 58,750.00</u>	<u>\$ 52,500.00</u>	<u>\$ 195,797.00</u>	<u>\$</u>	<u>20,000.00</u>		
Detail:									
Unreserved	\$	<u>327,047.00</u>	<u>\$ 58,750.00</u>	<u>\$ 52,500.00</u>	<u>\$ 195,797.00</u>	<u>\$</u>	<u>20,000.00</u>		
	\$	<u>327,047.00</u>	<u>\$ 58,750.00</u>	<u>\$ 52,500.00</u>	<u>\$ 195,797.00</u>	<u>\$</u>	<u>20,000.00</u>		

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

Ordinance Date/ Number	Improvements	Balance December 31, 2011	2012 Authorizations	2012 Budget Appropriation	Balance December 31, 2012	Analysis of Balance December 31, 2012	
						Bond Anticipation Notes	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	195,500.00		6,725.00	188,775.00	188,275.00	500.00
08-07	Various 2008 Roadway Improvements	133,000.00		4,587.00	128,413.00	128,413.00	
09-13	Acquisition of Load and Pack Vehicle	39,000.00			39,000.00	39,000.00	
09-10	Monmouth County Improvement Authority Lease Program	328,000.00			329,000.00		329,000.00
10-05/11-18/12-07	Various 2010 Roadway Improvements	168,550.00	104,500.00		273,050.00	273,050.00	
11-08/11-21/12-09	Various 2011 Roadway Improvements	163,500.00	33,250.00		196,750.00	196,750.00	
11-09	Various Improvements to Lake Terrace	20,000.00			20,000.00	20,000.00	
		<u>\$ 1,100,550.00</u>	<u>\$ 137,750.00</u>	<u>\$ 11,312.00</u>	<u>\$ 1,226,988.00</u>	<u>\$ 845,488.00</u>	<u>\$ 381,500.00</u>
Detail:							
Improvement Authorizations Unfunded						\$	568,345.35
Less: Unexpended Balance of Bond Anticipation Notes							186,845.35
						\$	381,500.00

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

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding December 31, 2012		Interest Rate	Balance December 31, 2011	Decreased	Balance December 31, 2012
			Date	Amount				
Refunding - 2002 Bonds	04/03/06	\$ 913,200.00	8/1/13	\$ 96,000.00	5.00%	\$	\$	
			8/1/14	101,000.00	5.00%			
			8/1/15	105,000.00	5.00%			
Refunding - 2000 Bonds	04/15/07	1,916,919.00	12/1/13	300,000.00	4.00%	394,000.00	92,000.00	302,000.00
			12/1/14	346,957.00	5.00%			
			12/1/15	346,162.00	5.00%			
			12/1/16	316,000.00	5.00%			
General Improvements Bonds	12/13/07	3,733,000.00	12/1/13	250,000.00	5.00%	1,587,133.00	278,014.00	1,309,119.00
			12/1/14	263,000.00	5.00%			
			12/1/15	276,000.00	5.00%			
			12/1/16	290,000.00	5.00%			
			12/1/17	304,000.00	5.00%			
			12/1/18	319,000.00	5.25%			
			12/1/19	336,000.00	4.00%			
12/1/20	350,000.00	4.00%						
12/1/21	363,000.00	5.25%						
General Improvement Term Bond	12/13/07	383,000.00	12/1/22	383,000.00	4.25%	2,989,000.00	238,000.00	2,751,000.00
						<u>383,000.00</u>		<u>383,000.00</u>
						<u>\$ 5,353,133.00</u>	<u>\$ 608,014.00</u>	<u>\$ 4,745,119.00</u>

**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, 2011	Decreased	Balance December 31, 2012	
								December 31, 2012
Parks, Playground and Recreation Improvements Green Trust Loan	9/22/04	\$ 400,000.00	\$ 9,594.32	2.00%	\$ 277,696.63	\$ 18,904.60	\$ 258,792.03	
			9/22/2013					
			9/22/2013	9,690.26				
			3/22/2014	9,787.16				
			9/22/2014	9,885.04				
			3/22/2015	9,983.89				
			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					
					\$ 277,696.63	\$ 18,904.60	\$ 258,792.03	

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

Ordinance Number	Description	Ordinance Date	Amount	Balance December 31, 2011		2012 Authorizations		Cancellation of Reserve for Encumbrances	Balance December 31, 2012		
				Funded	Unfunded	Deferred Charges to Future Taxation	Capital Improvement Fund		Paid or Charged	Funded	Unfunded
98-04	Development and Implementation of a Housing Rehabilitation Program	05/18/98	\$ 1,900,000.00	\$ 102,295.56	\$	\$	\$	\$	\$ 875.00	\$ 101,420.56	\$
03-23/ 04-12/08-16	Renovation of the Police and Administration Areas (CDBG) \$194,662	11/25/03, 11/23/04, 07/25/06	2,875,000.00	284,567.14							
04-05	Repair and/or Replacement of the Flume at Fletcher Lake and the Extension of the Outfall Pipe	03/22/04	14,500.00	12,534.64					18,171.50	266,395.64	
05-07/ 06-06	Upgrades to the Emergency Communication System (Contingency Fund \$275,000)	02/22/05, 02/28/06	570,000.00	44,532.68						12,534.64	
05-22/ 06-07/06-18	Various Roadway, Intersection Fifth Avenue Improvements (NJ DOT \$265,000)	06/28/05, 02/28/06, 11/28/06	750,000.00	4,450.55					1,257.40	3,193.15	
06-19	Fletcher Lake Flume Improvements	11/28/06	125,000.00	2,877.46						44,532.68	2,877.46

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

Ordinance Number	Description	Date	Ordinance Amount	Balance December 31, 2011		Deferred Charges to Future Taxation	Capital Improvement Fund	Cancellation of Reserve for Encumbrances	Paid or Charged	Balance December 31, 2012	
				Funded	Unfunded					Funded	Unfunded
06-21	Sylvan Lake Bulk Heading Phase III	12/29/06	\$ 150,000.00	\$ 9,075.90	\$ 52,000.00					\$ 9,075.90	\$ 52,000.00
07-09	Capital Lease Guarantee	07/24/07	120,000.00								
07-16/ 09-5/11-22	Acquisition and Installation of Solar Panels (NJ BPU \$88,000)	10/09/07	291,511.91	52,597.35							
08-06	Replacement of Sylvan Head Bilkhead - Phase IV (CDBG \$194,000)	06/10/08	400,000.00		30,373.58				666.31		29,707.27
08-07	Various 2008 Roadway Improvements (NJDOT \$160,000)	06/10/08	330,000.00		8,637.45				516.08		14,835.52
08-13	Acquisition of Load and Pack Vehicle	11/10/09	41,000.00		646.97			6,714.15	646.96		0.01
09-10	Monmouth County Improvement Authority Lease Program	07/28/09	27,500.00	2,500.00						2,500.00	329,000.00
10-05/ 11-18/12-07	Various 2010 Roadway Improvements NJDOT \$210,000	Var	497,000.00	167,024.62	188,550.00	104,500.00	5,500.00		362,732.73		82,841.89
11-08/ 11-21/12-08	Various 2011 Roadway Improvements	Var	640,000.00	368,839.60	163,500.00	33,250.00	1,750.00		528,713.94		38,625.66
11-09	Improv. to Lake Terrace Park	11/09/11	60,000.00	34,358.75	20,000.00				33,023.75		21,336.00
			\$ 1,085,654.25	\$ 772,708.00	\$ 137,750.00	\$ 7,250.00	\$ 6,714.15	\$ 966,374.92	\$ 475,358.13	\$ 568,345.35	

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

<u>BALANCE, DECEMBER 31, 2011</u>	\$ 59,928.76
<u>INCREASED BY</u>	
2011 Budget Appropriation	<u>10,000.00</u>
	69,928.76
<u>DECREASED BY</u>	
Appropriated to Finance Improvement Authorizations	<u>7,250.00</u>
<u>BALANCE, DECEMBER 31, 2012</u>	\$ <u><u>62,678.76</u></u>

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

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
08-06	Replacement of Sylvan Head Bulkhead - Phase IV	8/11/2009	8/8/2011 8/8/2012	8/8/2012 8/8/2013	2.210% 1.750%	\$ 195,000.00	\$ 188,275.00	\$ 195,000.00	\$ 188,275.00
08-07	Various 2008 Roadway Improvements	8/11/2009	8/8/2011 8/8/2012	8/8/2012 8/8/2013	2.210% 1.750%	133,000.00	128,413.00	133,000.00	128,413.00
09-13	Acquisition of Load and Pack Vehicle	8/8/2011	8/8/2011 8/8/2012	8/8/2012 8/8/2013	2.210% 1.750%	39,000.00	39,000.00	39,000.00	39,000.00
10-05/11-18 12-07	Various 2010 Roadway Improvements	8/8/2011	8/8/2011 8/8/2012	8/8/2012 8/8/2013	2.210% 1.750%	120,000.00	273,050.00	120,000.00	273,050.00
11-08/11-21 12-09	Various 2011 Roadway Improvements	8/8/2011	8/8/2011 8/8/2012	8/8/2012 8/8/2013	2.210% 1.750%	40,000.00	196,750.00	40,000.00	196,750.00
11-09	Various Improvements to Lake Terrace Park	8/8/2012	8/8/2012	8/8/2013	1.750%	20,000.00	20,000.00	20,000.00	20,000.00
						<u>\$ 527,000.00</u>	<u>\$ 845,488.00</u>	<u>\$ 527,000.00</u>	<u>\$ 845,488.00</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, 2011	2012 Authorizations	Decreased by Bond Anticipation Notes Issued	Balance December 31, 2012
07-09	Capital Lease Guarantee	\$ 52,000.00	\$	\$	\$ 52,000.00
08-06	Replacement of Sylvan Head Bulkhead - Phase IV	500.00			500.00
10-05/ 11-18/12-07	Various 2010 Roadway Improvements Amending and Supplementing	48,550.00	104,500.00	153,050.00	
11-08/ 11-21/12-08	Various 2011 Roadway Improvements Amending and Supplementing	123,500.00	33,250.00	156,750.00	
11-09	Various Improvements to Lake Terrace Park	20,000.00		20,000.00	
		<u>\$ 244,550.00</u>	<u>\$ 137,750.00</u>	<u>\$ 329,800.00</u>	<u>\$ 52,500.00</u>

UTILITY OPERATING FUNDS - COMBINED STATEMENTS

**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, 2012 AND 2011**

	Beach Utility		Sewer Utility		Totals (Memorandum Only)	
	2012	2011	2012	2011	2012	2011
ASSETS						
Operating Fund:						
Cash and Cash Equivalents	\$ 569,562.52	\$ 527,873.33	\$ 402,759.80	\$ 298,554.12	\$ 972,322.32	\$ 826,427.45
Consumer Accounts Receivable			81,674.35	75,914.84	81,674.35	75,914.84
Interfunds Receivable:						
Due from Sewer Utility Capital Fund	13,998.63				13,998.63	
Total Assets	\$ 583,561.15	\$ 527,873.33	\$ 484,434.15	\$ 374,468.96	\$ 1,067,995.30	\$ 902,342.29
LIABILITIES, RESERVES AND FUND BALANCE						
Operating Fund:						
Liabilities:						
Appropriation Reserves	\$ 76,099.14	\$ 76,105.49	\$ 147,689.59	\$ 81,000.92	\$ 223,788.73	\$ 157,106.41
Other Liabilities and Reserves:						
Reserve for Encumbrances	9,145.70	29,437.24	15,995.76	20,580.90	25,141.46	50,018.14
Reserve for Utilization of Banked Time	6,000.00		11,000.00		17,000.00	
Reserve for Beach Enhancement Donations	4,705.53				4,705.53	
Prepaid Bathing Badges	166,665.00	154,785.00			166,665.00	154,785.00
Sewer Rent Overpayments			3,144.70	911.02	3,144.70	911.02
Prepaid Sewer Rents			61,233.11	16,208.53	61,233.11	16,208.53
Accrued Interest on Bonds and Notes	3,183.98	2,483.98	3,981.11	3,979.63	7,165.09	6,463.61
Due to Lienholder			6.81	6.81	6.81	6.81
Due to Sewer Utility Capital Fund			23,941.41		23,941.41	
Various Reserves	11,200.81	14,345.73			11,200.81	14,345.73
Reserve for Receivables	200,901.02	201,051.95	119,302.90	41,686.89	320,203.92	242,738.84
Fund Balance	306,560.99	250,715.89	81,674.35	75,914.84	81,674.35	75,914.84
Total Liabilities, Reserves and Fund Balance	\$ 583,561.15	\$ 527,873.33	\$ 484,434.15	\$ 374,468.96	\$ 1,067,995.30	\$ 902,342.29

BEACH UTILITY OPERATING FUND

BOROUGH OF BRADLEY BEACH
STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
<u>OPERATING</u>					
Salaries & Wages	\$ 887,307.72	\$ 886,607.72	\$ 871,928.36		\$ 14,678.36
Other Expenses	<u>463,916.20</u>	<u>463,616.20</u>	<u>404,717.92</u>	9,145.70	<u>49,752.58</u>
Total Operating	<u>1,351,223.92</u>	<u>1,350,223.92</u>	<u>1,276,647.28</u>	9,145.70	<u>64,430.94</u>
<u>CAPITAL IMPROVEMENTS</u>					
Capital Outlay	<u>56,000.00</u>	<u>56,000.00</u>	<u>44,331.80</u>		<u>11,668.20</u>
Total Capital Outlay	<u>56,000.00</u>	<u>56,000.00</u>	<u>44,331.80</u>		<u>11,668.20</u>
<u>DEBT SERVICE</u>					
Payment of Bond Principal	77,000.00	77,000.00	77,000.00		
Interest on Bonds	25,850.00	26,150.00	26,150.00		
Interest on Notes	<u>4,205.00</u>	<u>4,905.00</u>	<u>4,905.00</u>		
Total Debt Service	<u>107,055.00</u>	<u>108,055.00</u>	<u>108,055.00</u>		
<u>STATUTORY EXPENDITURES</u>					
Contribution to:					
Public Employees' Retirement System	10,000.00	10,000.00	10,000.00		
Social Security System (O.A.S.I.)	<u>66,565.36</u>	<u>66,565.36</u>	<u>66,565.36</u>		
Total Statutory Expenditures	<u>76,565.36</u>	<u>76,565.36</u>	<u>76,565.36</u>		
Total Beach Utility Appropriations	<u>\$ 1,590,844.28</u>	<u>\$ 1,590,844.28</u>	<u>\$ 1,505,599.44</u>	<u>\$ 9,145.70</u>	<u>\$ 76,099.14</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
STATEMENT OF 2011 APPROPRIATION RESERVES

	Balance December 31, 2011	Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances		
OPERATING				
Salaries and Wages	\$ 29,976.44	\$	\$ 9,078.64	\$ 20,897.80
Other Expenses	18,091.36	29,437.24	30,706.55	16,822.05
Contribution to:				
Social Security System (O.A.S.I.)	1,959.15	1,959.15		1,959.15
	\$ 76,105.49	\$ 29,437.24	\$ 39,785.19	\$ 65,757.54

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

<u>BALANCE, DECEMBER 31, 2011</u>	\$ 2,483.98
<u>INCREASED BY</u>	
Budget Appropriations:	
Interest on Bonds	\$ 26,150.00
Interest on Notes	<u>4,905.00</u>
	<u>31,055.00</u>
	\$ 33,538.98
<u>DECREASED BY</u>	
Cash Disbursed	<u>30,355.00</u>
<u>BALANCE, DECEMBER 31, 2012</u>	<u>\$ 3,183.98</u>

ANALYSIS OF BALANCE

	Amount Outstanding December 31, <u>2012</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	Accrual <u>Period</u>	<u>Accrual</u>
Serial Bonds - 2007	\$ 446,000.00	5.00%	12/01/12	12/31/12	1 Month	\$ 1,858.33
Bond Anticipation Notes	182,000.00	1.75%	8/8/2011	12/31/2012	142 Days	<u>1,256.31</u>
						3,114.64
Less: Excess to be Utilized in Subsequent Year's Budget						<u>69.34</u>
						<u>\$ 3,183.98</u>

SEWER UTILITY OPERATING FUND

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, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:		
Operating Fund Balance Appropriated	\$ 134,821.52	\$ 159,685.00
Rents	1,742,955.77	1,656,673.35
Other Credits to Income:		
Non-budget Revenue	29,248.78	4,553.70
Unexpended Balance of Appropriation Reserves	<u>82,517.97</u>	<u>24,507.70</u>
Total Income	<u>1,989,544.04</u>	<u>1,845,419.75</u>
Expenditures:		
Operating:		
Salaries and Wages	321,108.02	273,387.50
Other Expenses	1,164,727.50	1,099,631.00
Capital Improvements	105,000.00	40,000.00
Debt Service	224,921.00	230,465.61
Deferred Charges and Statutory Expenditures	<u>79,065.00</u>	<u>66,201.28</u>
Total Expenditures	<u>1,894,821.52</u>	<u>1,709,685.39</u>
Statutory Excess to Fund Balance	94,722.52	135,734.36
Fund Balance, January 1	<u>175,866.31</u>	<u>199,816.95</u>
	270,588.83	335,551.31
Decreased by:		
Utilization as Anticipated Revenue	<u>134,821.52</u>	<u>159,685.00</u>
Fund Balance, December 31	<u>\$ 135,767.31</u>	<u>\$ 175,866.31</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	\$ 134,821.52	\$ 134,821.52	
Rents	1,560,000.00	1,542,955.77	\$ (17,044.23)
Increase in Sewer Rents	<u>200,000.00</u>	<u>200,000.00</u>	
	\$ 1,894,821.52	\$ 1,877,777.29	\$ (17,044.23)
Non-Budget Revenue		<u>29,248.78</u>	<u>29,248.78</u>
	<u>\$ 1,894,821.52</u>	<u>\$ 1,907,026.07</u>	<u>\$ 12,204.55</u>

ANALYSIS OF NON-BUDGET REVENUE

Interest on Investments	\$ 189.00
Interest on Delinquent Accounts	9,705.64
Miscellaneous	<u>19,354.14</u>
	<u>\$ 29,248.78</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
<u>OPERATING</u>					
Salaries and Wages	\$ 321,108.02	\$ 321,108.02	\$ 302,781.64		\$ 18,326.38
Other Expenses	355,762.50	354,727.50	260,037.28	15,995.26	78,694.96
Sewer Service Agreement with the Neptune Township Sewerage Authority	<u>810,000.00</u>	<u>810,000.00</u>	<u>791,499.00</u>		<u>18,501.00</u>
Total Operating	<u>1,486,870.52</u>	<u>1,485,835.52</u>	<u>1,354,317.92</u>	<u>15,995.26</u>	<u>115,522.34</u>
<u>CAPITAL IMPROVEMENTS</u>					
Capital Improvement Fund	\$ 75,000.00	\$ 75,000.00	75,000.00		
Capital Outlay	<u>30,000.00</u>	<u>30,000.00</u>	<u>2,119.50</u>		<u>27,880.50</u>
Total Capital Improvements	<u>105,000.00</u>	<u>105,000.00</u>	<u>77,119.50</u>		<u>27,880.50</u>
<u>DEBT SERVICE</u>					
Payment of Bond Principal	188,986.00	188,986.00	188,986.00		
Interest on Bonds	<u>34,900.00</u>	<u>35,935.00</u>	<u>35,935.00</u>		
Total Debt Service	<u>223,886.00</u>	<u>224,921.00</u>	<u>224,921.00</u>		
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	39,500.00	39,500.00	39,500.00		
Social Security System (O.A.S.I.)	24,565.00	24,565.00	22,397.75		2,167.25
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	<u>15,000.00</u>	<u>15,000.00</u>	<u>15,000.00</u>		
Total Deferred Charges and Statutory Expenditures	<u>79,065.00</u>	<u>79,065.00</u>	<u>76,897.75</u>		<u>2,167.25</u>
Total Sewer Utility Appropriations	<u>\$ 1,894,821.52</u>	<u>\$ 1,894,821.52</u>	<u>\$ 1,733,256.17</u>	<u>\$ 15,995.26</u>	<u>\$ 145,570.09</u>

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

<u>BALANCE, DECEMBER 31, 2011</u>		\$ 75,914.84
 <u>INCREASED BY</u>		
Sewer Charges Levied		<u>1,804,206.73</u>
		1,880,121.57
 <u>DECREASED BY</u>		
Receipts	\$ 1,725,836.22	
Prepayments Applied	17,119.55	
Prior Year's Correction	<u>55,491.45</u>	<u>1,798,447.22</u>
 <u>BALANCE, DECEMBER 31, 2012</u>		 <u>\$ 81,674.35</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF 2011 APPROPRIATION RESERVES

	Balance December 31, 2011	Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>		
<u>OPERATING</u>				
Salaries and Wages	\$ 880.50	\$	\$ 800.74	\$ 79.76
Other Expenses	41,436.26	17,916.40	15,598.61	43,754.05
Sewer Service Agreement with the Neptune Township Sewerage Authority	803.00	803.00		803.00
<u>CAPITAL IMPROVEMENTS</u>				
Capital Outlay	37,880.50	2,119.50	2,119.50	37,880.50
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>				
Statutory Expenditures: Contribution to: Social Security System (O.A.S.I.)	<u>0.66</u>	<u>0.66</u>		<u>0.66</u>
	<u>\$ 81,000.92</u>	<u>\$ 20,035.90</u>	<u>\$ 18,518.85</u>	<u>\$ 82,517.97</u>

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

<u>BALANCE, DECEMBER 31, 2011</u>	\$ 3,979.63
 <u>INCREASED BY</u>	
Budget Appropriations:	
Interest on Bonds	<u>35,935.00</u>
	\$ 39,914.63
 <u>DECREASED BY</u>	
Cash Disbursed	<u>35,933.52</u>
 <u>BALANCE, DECEMBER 31, 2012</u>	 <u>\$ 3,981.11</u>

ANALYSIS OF BALANCE

	Amount Outstanding December 31, 2012	Interest Rate	From	To	Accrual Period	Accrual
Serial Bonds - 2007	\$ 323,881.00	Various	12/01/12	12/31/12	1 Month	\$ 1,561.13
Serial Bonds - 2007	<u>246,000.00</u>	5.00%	12/01/12	12/31/12	1 Month	<u>1,025.00</u>
	 <u>\$ 569,881.00</u>					 2,586.13
Add: Excess to be utilized in succeeding year's budget						<u>1,394.98</u>
						 <u>\$ 3,981.11</u>

UTILITY CAPITAL FUNDS - COMBINED STATEMENTS

**BOROUGH OF BRADLEY BEACH
COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
SEWER UTILITY AND SEWER UTILITY CAPITAL FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2012 AND 2011**

	Beach Utility Capital Fund 2012	Beach Utility Capital Fund 2011	Sewer Utility Capital Fund 2012	Sewer Utility Capital Fund 2011	Total (Memorandum Only) 2012	2011
ASSETS						
Cash and Cash Equivalents	\$ 356,432.10	\$ 412,358.00	\$ 244,114.93	\$ 163,052.83	\$ 600,547.03	\$ 575,410.83
Interfunds Receivable: Due from Sewer Utility Operating Fund			23,941.91		23,941.91	
Fixed Capital	2,592,975.94	2,548,644.14	3,219,949.05	3,219,949.05	5,812,924.99	5,768,593.19
Fixed Capital Authorized and Uncompleted	1,734,975.50	1,734,975.50	871,162.93	80,182.93	2,606,138.43	1,815,138.43
	4,327,951.44	4,283,619.64	4,091,111.98	3,300,111.98	8,419,063.42	7,583,731.62
Total Assets	\$ 4,684,383.54	\$ 4,695,977.64	\$ 4,359,168.82	\$ 3,463,164.81	\$ 9,043,552.36	\$ 8,159,142.45
LIABILITIES, RESERVES AND FUND BALANCE						
Serial Bonds	\$ 446,000.00	\$ 523,000.00	\$ 569,881.00	\$ 758,887.00	\$ 1,015,881.00	\$ 1,281,887.00
Bond Anticipation Notes	182,000.00	182,000.00			182,000.00	182,000.00
	182,000.00	182,000.00			182,000.00	182,000.00
Improvement Authorizations: Funded	353,439.06	402,607.73	103,068.43	80,800.89	456,507.49	483,408.62
Unfunded	495,036.22	403,556.78	667,527.43		1,072,563.65	403,556.78
	758,475.28	806,164.51	770,595.86	80,800.89	1,529,071.14	886,965.40
Capital Improvement Fund	10.11	10.11	86,251.94	82,251.94	86,262.05	82,262.05
Reserve for Encumbrances	546.71	6,520.71	64,737.84		65,284.55	6,520.71
Interfunds Payable: Due to Beach Utility Operating Fund			13,998.63		13,998.63	
Reserve for Amortization	556.82	6,530.82	164,988.41	82,251.94	165,545.23	88,782.76
Deferred Reserve for Amortization	1,385,059.62	1,263,727.82	2,730,230.98	2,541,244.98	4,115,290.60	3,804,972.80
Fund Balance	1,912,291.82	1,912,291.82	123,472.57		2,035,764.39	1,912,291.82
		2,262.67				2,262.67
Total Liabilities, Reserves and Fund Balance	\$ 4,684,383.54	\$ 4,695,977.64	\$ 4,359,168.82	\$ 3,463,164.81	\$ 9,043,552.36	\$ 8,159,142.45

There were Bonds and Notes Authorized but not Issued in the Beach Utility Capital Fund of \$402,600.00 and \$667,527.43 in the Sewer Utility Capital Fund as of December 31, 2012.

BEACH UTILITY CAPITAL FUND

**BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS**

Ordinance Number	Description	Balance December 31, 2011	Receipts		Disbursements		Transfers		Balance December 31, 2012
			Miscellaneous	Improvement Authorizations	Miscellaneous		From	To	
	Capital Fund Balance	\$ 2,262.67	\$	\$	2,262.67	\$			\$
	Capital Improvement Fund Reserve for Encumbrances	10.11							10.11
	Due to Beach Utility Operating Fund	6,520.71		3,639.53			2,881.18	546.71	546.71
			243.88		243.88				
00-09	Beach Erosion Control Project	391,730.81					45,000.00		346,730.81
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	8,501.42		5,981.83			546.71		1,972.88
09-13	Acquisition of a Load and Pack Vehicle	2,740.90		666.29					2,074.61
10-02	Concession Trailer	(581.75)		18.25				2,881.18	2,281.18
11-17	Construction of Golf Course	(1,202.37)		717.20					(1,919.57)
12-09	Beach Rake Acquisition			42,640.13				45,000.00	2,359.87
		\$ 412,358.00	\$ 243.88	\$ 53,663.23	\$ 2,506.55	\$ 48,427.89	\$ 48,427.89	\$ 48,427.89	\$ 356,432.10

Bracketed () Amount Denotes Deficit.

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

<u>BALANCE, DECEMBER 31, 2011</u>	\$ 2,548,644.14
 <u>INCREASED BY</u>	
Capital Outlay 2012 Appropriations	<u>44,331.80</u>
 <u>BALANCE, DECEMBER 31, 2012</u>	 <u><u>\$ 2,592,975.94</u></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	<u>44,331.80</u>
	 <u><u>\$ 2,592,975.94</u></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, 2011</u>	<u>Reappropriated</u>	<u>Balance December 31, 2012</u>
00-09	Beach Erosion Control Project	8/8/2000/ 10/11/2011	\$ 398,000.00	\$ 398,000.00	\$ (45,000.00)	\$ 353,000.00
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
11-17	Construction of Miniature Golf Course	10/11/2011	400,000.00	400,000.00		400,000.00
12-09	Beach Rake Acquisition	7/10/2012	45,000.00		45,000.00	45,000.00
				<u>\$ 1,734,975.50</u>	<u>\$</u>	<u>\$ 1,734,975.50</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds Outstanding December 31, 2012</u>	<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>
Beach Improvement Bonds	12/13/07	746,000.00	12/01/13 \$ 81,000.00	5.000%	\$	\$	\$
			12/01/14 85,000.00				
			12/01/15 89,000.00				
			12/01/16 93,000.00				
			12/01/17 98,000.00				
			523,000.00		77,000.00		446,000.00
					\$ 523,000.00	\$ 77,000.00	\$ 446,000.00

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

Ordinance Number	Description	Ordinance Date	Amount	Balance December 31, 2011		2012 Reappropriation Authorization	Paid or Charged	Balance December 31, 2012	
				Funded	Unfunded			Funded	Unfunded
00-09	Beach Erosion Control Project (County of Monmouth Grant - \$241,769.00)	8/8/2000	\$ 640,000.00	\$ 391,730.81	\$	\$ (45,000.00)	\$	\$ 346,730.81	\$
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	8,501.42			6,528.54	1,972.88	
09-13	Acquisition of a Load and Pack Vehicle	11/10/2009	124,000.00		4,740.90		666.29		4,074.61
10-02	Concession Trailer	2/25/2010	60,600.00		18.25		18.25		2,881.18
11-17	Construction of Golf Course	10/11/2011	400,000.00		388,797.63		717.20		398,080.43
12-09	Beach Rake Acquisition	7/10/2012	45,000.00			45,000.00		2,359.87	
				\$ 402,607.73	\$ 403,556.78	\$	\$ 7,930.28	\$ 353,439.06	\$ 405,036.22

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

BALANCE, DECEMBER 31, 2011 AND
DECEMBER 31, 2012

\$ 10.11

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, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>
09-13	Acquisition of a Load and Pack Vehicle	08/08/11	08/08/11	08/08/12	2.21%	\$ 122,000.00	\$ 122,000.00	\$ 122,000.00	122,000.00
10-02	Concession Trailer	08/08/11	08/08/11	08/08/12	2.21%	60,000.00	60,000.00	60,000.00	60,000.00
						<u>\$ 182,000.00</u>	<u>\$ 182,000.00</u>	<u>\$ 182,000.00</u>	<u>\$ 182,000.00</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>	Balance December 31, 2011	AND	Balance December 31, 2012
09-13	Acquisition of a Load and Pack Vehicle	\$ 2,000.00		\$ 2,000.00
10-02	Concession Trailer	600.00		600.00
11-17	Construction of Miniature Golf Course	<u>400,000.00</u>		<u>400,000.00</u>
		\$ <u>402,600.00</u>		\$ <u>402,600.00</u>

SEWER UTILITY CAPITAL FUND

**BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS**

	Balance December 31, 2011	Receipts		Disbursements Improvement Authorizations	Transfers		Balance December 31, 2012
		Miscellaneous			From	To	
Capital Improvement Fund	\$ 82,251.94	\$	\$	\$	\$	\$	\$
Due to Beach Operating Fund		51,058.09			71,000.00	23,941.91	86,251.94
Due (from) Sewer Operating Fund		13,998.63					13,998.63
Reserve for Encumbrances					23,941.91		(23,941.91)
						65,502.59	65,502.59
<u>Ordinance</u>							
<u>Number</u>							
01-06/07-12	Improvements to the Sanitary Sewer System	18,156.95					18,156.95
06-11/07-15	Sewer Evaluation, Cleaning and Rehabilitation	62,643.94		12,400.75	7,807.34		42,435.85
12-13	Reconstruction of Sewer Pump Station		52,472.57	24,066.44		71,000.00	41,710.88
		<u>\$ 163,052.83</u>	<u>\$ 117,529.29</u>	<u>\$ 36,467.19</u>	<u>\$ 160,444.50</u>	<u>\$ 160,444.50</u>	<u>\$ 244,114.93</u>

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

<u>BALANCE, DECEMBER 31, 2012 AND 2011</u>	<u>\$ 3,219,949.05</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	211,843.05
Sanitary Sewer Pump Station Reahabilitation - 2006	322,469.33
Sewer Evaluation, Cleaning and Rehabilitation	223,186.06
Capital Outlay - 2006 Appropriations	25,542.40
Capital Outlay - 2007 Appropriations Reserves	13,550.62
	<u>\$ 3,219,949.05</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, 2011</u>	<u>2012 Authorizations</u>	<u>Balance December 31, 2012</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		61,813.94
12-13	Reconstruction of Sewer Pump Station	11/28/12	791,000.00		791,000.00	791,000.00
				<u>\$ 80,162.93</u>	<u>\$ 791,000.00</u>	<u>\$ 871,162.93</u>

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

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding		Interest Rate	Balance December 31, 2011	Decreased	Balance December 31, 2012
			Date	Amount				
Sewer Refunding - 2002 Bonds	04/03/06	152,800.00	08/01/12	\$ 23,000.00	5.00%	\$ 23,000.00	\$ 23,000.00	\$
Sewer Refunding - 2000 Bonds	04/15/07	523,081.00	12/01/13	110,000.00	4.00%	414,867.00	90,986.00	323,881.00
			12/01/14	109,043.00	5.00%			
			12/01/15	104,838.00	5.00%			
Sewer Improvements Bonds	12/13/07	584,000.00	12/01/13	78,000.00	5.00%	321,000.00	75,000.00	246,000.00
			12/01/14	82,000.00	5.00%			
			12/01/15	86,000.00	5.00%			
						\$ 758,867.00	\$ 188,986.00	\$ 569,881.00

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

Ordinance Number	Description	Ordinance Date	Amount	Balance December 31, 2011 Funded	2012 Authorizations		Paid or Charged	Balance December 31, 2012	
					Capital Improvement Fund	Bonds and Notes Authorized		Funded	Unfunded
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	\$
06-11/07-15	Sewer Evaluation, Cleaning and Rehabilitation	05/09/06. 10/09/07	285,000.00	62,643.94			20,208.09	42,435.85	
12-13	Reconstruction of Sewer Pump Station	11/28/12	791,000.00		667,527.43		80,996.94	42,475.63	667,527.43
				<u>\$ 80,800.89</u>	<u>\$ 71,000.00</u>	<u>\$ 667,527.43</u>	<u>\$ 101,205.03</u>	<u>\$ 103,068.43</u>	<u>\$ 667,527.43</u>

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

<u>BALANCE, DECEMBER 31, 2012</u>	\$ 82,251.94
<u>INCREASED BY</u>	
2012 Budget Appropriation	<u>75,000.00</u>
	157,251.94
<u>DECREASED BY</u>	
Appropriated to Finance Improvement Authorizations	<u>71,000.00</u>
<u>DECEMBER 31, 2013</u>	\$ <u><u>86,251.94</u></u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>2012 Authorization</u>	<u>Contribution Received</u>	<u>Balance December 31, 2012</u>
12-13	Reconstruction of Sewer Pump Station	\$ 720,000.00	\$ 52,472.57	\$ 667,527.43
		<u>\$ 720,000.00</u>	<u>\$ 52,472.57</u>	<u>\$ 667,527.43</u>

GENERAL FIXED ASSETS

BOROUGH OF BRADLEY BEACH
GENERAL FIXED ASSETS ACCOUNT
COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS
REGULATORY BASIS
AS OF DECEMBER 31, 2012 AND 2011

	<u>December 31,</u>	
	<u>2012</u>	<u>2011</u>
General Fixed Assets:		
Land	\$ 3,708,400.00	\$ 3,708,400.00
Buildings	9,023,362.00	8,944,535.00
Equipment	1,269,915.00	924,876.00
Vehicles	<u>2,106,879.00</u>	<u>1,928,229.00</u>
	<u>\$ 16,108,556.00</u>	<u>\$ 15,506,040.00</u>
Investment in General Fixed Assets	<u>\$ 16,108,556.00</u>	<u>\$ 15,506,040.00</u>
	<u>\$ 16,108,556.00</u>	<u>\$ 15,506,040.00</u>

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)**

Function	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government	\$ 820,667.13	\$ 609,865.64	\$ 575,943.92	\$ 626,143.00	\$ 522,953.76	\$ 511,335.16	\$ 485,738.67	\$ 581,354.69	\$ 476,535.56	\$ 430,850.00
Land Use	20,792.00	19,050.00	15,050.00	26,300.00	23,750.00	22,150.00	23,450.00	18,400.00	17,500.00	11,250.00
Code Enforcement	89,045.62	87,678.00	123,937.00	130,357.00	120,822.00	117,090.00	107,968.00	95,363.00	88,033.00	81,899.50
Insurance	1,112,853.14	987,182.00	929,364.99	876,820.00	841,180.00	850,282.00	827,114.00	808,976.00	840,534.00	694,657.00
Public Safety	2,361,289.38	2,335,279.51	2,386,501.50	2,236,717.09	2,258,796.36	2,126,430.41	2,112,182.00	2,072,849.04	1,921,895.00	1,805,714.50
Public Works	2,012,070.34	962,089.00	852,082.76	939,529.91	895,292.00	958,277.00	916,209.00	860,717.46	802,510.00	753,434.63
Health and Human Services	24,760.00	24,292.00	23,612.00	24,235.00	19,515.00	16,340.00	13,573.00	41,092.00	40,785.10	39,129.00
Parks and Recreation	131,400.00	119,780.00	108,885.00	120,115.00	113,100.00	111,100.00	103,885.00	95,185.00	88,885.00	85,635.00
Library	379,753.32	387,890.88	392,692.74	386,693.22	379,425.00	349,268.30	293,587.00	235,866.40	191,998.63	156,361.52
Utility Expenses and Bulk Purchases	337,100.00	338,130.00	295,100.00	333,100.00	342,050.00	256,100.00	236,100.00	230,100.00	186,700.00	173,700.00
Deferred Charges and Statutory Expenditures	679,163.52	707,312.70	566,171.73	579,476.75	576,220.47	422,892.85	341,844.00	287,007.02	165,412.24	120,775.48
State and Federal Grants	88,180.72	55,503.68	50,652.64	49,103.35	54,992.39	22,894.02	15,129.61	20,417.58	22,940.09	20,885.80
Capital Improvements	73,065.76	92,500.00	22,165.20	50,000.00	50,000.00	20,000.00	107,500.00	73,000.00	60,000.00	30,000.00
Debt Service	1,113,993.81	1,042,034.98	1,077,292.28	1,037,091.62	915,224.62	854,748.00	686,883.00	627,047.00	626,900.30	594,802.50
Reserve for Uncollected Taxes	305,242.79	286,003.15	279,000.66	336,895.60	332,037.64	316,869.18	292,704.42	275,893.57	280,841.55	252,089.25
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
	\$ 9,553,077.53	\$ 8,038,291.54	\$ 7,700,150.43	\$ 7,758,277.54	\$ 7,449,061.24	\$ 6,959,476.92	\$ 6,547,165.70	\$ 6,296,988.76	\$ 5,795,170.47	\$ 5,255,084.18

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)**

Function	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Operating	\$ 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	\$ 1,062,072.00	\$ 1,041,964.00	\$ 1,039,727.00
Capital Improvements	105,000.00	40,000.00	6,000.00	25,000.00	25,000.00	45,000.00	60,000.00	40,000.00	30,000.00	10,000.00
Debt Service	224,921.00	230,465.81	232,798.00	221,892.50	224,210.00	168,175.00	144,195.00	188,330.00	141,850.00	134,000.00
Deferred Charges and Statutory Expenditures	79,065.00	66,201.26	66,457.00	56,560.00	49,313.00	38,718.00	33,701.00	22,200.00	15,500.00	15,000.00
Other						203.84				
	<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>	<u>\$ 1,229,314.00</u>	<u>\$ 1,198,727.00</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)**

Function	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Operating	\$ 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	\$ 819,146.00	791,925.00
Capital Improvements	56,000.00	82,500.00	11,490.00	19,000.00	16,300.00	18,563.00	32,000.00	5,000.00	5,000.00	13,000.00
Debt Service	108,055.00	102,800.00	193,260.00	194,818.00	195,787.00	148,851.00	117,416.00	116,327.00	107,739.00	107,157.00
Deferred Charges and Statutory Expenditures	76,565.36	75,500.00	64,978.00	66,978.00	63,400.00	54,200.00	46,000.00	38,000.00	41,000.00	38,000.00
Other					22.00	714.00		123.56		4,106.49
	<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>	<u>\$ 972,885.00</u>	<u>\$ 954,188.49</u>

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

Source	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Surplus Anticipated	\$ 421,312.00	\$ 465,000.00	\$ 400,000.00	\$ 636,000.00	\$ 725,000.00	\$ 626,000.00	\$ 380,000.00	\$ 380,000.00	\$ 465,000.00	\$ 379,000.00
Taxes (1)	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	3,771,402.79	3,731,785.01
Delinquent Taxes	194,965.92	207,038.76	160,898.53	132,383.83	137,198.86	200,769.40	109,748.86	136,720.49	143,352.18	143,393.42
Miscellaneous	974,922.56	901,609.87	773,518.23	805,486.53	961,869.57	1,042,053.03	958,823.71	1,075,036.27	1,070,467.31	683,881.29
State Aid	355,290.00	355,290.00	355,119.02	455,208.00	495,500.00	532,298.00	547,208.00	547,208.00	547,226.00	507,618.54
State and Federal Grants	75,920.62	48,243.68	44,392.94	40,384.04	51,492.39	22,894.02	10,629.61	20,417.58	22,940.09	18,895.80
Non-budget Revenues and Other Items	97,183.41	113,105.60	38,729.49	21,617.03	26,850.35	264,114.44	311,809.65	162,510.81	179,317.79	199,581.97
	<u>\$ 8,676,242.78</u>	<u>\$ 8,309,659.87</u>	<u>\$ 7,866,025.28</u>	<u>\$ 7,881,419.12</u>	<u>\$ 7,858,908.96</u>	<u>\$ 7,646,304.13</u>	<u>\$ 6,978,538.20</u>	<u>\$ 6,581,622.06</u>	<u>\$ 6,199,706.16</u>	<u>\$ 5,664,156.03</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

<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>
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		1.063	2.483	99.00%	0.96%
2004	0.819	0.439	0.027		1.045	2.330	98.66%	1.26%
2003	0.826	0.398	0.026		1.101	2.351	98.44%	1.40%

Source: Tax Collector.

* Revaluation Effective for 2002 and 2006.

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

<u>Year Ended</u> <u>December 31,</u>	<u>Total</u> <u>Tax Levy</u>	<u>Current Tax</u> <u>Collections</u>	<u>Percentage</u> <u>of Collections</u>
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%
2004	10,326,816.19	10,188,421.43	98.66%
2003	10,348,321.40	10,187,175.70	98.44%

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

<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>
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%
2004	234.60	130,140.72	130,375.32	1.40%
2003	222.95	144,399.92	144,622.87	1.53%

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

<u>Year Ended December 31,</u>	<u>Aggregate Assessed Valuations of Real Property</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
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%
2004	440,392,700	707,344,523	62.26%
2003	437,905,000	575,584,911	76.08%

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

* Revaluation Effective for and 2006.

BOROUGH OF BRADLEY BEACH
SCHEDULE OF TEN LARGEST TAXPAYERS
FOR 2012

<u>Taxpayer</u>	<u>Assessed Value - 2012</u>	<u>As a Percent of Net Assessed Valuation Taxable</u>
Bardis, Spyros and Angela	\$ 3,725,700	0.329
Mariner 5 Associates, LLC	3,300,000	0.291
Simonsen, Richard and Francine	3,213,100	0.284
Sitt, Eddit & Anita	2,855,000	0.252
Rega Bradley Beach, LLC	2,800,000	0.247
G & D Properties, LLC	2,765,400	0.244
Ocean Beach Apartments, LLC	2,625,000	0.232
Terrace Lake Apartments, LLC	2,604,600	0.23
Patruno, Lisa	2,600,900	0.23
Point Properties 2003, LLC	<u>2,600,000</u>	<u>0.229</u>
	<u>\$ 29,089,700</u>	<u>2.568</u>

Source: Municipal Tax Collector.

BOROUGH OF BRADLEY BEACH
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

Average Equalized Valuation Basis	\$ <u>1,143,262,545.33</u>
Borrowing Margin - 3½% of Average Equalized Valuation	\$ 40,014,189.09
Net Debt	<u>7,129,565.06</u>
Remaining Borrowing Power	\$ <u>32,884,624.03</u>

<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
\$ <u>9,717,907.46</u>	\$ <u>2,588,342.40</u>	\$ 7,129,565.06

Overlapping Debt Apportioned to the Municipality: County of Monmouth (1)	<u>Net Debt</u>	<u>Overlapping Percentage</u>	
	\$ 459,980,959.81	1.09286%	<u>5,026,958.60</u>
			\$ <u>12,156,523.66</u>

Source: (1) County of Monmouth

**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**

<u>Year Ended December 31,</u>	<u>Borough Population (1)</u>	<u>Equalized Valuation (2)</u>	<u>Net Debt (3)</u>	<u>Ratio of Net Debt to Equalized Valuation</u>	<u>Net Debt Per Capita</u>
2012	4,298	\$ 1,128,256,535.93	\$ 7,129,565.06	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
2003	4,793	575,584,911.00	7,513,966.13	1.31%	1,567.70

(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

<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>
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%
2004	343,660.33	258,059.41	601,719.74	5,795,170.47	10.38%
2003	331,201.88	253,694.38	584,896.26	5,255,094.18	11.13%

(1) Excludes Sewer and Beach Utilities and Special Assessment Debt.

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

Cash Receipts from Fees, Rents or Other Charges		\$ 1,810,920.77
Deductions:		
Operating and Maintenance Cost	\$ 1,875,648.79	
Debt Service	<u>223,886.00</u>	
Total Deductions		<u>2,099,534.79</u>
Deficit in Revenues		<u>\$ 288,614.02</u>

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

Cash Receipts from Fees, Rents or Other Charges		\$ 1,782,437.35
Deductions:		
Operating and Maintenance Cost	\$ 1,427,789.00	
Debt Service	<u>107,055.00</u>	
Total Deductions		<u>1,534,844.00</u>
Excess in Revenue		<u>\$ 247,593.35</u>

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 (1)</u>	<u>Per Capita</u> <u>Income (1)</u>
2012	4,298	N/A	\$ N/A
2011	4,298	12.2%	34,802
2010	4,298	12.1%	31,307
2009	4,793	11.7%	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
2004	4,793	6.3%	25,438
2003	4,793	7.5%	25,438

(1) Monmouth County Planning Board (Census).

BOROUGH OF BRADLEY BEACH
MISCELLANEOUS STATISTICS
DECEMBER 31, 2012

Date of Incorporation	March 1893
Form of Government	Small Municipality
Area	0.70 square miles
Employees:	
Administrative	7
Police	16
Public Works	10
Other - Part-time and Seasonal	<u>48</u>
Total Employees	<u>81</u>

Source: Borough Records.

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

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

To the Honorable Mayor and Members of the Borough Council:

We have audited, 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 audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Borough of Bradley Beach, County of Monmouth, State of New Jersey (the "Borough"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Borough's financial statements, and have issued our report dated April 1, 2013.

As described in Note 1, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive regulatory basis of accounting other than accounting principles generally accepted in the United States of America.

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 an opinion on the effectiveness of the Borough's internal control.

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

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

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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 of 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*.

However, we noted certain matters that we reported to management in the Comments and Recommendations section of this report.

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



David A. Kaplan
Certified Public Accountant
Registered Municipal Accountant #433

DAK CPA
DAK CPA Certified Public Accountants

Long Branch, New Jersey
April 1, 2013

AUDITOR'S COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS
DECEMBER 31, 2012

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

Effective January 1, 2011 the bid threshold in accordance with N.J.S.A. 40-A:11-2 was decreased to \$17,500.00. The Municipality did not have a Qualified Purchasing Agent "QPA" during 2012 but did engage a QPA in 2013.

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.

The minutes indicate that bids were requested by public advertising for the following items:

Emergency Medical Vehicle
Improvements to Fletcher Lake

Solid Waste and Recyclable Materials

In addition, the following items were purchased under State Contract.

Panasonic Computer and Mobile License
Plate Reader

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.

Other than noted below, our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500.00 "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.

Purchases of goods and services were made without regard to public bidding pursuant to N.J.S.A. 40A:11-6 in response to the declared state of emergency caused by Hurricane Sandy.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2012

Collection of Interest on Delinquent Taxes, Sewer Charges and Assessments

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.
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.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2012

Collection of Interest on Delinquent Taxes, Sewer Charges and Assessments (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.

It appears, from an examination of the Tax and Sewer Collector's records, that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The detail of all unpaid taxes for 2012 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, 2012, 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 19, 2012, 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 (2010-2012) 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, 2012 have been in existence for greater than three years. Lien balances are immaterial, however.

Delinquent Sewer Rents

The detail of all unpaid Sewer rents for 2012 and Sewer liens is being properly carried in the Sewer Collector's records. An abstract taken from these records as of December 31, 2012, 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, a minor overall discrepancy was noted. The miniature golf course revenues were reviewed. Ticket stubs were retained and audited.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2012

Beach Utility Revenue-Continued

Finding:

Condition: Our examination found a cash deposit that went undeposited for bathing badges. We also noted that the used and unused beach badges are not being verified when they are returned to Borough Hall.

Cause: The process for deposit verification at the end of the day along with unused beach badge return verification procedures were incomplete.

Criteria: Internal Controls and NJSA 40A:5-15.

Client Response: Management is changing the process in which the beach deposits and badge return verification is done.

Recommendation: It is recommended that all deposits be deposited within 48 hours and that the process in which beach deposits and unused beach badges are verified at the end of each day be reviewed.

Cash and Cash Equivalents

The cash balances in all funds were verified by independent certifications obtained for the depositories as at December 31, 2012. Supplemental bank reconciliations were reviewed as of February 28, 2013.

Cash counts were made at various dates in all departments of the Borough and bank balances were independently reconciled to the books and records.

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 checked to the records maintained to the extent deemed necessary. Minor exceptions were noted.

Expenditures

The vouchers for all funds were examined to the extent deemed necessary to determine that they carried the properly executed certifications as required by statute. Our examination of expenditures revealed minor deficiencies such as invoices dated before purchase orders, however, for the most part, compliance with procedures and requirements have been adhered to. These matters have been discussed with the responsible individuals.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2012

Payroll

An examination was made of the employees' compensation records for the year 2012 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 (SAS#70/88) 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 appropriation.

Finding:

Condition: Our examination revealed that the imputed income for group term life insurance was not calculated for any employees for the year.

Cause: Management oversight.

Criteria: IRS Regulations.

Client Response: Management has contacted their payroll processor and advised them to activate group term life insurance imputed income.

Recommendation: It is recommended that the imputed income for the group term life insurance calculation be done for all employees.

Finding:

Condition: Our examination revealed that the payroll time keeping process for the Public Works Department is inadequate. In many instances time cards are not being punched and were not signed by a supervisor for approval. Also, the method in which the time is being transmitted to the payroll department is inefficient.

Cause: Human error and an antiquated system.

Criteria: Internal Controls

Client Response: Management is looking into upgrading the payroll system.

Recommendation: It is recommended that the Borough's payroll time keeping process be updated to a computerized time keeping system that utilizes a hand scanning system or swipe cards at various locations.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2012

Miscellaneous Comments

The confirmation received from the Local School District Board of Education verified the current school taxes payable at December 31, 2012.

Construction Code Official

The Borough appears to be 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 was prepared and filed and is available for inspection at the Borough Municipal Building.

Library

The Borough provides, annually, budget appropriations for the "Maintenance of the Free Public Library", Salaries and Wages and Other Expenses. Prior to 2012 the Borough paid claims on behalf of the Library only when approved by the Library Board of Trustees and in accordance with the local payment of claims ordinance. During 2012, this procedure changed by mutual agreement of the Borough and Library Board. The library now receives their appropriation from the Borough on a quarterly basis.

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 appear to be 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 2012 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, the Chief Financial Officer and the specific grant coordinators.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2012

Miscellaneous Comments-Continued

Improvement Authorizations

Beach Utility Capital Ordinance #11-17 has a cash deficit of \$1,919.57. We have been advised that the Borough will provide adequate funding for this Ordinance through the capital outlay appropriation and that the ordinance will be cancelled by resolution after funding. Accordingly, no recommendation is warranted.

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 requirements, has been held with appropriate Borough Officials and employees.

Summary Status of Prior Year's Audit Recommendations

There were four audit recommendations cited in the 2011 audit. The governing body approved a corrective action plan. All four have been corrected.

Appreciation

I desire to express my 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, 2012

It is recommended:

2012-1. That all funds be deposited within 48 hours and that the process in which beach deposits and unused beach badges are verified at the end of each day be reviewed.

2012-2. That the imputed income for the group term life insurance calculation be done for all employees.

2012-3. That the Borough's payroll time keeping process be updated to a computerized time keeping system that utilizes a hand scanning system or swipe cards at various locations.

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

Very truly yours,



David A. Kaplan
Certified Public Accountant
Registered Municipal Accountant #433

For The Firm
DAK CPA Certified Public Accountants